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**G-PROP (HOLDINGS) LIMITED**  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 286)

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**



The Company has after the trading hours on 3rd June, 2009 entered into the Placing Agreement with the Placing Agent to procure subscribers, on a fully underwritten basis, to subscribe for 400,000,000 new Shares at a price of HK\$0.373 per Share. The Placing Shares represent approximately 19.72% of the Company's existing issued share capital and approximately 16.47% of its issued share capital as enlarged by the Placing.

The Placing Price represents (i) a discount of approximately 18.02% to the closing price of the Shares of HK\$0.455 quoted on the Stock Exchange on 3rd June, 2009, being the date of the Placing Agreement; (ii) a discount of approximately 18.38% to the average closing price of the Shares of HK\$0.457 quoted on the Stock Exchange for the five consecutive trading days immediately prior to 3rd June, 2009; and (iii) a discount of approximately 14.45% to the average closing price of the Shares of HK\$0.436 quoted on the Stock Exchange for the ten consecutive trading days immediately prior to 3rd June, 2009.

The gross proceeds from the Placing will be approximately HK\$149.2 million and the net proceeds from the Placing will be approximately HK\$145.4 million, among which approximately HK\$64 million will be make available for the Revolving Facility provided to Fancy Mark if no suitable investment opportunity. The remaining amount of approximately HK\$81.4 million will be used as general working capital of the Group.

The Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

**PLACING AGREEMENT DATED 3RD JUNE, 2009**

*Issuer:*

G-Prop (Holdings) Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Stock Exchange.

*Placing Agent and Placees:*

Get Nice Securities Limited is the Placing Agent, who and whose ultimate beneficial owners are not connected persons of the Company and are independent third parties not connected with the directors, chief executive or substantial shareholder of the Company or any of its subsidiaries or associates of any of them.

The Placing Shares will be placed to not less than six Placees, being individuals, institutional or other professional investors, and who and whose ultimate beneficial owners will not be connected persons of the Company and will be independent third parties not connected with the directors, chief executive or substantial shareholder of the Company or any of its subsidiaries or associates of any of them. It is expected that none of the Placees will become substantial shareholder of the Company immediately after the Placing.

*Number of Placing Shares:*

400,000,000 new Shares representing approximately 19.72% of the Company's existing issued share capital and approximately 16.47% of its issued share capital as enlarged by the Placing.

*Placing Price:*

The Placing Price of HK\$0.373 per Share (the net placing price of the Placing of approximately HK\$0.364 per Share) was agreed after the trading hours on 3rd June, 2009 after arm's length negotiations between the Company and the Placing Agent. Such price represents (i) a discount of approximately 18.02% to the closing price of the Shares of HK\$0.455 quoted on the Stock Exchange on 3rd June, 2009, being the date of the Placing Agreement; (ii) a discount of approximately 18.38% to the average closing price of the Shares of HK\$0.457 quoted on the Stock Exchange for the five consecutive trading days immediately prior to 3rd June, 2009; and (iii) a discount of approximately 14.45% to the average closing price of the Shares of HK\$0.436 quoted on the Stock Exchange for the ten consecutive trading days immediately prior to 3rd June, 2009.

The Directors consider that the Placing Price and underwriting commission are fair and reasonable and in the interest of the Company and its shareholders as a whole. The gross proceeds from the Placing Shares will be approximately HK\$149.2 million.

*Underwriting commission payable to the Placing Agent:*

The Placing is fully underwritten by the Placing Agent with underwriting commission calculated as 2.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares. The net proceeds from the Placing, after deducting the underwriting commission and other expenses, will be approximately HK\$145.4 million.

*General Mandate:*

The Placing Shares will be allotted and issued pursuant to the general mandate granted to the Directors at the Company's annual general meeting held on 27th May, 2009. As at the date of this announcement, no Shares have been issued and allotted pursuant to such general mandate. The Placing will utilize approximately 98.61% of the Shares to be issued and allotted pursuant to this general mandate. The issue of Placing Shares is not subject to an approval of the Shareholders.

*Ranking of Placing Shares:*

The Placing Shares will rank pari passu in all respects among themselves and with the existing issued Shares.

*Disposal and lock-up restriction:*

The Placing Shares are not subject any lock-up or other disposal restriction.

### *Condition of the Placing:*

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares and if required, the Bermuda Monetary Authority granting the listing of, and permission to deal in, all the Placing Shares.

The condition must be fulfilled on or before 31st July, 2009 (or such later date as may be agreed between the Company and the Placing Agent), failing which the Placing shall cease and terminate. Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Placing Shares.

### *Completion Date:*

The Placing shall complete not later than the second Business Day after the fulfillment of the condition of the Placing (or such other date as may be agreed between the Company and the Placing Agent).

## **PURPOSES OF PLACING AND USE OF PROCEEDS**

The Company is an investment holding company and the principal activities of its subsidiaries are property investment, investment and finance.

The gross proceeds from the Placing will be approximately HK\$149.2 million and the net proceeds from the Placing will be approximately HK\$145.4 million, among which approximately HK\$64 million will be made available for the Revolving Facility granted to Fancy Mark on 4th November, 2008 if no suitable investment opportunity. The remaining amount of approximately HK\$81.4 million will be used as general working capital of the Group. The reason for the Placing is to raise additional funds for future development of the Group and strengthen the Group's financial position.

The Directors expect that the Placing will enhance the capital base of the Company, thereby broadening the Company's shareholders base.

## **FUND RAISING DURING THE PAST 12 MONTHS**

The Company had not conducted any fund raising exercise during the past twelve months.

## **SHAREHOLDING STRUCTURE**

	<b>As at the date of this announcement</b>		<b>Immediately after completion of the Placing</b>	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Mass Rise Limited ( <i>Note 1</i> )	740,521,829		740,521,829	
Great Empire International Ltd. ( <i>Note 1</i> )	37,162,165		37,162,165	
High Victory Limited ( <i>Note 1</i> )	113,818,911		113,818,911	
Luckpoint Investment Limited ( <i>Note 1</i> )	76,877,685		76,877,685	
Million Point Limited ( <i>Note 1</i> )	50,000,000		50,000,000	
Asian Kingdom Limited ( <i>Note 2</i> )	<u>493,678,883</u>		<u>493,678,883</u>	
Sub-total	1,512,059,473	74.54	1,512,059,473	62.26

Public shareholders:

Placees	-	-	400,000,000	16.47
Other Shareholders	<u>516,195,535</u>	<u>25.46</u>	<u>516,195,535</u>	<u>21.27</u>
<b>Total</b>	<b><u>2,028,255,008</u></b>	<b><u>100.00</u></b>	<b><u>2,428,255,008</u></b>	<b><u>100.00</u></b>

Notes:

1. Indirect wholly-owned subsidiaries of Chinese Estates
2. Wholly-owned by Mr. Joseph Lau, Luen-hung, a director and controlling shareholder of Chinese Estates, which in turn is the controlling shareholder of the Company. “Controlling shareholder” has the meaning ascribed to it under the Listing Rules

## DEFINITIONS

In the announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“associate(s)”	has the meaning ascribed in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday) on which banks generally open for business in Hong Kong
“Chinese Estates”	Chinese Estates Holdings Limited, the holding company of the Company with its securities listed in the Stock Exchange
“Completion Date”	not later than the second Business Day after the fulfillment of the condition of the Placing (or such other date as may be agreed between the Company and the Placing Agent)
“Company”	G-Prop (Holdings) Limited
“Director(s)”	the director(s) of the Company
“Fancy Mark”	Fancy Mark Limited, an indirect wholly-owned subsidiary of Chinese Estates
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any individual(s), institutional or other professional investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Get Nice Securities Limited, a deemed licensed corporation within the meaning of the SFO

“Placing Agreement”	a conditional placing agreement entered into between the Company and the Placing Agent in relation to the Placing on 3rd June, 2009
“Placing Price”	HK\$0.373 per Placing Share
“Placing Shares”	400,000,000 new Shares to be placed under the Placing
“Revolving Facility”	the three-year revolving facility of up to HK\$200 million made available on 4th November, 2008 to Fancy Mark by the Company, with Chinese Estates as guarantor, which constituted a continuing connected transaction under the Listing Rules and was approved by the independent shareholders of the Company at an extraordinary general meeting held on 12th December, 2008
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars
“%”	per cent.

By Order of the Board  
**Lam, Kwong-wai**  
*Company Secretary*

Hong Kong, 3rd June, 2009

*As at the date of this announcement, the Board comprised Mr. Kong, Chi-ming and Mr. Leung, Wing-pong as Executive Directors and Dr. David Chain, Chi-woo, Mr. Lam, Yat-fai and Mr. Leung, Yun-fai as Independent Non-executive Directors.*

*Website: <http://www.g-prop.com.hk>*