



G-PROP (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 286)

VOLUNTARY ANNOUNCEMENT ON DISPOSAL OF INDIRECT INTEREST IN ASSOCIATED COMPANIES AND RELATED INTELLECTUAL PROPERTY RIGHTS

Further to the announcement of the Company dated 31st May, 2007, the Board hereby announces that the Vendor has on 22nd June, 2007 entered into the SPA with the Purchaser and the Guarantor pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares and the Three Phase Patents at the aggregate consideration of HK\$12,000,000.00.

Reference is made to the announcement of the Company dated 31st May, 2007 in respect of, inter alia, a possible disposal by the Company of its indirect interest in associated companies and related intellectual property rights.

The Board hereby announces that on 22nd June, 2007, the Vendor has entered into the SPA with the Purchaser and the Guarantor pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase the Sale Shares and the Three Phase Patents at the aggregate consideration of HK\$12,000,000.00. The material terms of the SPA are summarized below:

(1) PARTIES

The Vendor as vendor, the Purchaser as purchaser and the Guarantor as guarantor.

The Vendor is an indirect wholly-owned subsidiary of the Company.

The Purchaser is a subsidiary of the Guarantor and is an independent third party.

The Guarantor is one of the Company's associated companies, and is an independent third party.

(2) ASSETS TO BE DISPOSED OF

- (a) 1,000 shares of US\$1.00 each (the “**Sale Shares**”) representing the entire issued share capital of Legend GP (N.A.) Limited, a company incorporated in the British Virgin Islands; and
- (b) the Three Phase Patents.

(3) CONSIDERATION

- (a) HK\$7,800.00 for the sale and purchase of the Sale Shares; and
- (b) HK\$11,992,200.00 for the sale and purchase of the Three Phase Patents.

(4) CONDITIONS

Completion is conditional upon the fulfillment of the conditions precedent set out in the SPA (the “**Conditions**”) as summarized below:–

- (a) the Vendor having been provided with the Consent Letter duly executed by the party or parties who has or have the capacity and rights to give consent to the assignment of the Three Phase Patents by the Vendor to the Purchaser and the novation of all rights and obligations of the Vendor under the Previous Assignment to the Purchaser unless the Japanese Legal Opinion has confirmed that no party has the capacity and right to give or withhold such consent and no party has any right or interest under the Previous Assignment;
- (b) the Vendor having been provided with a legal opinion issued by the lawyers jointly appointed by the Vendor and the Purchaser practicing the laws of Japan to the reasonable satisfaction of the Vendor on, inter alia, the party or parties having the authority and capacity to acknowledge its/their consent to the sale of the Three Phase Patents by the Vendor to the Purchaser and the novation of all rights and obligations of the Vendor under the Previous Assignment to the Purchaser pursuant to the SPA and the party or parties having right or interest under the Previous Assignment;
- (c) the Vendor having been provided with a legal opinion issued by the lawyers of the Purchaser practicing the laws of Barbados to the reasonable satisfaction of the Vendor on, inter alia, the due execution, validity and enforceability of, and the capacity of the Purchaser to enter into, the SPA;
- (d) the Vendor having been provided with a legal opinion issued by the lawyers of the Guarantor practicing the laws of Canada to the reasonable satisfaction of the Vendor on, inter alia, the due execution, validity and enforceability of, and the capacity of the Guarantor to enter into, the SPA;
- (e) all necessary approvals by the Shareholders (if required) in respect of the transactions contemplated under the SPA having been obtained;
- (f) all necessary approvals (if any) for the Company from the Stock Exchange and/or other regulatory authorities in connection with the SPA and the transactions contemplated thereunder having been obtained; and
- (g) no indication having been received by the Company from the Stock Exchange or any other regulatory authorities having jurisdiction over the Company to the effect that the listing of the shares of the Company on the Stock Exchange will or may be suspended or withdrawn or objected to or affected as a result of or in connection with the transactions contemplated under the SPA.

The Vendor and the Purchaser may waive the conditions set out in paragraph (a) and/or (b) above jointly on or before the Fulfillment Date.

The Vendor may (but is not obliged to) waive all or any of the conditions set out in paragraphs (c) and (d) above on or before the Fulfillment Date.

(5) COMPLETION

Completion shall take place on the 10th business day after all the conditions have been fulfilled (or waived, if applicable), but in any event on or before (i) the Fulfillment Date or (ii) such other date as the Vendor and the Purchaser may agree in writing.

(6) GUARANTEE

The Guarantor shall guarantee to the Vendor for the due performance of the obligations for the Purchaser under the SPA.

On Completion, the Company will receive a total cash consideration of HK\$12,000,000.00. As the book value of the Sale Shares and the Three Phase Patents to be disposed of under the Disposal is zero based on the audited consolidated accounts of the Company for the financial year ended 31st December, 2006, the Company will record a non-recurring profit of approximately HK\$12,000,000.00 under the Disposal.

The Disposal does not constitute a notifiable transaction for the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, nor do the Board consider it to be price-sensitive in nature.

This announcement is a voluntary announcement made by the Company to keep the Shareholders and the investing public informed of the transactions contemplated under the SPA.

Made by order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“Disposal”	the disposal of the Sale Shares and the Three Phase Patents upon the terms and conditions of the SPA
“Board”	the board of Directors
“Company”	G-Prop (Holdings) Limited, a company incorporated in Bermuda whose shares are listed on the main board of the Stock Exchange (Stock Code: 286)
“Completion”	completion of the Disposal
“Consent Letter”	the consent letter under which, inter alia, consent is given by the party or parties who has or have the necessary capacity and right to give consent to the assignment of the Three Phase Patents by the Vendor to the Purchaser and the novation of all rights and obligations of the Vendor under the Previous Assignment to the Purchaser;

“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sales Shares and the Three Phase Patents upon the terms and conditions of the SPA
“Guarantor”	the guarantor under the SPA, being a company incorporated in Canada and one of the Company’s associated companies, and an independent third party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Fulfillment Date”	(i) the date falling 6 (six) calendar months after the date of the SPA or (ii) such other date as the Vendor and the Purchaser may otherwise agree in writing
“Japanese Legal Opinion”	the legal opinion referred to in paragraph (b) of the section headed “Conditions” in this announcement
“Previous Assignment”	a patent application assignment agreement dated 22nd April, 1999 entered into between Aikoh Electric Corporation (a company incorporated in Japan) as assignor and the Vendor as assignee pursuant to which the said Aikoh Electric Corporation had assigned, inter alia, all rights, title and interest in and to the Three Phase Patents to the Vendor
“Purchaser”	the purchaser under the SPA, being a company incorporated in Barbados and a subsidiary of the Guarantor, and an independent third party
“Shareholders”	holders of the shares of the Company
“SPA”	the sale and purchase agreement dated 22nd June, 2007 entered into among the Vendor as vendor, the Purchaser as purchaser and the Guarantor in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Three Phase Patents”	the patent or patent applications for the method and device for automatically switching three-phase voltage for power saving transformer as more particularly set out in the SPA. The Vendor is the registered owner of such patent or patent applications
“Vendor”	Legend Power Ltd., a company incorporated in the British Virgin Islands, being an indirect wholly-owned subsidiary of the Company and owner of both the Sale Shares and the Three Phase Patents

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

Hong Kong, 22nd June, 2007

As at the date of this announcement, the Board comprises 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.

Website: <http://www.g-prop.com.hk>

Please also refer to the published version of this announcement in The Standard.