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**G-PROP (HOLDINGS) LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

- (1) SECOND SUPPLEMENTAL AGREEMENT;  
(2) UPDATE ON THE BUSINESS DEVELOPMENT OF THE COMPANY;  
(3) PROPOSED USE OF PROCEEDS  
FROM THE SUBSCRIPTION AND THE DISPOSAL;  
AND  
(4) PROPOSED AMENDMENTS TO THE BYE-LAWS**

**SECOND SUPPLEMENTAL AGREEMENT**

On 24 June 2008, the Company and Fame Ascent entered into the Second Supplemental Agreement, details of which are set out in the section headed “Second Supplemental Agreement” below.

**UPDATE ON THE BUSINESS DEVELOPMENT OF THE COMPANY**

The Directors wish to inform the Shareholders that the Company has identified and acquired suitable investment to strengthen its investment and finance business segment. On 26 June and 27 June 2008, the Group acquired various floating rate notes with principal amount of approximately HK\$163 million. The Group funded the acquisition by the unused Subscription Proceeds. The maturity date of these floating rate notes is more than 12 months from the date of acquisition and are treated as non-current assets in the consolidated financial statements of the Company. As at the date of this announcement, the percentages of cash to total assets and net assets of the Group were approximately 27.88% and 40.76% respectively and the Company has satisfied the requirement of Rule 14.82 of the Listing Rules.

## **PROPOSED USE OF PROCEEDS FROM THE SUBSCRIPTION AND THE DISPOSAL**

The Board wishes to inform the Shareholders that it is the intention of the Company to use the net proceeds from the Disposal to redeem the entire principal amount of the Convertible Bonds of HK\$180 million if so requested by the Bondholders.

In order to better utilise the unused Subscription Proceeds, the Group had utilised approximately HK\$163 million to acquire various floating rate notes. The remaining unused Subscription Proceeds of approximately HK\$89 million will be used as the Group's general working capital and/or for acquisition of suitable investment(s) and/or business(es).

## **PROPOSED AMENDMENTS TO THE BYE-LAWS**

To cater for the increasing demand from investors holding securities in listed companies through CCASS for attending the shareholders' meetings in person or appointing proxies to vote on their behalf, listed issuers are required to include in their articles of association or bye-laws provisions allowing HKSCC Nominees Limited (or any successor thereto) to appoint multiple proxies/corporate representatives to attend general meetings of the listed issuers. A special resolution to amend the Bye-laws to such effect will be proposed, among other matters, at the SGM.

Reference is made to the announcement (the "**Announcement**") issued by the Company dated 31 March 2008 in relation to, among other things, (i) the proposed Disposal which constitutes a special deal, a major transaction and connected transaction for the Company; and (ii) the proposed amendment to the condition of the Convertible Bonds. Unless the context requires otherwise, terms used herein shall have the same meanings as those defined in the Announcement.

## **SECOND SUPPLEMENTAL AGREEMENT**

The Company and Fame Ascent entered into a supplemental agreement to the Disposal Agreement (the "**Second Supplemental Agreement**") on 24 June 2008. Pursuant to the Second Supplemental Agreement, the long stop date for the fulfillment of the conditions precedent to the completion of the Disposal Agreement will be changed from 15 July 2008 to 25 July 2008.

Save as mentioned in this announcement, there is no other amendment to the major terms of the Disposal Agreement.

## **UPDATE ON THE BUSINESS DEVELOPMENT OF THE COMPANY**

As mentioned in the section headed “Implications on Rule 14.82 of the Listing Rules” in the Announcement, after completion of the Disposal Agreement and the redemption of the principal amount of the Convertible Bonds in full, the percentages of cash to total assets and net assets of the Group will be 90.4% and 91.8% respectively and the Company and the Directors were working to identify suitable investment(s) and/or business(es) to ensure that the Company would be able to satisfy the requirement of Rule 14.82 of the Listing Rules after completion of the Disposal Agreement and the redemption of the principal amount of the Convertible Bonds in full.

The Directors wish to inform the Shareholders that the Company has identified and acquired suitable investment to strengthen its investment and finance business segment. On 26 June and 27 June 2008, the Group acquired various floating rate notes with principal amount of approximately HK\$163 million. The Group funded the acquisition by the unused Subscription Proceeds. The maturity date of these floating rate notes is more than 12 months from the date of acquisition and are treated as non-current assets in the consolidated financial statements of the Company. As at the date of this announcement, the percentages of cash to total assets and net assets of the Group were approximately 27.88% and 40.76% respectively and the Company has satisfied the requirement of Rule 14.82 of the Listing Rules.

Upon completion of the Disposal Agreement but before any redemption of the principal amount of the Convertible Bonds, it is expected that the percentages of cash to total assets and net assets of the Group will be increased to 61.34% and 88.59% respectively and the Company will continue to satisfy the requirements of Rule 14.82 of the Listing Rules. A further announcement will be made by the Company on the date of completion of the Disposal to update the Shareholders on whether the requirement under Rule 14.82 of the Listing Rules has been satisfied.

## **PROPOSED USE OF PROCEEDS FROM THE SUBSCRIPTION AND THE DISPOSAL**

As stated in the Announcement, it is estimated that the Group will receive net proceeds of approximately HK\$182 million under the Disposal which is intended to be used as general working capital of the Group and/or for acquisition of suitable investment(s) and/or business(es). The Board wishes to inform the Shareholders that it is the intention of the Company to use the net proceeds from the Disposal to redeem the entire principal amount of the Convertible Bonds of HK\$180 million if so requested by the Bondholders.

As stated in the Announcement, should the Disposal and the proposed amendment to the condition of the Convertible Bonds be approved by the Independent Shareholders at the SGM and upon the request of the Bondholders, the Company intends to use the unused Subscription Proceeds to redeem the entire principal amount of the Convertible Bonds of HK\$180 million and the remaining for the Group's general working capital and/or for acquisition of suitable investment(s) and/or business(es). In order to better utilise the unused Subscription Proceeds, the Group had utilised approximately HK\$163 million to acquire various floating rate notes. The remaining unused Subscription Proceeds of approximately HK\$89 million will be used as the Group's general working capital and/or for acquisition of suitable investment(s) and/or business(es).

## **PROPOSED AMENDMENTS TO THE BYE-LAWS**

To cater for the increasing demand from investors holding securities in listed companies through the Central Clearing and Settlement System (“CCASS”) for attending the shareholders' meetings in person or appointing proxies to vote on their behalf, listed issuers are required to include in their articles of association or bye-laws provisions allowing HKSCC Nominees Limited (or any successor thereto) to appoint multiple proxies/corporate representatives to attend general meetings of the listed issuers.

Accordingly, a special resolution to amend the bye-laws of the Company (as amended from time to time) (the “**Bye-laws**”) will be proposed, among other matters, at the SGM to the effect that:

- (1) a clearing house which is a Shareholder can appoint multiple proxies to attend general meetings and class meetings of the Company; and

- (2) on a poll, a Shareholder (which is a corporation) present by its duly authorised representative shall have one vote for every fully paid Share of which it is the holder.

Full text of the proposed amendments to the Bye-laws will be set out in the notice convening the SGM to be sent to the Shareholders together with the circular containing further details of, among other matters, the Disposal Agreement and the proposed amendment to the condition of the Convertible Bonds.

By order of the board of  
**G-Prop (Holdings) Limited**  
**Lam, Kwong-wai**  
*Company Secretary*

Hong Kong, 27 June 2008

*As at the date of this announcement, the Board comprised of 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.*

*The 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 statements in this announcement misleading.*