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澳門祥泰地產集團有限公司\*

MACAU PRIME PROPERTIES HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 199)**

## **DISCLOSEABLE TRANSACTION**

On 17th January, 2007, Everight, an indirect wholly-owned subsidiary of the Company, signed the Instrument of Transfer with an independent third party to acquire 0.96% of the issued share capital of Donson for a consideration of HK\$2.2 million. Details of the Instrument of Transfer are set out below.

The Further Acquisition, when aggregated with the Acquisitions, constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As disclosed in the Announcement, the Circular containing information on the Acquisitions, the letter of advice from the independent committee of the Board to the Independent Shareholders, the letter of advice from the independent financial adviser to the independent committee of the Board, the notice of the SGM and other information as required under the Listing Rules will be despatched to the Shareholders as soon as practicable. Information on the Further Acquisition will also be included in the Circular.

### **BACKGROUND**

Reference is made to the announcement made by the Company dated 5th January, 2007 (the "Announcement") in relation to, among others, the acquisitions by the Group of the respective interest in Braniff and Donson and a shareholder's loan (with interest accrued thereon) owed by Braniff to AIM and Mr. Chang. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context herein requires otherwise.

The Company announced on 7th February, 2006 that New Smarten, an indirect wholly-owned subsidiary of the Company, entered into an acquisition agreement with various independent third parties to acquire from them their respective interests in Everight which is effectively interested in 55.57% of the issued share capital of Donson. The Donson Group is principally engaged in golf resort and hotel operations, and property development, investment and management in the PRC. Information on the Everight Acquisition is set out in the circular of the Company dated 26th April, 2006. Completion of the Everight Acquisition took place on 8th June, 2006.

The Company further announced on 5th January, 2007 that Everight, an indirect wholly-owned subsidiary of the Company, entered into the Braniff Agreement, the Cheerview Agreement and the Great Honest Agreement for the acquisition of interests in Braniff and Donson and the Loan for an aggregate consideration of approximately HK\$114 million in cash plus interests accrued on the Loan up to Braniff Completion. Details of the Acquisitions are set out in the Announcement.

### **THE INSTRUMENT OF TRANSFER**

On 17th January, 2007, Everight, an indirect wholly-owned subsidiary of the Company, signed an instrument of transfer (the "Instrument of Transfer") with an individual to acquire 818,000 Donson Shares (the "Further Acquisition"), representing approximately 0.96% of the issued share capital of Donson. To the best of the Directors' knowledge, information and belief and after having made all reasonable enquiry, such individual (i) is independent from and not connected with the Company or its connected persons; (ii) is not a connected person of the Company; and (iii) is not a connected person of any of the vendors under the Braniff Acquisition, the Cheerview Acquisition and the Great Honest Acquisition.

The consideration for the Further Acquisition of HK\$2.2 million was paid from internal resources of the Group upon signing of the Instrument of Transfer.

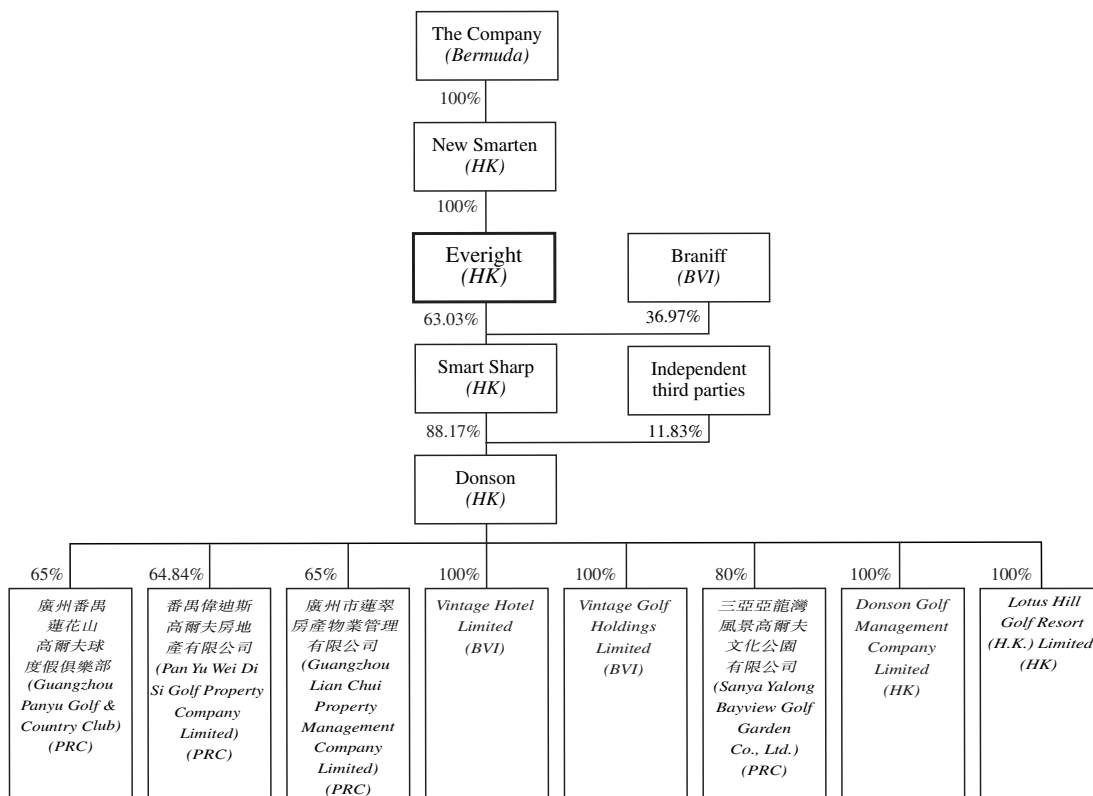
The consideration for the Further Acquisition was determined after arms' length negotiations with such independent third party having taken into account principally the aggregate consideration of approximately HK\$140 million paid by the Group for 55.57% effective interest in Donson in the Everight Acquisition, the aggregate consideration of approximately HK\$82 million paid by the Group for 43.47% effective interest in Donson in the Acquisitions, the business potential and growth of Donson Group. The Board considers the consideration for the Further Acquisition fair and reasonable.

\* For identification purpose only

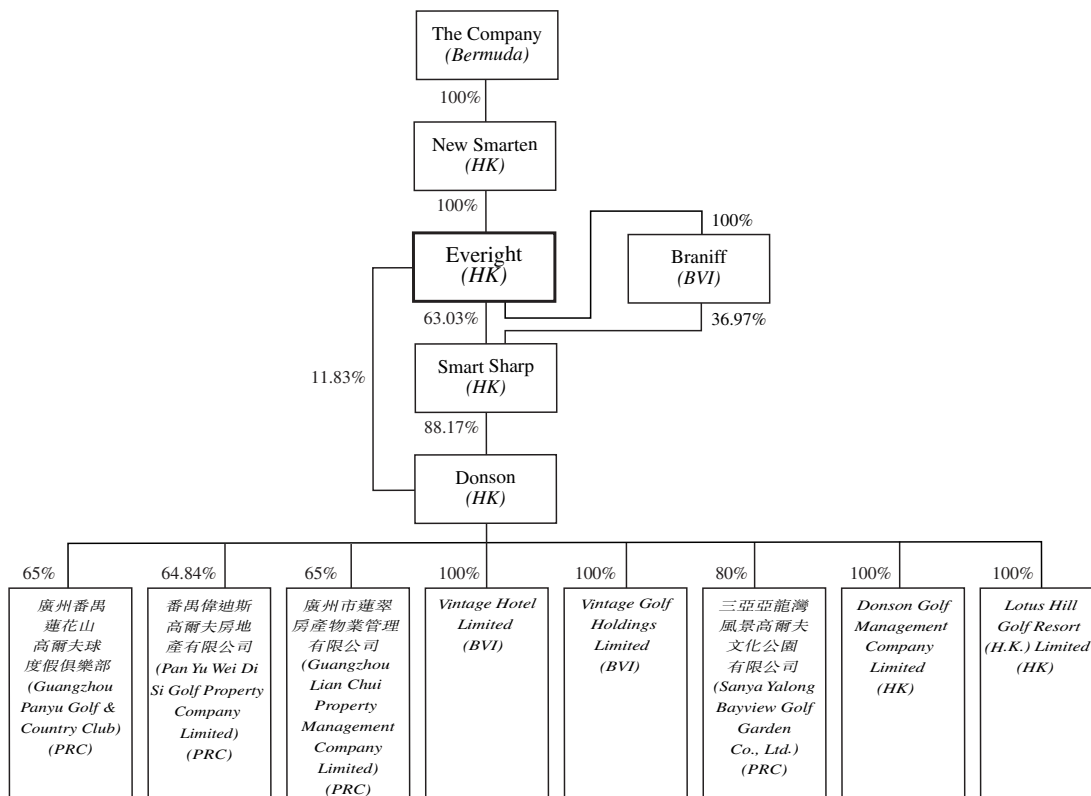
## INFORMATION ON DONSON GROUP

The following illustrates the changes of shareholding structure of Donson Group after completion of the Acquisitions and the Further Acquisition:

### Before completion of the Acquisitions and the Further Acquisition



### After completion of the Acquisitions and the Further Acquisition



Donson is an investment holding company which at present operates two golf clubs, one in Lotus Hill, Panyu, Guangdong and one in Yalong Bay, Sanya, Hainan. In addition, 95 units of villas and 76 units of apartments have been constructed on Panyu Phase I Land for sale with 9 units of villas remain unsold. Donson is carrying out the Panyu Phase II Development Project for sale and the Yalong Bayview Development Project for rental and/or time share and/or resort facilities, subject to all governmental and regulatory approvals having been obtained.

The golf club in Panyu commenced business in 1995. The golf club has a golf course and a club-house equipped with resort facilities including guest rooms, food and beverage outlets, fitness centre and sauna. The application for the development of villas of the Panyu Phase II Development Project has been approved by the relevant government authorities and luxurious residential properties of total gross floor area of about 23,000 m<sup>2</sup> will be built thereon.

The golf club in Sanya partially commenced business in 2004 and the club-house opened in December 2006. Currently, a golf course of 18 holes is in operation with additional 9 holes being constructed. Upon full operation which is expected in mid 2007, it will operate with a 27-hole golf course, a club-house with resort facilities including food and beverage outlets, fitness centre and sauna. Application for the development of bungalow-type resort hotel with about 60 units on Yalong Bayview Land has been submitted to the relevant government authorities.

Set out below is the audited consolidated financial information of Donson Group for each of the two years ended 31st December, 2004 and 2005 prepared in accordance with the HK GAAP:

	<b>Year ended 31st December,</b>	
	<b>2005</b>	<b>2004</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
Turnover	61.3	46.8
Loss before taxation	9.9	0.8
Loss after taxation and minority interest	5.1	6.5
	<b>As at 31st December,</b>	
	<b>2005</b>	<b>2004</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
Total assets	341.4	361.0
Net assets	179.7	182.7
Net assets after minority interest	127.9	128.8

#### **REASONS FOR THE FURTHER ACQUISITION**

The Company acquired 55.57% effective interest in Donson through the Everight Acquisition. Information on the Everight Acquisition is set out in the circular of the Company dated 26th April, 2006. Completion of the Everight Acquisition took place on 8th June, 2006.

The Company has agreed to acquire an additional 43.47% effective interest in Donson through the Acquisitions. Details of the Acquisitions are set out in the Announcement.

The Further Acquisition allows the Company to obtain 100% effective interest in Donson. The consolidation of control in Donson enables the Group to better implement its strategy and planning in respect of the operation and development of Donson Group in the future, which the Board considers is in the interest of the Company and the Shareholders as a whole. The Board considers that the terms of the Further Acquisition are fair and reasonable.

#### **SGM**

The Further Acquisition, when aggregated with the Acquisitions, constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As disclosed in the Announcement, a circular containing information on the Acquisitions, the letter of advice from the independent committee of the Board to the Independent Shareholders, the letter of advice from the independent financial adviser to the independent committee of the Board, the notice of the SGM and other information as required under the Listing Rules (the "Circular") will be despatched to the Shareholders as soon as practicable. Information on the Further Acquisition will also be included in the Circular.

## **GENERAL**

The Company is an investment holding company and its subsidiaries are principally engaged in property development and investment in Macau, the PRC and Hong Kong. The Group is also engaged in securities investment, golf resort and hotel operation, trading of motorcycles, sale and manufacturing of western pharmaceutical products, Chinese pharmaceutical and health products.

For ease of reference, the names of PRC established companies and entities have been included in this announcement in both Chinese and English languages and the English names of these companies and entities are either English translation of their respective official Chinese names or English tradenames used by them. In the event of any inconsistency between the English names and their respective official Chinese names, the Chinese names shall prevail.

By order of the Board  
**Macau Prime Properties Holdings Limited**  
**Yan Ha Hung, Loucia**  
*Company Secretary*

Hong Kong, 17th January, 2007

As at the date of this announcement, the Directors are as follows:

*Executive Directors:*

Mr. Cheung Hon Kit (*Chairman*)  
Mr. Chan Fut Yan (*Managing Director*)  
Mr. Wong Kam Cheong, Stanley (*Deputy Managing Director*)  
Mr. Cheung Chi Kit  
Mr. Lai Tsan Tung, David

*Non-executive Directors:*

Mr. Ho Hau Chong, Norman (*Deputy Chairman*)  
Mr. Lo Lin Shing, Simon

*Independent Non-executive Directors:*

Mr. Wong Chi Keung, Alvin  
Mr. Kwok Ka Lap, Alva  
Mr. Chui Sai Cheong

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