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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 a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Great China Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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GREAT CHINA HOLDINGS LIMITED
大中華集團有限公司

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock code: 0141)

DISCLOSEABLE TRANSACTION
– DISPOSAL OF PROPERTY

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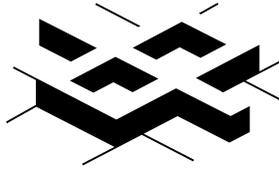
DEFINITIONS

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

“Agent”	Grand Star Property Agency Limited
“AGW”	A.G. Wilkinson & Associates, a professional qualified surveyor and, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, an Independent Third Party
“associates”	as defined in the Listing Rules
“Board”	the board of Directors
“Company”	Great China Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property under the Formal Agreement
“Formal Agreement”	the formal sale and purchase agreement dated 17 September 2007 entered into between the Vendor and the Purchaser in relation to the disposal of the Property
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	(an) independent third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Latest Practicable Date”	21 September 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Mr LEE”	Mr LEE Yui Chiu, who is, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, an Independent Third Party
“Property”	Shop B on Ground Floor, Mercantile House, No. 186A Nathan Road, Tsimshatsui, Kowloon, Hong Kong
“Provisional Agreement”	the provisional sale and purchase agreement dated 3 September 2007 entered into between the Vendor, Mr LEE and the Agent in relation to the disposal of the Property
“Purchaser”	Profit Trend Industrial Limited, a company incorporated in Hong Kong with limited liability, which and the ultimate beneficial owner(s) of which are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Independent Third Parties
“Rental Deposit”	the deposit of HK\$414,000 paid by the existing tenant of the Property to the Vendor in accordance with the tenancy agreement dated 7 August 2007 made between the Vendor and the existing tenant of the Property, which shall be transferred by the Vendor to the Purchaser upon Completion
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Halesite Limited, a company incorporated in Hong Kong with limited liability and is a wholly owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent



GREAT CHINA HOLDINGS LIMITED
大中華集團有限公司

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock code: 0141)

Executive Directors:

Mr Rustom Ming Yu HO (*Chairman*)
Mr John Ming Tak HO (*Managing Director*)
Mr Patrick Kwok Wai POON

Registered Office and Head Office:

6th Floor
9 Des Voeux Road West
Hong Kong

Independent Non-executive Directors:

Mr Lawrence Kam Kee YU *BBS, MBE, JP*
Mr David Hon To YU
Mr Hsu Chou WU

25 September 2007

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION
– DISPOSAL OF PROPERTY

1. INTRODUCTION

Reference is made to the announcement of the Company dated 4 September 2007 regarding the Disposal. Pursuant to the Provisional Agreement, the Vendor has agreed to dispose of the Property to Mr LEE or his nominee at a consideration of HK\$34,300,000. On 17 September 2007, Mr LEE signed a Nomination to appoint, authorize and nominate the Purchaser as his nominee to take up all his rights and interests in the Provisional Agreement, to enter into the Formal Agreement and to complete the purchase of the Property in accordance with the terms contained in the Formal Agreement. The Formal Agreement was executed on 17 September 2007.

The Disposal constituted a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules. The purpose of this circular is to provide Shareholders with further details of the Disposal.

LETTER FROM THE BOARD

2. THE FORMAL AGREEMENT

- Date:** 17 September 2007
- Parties:** Vendor: Halesite Limited, a wholly owned subsidiary of the Company
Purchaser: Profit Trend Industrial Limited
- Property:** Shop B on Ground Floor, Mercantile House, No. 186A Nathan Road, Tsimshatsui, Kowloon, Hong Kong
- Consideration:** HK\$34,300,000 in cash. An initial deposit of HK\$1,000,000 has been paid upon signing of the Provisional Agreement. A further deposit of HK\$2,430,000 was paid on 13 September 2007. The balance of HK\$30,870,000 shall be paid on or before Completion.
- Completion:** Completion of the sale and purchase of the Property shall take place on or before 15 November 2007.
- Tenancy:** The Property is sold subject to and with the benefit of the existing tenancy.

3. INFORMATION ON THE PROPERTY

The Property comprises a shop unit on the ground floor of a 15-storey composite building and its net floor area is 34.84 square metres (375 square feet). The Property is the subject of a tenancy and the term of the last tenancy before the recent renewal was 25 months from 15 July 2005 to 14 August 2007, both days inclusive, with a monthly rental of HK\$120,000 (exclusive of management fee and government rates and rent). The term of the renewed tenancy is 2 years from 15 August 2007 to 14 August 2009, both days inclusive, with a monthly rental of HK\$138,000 (exclusive of management fee and government rates and rent).

The audited net loss before and after taxation and extraordinary items attributable to the Property for the financial year ended 31 December 2005 was HK\$185,000. The audited net profit before and after taxation and extraordinary items attributable to the Property for the financial year ended 31 December 2006 was HK\$120,000.

The Property is subject to a mortgage to secure a term loan of approximately HK\$29,000,000 and general banking facilities in favour of The Hongkong and Shanghai Banking Corporation Limited. The Vendor shall repay part of the term loan of approximately HK\$11,000,000 to discharge the Property from the said mortgage at its sole expense on or before the Completion to the intent that the Property shall be sold free from the mortgage. The remaining term loan and general banking facilities will be secured by another property of the Group.

LETTER FROM THE BOARD

4. DETERMINATION OF THE CONSIDERATION

The consideration for the Disposal of HK\$34,300,000 was agreed between the Vendor and Mr LEE after arm's length negotiations with reference to the prevailing market price of nearby properties.

5. REASONS FOR THE DISPOSAL

Taking account of the recent prevailing property market conditions in non-residential properties and the overall economy in Hong Kong, and in light of the desirable gain expected to be generated from the Disposal, the Board is of the opinion that the Disposal provides a good opportunity for the Group to realize the Property. The Directors (including the independent non-executive Directors) consider that the terms of the Provisional Agreement and the Formal Agreement and the Disposal are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net proceeds from the Disposal of approximately HK\$33,900,000 will be used to repay part of the term loan of approximately HK\$11,000,000 as aforesaid and to pay the Rental Deposit to the Purchaser. The balance shall be used as the additional working capital of the Group.

6. INFORMATION ON THE PARTIES

The principal activities of the Group are general trading of animal feed, mainly fishmeal and tapioca chips, and property investment, including the lease and sale of properties and provision of real estate agency services.

As far as the Directors are aware, the Purchaser is an investment holding company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Mr LEE, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

7. FINANCIAL EFFECT OF THE DISPOSAL

The Property was purchased by the Vendor in April 1986 at a cost of approximately HK\$2,907,000 and since then it was held by the Group as an investment property for investment and rental purposes. The book value of the Property according to the audited consolidated financial statements of the Company for the year ended 31 December 2006 was HK\$24,800,000, which is same as the value of the Property as at 31 December 2006 assessed by AGW. Based on such book value, a gain of approximately HK\$9,500,000 (before deducting relevant expenses and tax) is expected to accrue to the Group upon Completion, subject to annual audit.

LETTER FROM THE BOARD

As a result of the Disposal, the consolidated non-current assets of the Company will be reduced by HK\$24,800,000 and the consolidated current assets of the Company will be increased by approximately HK\$22,486,000, being net cash proceeds to be deposited in bank after repayment of part of the term loan of approximately HK\$11,000,000 and after transfer of the Rental Deposit to the Purchaser. The consolidated non-current liabilities of the Company will be reduced by approximately HK\$11,000,000, being the foregoing repayment of term loan and the consolidated current liabilities of the Company will be reduced by HK\$414,000, being the foregoing transfer of the Rental Deposit to the Purchaser. Upon Completion, the Group will cease to earn rental income from the Property, the amount of which for the year ended 31 December 2006 was HK\$1,440,000.

8. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
By Order of the Board
John Ming Tak HO
Managing Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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 herein misleading.

2. DISCLOSURE OF INTERESTS

(I) Interests of Directors

As at the Latest Practicable Date, the interests of the Directors in the Shares as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Long position in the Shares of the Company

Director	Number of Shares interested			% of issued share capital
	Family interest	Corporate interests	Total	
Mr Rustom Ming Yu HO	0	138,347,288*	138,347,288	52.87
Mr John Ming Tak HO	600,000	138,347,288*	138,947,288	53.10

* By virtue of the SFO, both Mr Rustom Ming Yu HO and Mr John Ming Tak HO were deemed to have interests in the 138,347,288 Shares held by Fulcrest Limited, a company in which Mr Rustom Ming Yu HO and Mr John Ming Tak HO had controlling interests. Interests in the same Shares are also shown under the section headed "Interests of Substantial Shareholders" below.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had an interest or a short position in the shares, underlying shares or debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which (a) 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 interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

(II) Interests of Substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following parties, other than a Director or chief executive of the Company, had interests in the Shares 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 was, 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:–

Substantial Shareholder	Number of Shares interested			% of issued share capital
	Direct interest	Deemed interests	Total	
Fulcrest Limited	138,347,288	0	138,347,288	52.87
Asian Pacific Investment Corporation	0	138,347,288 [#]	138,347,288	52.87
Kwong Fong Holdings Limited	710,000	138,347,288 [#]	139,057,288	53.14
Kwong Fong Industries Corporation	8,680,000	139,057,288 [#]	147,737,288	56.46
COFCO (Hong Kong) Limited	45,058,000	0	45,058,000	17.22

[#] *The share capital of Fulcrest Limited was owned as to 51% by Asian Pacific Investment Corporation and as to 49% by Kwong Fong Holdings Limited. Kwong Fong Holdings Limited was a wholly owned subsidiary of Kwong Fong Industries Corporation. Accordingly, Asian Pacific Investment Corporation and Kwong Fong Holdings Limited were deemed to be interested in the 138,347,288 Shares held by Fulcrest Limited; and Kwong Fong Industries Corporation was deemed to be interested in the 139,057,288 Shares in which Kwong Fong Holdings Limited had an interest.*

Both Mr Rustom Ming Yu HO and Mr John Ming Tak HO are directors of Fulcrest Limited, Asian Pacific Investment Corporation, Kwong Fong Holdings Limited and Kwong Fong Industries Corporation.

Save as disclosed above and in paragraph (I) above, the Directors or chief executive of the Company are not aware of any party who, as at the Latest Practicable Date, had an interest or a 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 was, 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 or had any options in respect of such share capital.

3. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claims of material importance and, so far as the Directors are aware, there were no litigation or claims of material importance pending or threatened against any member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any members of the Group, which are not determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective associates had an interest in any business apart from the Group's business which competes or is likely to compete, either directly or indirectly, with the Group's business.

6. MISCELLANEOUS

- (I) Mr Andy Kam Kee WONG is both the company secretary and the qualified accountant of the Company. He is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and an associate member of the Institute of Chartered Secretaries and Administrators.
- (II) The registered and head office of the Company is at 6th Floor, 9 Des Voeux Road West, Hong Kong.
- (III) The share registrar and transfer office of the Company is Tricor Abacus Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong.