

**G-PROP (HOLDINGS) LTD :
YOU OWE ME \$HK1.23 MILLION**

G-Prop (Holdings) Ltd (Code: 286, Main Board, The Stock Exchange of Hongkong Ltd) has been accused of issuing 'rubber' cheques.

According to Mr Choi Chee Ming, G-Prop, an investment holding company, issued 3 cheques to him, all drawn on Wing Hang Bank Ltd (Code: 302, Main Board, The Stock Exchange of Hongkong Ltd), all of which were dishonoured when presented for payment.

The aggregate amount of the 3 cheques was \$HK1,230,165, Mr Choi alleges in High Court Action Number 626.

The former Managing Director of G-Prop, Mr William Lee Sze Kwong, was said to have been a Guarantor of the 3 cheques, while Mr Li Wing Kin, an existing Executive Director of G-Prop, counter-guaranteed the validity of the cheques.

The dates of the cheques were December 23, 2002 and January 23, 2003, the Statement of Claim, attached to the Writ of Summons alleges.

Mr Choi has sued, not only G-Prop, but, also, the 2 Guarantors in order to get back the money, which he alleges is owed to him.

G-Prop reported a Loss Attributable to Shareholders of about \$HK295.59 million in respect of its last Financial Year, ended March 31, 2002.

The 2002 Year's losses represented the fifth consecutive Financial Year of losses for this company, at least, with the aggregate amount of its losses, being about \$HK2.83 billion.

In the 2002 Report to Shareholders, the company's Auditors, Deloitte Touch Tohmatsu, said, inter alia:

'Fundamental uncertainty relating to the going concern basis

'In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the financial statements regarding the Group's obligations under its issued non-interest bearing convertible bonds in the sum of HK\$301 million maturing in October 2004. On the basis that the Group will be able to meet its obligations to convertible noteholders at the maturity date, the directors have prepared the financial statements on a going concern basis. The financial statements do not include any adjustment that would result from a failure by the Group to meet its financial obligations as they fall due. We consider that the fundamental uncertainty has been adequately disclosed in the financial statements and our opinion is not qualified in this report.'

Finally, according to **TOLFIN** (**TARGET**'s Computerised Online Financial Intelligence Service and Credit-Checking Provider) Mr William Lee Sze Kwong resigned his position as Managing Director of G-Prop in September, last year.

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