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G·PROP
(HOLDINGS) LIMITED

G-PROP (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 286)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

On 4th January, 2007, Boria, an indirect wholly owned subsidiary of the Company, entered into a preliminary sale and purchase agreement as vendor with the Purchaser, being an independent third party, as purchaser whereby Boria agreed to sell and the Purchaser agreed to purchase the Property at the consideration of HK\$5.18 million.

The Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing further details on the Agreement will be despatched to the Shareholders as soon as practicable.

THE AGREEMENT

On 4th January, 2007, Boria, an indirect wholly owned subsidiary of the Company, entered into the Agreement (which is legally binding) as vendor with the Purchaser, being an independent third party, as purchaser whereby Boria agreed to sell and the Purchaser agreed to purchase the Property. The principal terms of the Agreement are set out below:

Date:	4th January, 2007
Vendor:	Boria
Purchaser:	Hang Cheong Luggage Co. Ltd and its principal business activities are storage and wholesales of traveling consumable goods.
Property:	11th Floor, Chung Kiu Godown Building, Nos. 63-71 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.
Consideration:	HK\$5.18 million

- Terms of payment:**
- (a) HK\$259,000 was paid by the Purchaser to Boria as initial deposit upon execution of the Agreement
 - (b) HK\$777,000 will be payable by the Purchaser to Boria as further deposit on or before twenty-one (21) days from the date of the Agreement
 - (c) HK\$4,144,000 being balance of the purchase price will be payable by the Purchaser to Boria the Completion Date
- Completion Date:** Completion of the sale and purchase shall take place within six (6) months after the date of signing of the formal sale and purchase agreement in respect of the Property.

The Property is for non-residential use and is sold subject to an existing tenancy.

The parties shall enter into a formal sale and purchase agreement on or before 25th January, 2007 and the completion of the sale and purchase of the Property is expected to be taken place on or before 25th July, 2007.

The terms of the Agreement were arrived at after arm's length negotiations between the parties. The consideration is determined by reference to recent property sale transaction of similar type and location. The Directors (including the independent non-executive Directors) consider that the terms of the Agreement are on normal commercial terms and are fair and reasonable to the Company and in the interests of the Shareholders and the Company as a whole.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Taking into account the recent prevailing good condition of the economy and property market of Hong Kong, the Board is of the opinion that the Disposal represents a good opportunity to dispose of the Property.

The book value of the Property in the Group's audited consolidated accounts for the year ended 31st December, 2005 and in the Group's unaudited consolidated accounts for the six months ended 30th June, 2006 were approximately HK\$4.12 million and HK\$4.42 million respectively. The Property is held by Boria as investment property for rental purpose.

According to the tenancy agreement entered into between Boria and the tenant of the Property, the rental received by Boria from the Property was approximately HK\$0.22 million and HK\$0.20 million for the two years ended 31st December, 2004 and 31st December, 2005 respectively and accounted for approximately 2.35% and 4.26% of the Group's turnover for the year ended 31st December, 2004 and the year ended 31st December, 2005 respectively.

The net loss attributable to the property before and after taxation and extraordinary items were approximately HK\$0.20 million and HK\$0.16 million respectively for the year ended 31st December, 2004. The net profit attributable to the property before and after taxation and extraordinary items were approximately HK\$0.98 million and HK\$0.79 million respectively for the year ended 31st December, 2005.

Based on the book value of the Property as at 30th June, 2006 the net gain from the Disposal (after deducting relevant expenses) is approximately HK\$0.70 million and the Company intends to use the net proceeds for general working capital purpose and to fund any potential business opportunities available to the Group in future. The Directors have not yet determined the proportions of the net proceeds to be used for these purposes. Pending the use for these purposes, the Directors intend to place the proceeds from the Disposal on bank deposit.

INFORMATION OF THE GROUP

The Group is principally engaged in property investment and property leasing in Hong Kong.

To the best of the information, knowledge and belief of the Directors having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are independent third parties of the Company and connected person of the Company, and are not connected with the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules). The Purchaser and its ultimate beneficial owner(s) have also confirmed to Boria that they do not hold or have any interest in the Company.

GENERAL

As the percentage ratios of the Agreement exceeds 5% and below 25%, the Agreement constitutes a discloseable transaction pursuant to Chapter 14 of the Listing Rules. A circular containing the particulars relating to the Disposal as required by the Listing Rules will be sent to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“Agreement”	the preliminary sale and purchase agreement between Boria as vendor and the Purchaser as purchaser in respect of the Property dated 4th January, 2007;
“Board” or “Director(s)”	the board of directors of the Company;
“Boria”	Boria Enterprises Limited, a company incorporated in Hong Kong and an indirect wholly owned subsidiary of the Company;
“Company”	G-Prop (Holdings) Limited, a company incorporated in Bermuda whose shares are listed on The Stock Exchange of Hong Kong Limited;

“Completion Date”	the date on which the sale and purchase of the Property under the Agreement shall take place, being a date within six (6) months after the date of signing of the formal sale and purchase agreement in respect of the Property;
“Disposal”	the disposal of the Property by Boria pursuant to the Agreement;
“Group”	the Company and its subsidiaries;
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Property”	11th Floor, Chung Kiu Godown Building, Nos. 63-71 Lei Muk Road, Kwai Chung, New Territories, Hong Kong with gross floor area of 12,561 square feet;
“Purchaser”	Hang Cheong Luggage Co Ltd, an independent third party who is not connected with the Company;
“Shareholders”	shareholders of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

By Order of the Board
G-Prop (Holdings) Limited
Halina Hung, Shi-wei
Chairman

Hong Kong, 8th January, 2007

As at the date of this announcement, the Board of the Company comprises Ms. Halina Hung, Shi-wei, Mr. Leung, Wing-pong and Mr. Kong, Chi-ming as Executive Directors and Mr. Leung, Yun-fai, Mr. Lam, Yat-fai and Dr. David Chain, Chi-woo as Independent Non-executive Directors.

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

Please also refer to the published version of this announcement in The Standard.