

Gold-Face Holdings Limited

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GOLD-FACE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

SALE OF PROPERTY IN THE UNITED KINGDOM AND CLARIFICATION ON PRESS ARTICLES

Goldline, a wholly-owned subsidiary of the Company, has entered into the Sale and Purchase Agreement with an independent third party not connected with the Company and its associates for the sale of the Property at a consideration of £24 million (equivalent to approximately HK\$295.2 million)

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing, amongst others, details of the Sale and Purchase Agreement will be sent to the Shareholders as soon as possible.

The Directors also refer to certain press articles appearing in today's edition of Oriental Daily and Apple Daily in relation to a dispute between the Company, Chun Wo and Lipson regarding the Construction Project. In respect of the press articles, the Directors would like to clarify that the Company nor Lipson has been served with any proceedings by Chun Wo to date and further announce that Lipson has applied to the Court of First Instance for the arbitration in favour of Chun Wo to be remitted for reconsideration by the arbitrator.

The Directors are pleased to announce that Goldline, a wholly-owned subsidiary of the Company, has entered into the Sale and Purchase Agreement with a party not connected with the Company and its associates for the sale of the Property at a consideration of £24 million (equivalent to approximately HK\$295.2 million).

SALE AND PURCHASE AGREEMENT DATED 4 APRIL 2003

Parties

- Vendor : Goldline, a wholly-owned subsidiary of the Company
- Purchaser : Rosewheel Limited, a private company incorporated in England which is not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates, and which does not have any prior shareholding in the Company

Property sold

51/79 (odd) Charing Cross Road, 28-35 Newport Court and 10-18 Newport Place in the City of Westminster, London WC2, the United Kingdom.

Total area of the Property is about 37,000 square feet.

The Property accommodates 23 retail/restaurant units on the ground, basement and mezzanine levels of a larger development.

Sale price

£24 million (equivalent to approximately HK\$295.2 million) payable in cash.

The Property has been valued at £25.5 million (equivalent to approximately HK\$313.65 million) pursuant to a valuation conducted by an independent valuer on 31 May 2002. No further valuation on the Property has been carried out since then. In September 2002, Goldline engaged estate agents to look for potential purchasers of the Property. The consideration obtained from the Purchaser was the highest of all the prices offered. The Directors are therefore of the view that a further valuation on the Property is not necessary as the value of the Property is ultimately determined by market demand.

The price was determined after arm's length negotiations and with reference to the Company's directors' estimate of the current market price of the Property. Taking into account of the fact that the consideration obtained from the Purchaser was the highest amongst all of the offered prices obtainable in the market, the Directors are of the view that the consideration is fair and reasonable and reflects the current market price of the Property.

Reason and use of proceeds

After deducting the legal fees, sales commission and other necessary expenses, the net proceeds of the Disposal, which is approximately £23.7 million (approximately HK\$291.51 million), will be applied to repay the bank loan secured by the Property (in the sum of approximately £19.26 million (equivalent to approximately HK\$236.9 million)) and the remaining £4.44 million (equivalent to approximately HK\$54.61 million) will be utilised as working capital of the Group for other property development projects mainly in Hong Kong.

Payment terms

The Purchaser has paid deposit of £550,000 in cash (equivalent to approximately HK\$6.765 million) (which is not refundable) in accordance with the terms of the Sale and Purchase Agreement.

The balance of £23.45 million (equivalent to approximately HK\$288.435 million) is payable in cash at completion of the Sale and Purchase Agreement.

Completion date

On or before 17 April 2003. The Sale and Purchase Agreement is unconditional and the parties are obliged to complete the transaction in accordance with the provisions thereunder.

REASON FOR THE DISPOSAL

The Property was held by the Group for investment purposes and was purchased by Goldine in 1996. For the six-month period ended 30 September 2002, the rental income derived from the Property amounted to approximately

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HK\$8.9 million. However, after taking into account of the mortgage loan interests and the operating expenses, the Property gave rise to a loss of approximately HK\$1.5 million for the same period.

The reason for the Disposal is to realise the present value of the Property and to provide working capital of the Group.

GENERAL

The Group is principally engaged in property development, property investment and property related business in Hong Kong, the United Kingdom and other regions in the People's Republic of China.

The Group will record a profit of approximately HK\$54 million before taxation and net of expenses in respect of the Disposal. The Directors believe that the terms of the Sale and Purchase Agreement are fair and reasonable and are in the best interests of the Company so far as the Shareholders are concerned.

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing, amongst others, details of the Sale and Purchase Agreement will be sent to the Shareholders as soon as practicable.

CLARIFICATION ON PRESS ARTICLES

The Directors also refer to certain press articles appearing in today's edition of Oriental Daily and Apple Daily in relation of a dispute between the Company, Chun Wo and Lipson regarding the Construction Project and that litigation proceedings have been commenced between the Company, Chun Wo and Lipson.

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In respect of the press articles, the Directors would like to clarify that neither the Company nor Lipson has been served with any proceedings by Chun Wo to date. On 24 March 2003, an arbitration award for the sum of HK\$68,795,000 has been made in favour of Chun Wo in an arbitration concerning a dispute in construction work rendered in connection with the Construction Project, which has previously been disclosed in note 41 to the financial statements in the annual report of the Company for the year ended 31 March 2002. The Directors announce that Lipson has made an application to the Court of First Instance for the arbitration to be remitted for reconsideration by the arbitrator.

The Directors will make further announcement in respect of the said litigation proceedings and arbitration as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meaning:

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| “associate” | shall have the meaning as defined in the Listing Rules |
| “Chun Wo” | Chun Wo Building Construction Limited, a wholly-owned subsidiary of Chun Wo Holdings Limited whose shares are listed on the Stock Exchange |

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“Company”	Gold-Face Holdings Limited, a company incorporated in Bermuda whose shares are listed on the Stock Exchange
“Construction Project”	the property development project of Lipson, namely, Casa De Oro, Hung Shiu Kiu, New Territories
“Directors”	the directors of the Company
“Disposal”	the sale of the Property
“Goldline”	Goldline Properties Limited, a company incorporated in the United Kingdom and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Lipson”	Lipson Enterprises Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the leasehold property located at 51/79 (odd) Charing Cross Road, 28-35 Newport Court and 10-18 Newport Place in the City of Westminster, London WC2, the United Kingdom

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“Purchaser”	an independent third party not connected with any of the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Sale and Purchase Agreement”	the agreement dated 4 April 2003 entered into between Goldline and an independent third party in relation to the Disposal
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the board of
Gold-Face Holdings Limited
Tai Chi Wah
Managing Director

Hong Kong, 16 April 2003

In this announcement, the exchange rate of £1=HK\$12.3 is used.

Please also refer to the published version of this announcement in The Standard dated on 17-4-2003.