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G-PROP (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 286)

SUPPLEMENTAL ANNOUNCEMENT

MAJOR TRANSACTION, FINANCIAL ASSISTANCE AND CONTINUING CONNECTED TRANSACTION

Reference is made to the announcement of G-Prop (Holdings) Limited (the “**Company**”) dated 28 September 2012 (the “**Announcement**”) concerning the Facility Agreement in relation to a three-year facility of up to HK\$220 million entered between the Company (as lender), Champion Dynasty (as borrower), Mr. Cheung (as individual guarantor) and GD 奧理德 (as corporate guarantor). Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise defined herein.

(I) FURTHER INFORMATION ON EXPECTED CAP AMOUNTS

The following table sets out the expected cap amounts as disclosed in the Announcement and the maximum principal loan outstanding and maximum interest amount for each of the following periods:

	From 1 November 2012 to 31 December 2012	For the year ending 31 December 2013	For the year ending 31 December 2014	From 1 January 2015 to 31 October 2015
Maximum principal loan outstanding	HK\$220 million	HK\$220 million	HK\$220 million	HK\$220 million
Maximum interest amount	HK\$3 million	HK\$18 million	HK\$18 million	HK\$15 million
Expected cap amounts	HK\$223 million	HK\$238 million	HK\$238 million	HK\$235 million

Pursuant to the Facility Agreement, it is agreed that Champion Dynasty shall pay interest on the aggregate principal amount outstanding from time to time at the interest rate disclosed in the Announcement and such interest shall be paid to the Company on the last day of each interest period which means one month.

(II) FURTHER INFORMATION ON LISTING RULE IMPLICATIONS

In addition to the information disclosed in the section headed “Listing Rules Implications” of the Announcement, as the Transaction does not involve disposal or acquisition of assets, even the applicable ratios are more than 100%, the Transaction shall only be regarded as a major transaction instead of a very substantial acquisition or very substantial disposal pursuant to Chapter 14 of the Listing Rules. Therefore, the Transaction is also subject to the reporting, announcement and shareholder’s approval requirements under Chapter 14 of the Listing Rules. In these circumstances, based on the Listing Rules implications mentioned in the Announcement and in this supplemental announcement, the Transaction shall be subject to reporting, announcement, independent shareholders’ approval requirements and annual review requirements pursuant to Chapter 14 and Chapter 14A of the Listing Rules.

So far as the Company is aware, the Company wishes to inform the shareholders of the Company that GD 奧理德 is the independent third party to the Company and is the sales agent of Mr. Cheung for a certain products.

(III) GENERAL INFORMATION

As of the date of this supplemental announcement, the Company has cash balance of approximately HK\$168.6 million. Subject to the fulfillment or waiver of the conditions precedent as disclosed in the Announcement, the Company will make the facility available to Champion Dynasty under the Facility Agreement by using the cash balance available to the Company.

As of the date of this supplemental announcement, the Company has loan receivable of approximately HK\$140 million from Fancy Mark Limited (“**Fancy Mark**”). Pursuant to the loan agreement dated 22 September 2011 entered into between the Company (as lender), Fancy Mark (as borrower) and Chinese Estates Holdings Limited (as guarantor) (details of which were disclosed in the announcement of the Company dated 22 September 2011), the Company has the right to demand Fancy Mark to repay the remaining balance (whether partially or fully) of approximately HK\$140 million by giving one month prior written notice to Fancy Mark (or shorter notice period if agreed by both parties). For the purpose of providing the facility to Champion Dynasty, the Company will assess whether they are required to demand the said loan repayment (whether partially and fully) from Fancy Mark by serving written notice to Fancy Mark if it is appropriate. In this connection, the Company is of the view that the Transaction will not materially affect the cash flow of the Company because the Company has the right to make the final decision as to approving the drawdown to Champion Dynasty according to the terms of the Facility Agreement.

The Company wishes to inform the shareholders of the Company that the principal activities of Champion Dynasty are investment holding and general trading and Champion Dynasty did not enter into any facility arrangement with the Company.

At present stage, the Company is unable to ascertain whether the circular for the Transaction can be despatched within 15 business days after the publication of the Announcement. We shall make further announcement when the Company can ascertain the date for despatch of the circular for the Transaction as soon as practicable.

By order of the board of
G-Prop (Holdings) Limited
Wong Yuet Ying
Company Secretary

Hong Kong, 8 October 2012

As at the date of this announcement, the executive Directors are Mr. Cheung, Wai-kuen and Mr. Cheng, Hau-yan; the non-executive Director is Mr. Lam, Kwong-wai; and the independent non-executive Directors are Dr. David Chain, Chi-woo, Mr. Lam, Yat-fai, and Mr. Leung, Yun-fai.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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