



G-PROP (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 286)

(1) PROGRESS OF ACQUISITION OF THE PRC COMPANY; (2) COMPLETION OF SUBSCRIPTION OF SHARES AND CONVERTIBLE BONDS; AND (3) APPOINTMENT OF DIRECTORS

The Board is pleased to announce that on 25 October 2007:

- completion of the Subscription took place; and
- Mr. Chan Wing Kwan and Mr. Chang Wing Yiu were appointed as the executive Directors with effect from completion of the Subscription.

References are made to the announcement of the Company dated 7 August 2007 and the circular of the Company dated 28 August 2007 in relation to, among other things, the Acquisition and the Subscription (“**Circular**”). Unless the context requires otherwise, terms used herein shall have the same meanings as those defined in the Circular.

PROGRESS OF ACQUISITION OF THE PRC COMPANY

The Board is pleased to announce that on 18 October 2007, the new Certificate of Approval for the PRC Company to the effect that the Purchaser is the sole owner of the PRC Company was granted. According to the Acquisition Agreement, the Purchaser shall pay the Balance of Consideration within two weeks after the granting of the new Certificate of Approval and the Acquisition shall be treated as completed when the Balance of Consideration is paid to the Vendor.

COMPLETION OF THE SUBSCRIPTION

The Board is pleased to advise that all conditions precedent to the completion of the Subscription had been fulfilled and completion took place in accordance with the terms of the Subscription Agreement on 25 October 2007 at which:

- (1) the Company allotted and issued to AK and KB Sub 493,678,883 Subscription Shares and 740,518,325 Subscription Shares respectively at an issue price of HK\$0.162 per Subscription Share; and

- (2) the Company issued to AK and KB Sub the AK Bonds and the KB Bonds with principal amounts of HK\$72,000,000 and HK\$108,000,000 respectively.

Set out below is the effect on the Company's shareholding structure immediately after the completion of the Subscription:

Name of Shareholders	Immediately before the completion of the Subscription		Immediately after the completion of the Subscription but before any conversion of the Convertible Bonds at the Conversion Price		Immediately after the completion of the Subscription and assuming that only AK exercises its Conversion Rights to the extent that 25% of the Shares are held in public hands		Immediately after the completion of the Subscription and assuming that only KB Sub exercises its Conversion Rights to the extent that 25% of the Shares are held in public hands	
	<i>Number of</i>		<i>Number of</i>		<i>Number of</i>		<i>Number of</i>	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Combined Concert Group								
Subsidiaries of CE	277,858,761	34.99	277,858,761	13.70	277,858,761	13.46	277,858,761	13.46
AK [#]	-	-	493,678,883	24.34	530,220,031	25.68	493,678,883	23.91
KB Sub [*]	-	-	740,518,325	36.51	740,518,325	35.86	777,059,473	37.63
Public	<u>516,199,039</u>	<u>65.01</u>	<u>516,199,039</u>	<u>25.45</u>	<u>516,199,039</u>	<u>25.00</u>	<u>516,199,039</u>	<u>25.00</u>
Total	<u>794,057,800</u>	<u>100.00</u>	<u>2,028,255,008</u>	<u>100.00</u>	<u>2,064,796,156</u>	<u>100.00</u>	<u>2,064,796,156</u>	<u>100.00</u>

Notes:

AK is a company ultimately and wholly-owned by Mr. Lau, a director and the Controlling Shareholder of CE.

* KB Sub is an indirect wholly-owned subsidiary of KB.

Shareholders and public investors should note that the above shareholding table is theoretical in nature and it is a term of the Convertible Bonds that any conversion shall be made in amounts of not less than a whole multiple of HK\$500,000 and no fraction of a Share shall be issued on conversion.

APPOINTMENT OF DIRECTORS

The Board is pleased to announce that Mr. Chan Wing Kwan (“**Mr. Chan**”) and Mr. Chang Wing Yiu (“**Mr. Chang**”) have been appointed as executive Directors with effect from completion of the Subscription on 25 October 2007.

Mr. Chan Wing Kwan

Mr. Chan, aged 61, is the executive Director nominated by KB Sub pursuant to the Subscription Agreement. He will be responsible for overseeing the Methanol Project following the completion of the Acquisition. Mr. Chan acquired a degree of Doctor of Business Science from Pacific Western University L.A. and had over 22 years' experience in the sales and distribution of electronic components, industrial chemicals and printed circuit boards. Mr. Chan is the managing director and a shareholder of KB who is responsible for the overall implementation of the strategic plans and goals of KB Group. He is also the managing director of Kingboard Copper Foil Holdings Limited and a non-executive director of Elec & Eltek International Company Limited (“**EEIC**”), both of which are subsidiaries of KB and listed on the Singapore Exchange Securities Trading Limited. Save as disclosed above, Mr. Chan did not hold any other directorship in any listed companies or any major appointment in the last three years before the date of appointment.

Mr. Chan has not entered into any service contract with the Company. He is not appointed for any specified term of service but is subject to retirement by rotation and re-election pursuant to the Bye-laws of the Company. He will not receive any remuneration for his service to the Company under the appointment letter.

Save as disclosed above, Mr. Chan is not related to any other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the date of this announcement, Mr. Chan did not have, and was not deemed to have, any interests in any shares or underlying shares of the Company within the meaning of Part XV of the SFO.

The Company is not aware of any other matters that need to be brought to the attention of the shareholders of the Company in relation to Mr. Chan's appointment and there is no other information which is discloseable pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. Chang Wing Yiu

Mr. Chang, aged 41, is the executive Director nominated by KB Sub pursuant to the Subscription Agreement. He is also appointed as the chief executive officer of the PRC Company and will be responsible for supervising the day-to-day operations of the Methanol Project following the completion of the Acquisition. Mr. Chang has over 16 years' experience in laminates production. Mr. Chang graduated from the Hong Kong Polytechnic University with a higher diploma in marine electronics. Mr. Chang is an executive director and a shareholder of KB who is responsible for the product development and new projects of KB Group. He is also a non-executive director of EEIC. Save as disclosed above, Mr. Chang did not hold any other directorship in any listed companies or any major appointment in the last three years before the date of appointment.

Mr. Chang has not entered into any service contract with the Company. He is not appointed for any specified term of service but is subject to retirement by rotation and re-election pursuant to the Bye-laws of the Company. He will not receive any remuneration for his service to the Company under the appointment letter.

Save as disclosed above, Mr. Chang is not related to any other directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the date of this announcement, Mr. Chang did not have, and was not deemed to have, any interests in any shares or underlying shares of the Company within the meaning of Part XV of the SFO.

The Company is not aware of any other matters that need to be brought to the attention of the shareholders of the Company in relation to Mr. Chang's appointment and there is no other information which is discloseable pursuant to any of the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules.

The Company takes this opportunity to welcome Mr. Chan and Mr. Chang to the Board.

By order of the Board
Lam, Kwong-Wai
Company Secretary

Hong Kong, 25 October 2007

As at the date of this announcement (upon the above appointment of Directors), the Board comprises Mr. Leung, Wing-pong, 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information 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 of the statements in this announcement misleading.