
IMPORTANT

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



G·PROP
(HOLDINGS) LIMITED

G-PROP (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 286)

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTY

CONTENTS

| | <i>Page</i> |
|--|-------------|
| DEFINITIONS | 1 |
| LETTER FROM THE BOARD | 3 |
| Introduction | 3 |
| The Agreement | 4 |
| Use of proceeds | 5 |
| Reasons for and benefits of the Disposal | 5 |
| Financial effects of the Disposal | 5 |
| Information on the Group .. | 6 |
| General information | 6 |
| APPENDIX — GENERAL INFORMATION | 7 |

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

| | |
|---------------------------|---|
| “Announcement” | the announcement issued by the Company dated 8th January, 2007 |
| “Agreement” | the preliminary sale and purchase agreement, which is legally binding agreement, between Boria as vendor and the Purchaser as purchaser in respect of the Property dated 4th January, 2007 |
| “Board” | the board of Directors |
| “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” | 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 which shall take place, being a date on or before 25th July, 2007 |
| “Director(s)” | director(s) of the Company |
| “Disposal” | the disposal of the Property by Boria pursuant to the Agreement |
| “Group” | the Company and its subsidiaries |
| “Latest Practicable Date” | 22nd January, 2007 being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular |
| “Listing Rules” | Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |

DEFINITIONS

| | |
|----------------|--|
| “Property” | The property is located at 11th Floor, Chung Kiu Godown Building, Nos.63-71 Lei Muk Road, Kwai Chung, New Territories, Hong Kong with a gross floor area of 12,561 square feet and to use for warehouse/godown purposes and ancillary office |
| “Purchaser” | Hang Cheong Luggage Co Ltd, an independent third party who is not connected with the Company |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong) |
| “Shareholders” | shareholders of the Company |
| “HK\$” | Hong Kong Dollars, the lawful currency of Hong Kong |
| “%” | per cent |

LETTER FROM THE BOARD



G·PROP
(HOLDINGS) LIMITED

G-PROP (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 286)

Executive Directors:

Ms. Halina Hung, Shi-wei (*Chairman*)
Mr. Leung, Wing-pong (*Chief Executive Officer*)
Mr. Kong, Chi-ming (*Deputy Chairman*)

Independent Non-executive Directors:

Mr. Leung, Yun-fai
Mr. Lam, Yat-fai
Dr. David Chain, Chi-woo

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office in Hong Kong:

26th Floor
MassMutual Tower
38 Gloucester Road
Wanchai
Hong Kong

27th January, 2007

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTY

INTRODUCTION

Reference is made to the announcement of the Company dated 8th January, 2007 in which the Board announced that, Boria, being an indirect wholly owned subsidiary of the Company, has entered into the Agreement (which is legally binding) on 4th January, 2007 for the disposal of the Property at the consideration of HK\$5.18 million.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with further information regarding the Disposal.

LETTER FROM THE BOARD

THE AGREEMENT

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: It is located at 11th Floor, Chung Kiu Godown Building, Nos. 63-71 Lei Muk Road, Kwai Chung, New Territories, Hong Kong with a gross floor area of 12,561 square feet and to use for warehouse/godown purposes and ancillary office.

Consideration: HK\$5.18 million.

Terms of payment:

- (a) HK\$259,000 was paid by the Purchasers to Boria as initial deposit upon the execution of the Agreement;
- (b) HK\$777,000 will be payable by the Purchaser to Boria as further deposit on or before 25th January, 2007; and
- (c) HK\$4,144,000 being the balance of the purchase price will be payable by the Purchaser to Boria on the Completion Date.

Completion date: on or before 25th July, 2007

The Property is sold subject to an existing tenancy.

The parties shall enter into a formal sale and purchase agreement on or before 25th January, 2007. At the Latest Practical Date, the formal sales and purchase agreement has not been signed.

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.

LETTER FROM THE BOARD

USE OF PROCEEDS

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.

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 year ended 31st December, 2004 and the year ended 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.

FINANCIAL EFFECTS OF THE DISPOSAL

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. It is expected that the total assets and total liabilities of the Group will be increased and decreased by approximately HK\$700,000 and HK\$130,000 respectively as taking account of such net gain and transferring the rental deposit from existing tenancy to the Purchaser. It is also expected that the rental income of the Group will decrease as the Group will lose the benefit of rental income generated from the Property after completion of the Disposal.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

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

GENERAL INFORMATION

The transaction constitutes a disclosable transaction for the Company under Chapter 14 of Listing Rules.

To the best of the information, knowledge and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate owner(s) are third parties independent of the Company and connected persons 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 has also confirmed to Boria that it and its ultimate beneficial owner(s) do not hold or have any interest in the Company.

Your attention is also drawn to the additional information as set out in the appendix to this circular.

Yours faithfully
By Order of the Board
Halina Hung, Shi-wei
Chairman

1. RESPONSIBILITY

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

2. INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or the chief executive of the Company) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long Positions

| Name of Shareholder | Number of Shares in the Company | Capacity | Note | Percentage of Shareholding % |
|------------------------|---------------------------------|--------------------------------------|------|------------------------------|
| Million Point Limited | 170,000,000 | Beneficial owner | 1 | 21.41 |
| Cosmos Success Limited | 170,000,000 | Interest of a controlled corporation | 1 | 21.41 |

| Name of Shareholder | Number of Shares in the Company | Capacity | Note | Percentage of Shareholding % |
|---|---------------------------------|---|-------------|------------------------------|
| Chinese Estates, Limited | 170,000,000 | Interest of a controlled corporation | 1 | 21.41 |
| Paul Y. Holdings Company Limited | 150,981,076 | Beneficial owner and interest of a controlled corporation | 3 & 4 | 19.01 |
| Chinese Estates Holdings Limited | 397,858,761 | Interest of controlled corporations | 1, 2, 3 & 4 | 50.10 |
| Mr. Joseph Lau, Luen-hung | 397,858,761 | Interest of a controlled corporation | 5 | 50.10 |
| Global King Ltd. | 397,858,761 | Interest of a controlled corporation | 6 | 50.10 |
| GZ Trust Corporation | 397,858,761 | Interest of a controlled corporation | 6 | 50.10 |
| Hutchison International Limited | 100,887,912 | Beneficial owner and interest of controlled corporations | 7 | 12.70 |
| Hutchison Whampoa Limited | 100,887,912 | Interest of controlled corporations | 7 | 12.70 |
| Cheung Kong (Holdings) Limited | 100,887,912 | Interest of controlled corporations | 7 | 12.70 |
| Mr. Li Ka-shing | 100,887,912 | Founder of discretionary trusts and interest of controlled corporations | 7 | 12.70 |
| Li Ka-Shing Unity Trustcorp Limited | 100,887,912 | Trustee and beneficiary of trust | 7 | 12.70 |
| Li Ka-Shing Unity Trustee Corporation Limited | 100,887,912 | Trustee and beneficiary of trust | 7 | 12.70 |
| Li Ka-Shing Unity Trustee Company Limited | 100,887,912 | Trustee | 7 | 12.70 |

Notes:

1. Million Point Limited (“Million Point”) was the beneficial owner of 170,000,000 shares. Each of Chinese Estates Holdings Limited (“Chinese Estates”), Chinese Estates, Limited and Cosmos Success Limited was deemed to be interested in the same parcel of shares in which Million Point was interested since Chinese Estates owned the entire issued share capital of Chinese Estates, Limited, which in turn owned the entire issued share capital of Cosmos Success Limited, which in turn owned the entire issued share capital of Million Point.
2. Luckpoint Investment Limited (“Luckpoint”) was the beneficial owner of 76,877,685 shares. Each of Chinese Estates and China Entertainment and Land Investment Company, Limited (“CELI”) was deemed to be interested in the same parcel of shares in which Luckpoint was interested since Chinese Estates owned the entire issued share capital of CELI, which in turn owned the entire issued share capital of Luckpoint.
3. Paul Y. Holdings Company Limited (“Paul Y.”) was the beneficial owner of 113,818,911 shares. Chinese Estates was deemed to be interested in the same parcel of shares in which Paul Y. was interested since Chinese Estates owned the entire issued share capital of Paul Y..

In addition, Great Empire International Ltd. (“Great Empire”) was the beneficial owner of 37,162,165 shares. Each of Chinese Estates and Paul Y. was deemed to be interested in the same parcel of shares in which Great Empire was interested since Chinese Estates owned the entire issued share capital of Paul Y., which in turn owned the entire issued share capital of Great Empire.

4. Ms. Halina Hung Shi-wei, Mr. Leung, Wing-pong and Mr. Kong, Chi-ming, the Directors, are also employees of subsidiaries of Chinese Estates and/or Paul Y.. These subsidiaries are not themselves substantial shareholders of the Company.
5. Mr. Joseph Lau, Luen-hung, by virtue of his 47.07% interest in the issued share capital of Chinese Estates, was deemed to be interested in the same interests stated against Chinese Estates under the provisions of the SFO.
6. GZ Trust Corporation as trustee of a discretionary trust held units in a unit trust of which Global King Ltd. was the trustee. Global King Ltd. was entitled to exercise more than one-third of the voting power at general meetings of Chinese Estates. Accordingly, Global King Ltd. and GZ Trust Corporation were deemed to be interested in the same interests stated against Chinese Estates.
7. These shares comprised 62,899,924 shares beneficially owned by Hutchison International Limited (“HIL”) and 37,987,988 shares beneficially owned by Koga Limited (“Koga”).

HIL is a wholly-owned subsidiary of Hutchison Whampoa Limited (“HWL”). By virtue of the SFO, HWL was deemed to be interested in the same parcel of such 62,899,924 shares which HIL was interested.

Koga is a wholly-owned subsidiary of Cheung Kong Infrastructure (BVI) Limited, which in turn is a wholly-owned subsidiary of Cheung Kong Infrastructure Holdings Limited (“CKI”). CKI is a subsidiary of Hutchison Infrastructure Holdings Limited, which in turn is a wholly-owned subsidiary of HIL. By virtue of the SFO, each of HIL and HWL was deemed to be interested in the same parcels of such 37,987,988 shares which Koga was interested in.

Li Ka-Shing Unity Holdings Limited, of which each of Mr. Li Ka-Shing (“Mr. Li”), Mr. Li Tzar-kuoi, Victor and Mr. Li Tzar-kai, Richard was interested in one-third of the entire issued share capital, owned the entire issued share capital of Li Ka-Shing Unity Trustee Company Limited (“TUT1”). TUT1 as trustee of The Li Ka-Shing Unity Trust (“UT1”), together with certain companies which TUT1 as trustee of UT1 was entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, held more than one-third of the issued share capital of Cheung Kong (Holdings) Limited (“CKH”). Certain subsidiaries of CKH were entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.

In addition, Li Ka-Shing Unity Holdings Limited also owned the entire issued share capital of Li Ka-Shing Unity Trustee Corporation Limited (“TDT1”) as trustee of The Li Ka-Shing Unity Discretionary Trust (“DT1”) and Li Ka-Shing Unity Trustcorp Limited (“TDT2”) as trustee of another discretionary trust (“DT2”). Each of TDT1 and TDT2 holds units in UT1.

Mr. Li was the settlor of each of DT1 and DT2 and may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO. By virtue of the SFO, each of Mr. Li, TDT1, TDT2, TUT1 and CKH was deemed to be interested in the 100,887,912 shares which HWL was interested.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, no persons (other than a Director or the chief executive of the Company) has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Save as disclosed in note 4 above, as at the Latest Practicable Date, none of the Directors was a director or employee of the shareholders of the Company who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. MATERIAL LITIGATION

As at the Latest Practicable Date, so far as known to the Directors, there is no litigation or claims of material importance pending or threatened against any member of the Group.

6. MISCELLANEOUS

- (a) As at the Latest Practicable Date, none of the Directors and their respective associates (as defined in the Listing Rules) had any interest in a business which compete or may compete with the business of the Group.
- (b) Mr. LAM, Kwong-wai, a member of the Hong Kong Institute of Certified Public Accountants, is the company secretary of the Company.
- (c) Ms. WONG, Yuet-ying, a member of the Hong Kong Institute of Certified Public Accountants, is the qualified accountant of the Company.
- (d) The head office of the Company is at 26th Floor, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong,
- (e) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (f) The branch share registrars of the Company in Hong Kong and the transfer office is Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.
- (g) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.