



## **G-PROP (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

### **FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007**

#### **FINANCIAL HIGHLIGHTS**

Turnover was HK\$2.812 million, a decrease of 19.9%

Profit before tax was HK\$13.859 million, an increase of 151.5%

Net profit attributable to the Group improved to HK\$15.193 million, an increase of 215.3%

Basic earnings per share was HK1.5 cents

Diluted earnings per share was HK1.4 cents

The Board of Directors (the “**Board**”) of G-Prop (Holdings) Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the financial year ended 31 December 2007 (the “**Year**”) pursuant to paragraph 45 of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”). The Group’s consolidated income statement for the Year and consolidated balance sheet as at 31 December 2007, all of which have been reviewed by the Audit Committee, together with the comparative figures for the corresponding year ended 31 December 2006 as follows:

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2007

	<i>Notes</i>	<b>2007</b> <b>HK\$'000</b>	2006 HK\$'000
Turnover	3	<b>2,812</b>	3,512
Direct costs		<u><b>(314)</b></u>	<u>(1,689)</u>
Gross profit		<b>2,498</b>	1,823
Other operating income	5	<b>5,584</b>	2,409
Administrative expenses		<b>(4,979)</b>	(3,293)
Finance cost	6	<b>(2,169)</b>	–
Gain/(loss) on disposal of investment properties		<b>580</b>	(746)
Gain on disposal of an intangible asset		<b>11,865</b>	–
Impairment loss on goodwill		<b>(1,470)</b>	–
Fair value changes on investment properties		<u><b>1,950</b></u>	<u>5,318</u>
Profit before tax	7	<b>13,859</b>	5,511
Income tax credit/(expense)	8	<u><b>1,334</b></u>	<u>(692)</u>
<b>Profit for the year</b>		<u><b>15,193</b></u>	<u>4,819</u>
<b>Dividends</b>	9	<u><b>–</b></u>	<u>7,941</u>
<b>Earnings per share</b>	10		
Basic (HK cents per share)		<u><b>1.5</b></u>	<u>0.6</u>
Diluted (HK cents per share)		<u><b>1.4</b></u>	<u>0.6</u>

# CONSOLIDATED BALANCE SHEET

At 31 December 2007

	<i>Notes</i>	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
<b>Non-current assets</b>			
Investment properties		31,000	35,600
Intangible asset		–	–
Goodwill		10,459	–
Property, plant and equipment		4,250	–
Prepaid lease payments		60,397	–
Interests in associates		–	–
Interests in jointly controlled entities		–	–
Available-for-sale financial assets		–	220
		<u>106,106</u>	<u>35,820</u>
<b>Current assets</b>			
Trade and other receivables	11	438	312
Deposits and prepayments		70,424	281
Short-term loans receivable		–	–
Prepaid lease payments		1,253	–
Tax prepaid		106	–
Time deposits, bank balances and cash		354,015	88,062
		<u>426,236</u>	<u>88,655</u>
Assets classified as held for sale		–	9,338
		<u>426,236</u>	<u>97,993</u>
<b>Current liabilities</b>			
Trade and other payables	12	888	639
Accruals and deposits received		1,965	2,590
Tax payable		463	–
Amounts due to fellow subsidiaries		–	185
		<u>3,316</u>	<u>3,414</u>
<b>Net current assets</b>		<u>422,920</u>	<u>94,579</u>
<b>Total assets less current liabilities</b>		<u>529,026</u>	<u>130,399</u>
<b>Non-current liabilities</b>			
Convertible bonds		143,678	–
Deferred tax liabilities		19,689	1,723
		<u>163,367</u>	<u>1,723</u>
<b>Total assets and liabilities</b>		<u>365,659</u>	<u>128,676</u>
<b>Capital and reserves</b>			
Share capital		20,282	7,940
Share premium and reserves		345,377	120,736
<b>Total equity</b>		<u>365,659</u>	<u>128,676</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, and in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

### 2. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied, for the first time, a number of new and revised standards, amendments and interpretations (the “new HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2007.

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented except for the additional disclosures requirements under the Hong Kong Financial Reporting Standards (“HKFRSs”) 7 Financial instruments: Disclosures and the amendment to Hong Kong Accounting Standard 1 Presentation of financial statements: Capital disclosures.

The Group has not early adopted the following new standard, amendment or interpretations that have been issued but are not yet effective. The directors of the Company (“Directors”) anticipate that the application of these new standard, amendment or interpretations will have no material impact on the results and the financial position of the Group.

HKAS 1 (Revised)	Presentation of Financial Statements <sup>1</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>1</sup>
HKFRS 8	Operating Segments <sup>1</sup>
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions <sup>2</sup>
HK(IFRIC)-Int 12	Service Concession Arrangements <sup>3</sup>
HK(IFRIC)-Int 13	Customer Loyalty Programmes <sup>4</sup>
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2009

<sup>2</sup> Effective for annual periods beginning on or after 1 March 2007

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2008

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2008

### 3. TURNOVER

Turnover represents the net amounts received and receivables from third parties and is summarised as follows:

	<b>2007</b> <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Rental income	2,782	3,227
Income from finance	30	285
	<u>2,812</u>	<u>3,512</u>

### 4. BUSINESS AND GEOGRAPHICAL SEGMENTS

#### *Business segments*

For management purposes, the Group is currently organised into three operating divisions – (i) investment and finance; (ii) properties investment; and (iii) methanol. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Investment and finance	–	investing and financing activities
Properties investment	–	property leasing
Methanol	–	development, manufacture and sales of methanol products and its by-products

#### **For the year ended 31 December 2007**

	<b>Investment and finance</b> <i>HK\$'000</i>	<b>Properties investment</b> <i>HK\$'000</i>	<b>Methanol</b> <i>HK\$'000</i>	<b>Consolidated</b> <i>HK\$'000</i>
<b>Income statement</b>				
<b>Turnover</b>				
External sales	<u>30</u>	<u>2,782</u>	<u>–</u>	<u>2,812</u>
Segment result	<u>26</u>	<u>6,420</u>	<u>(1,438)</u>	5,008
Interest income				5,532
Unallocated income				11,870
Unallocated corporate expenses				(6,382)
Finance cost				<u>(2,169)</u>
Profit before tax				13,859
Income tax credit				<u>1,334</u>
Profit for the year				<u>15,193</u>

	<b>Investment and finance HK\$'000</b>	<b>Properties investment HK\$'000</b>	<b>Methanol HK\$'000</b>	<b>Consolidated HK\$'000</b>
<b>Balance sheet</b>				
<b>Assets</b>				
Segment assets	35	34,615	167,187	201,837
Unallocated corporate assets				<u>330,505</u>
				<u><u>532,342</u></u>
<b>Liabilities</b>				
Segment liabilities	(10)	(4,289)	(11,315)	(15,614)
Unallocated corporate liabilities				<u>(151,069)</u>
				<u><u>(166,683)</u></u>
<b>Other segment information</b>				
Fair value changes on investment properties	–	1,950	–	1,950
Depreciation and amortisation	–	–	15	15
Capital additions	–	–	341	341
Impairment of goodwill	–	–	1,470	1,470
	<u>–</u>	<u>–</u>	<u>1,470</u>	<u>1,470</u>

**For the year ended 31 December 2006**

	<b>Investment and finance HK\$'000</b>	<b>Properties investment HK\$'000</b>	<b>Consolidated HK\$'000</b>
<b>Income statement</b>			
<b>Turnover</b>			
External sales	<u>285</u>	<u>3,227</u>	<u>3,512</u>
Segment result	<u>612</u>	<u>6,264</u>	6,876
Interest income			1,846
Unallocated corporate expenses			<u>(3,211)</u>
Profit before tax			5,511
Income tax expense			<u>(692)</u>
Profit for the year			<u><u>4,819</u></u>

	<b>Investment and finance</b> <i>HK\$'000</i>	<b>Properties investment</b> <i>HK\$'000</i>	<b>Consolidated</b> <i>HK\$'000</i>
<b>Balance sheet</b>			
<b>Assets</b>			
Segment assets	–	44,679	44,679
Unallocated corporate assets			89,134
			<u>133,813</u>
<b>Liabilities</b>			
Segment liabilities	–	3,810	3,810
Unallocated corporate liabilities			1,327
			<u>5,137</u>
<b>Other segment information</b>			
Fair value change on investment properties	–	5,318	5,318
Impairment losses reversed in the income statement	327	–	327
Other non-cash expenses	–	(12)	(12)
	<u>–</u>	<u>(12)</u>	<u>(12)</u>

#### Geographical segments

The Group's operations are located in Hong Kong and the People's Republic of China other than Hong Kong and Macau (the "PRC").

The following is an analysis of the carrying amounts of segment assets and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

	<b>Hong Kong</b>		<b>The PRC</b>		<b>Consolidated</b>	
	<b>2007</b>	2006	<b>2007</b>	2006	<b>2007</b>	2006
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Carrying amounts of segment assets	<u>393,451</u>	<u>133,813</u>	<u>138,891</u>	<u>–</u>	<u>532,342</u>	<u>133,813</u>
Additions to property, plant and equipment	<u>–</u>	<u>–</u>	<u>341</u>	<u>–</u>	<u>341</u>	<u>–</u>

## 5. OTHER OPERATING INCOME

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Other operating income included the followings:		
Interest income	5,532	1,846
Written back of allowance for bad and doubtful debts	–	327
Gain on disposal of a subsidiary	33	–
	<u>5,565</u>	<u>2,173</u>

## 6. FINANCE COST

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Effective interest expense on convertible bonds	2,169	–
	<u>2,169</u>	<u>–</u>

## 7. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Staff costs:		
Directors' remuneration	234	204
Salaries and other benefits	809	1,066
Retirement benefit scheme contributions excluding Directors and after the forfeited contribution of HK\$12,000 (2006: HK\$9,000)	16	52
	<u>1,059</u>	<u>1,322</u>
Auditors' remuneration	420	300
Impairment loss on available-for-sale financial assets	220	–
Depreciation on property, plant and equipment	11	–
Amortisation of prepaid lease payments	4	–
	<u>665</u>	<u>300</u>

and after crediting:

Gross rental income from investment properties	2,782	3,227
Less: Direct operating expenses from investment properties that generated rental income during the year	(285)	(965)
Direct operating expenses from investment properties that did not generate rental income during the year	(29)	–
	<u>2,468</u>	<u>2,262</u>



## 8. INCOME TAX (CREDIT)/EXPENSE

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
The tax (credit)/charge comprises:		
Current tax – Hong Kong	467	–
Deferred tax	<u>(1,801)</u>	<u>692</u>
	<u><u>(1,334)</u></u>	<u><u>692</u></u>

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profits for the Year. No provision for the Hong Kong Profits Tax has been made for the year ended 31 December 2006 as the group companies which are subject to Hong Kong Profits Tax either incurred tax losses or have tax losses brought forward to set off assessable profits.

Taxation arising in the PRC or other jurisdictions is calculated at the rates prevailing in the relevant jurisdiction.

## 9. DIVIDENDS

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Proposed final dividend of HK\$ Nil (2006: HK\$0.01) per share	<u>–</u>	<u>7,941</u>

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2007 (2006: HK\$0.01 per share).

The proposed final dividends for the year ended 31 December 2006 of HK\$0.01 per share was approved by the shareholders of the Company (“**Shareholders**”) in general meeting and paid during the Year.

## 10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

### Earnings:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Earnings for the purpose of basic earnings per share	15,193	4,819
Effect of dilutive potential ordinary shares:		
– effective interest expense on convertible bonds	2,169	–
– deferred tax relating to effective interest expense on convertible bonds	<u>(380)</u>	<u>–</u>
	<u><u>16,982</u></u>	<u><u>4,819</u></u>

**Number of shares**

	2007	2006
Weighted average number of ordinary shares in issue	1,020,609,068	794,057,800
Adjustment for assumed exercise of convertible bonds	203,957,382	—
	<u>1,224,566,450</u>	<u>794,057,800</u>

**11. TRADE AND OTHER RECEIVABLES**

Included in trade and other receivables of the Group are trade receivables of HK\$Nil (2006: HK\$271,000). Its aged analysis at the balance sheet date is as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Within 30 days	—	215
31 – 60 days	—	38
Over 60 days	—	18
	<u>—</u>	<u>271</u>

The Directors consider that the carrying amounts of the Group's trade and other receivables at the balance sheet date approximate to their fair value.

**12. TRADE AND OTHER PAYABLES**

Included in trade and other payables of the Group are trade creditors of HK\$Nil (2006: HK\$10,000). Its aged analysis at the balance sheet date is as follows:

	2007 <i>HK\$'000</i>	2006 <i>HK\$'000</i>
Within 30 days	—	4
31 – 60 days	—	—
Over 60 days	—	6
	<u>—</u>	<u>10</u>

The Directors consider that the carrying amounts of the Group's trade and other payables at the balance sheet date approximate to their fair value.

**13. COMPARATIVE FIGURES**

Certain comparative amounts have been reclassified to conform with the current year's presentation.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members will be closed from 9 May 2008 to 15 May 2008, both days inclusive. In order to qualify for the purpose of ascertaining the members' entitlement to the attendance of the forthcoming annual general meeting of the Company, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, namely Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 8 May 2008.

## **BUSINESS REVIEW**

The Group was principally engaged in properties investment business and development of the methanol production business during the Year.

### **Properties Investment Business**

During the Year, the remaining eight levels of the godown in Kwai Chung continued to generate rental income of HK\$2,109,000 to the Group until the completion of disposal of these eight levels properties in October 2007. On the other hand, the Group acquired twenty-five carparking spaces together five adjoining spaces at Bank of East Asia Harbour View Centre, Wanchai, Hong Kong and the six carparking spaces and carport basement at Nine Queen's Road Central on 31 July 2007. The acquisition of the thirty-one carparking spaces had contributed HK\$673,000 or 23.9% to the Group's turnover and HK\$1,478,000 or 9.7% of the Group's profit which comprised of HK\$1,950,000 fair value gain on investment properties.

### **Development of Methanol Production Business**

During the Year, the Group identified an investment opportunity and acquired 內蒙古伊澤礦業投資有限公司 (unofficial English translation as Inner Mongolia Yize Mining Company Limited) ("**PRC Company**") at the consideration of RMB59,962,000 (equivalent to HK\$62,406,000). The PRC Company owns a piece of land at Inner Mongolia of PRC on which a plant is intended to be set up for manufacturing methanol products using coal as raw materials. As at 31 December 2007, the total investment cost of the Group relation to the development of methanol production business was HK\$157,342,000, among other things, payment of the consideration of acquisition of the PRC Company, deposit payment for development cost of methanol plant and water usage right in Inner Mongolia and working capital of the PRC Company. After deducting the impairment loss on goodwill of HK\$1,470,000 on acquisition of the PRC Company, the net assets attributing to the development of methanol production business and capital commitments, which consisted mainly of authorised and contracted for development cost of methanol plant, are HK\$155,872,000 and HK\$44,856,000 respectively as at 31 December 2007.

## **Issue of Subscription Shares and Convertible Bonds**

In order to enlarge the capital base and to finance the development of the PRC Company, on 25 October 2007, the Group issued 740,518,325 subscription shares and HK\$108,000,000 zero coupon convertible bonds to Fame Ascent Investments Limited (“**Fame Ascent**”) (an indirect wholly-owned subsidiary of Kingboard Chemical Holdings Limited) and 493,678,883 subscription shares and HK\$72,000,000 zero coupon convertible bonds to Asian Kingdom Limited (a sole ultimately and beneficially owned by Mr. Joseph Lau, Luen-hung). The net proceed after deducting the expenses in connection with the subscription shares and convertible bonds was HK\$375,552,000 which the Group intended to use for the construction of the plant of the methanol production business.

During the period from 25 October 2007 to 31 December 2007, there were no conversion of convertible bonds taken place and the principal outstanding of the convertible bonds was remained as HK\$180,000,000 as at 31 December 2007.

## **Disposal of an intangible asset**

During the Year, the Group disposed of the three phase patent, which was application patent for method and device for automatically switching three-phase voltage for saving transformer, to an independent third party. Since the carrying value of the patent was fully impaired in previous years, the net proceed of the patent after deducting the direct cost in connection with the disposal was recognised as gain of HK\$11,865,000 for the Year.

## **FINANCIAL OPERATION REVIEW**

### **Results**

Turnover for the Year was HK\$2,812,000 and was decreased by HK\$700,000 or 19.9% when compared with the last year. The decrease in turnover was the result in decrease of rental income and other investment of HK\$445,000 and HK\$255,000 respectively.

The gross profit for the Year amounted to HK\$2,498,000 (2006: HK\$1,823,000), a 37.0% increase as compared with last year was due to decrease of the direct cost of HK\$314,000 (2006: HK\$1,689,000) despite a decrease in turnover.

Other operating income recorded an increase of 131.8% to HK\$5,584,000 as compared with last year (2006: HK\$2,409,000). It was mainly due to the bank interest income increased to HK\$5,496,000 for the Year (2006: HK\$1,820,000).

The profit attributable to the Shareholders for the Year was HK\$15,193,000, representing an increase of HK\$10,374,000 or 215.3%. Such increase was merely because of a gain on disposal of an intangible asset of HK\$11,865,000 (2006: HK\$Nil); a 202.0% or amount of HK\$3,676,000 increase in bank interest income; a gain on disposal of investment properties amounted to HK\$580,000 (2006: loss HK\$746,000); and a decrease of HK\$1,375,000 in direct cost. The basic and diluted earning per share are HK1.5 cents (2006: HK0.6 cent) and HK1.4 cents (2006: HK0.6 cent) respectively, represents the increases of HK0.9 cent or 1.5 times and HK0.8 cent or 1.3 times respectively.

The two major non-cash cost items amounted to HK\$3,639,000 and a non-cash gain item amounted to HK\$1,609,000 (2006: a gain item of HK\$4,373,000 only). If the three non-cash items are excluded, the adjusted profit attributable to the Shareholders for the Year will become HK\$17,223,000 (2006: HK\$446,000). The adjusted basic and diluted earnings per share are HK1.69 cents (2006: HK0.06 cent) and HK1.41 cents (2006: HK0.06 cent) respectively.

The two major non-cash losses items are the effective interest expense on convertible bonds of HK\$2,169,000 (2006: HK\$Nil) and the impairment loss on goodwill of HK\$1,470,000 (2006: HK\$Nil). The non-cash gain item is the fair value changes on investment properties together with their respective deferred tax expenses of HK\$1,609,000 (2006: HK\$4,373,000)

### **Net Asset Value**

As at 31 December 2007, the Group's total net asset was HK\$365,659,000 (2006: HK\$128,676,000), an increase of HK\$236,983,000 or 1.8 times when compared with last year. Such increase was mainly due to (a) the issuance of 1,234,197,208 subscription shares and HK\$180,000,000 zero coupon convertible bonds and resulted in the increases of share capital, share premium and convertible bond's reserve which in the amount of HK\$12,342,000, HK\$185,404,000 and HK\$29,867,000 respectively; and (b) profit for the Year of HK\$15,193,000.

Net asset value per share as at 31 December 2007 was HK\$0.180 (2006: HK\$0.162).

### **Equity**

During the Year, the Company issued a total of 1,234,197,208 ordinary share of HK\$0.01 each pursuant to a subscription agreement at subscription price of HK\$0.162 per share on 25 October 2007. The number of ordinary shares in issue as at 31 December 2007 and 2006 were 2,028,255,008 and 794,057,800 respectively.

### **Debt and equity ratio**

The Group has an outstanding convertible bonds of HK\$180,000,000 as at 31 December 2007.

As at 31 December 2007, the debt to equity ratio was 39.3% (2006: Nil) which was expressed as a percentage of the carrying amount of the liability component of the convertible bonds of HK\$143,678,000 over the net assets of HK\$365,659,000 as at 31 December 2007. Besides, the Group did not have any financial instruments used for hedging purpose.

### **Capital Commitments**

The capital commitments outstanding as at 31 December 2007 were approximately HK\$44,856,000, consisted mainly of authorised and contracted for development cost of methanol plant.

## **Financial and Interest Income/Expenses**

Interest income was included in turnover and other operating income. Interest received, other than from loans receivables, from bank interest income was HK\$5,496,000 (2006: HK\$1,820,000). The finance cost was HK\$2,169,000 (2006: Nil) which was effective interest expense on convertible bonds for the Year.

## **Remuneration Policies and Share Option Scheme**

At 31 December 2007, the Group employed a total of seven staff excluding the Directors (2006: three staff). The additional five head counts were all employed for the PRC Company during the Year. Total staff cost for the Year was approximately HK\$825,000 (2006: HK\$1,118,000). Remuneration package comprised of salaries and year-end bonuses based on individual merits. The Company had adopted share option scheme since 15 February 2002 (“**2002 Scheme**”). Details of the 2002 Scheme will be disclosed in the consolidated financial statements for the year ended 31 December 2007. There were no outstanding options at the beginning and at the end of the year. No options were granted, exercised, cancelled and lapsed during the Year.

## **Property Valuation**

During the Year, the Group had disposed of investment properties and assets classified as held for sale with their carrying values of HK\$35,600,000 and HK\$9,338,000 respectively. The Group’s investment properties were revalued at 31 December 2007 by Norton Appraisals Limited, an independent firm of professional property valuers, at HK\$31,000,000 after taking a gain of fair value changes on investment properties amounted to HK\$1,950,000 during the Year.

## **Dividends**

The Directors have not proposed any interim or final dividend in respect of the year ended 31 December 2007 (2006: final dividend of HK\$0.01 per share).

## **POST BALANCE SHEET EVENT**

On 1 February 2008, the Group had entered into (i) a conditional agreement for the disposal of its entire interest in certain of its indirectly wholly owned subsidiaries, which constitutes a major and connected transaction of the Company; and (ii) a conditional agreement for the termination of a possible joint venture cooperation which is related to the formation of PRC joint venture companies as disclosed in the announcement of the Company on 21 January 2008. Besides, the Group had been informed that an agreement for sales and purchase of the sales and convertible securities of the Company was signed and as result, the purchaser of such securities is required to make mandatory unconditional cash offers (other than those already owned by or agreed to be acquired by it or parties acting in concert with it) under the Hong Kong Code on Takeovers and Mergers. Details are set out on the announcement dated 1 February

2008. Since more time is required for the negotiation between the Company and the counterparty in relation to certain amendments to the terms of the signed agreements for the purpose of compliance with the Listing Rules and for the finalisation of the content of the further announcement related to change of business plan. At the date of this announcement, the matters are still in progress and a further announcement in relation to them will be issued by the Company as soon as practicable.

## **PROSPECTS**

The Group will continue to hold the thirty-one carparking spaces at Bank of East Asia Harbour View Centre and Nine Queen's Road Central for rental purpose. At the same time, the Directors is reviewing on the business activities in particular on the development of methanol production and assets of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. The Company will continue actively and consistently seek for new potential investment opportunities in order to increase the value of the Shareholders.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES**

There was no purchase, sale or redemption of shares of the Company by the Group and the Company during the Year.

## **AUDIT COMMITTEE AND REMUNERATION COMMITTEE**

The Audit Committee and Remuneration Committee both comprise of three independent non-executive Directors of the Company ("INEDs"). The Group's consolidated financial statements for the Year had been reviewed by the Audit Committee. The Remuneration Committee was responsible for reviewing and evaluating the remuneration packages of the existing and new executive directors of the Company and making recommendations to the Board during the Year.

## **CORPORATE GOVERNANCE**

The Company had fully applied the principles and complied with the requirements of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the Year. None of the Directors was aware of any information that would reasonably indicate that the Company was not any part of the accounting period covered by the Year, non-compliance with the Code except for certain deviation in respect of the followings:-

Under code provision A.4.1 in Appendix 14 of the Listing Rules, non-executive directors should be appointed for specific terms and subject to re-election. However, the INEDs were not appointed for any specific term, although they are subject to retirement by rotation at the Company's annual general meeting in accordance with the Company's Bye-laws.

Besides, under code provision A.2 in Appendix 14 of the Listing Rules, the roles of chairman are management of the board, among other things, ensuring that all directors are properly briefed on issue arising at board meetings and the directors receive adequate information, which must be completed and reliable, in a timely manner. Although the chairman of the Company (“**Chairman**”) resigned on 31 May 2007 and the vacancy has not been filled up to the date of this announcement, the deputy chairman of the Company had taken the role of the Chairman since 1 June 2007. Accordingly, the Directors consider that the code provision under A.2 in Appendix 14 have been complied.

## **THE MODEL CODE**

The Securities Transaction Code of the Company has been adopted without deviation by the Board in accordance with Appendix 10 to the Listing Rules entitled Model Code for Securities Transaction by Directors of Listed Issuers (the “**Model Code**”). The Company had made specific enquiry of all Directors whether they had complied with the required standard set out in the Model Code regarding to directors’ securities transactions and all Directors confirmed that they had complied with the Model Code during the Year.

## **PUBLICATION OF FINAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE**

This announcement will be published on the websites of the Stock Exchange and the Company at <http://www.hkexnews.hk> and <http://www.g-prop.com.hk> respectively. The annual report for the Year containing all the information as required by Appendix 16 of the Listing Rules will be dispatched to the Shareholders and be posted on the website of the Stock Exchange as well as the Company in due course.

## **APPRECIATION**

I would like to take this opportunity to express our gratitude to the Shareholders for their continued support and our Directors and staff for their contribution to the Company.

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

Hong Kong, 7 March 2008

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