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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**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 licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in G-Prop (Holdings) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

## **REFRESHMENT OF GENERAL MANDATE TO ISSUE AND ALLOT SHARES AND NOTICE OF SPECIAL GENERAL MEETING**

**Independent financial adviser to the Independent Board Committee and  
the Independent Shareholders**



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A notice convening the SGM to be held at Boardroom III – IV, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, No. 1 Harbour Road, Wanchai, Hong Kong on Thursday, 23rd July, 2009 at 9:30 a.m. is set out on pages 16 to 18 of this circular. A form of proxy for use by the Shareholders at the SGM is enclosed together with this circular. Whether or not you are able to attend and vote at the SGM in person, you are requested to complete the form of proxy enclosed with this circular in accordance with the instructions printed thereon and return it to the Company's branch registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM should you so wish.

6th July, 2009

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Should there be any discrepancy between English and Chinese versions of this circular, the English version shall prevail.

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## DEFINITIONS

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

“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“CE”	Chinese Estates Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange, the controlling shareholder of the Company
“Company”	G-Prop (Holdings) Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“controlling shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted by the Shareholders at the annual general meeting of the Company held on 27th May, 2009 to issue, allot and deal with up to 405,651,001 Shares
“Group”	the Company and its subsidiaries
“Guangdong Securities”	Guangdong Securities Limited, a licensed corporation to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed refreshment of General Mandate
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

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## DEFINITIONS

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“Independent Board Committee”	the independent board committee of the Company comprising all the independent non-executive Directors which is formed to advise the Independent Shareholders in respect of the proposed refreshment of General Mandate
“Independent Shareholders”	any Shareholder other than controlling shareholders of the Company and their associates
“Issue Mandate”	the mandate proposed to be sought at the SGM to authorize the Directors to issue, allot and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of SGM
“Latest Practicable Date”	29th June, 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placement of 400,000,000 new Shares by the placing agent to the placees at HK\$0.373 per placing share under the placing agreement dated 3rd June, 2009 which was completed on 17th June, 2009
“Placing Shares”	400,000,000 new Shares placed under the Placing
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“SGM”	the special general meeting of the Company to be held on Thursday, 23rd July, 2009 to consider and, if thought fit, approve the Issue Mandate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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## LETTER FROM THE BOARD

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**G-PROP**  
(HOLDINGS) LIMITED

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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

*Executive Directors:*

Kong, Chi-ming (*Deputy Chairman*)

Leung, Wing-pong (*Chief Executive Officer*)

*Independent Non-executive Directors:*

David Chain, Chi-woo

Lam, Yat-fai

Leung, Yun-fai

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Principal place of business*

*in Hong Kong:*

26th Floor

MassMutual Tower

38 Gloucester Road

Wanchai

Hong Kong

6th July, 2009

*To the Shareholders,*

Dear Sir or Madam,

### **REFRESHMENT OF GENERAL MANDATE TO ISSUE AND ALLOT SHARES AND NOTICE OF SPECIAL GENERAL MEETING**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolution to be proposed at the SGM relating to the refreshment of General Mandate. A notice of the SGM in relation to the proposal of refreshment of General Mandate is set out on pages 16 to 18 of this circular.

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## LETTER FROM THE BOARD

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The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the refreshment of General Mandate. Guangdong Securities has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of General Mandate.

### REFRESHMENT OF GENERAL MANDATE

#### General Mandate

At the annual general meeting of the Company held on 27th May, 2009, the Shareholders approved, among other things, an ordinary resolution to grant to the Directors the General Mandate to issue, allot and deal with up to 405,651,001 Shares. As at the Latest Practicable Date, 400,000,000 Placing Shares were issued under the General Mandate as a result of the completion of the Placing on 17th June, 2009. The net proceeds from the Placing amounted to approximately HK\$145.4 million, among which HK\$64 million has been advanced to Fancy Mark Limited, an indirect wholly-owned subsidiary of CE, under a revolving facility agreement dated 4th November, 2008. The remaining amount of approximately HK\$81.4 million will be used as general working capital of the Group and currently is deposited in a bank as fixed deposit. If the General Mandate is not refreshed, only 5,651,001 new Shares can be further issued under the General Mandate.

#### Proposed Issue Mandate

The Company has not refreshed the General Mandate since its annual general meeting held in May 2009. In order to provide a flexible mean for the Company to raise further funds for its future business development and/or through the issue of new Shares whenever investment opportunities arise, the Board proposes to refresh the General Mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of SGM.

The Issue Mandate is proposed to the Shareholders prior to the Company's next annual general meeting, and therefore, pursuant to Rule 13.36(4) of the Listing Rules, the Issue Mandate will be subject to the Independent Shareholders' approval by way of poll at the SGM at which the controlling shareholders of the Company and their associates shall abstain from voting in favour of the resolution to be proposed in respect of the Issue Mandate. As at the Latest Practicable Date, Mr. Joseph Lau, Luen-hung, a director and controlling shareholder of CE, was interested in approximately 20.33% of the issued shares of the Company through Asian Kingdom Limited, a company indirectly wholly-owned by him, and approximately 71.48% of the issued shares of CE through GZ Trust Corporation. In addition, the shareholding of CE in the Company is approximately 41.93% as at the Latest Practicable Date. Accordingly, Mr. Joseph Lau, Luen-hung, CE and their respective associates will abstain from voting in favour of the resolution proposed for approving the refreshment of General Mandate at the SGM.

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## LETTER FROM THE BOARD

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Based on the issued share capital of the Company as at the Latest Practicable Date of 2,428,255,008 Shares and assuming there are no further changes in the issued share capital prior to the date of the SGM, the issued share capital of the Company as at the date of SGM will be 2,428,255,008 Shares. Subject to the passing of the relevant ordinary resolution to approve the Issue Mandate at the SGM, the Directors will be authorized to issue, allot and deal with up to a limit of 485,651,001 Shares under the Issue Mandate. The Directors consider that the Issue Mandate will enhance the financial flexibility of the Company to raise funds for its future business development and/or investment decisions and therefore the Issue Mandate is fair and reasonable and the granting of the Issue Mandate is in the interests of the Company and the Shareholders as a whole.

### SGM

The notice of the SGM is set out on pages 16 to 18 of this circular. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend and vote at the SGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM should Shareholders so wish.

Pursuant to bye-law 66 of the bye-laws of the Company, every resolution submitted to a general meeting will be determined on a show of hands in the first instance by the Shareholders present in person, but a poll may be demanded (before or upon the declaration of the result of the show of hands) by:

- (a) the Chairman; or
- (b) at least 3 Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) any Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) any Shareholder or Shareholders present in person or by proxy and holding Shares conferring a right to vote at the meeting, being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or

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## LETTER FROM THE BOARD

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- (e) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of the Shares representing 5% or more of the total voting rights at the meeting.

Pursuant to Rule 13.39(4) of the Listing Rules, the vote of shareholders at a general meeting must be taken by a poll. Therefore, the resolution proposed at the SGM will be taken by poll.

### RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee as set out on page 7 of this circular, which contains its recommendation to the Independent Shareholders on the terms of the proposed refreshment of General Mandate. Your attention is also drawn to the letter of advice from Guangdong Securities as set out on pages 8 to 15 of this circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the terms of the proposed Issue Mandate.

The Board considers that the refreshment of General Mandate is in the interests of the Company and the Shareholders as a whole, and accordingly, recommends all the Independent Shareholders to vote in favour of the resolution set out in the notice of the SGM.

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



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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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**G-PROP**  
(HOLDINGS) LIMITED

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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

6th July, 2009

*To the Independent Shareholders*

Dear Sir or Madam,

#### **REFRESHMENT OF GENERAL MANDATE TO ISSUE AND ALLOT SHARES**

We refer to the circular of the Company dated the date hereof (the “Circular”) to the Shareholders, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

We have been appointed by the Board as members to constitute the Independent Board Committee and to advise the Independent Shareholders in respect of the refreshment of General Mandate.

Guangdong Securities has been appointed to advise the Independent Board Committee and the Independent Shareholders as to whether the refreshment of General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and whether it is in the interests of the Company and the Shareholders as a whole. Details of its advice, together with the principal factors and reasons taken into consideration in arriving at such advice, are set out on pages 8 to 15 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 3 to 6 of the Circular.

Having considered the terms of the refreshment of General Mandate and the advice of Guangdong Securities, we are of the opinion that the terms of the refreshment of General Mandate are fair and reasonable so far as the Independent Shareholders are concerned and that the refreshment of General Mandate is in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the refreshment of General Mandate.

Yours faithfully,

For and on behalf of

Independent Board Committee

**David Chain, Chi-woo      Lam, Yat-fai      Leung, Yun-fai**

*Independent Non-executive Directors*

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## LETTER FROM GUANGDONG SECURITIES

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*Set out below is the text of a letter received from Guangdong Securities, the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the Issue Mandate for the purpose of inclusion in this circular.*



Units 2505-06, 25/F.  
Low Block of Grand Millennium Plaza  
181 Queen's Road Central  
Hong Kong

6 July 2009

*To: The independent board committee and the independent shareholders of  
G-Prop (Holdings) Limited*

Dear Sirs,

### **REFRESHMENT OF GENERAL MANDATE TO ISSUE AND ALLOT SHARES**

#### **INTRODUCTION**

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the proposed Issue Mandate, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 6 July 2009 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As at the Latest Practicable Date, only a further of 5,651,001 Shares could be issued under the General Mandate which was granted to the Directors at the annual general meeting of the Company held on 27 May 2009 (the “**AGM**”). Therefore, the Board proposed to seek approval of the Independent Shareholders for the granting of the Issue Mandate such that the Directors will be granted the authority to issue, allot and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution at the SGM. Pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of the General Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling Shareholders (as defined in the Listing Rules) and their respective associates or, where there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the resolution proposed for the approval of such refreshment, and pursuant to Rule 13.39(4) of the

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## LETTER FROM GUANGDONG SECURITIES

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Listing Rules, any vote of the Shareholders at a general meeting will be taken by way of poll. As at the Latest Practicable Date, Mr. Joseph Lau, Luen-hung, a director and controlling shareholder of CE, was also a controlling Shareholder. Accordingly, Mr. Joseph Lau, Luen-hung, CE and their respective associates shall abstain from voting in favour of the ordinary resolution in respect of the Issue Mandate at the SGM.

The Independent Board Committee comprising Dr. David Chain, Chi-woo, Mr. Lam, Yat-fai and Mr. Leung, Yun-fai (all being independent non-executive Directors) has been established to advise the Independent Shareholders on the Issue Mandate. We, Guangdong Securities Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to (i) whether the terms of Issue Mandate are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Issue Mandate is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote on the ordinary resolution to be proposed at the SGM to approve the Issue Mandate.

### **BASIS OF OUR OPINION**

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true, complete and accurate in all material respects at the time when they were made and continue to be so as at the date of the despatch of the Circular. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiries and careful considerations. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our recommendation in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

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## LETTER FROM GUANGDONG SECURITIES

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We consider that we have been provided sufficient information to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Issue Mandate. In addition, we have no obligation to update this opinion to take into account events occurring after the issue of this letter. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, the sole responsibility of Guangdong Securities is to ensure that such information has been correctly extracted from the relevant sources.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Issue Mandate, we have taken into consideration the following principal factors and reasons:

**(1) Background of the refreshment of the General Mandate**

The Company is an investment holding company and the principal activities of its subsidiaries are property investment, investment and finance.

The Directors were authorised to issue and allot up to 405,651,001 new Shares under the General Mandate which was granted to the Directors at the AGM.

On 3 June 2009, the Company announced a placing exercise following which a total of 400,000,000 Shares were issued under the General Mandate (the “**Placing**”). Accordingly, the General Mandate was utilised as to 400,000,000 Shares in total, representing approximately 98.61% of the General Mandate.

If the Issue Mandate is not granted, only 5,651,001 new Shares may be further issued and allotted by the Directors under the General Mandate. Given that the General Mandate has almost been fully utilised as a result of the Placing, the Board proposes to seek approval of the Independent Shareholders for the granting of the Issue Mandate such that the Directors will be granted the authority to issue, allot and deal with new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution at the SGM.

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## LETTER FROM GUANGDONG SECURITIES

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As at the Latest Practicable Date, the Company had 2,428,255,008 Shares in issue. On the basis that no Share would be issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM, the Issue Mandate would allow the Directors to issue, allot and deal with up to 485,651,001 new Shares, representing 20% of the aforesaid total issued share capital of the Company.

### (2) Reasons for the refreshment of the General Mandate

The Directors advised that they are of the view that the refreshment of the General Mandate is in the interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group's future business development. In this regard, the Directors also consider equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group.

We noted from the annual report of the Company for the year ended 31 December 2008 (the "**Annual Report**") that the Company recorded an audited loss attributable to the equity holders of the Company of approximately HK\$4.85 million for the year ended 31 December 2008. The said loss was mainly attributable to the decrease in fair value on investment properties, increase in effective interest expense on convertible bonds and exchange loss on floating rate notes of the Group. With reference to the Annual Report and as further confirmed by the Directors, the Group will focus on property investment, investment and finance businesses in the future and will continue to identify new potential projects or investment opportunities suitable for the Group in order to increase the Shareholders' value.

Based on the foregoing, we are of the opinion that the refreshment of the General Mandate would provide the Company with the necessary flexibility to fulfil any possible funding needs for future business development and/or investment decisions. Consequently, we are of the view that the refreshment of the General Mandate is in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM GUANGDONG SECURITIES

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### (3) Fund raising activity in the past twelve months

Set out below is the fund raising activity conducted by the Company in the past twelve months prior to the Latest Practicable Date:

Date of announcement	Description of the fund raising activity	Intended use of proceeds	Actual use of proceeds
3 June 2009	the Placing	<p>(i) Approximately HK\$64 million made available for the three-year revolving facility granted to Fancy Mark Limited on 4 November 2008 by the Company, as detailed in the announcement of the Company dated 4 November 2008 (“<b>Revolving Facility</b>”), if no other suitable investment opportunities arise; and</p> <p>(ii) approximately HK\$81.4 million as general working capital of the Group.</p>	<p>(i) An advance of HK\$64 million was made to Fancy Mark Limited on 29th June, 2009 pursuant to the Revolving Facility; and</p> <p>(ii) approximately HK\$81.4 million is currently placed with bank as fixed deposit.</p>

Save as and except for the above, the Company had not conducted any other fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

### (4) Flexibility in financing

As advised by the Directors, the Group does not obviate the possibilities of further issuing capital if there is/are investor(s) indicating interest in the business of the Company. The Directors believe that the refreshment of the General Mandate will provide the Group with flexibility for possible future fund raising. The Directors are therefore of the view that the refreshment of the General Mandate is in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM GUANGDONG SECURITIES

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As discussed previously, we consider that the refreshment of the General Mandate would provide the Company with the necessary flexibility to fulfil any possible funding needs for future business development and/or investment decisions. The refreshment of the General Mandate would provide the Company with the flexibility as allowed under the Listing Rules to issue and allot new Shares for equity fund raising activities, such as placing of new Shares, or as consideration for potential investments in the future as and when such opportunities arise. Furthermore, the additional amount of equity which may be raised after the refreshment of the General Mandate would provide the Group with more financing options when assessing and negotiating potential investments in a timely manner. Given the financial flexibility available to the Company as discussed above, we are of the opinion that the refreshment of the General Mandate is in the interests of the Company and the Shareholders as a whole.

### **(5) Other financing alternatives**

We have enquired into the Directors and the Directors confirmed that apart from equity financing, the Group will also consider debt financing, such as bank borrowings, to be other possible fund raising alternatives available to the Group. However, the Directors are of the view that the ability of the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the then prevailing market condition. Furthermore, such alternative may be subject to lengthy due diligence and negotiations with banks. In light of also that debt financing will usually incur interest burden on the Group, the Directors consider debt financing to be relatively uncertain and time-consuming as compared to equity financing for the Group to obtain additional funding.

The Directors confirmed that they would exercise due and careful consideration when choosing the best financing method available to the Group. Besides that, the Directors also prefer not to increase the gearing level of the Group under the current uncertain market situation. With regard to equity financing, the Directors advised us that although both open offer and rights issue would allow Shareholders to maintain their respective pro-rata shareholdings in the Company, such fund raising exercises would be relatively time consuming as compared with the placing of new Shares. In addition, in view of the recent uncertain stock market sentiment, the Directors expected that the Group will face difficulties in procuring commercial underwriting in the case of an open offer and rights issue. With all of the above being the case, along with the fact that the refreshment of the General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future business development, we are of the view that the refreshment of the General Mandate is in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM GUANGDONG SECURITIES

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### (6) Potential dilution to shareholdings of the public Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the Issue Mandate assuming no other Share is issued or repurchased by the Company after the Latest Practicable Date up to the date of the SGM:

	Shareholding in the Company as at the Latest Practicable Date		Shareholding in the Company upon full utilisation of the Issue Mandate (assuming no other Share is issued or repurchased by the Company)	
	<i>Approximate</i>		<i>Approximate</i>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Mass Rise Limited ( <i>Note 1</i> )	740,521,829	30.49	740,521,829	25.40
High Victory Limited ( <i>Note 1</i> )	113,818,911	4.69	113,818,911	3.91
Luckpoint Investment Limited ( <i>Note 1</i> )	76,877,685	3.17	76,877,685	2.64
Million Point Limited ( <i>Note 1</i> )	50,000,000	2.06	50,000,000	1.72
Great Empire International Ltd. ( <i>Note 1</i> )	37,162,165	1.53	37,162,165	1.28
Asian Kingdom Limited ( <i>Note 2</i> )	493,678,883	20.33	493,678,883	16.94
<b>Sub-total</b>	<b>1,512,059,473</b>	<b>62.27</b>	<b>1,512,059,473</b>	<b>51.89</b>
Public Shareholders	916,195,535	37.73	916,195,535	31.44
Shares to be issued under the Issue Mandate	–	–	485,651,001	16.67
<b>Total</b>	<b>2,428,255,008</b>	<b>100</b>	<b>2,913,906,009</b>	<b>100</b>



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## LETTER FROM GUANGDONG SECURITIES

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*Notes:*

1. Indirect wholly-owned subsidiaries of CE.
2. Wholly-owned by Mr. Joseph Lau, Luen-hung, a director and controlling shareholder of CE, which in turn is a controlling shareholder of the Company.

The tables above illustrates that the shareholdings of the public Shareholders would be diluted by approximately 6.29 percent point upon full utilisation of the Issue Mandate assuming no other Share is issued or repurchased by the Company after the Latest Practicable Date up to the date of the SGM.

Taking into account that the Issue Mandate (i) would provide an alternative to increase the amount of capital which may be raised; (ii) would provide more options of financing to the Group for further development of its business as well as in potential future investment as and when such opportunities arise; and (iii) the shareholding interests of all Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the Issue Mandate, we are of the opinion that the potential dilution to the shareholdings of the public Shareholders as just mentioned is acceptable.

### RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that the terms of the Issue Mandate are fair and reasonable so far as the Independent Shareholders are concerned and the Issue Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Issue Mandate and we recommend the Independent Shareholders to vote in favour of the ordinary resolution in this regard.

Yours faithfully,  
For and on behalf of  
**Guangdong Securities Limited**  
**Graham Lam**  
*Managing Director*

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## NOTICE OF SGM

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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 286)**

**NOTICE IS HEREBY GIVEN** that a special general meeting of G-Prop (Holdings) Limited (the “Company”) will be held at Boardroom III – IV, Mezzanine Floor, Renaissance Harbour View Hotel Hong Kong, No. 1 Harbour Road, Wanchai, Hong Kong, on Thursday, 23rd July, 2009 at 9:30 a.m. (the “Meeting”) for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolution as an ordinary resolution of the Company:

#### **ORDINARY RESOLUTION**

**“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) of this resolution) of all the powers of the Company to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval given in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period (as defined in paragraph (d) of this resolution) to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph (d) of this resolution);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval given in paragraph (a) of this resolution, otherwise than pursuant to:
  - (i) a Rights Issue (as hereinafter in paragraph (d) of this resolution); or

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- (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited; or
- (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on shares pursuant to the Bye-laws of the Company from time to time;

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

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

Hong Kong, 6th July, 2009

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## NOTICE OF SGM

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*Notes:*

- (1) The register of members will be closed from 21st July, 2009 to 23rd July, 2009, both days inclusive. In order to qualify for the purpose of ascertaining the shareholders' entitlement to the attendance of the Meeting, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 20th July, 2009.
- (2) Any shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more separate proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (3) To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's branch registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjourned meeting (as the case may be).
- (4) The resolution as set out in the notice convening the Meeting will be taken by poll.
- (5) As at the date hereof, the Board comprised Mr. Kong, Chi-ming and Mr. Leung, Wing-pong as Executive Directors and Dr. David Chain, Chi-woo, Mr. Lam, Yat-fai and Mr. Leung, Yun-fai as Independent Non-executive Directors.