



德祥地產集團有限公司\*

**ITC PROPERTIES GROUP LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code : 199)

**FINAL RESULTS  
FOR THE YEAR ENDED 31ST MARCH, 2008**

**RESULTS**

The board of directors (the “**Board**”) of ITC Properties Group Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31st March, 2008, together with the comparative figures for the previous year are as follows:

**CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31ST MARCH, 2008**

	NOTES	2008 HK\$'000	2007 HK\$'000
<b>Continuing operations</b>			
Revenue	3	<u>181,944</u>	<u>93,389</u>
Property sale and rental income		81,792	5,251
Golf and leisure income		<u>62,622</u>	<u>52,367</u>
Cost of sales		<u>144,414</u>	<u>57,618</u>
		(67,511)	(14,073)
Gross profit		76,903	43,545
Net income from loan financing		31,789	21,036
Net gain on financial instruments		76,382	28,623
Other income		73,206	105,616
Administrative expenses		(141,959)	(85,400)
Finance costs	4	(109,933)	(97,009)
Impairment losses on prepaid lease payments of leasehold land and premium on prepaid lease payments of leasehold land	5	(45,000)	–
Loss on disposal of an associate	6	(39,486)	–
Loss on disposal of subsidiaries	7	(19,073)	–
Compensation for cancellation of call options for acquisition of additional interest in an associate		–	23,370
Share of results of associates		<u>(25,047)</u>	<u>40,916</u>
(Loss) profit before taxation		(122,218)	80,697
Taxation	8	<u>(3,475)</u>	<u>(10,004)</u>
(Loss) profit for the year from continuing operations		(125,693)	70,693
<b>Discontinued operations</b>			
(Loss) profit for the year from discontinued operations	9	<u>(18,665)</u>	<u>3,408</u>
(Loss) profit for the year	10	<u>(144,358)</u>	<u>74,101</u>

\* For identification purpose only

	<i>NOTE</i>	<b>2008</b> <b>HK\$'000</b>	2007 <i>HK\$'000</i>
Attributable to:			
Equity holders of the Company		<b>(141,853)</b>	79,091
Minority interests		<b>(2,505)</b>	(4,990)
		<u><b>(144,358)</b></u>	<u>74,101</u>
<b>(Loss) earnings per share</b>	<i>11</i>		
<b>From continuing and discontinued operations:</b>			
Basic (HK cents)		<u><b>(4.8)</b></u>	<u>3.7</u>
Diluted (HK cents)		<u>N/A</u>	<u>3.6</u>
<b>From continuing operations:</b>			
Basic (HK cents)		<u><b>(4.2)</b></u>	<u>3.6</u>
Diluted (HK cents)		<u>N/A</u>	<u>3.5</u>

**CONSOLIDATED BALANCE SHEET**  
**AT 31ST MARCH, 2008**

	<i>NOTE</i>	<b>2008</b> <b>HK\$'000</b>	2007 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>178,543</b>	279,956
Prepaid lease payments of leasehold land		<b>20,808</b>	96,772
Premium on prepaid lease payments of leasehold land		<b>114,294</b>	131,527
Intangible assets		–	430
Available-for-sale investments		<b>94,570</b>	130,036
Interest in properties held for development		<b>14,745</b>	–
Interests in associates		<b>135,503</b>	93,879
Unsecured loans and interest due from associates		<b>1,077,690</b>	1,234,443
Debt portion of convertible bonds		<b>51,120</b>	–
Derivatives embedded in convertible bonds		<b>4,865</b>	–
Deposits and expenses paid for acquisition of a land use right		<b>47,275</b>	41,466
Deposit and expenses paid for acquisition of an associate		–	90,675
Deposits and expenses paid for acquisition of properties		–	27,125
Other loan receivables		–	9,634
		<hr/> <b>1,739,413</b>	<hr/> 2,135,943
<b>Current assets</b>			
Inventories		<b>2,161</b>	76,919
Properties held for sale		<b>252,903</b>	58,536
Properties under development		<b>240,853</b>	11,296
Financial assets at fair value through profit or loss		<b>11,957</b>	66,725
Debtors, deposits and prepayments	<i>12</i>	<b>514,795</b>	473,160
Other loan receivables		<b>243,133</b>	205,495
Prepaid lease payments of leasehold land		<b>517</b>	2,480
Amounts due from associates		<b>2,154</b>	68
Unsecured loans and interest due from related companies		<b>58,251</b>	54,567
Tax recoverable		–	1,506
Pledged bank deposits		<b>51,818</b>	40,783
Bank balances and cash		<b>243,038</b>	254,622
		<hr/> <b>1,621,580</b>	<hr/> 1,246,157

	<i>NOTE</i>	<b>2008</b> <i>HK\$'000</i>	2007 <i>HK\$'000</i>
<b>Current liabilities</b>			
Creditors, deposits and accrued charges	<i>13</i>	<b>70,392</b>	158,947
Amounts due to minority shareholders of subsidiaries		<b>890</b>	1,884
Dividend payable to a minority shareholder of a subsidiary		–	2,354
Tax payable		<b>13,252</b>	12,340
Unsecured loans from minority shareholders of subsidiaries		–	4,515
Unsecured loan from a related company		–	1,616
Convertible note payables – due within one year		<b>7,284</b>	7,945
Obligations under finance leases – due within one year		<b>49</b>	24
Bank and other borrowings – due within one year		<b>113,996</b>	111,439
		<u><b>205,863</b></u>	<u>301,064</u>
<b>Net current assets</b>		<u><b>1,415,717</b></u>	<u>945,093</u>
<b>Total assets less current liabilities</b>		<u><b>3,155,130</b></u>	<u>3,081,036</u>
<b>Non-current liabilities</b>			
Convertible note payables – due after one year		<b>1,236,559</b>	1,360,455
Obligations under finance leases – due after one year		<b>173</b>	71
Bank and other borrowings – due after one year		<b>39,647</b>	8,081
Deferred tax liabilities		<b>28,574</b>	40,609
		<u><b>1,304,953</b></u>	<u>1,409,216</u>
		<u><b>1,850,177</b></u>	<u>1,671,820</u>
<b>Capital and reserves</b>			
Share capital		<b>30,955</b>	23,123
Reserves		<b>1,812,043</b>	1,598,516
		<u><b>1,842,998</b></u>	<u>1,621,639</u>
Equity attributable to equity holders of the Company		<b>1,842,998</b>	1,621,639
Minority interests		<b>7,179</b>	50,181
		<u><b>1,850,177</b></u>	<u>1,671,820</u>

*Notes:*

**1. BASIS OF PREPARATION**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRS(s)**”), Hong Kong Accounting Standards (“**HKAS(s)**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the consolidated financial statements include applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Hong Kong Companies Ordinance.

**2. PRINCIPAL ACCOUNTING POLICIES**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations (“**new HKFRS**”) issued by HKICPA, which are effective for the Group’s financial year beginning 1st April, 2007:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-INT 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-INT 8	Scope of HKFRS2
HK(IFRIC)-INT 9	Reassessment of Embedded Derivatives
HK(IFRIC)-INT 10	Interim Financial Reporting and Impairment
HK(IFRIC)-INT 11	HKFRS 2 – Group and Treasury Share Transactions

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements <sup>1</sup>
HKAS 23 (Revised)	Borrowing Costs <sup>1</sup>
HKAS 27 (Revised)	Consolidated and Separate Financial Statements <sup>2</sup>
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation <sup>1</sup>
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations <sup>1</sup>
HKFRS 3 (Revised)	Business Combinations <sup>2</sup>
HKFRS 8	Operating Segments <sup>1</sup>
HK(IFRIC)-INT 12	Service Concession Arrangements <sup>3</sup>
HK(IFRIC)-INT 13	Customer Loyalty Programmes <sup>4</sup>
HK(IFRIC)-INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction <sup>3</sup>

<sup>1</sup> Effective for accounting periods beginning on or after 1st January, 2009

<sup>2</sup> Effective for accounting periods beginning on or after 1st July, 2009

<sup>3</sup> Effective for accounting periods beginning on or after 1st January, 2008

<sup>4</sup> Effective for accounting periods beginning on or after 1st July, 2008

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company (the “**Directors**”) anticipate that the application of other new or revised standards, amendments or interpretations will have no material effect on how the results and the financial position of the Group are prepared and presented.

### **3. SEGMENT INFORMATION**

#### **Business segments**

For management purposes, the Group is currently organised into five operating divisions. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Property development	– development of property
Property investment	– trading of properties
Golf and leisure	– development and operation of golf resort and hotel
Securities investment	– trading of securities
Finance	– loan financing services

The Group was also involved in trading of motorcycles and manufacturing and trading of medicine and health products in prior years. These operations were discontinued during the year.

**Consolidated income statement**  
For the year ended 31st March, 2008

	Continuing operations							Discontinued operations				Con- solidated HK\$'000
	Property develop- ment HK\$'000	Property invest- ment HK\$'000	Golf and leisure HK\$'000	Securities invest- ment HK\$'000	Finance HK\$'000	Segment total HK\$'000	Elimination/ adjust- ments HK\$'000	Total HK\$'000	Medicine and health products HK\$'000	Motor- cycles HK\$'000	Total HK\$'000	
Gross proceeds	2,500	79,292	62,622	424,641	31,789	600,844	-	600,844	115,741	17,567	133,308	734,152
External sales	2,500	79,292	62,622	5,741	31,789	181,944	-	181,944	115,741	17,567	133,308	315,252
Inter-segment sales*	-	-	-	-	25,842	25,842	(25,842)	-	-	-	-	-
Revenue	2,500	79,292	62,622	5,741	57,631	207,786	(25,842)	181,944	115,741	17,567	133,308	315,252
SEGMENT RESULTS	(2,136)	27,906	(16,303)	59,141	7,469	76,077	-	76,077	1,747	(1,359)	388	76,465
Unallocated corporate income						43,860	-	43,860	689	-	689	44,549
Unallocated corporate expenses						(58,762)	-	(58,762)	-	-	-	(58,762)
Impairment losses on prepaid lease payments of leasehold land and premium on prepaid lease payment of leasehold land	-	-	(45,000)	-	-	(45,000)	-	(45,000)	-	-	-	(45,000)
Loss on disposal of an associate	-	(39,486)	-	-	-	(39,486)	-	(39,486)	-	-	-	(39,486)
Loss on disposal of subsidiaries	-	-	(19,073)	-	-	(19,073)	-	(19,073)	-	-	-	(19,073)
Share of results of associates	(30,047)	5,000	-	-	-	(25,047)	-	(25,047)	-	-	-	(25,047)
Unallocated finance costs						(54,787)	-	(54,787)			(613)	(55,400)
Loss before taxation and (loss) gain on disposal of discontinued operations						(122,218)	-	(122,218)			464	(121,754)
Taxation						(3,475)	-	(3,475)			(558)	(4,033)
(Loss) gain on disposal of discontinued operations						-	-	-	(18,577)	6	(18,571)	(18,571)
Loss for the year						(125,693)		(125,693)			(18,665)	(144,358)

\* Inter-segment sales were charged at terms determined and agreed between group companies.

## Consolidated balance sheet

As at 31st March, 2008

	Continuing operations							Discontinued operations			Con- solidated HK\$'000	
	Property develop- ment HK\$'000	Property invest- ment HK\$'000	Golf and leisure HK\$'000	Securities invest- ment HK\$'000	Finance HK\$'000	Segment total HK\$'000	Elimination/ adjust- ments HK\$'000	Total HK\$'000	Medicine and health products HK\$'000	Motor- cycles HK\$'000		Total HK\$'000
<b>ASSETS</b>												
Segment assets	322,814	274,111	320,619	162,513	1,399,868	2,479,925	-	2,479,925	-	-	-	2,479,925
Interest in associates	135,503	-	-	-	-	135,503	-	135,503	-	-	-	135,503
Interest in properties held for development	14,745	-	-	-	-	14,745	-	14,745	-	-	-	14,745
Unallocated corporate assets						730,820		730,820				730,820
Consolidated total assets						<u>3,360,993</u>		<u>3,360,993</u>				<u>3,360,993</u>
<b>LIABILITIES</b>												
Segment liabilities	885	5,168	58,250	920	1,269,058	1,334,281	(1,269,022)	65,259	-	-	-	65,259
Unallocated corporate liabilities						1,445,557		1,445,557				1,445,557
Consolidated total liabilities						<u>2,779,838</u>		<u>1,510,816</u>				<u>1,510,816</u>



**Consolidated income statement**  
For the year ended 31st March, 2007

	Continuing operations							Discontinued operations			Consolidated HK\$'000	
	Property develop- ment HK\$'000	Property invest- ment HK\$'000	Golf and leisure HK\$'000	Securities invest- ment HK\$'000	Finance HK\$'000	Segment total HK\$'000	Elimination/ adjust- ments HK\$'000	Total HK\$'000	Medicine and health products HK\$'000	Motor- cycles HK\$'000		Total HK\$'000
Gross proceeds	3,690	1,561	52,367	329,155	24,903	411,676	-	411,676	400,638	13,125	413,763	825,439
External sales	3,690	1,561	52,367	10,868	24,903	93,389	-	93,389	400,638	13,125	413,763	507,152
Inter-segment sales*	-	-	-	-	37,702	37,702	(37,702)	-	-	-	-	-
Revenue	3,690	1,561	52,367	10,868	62,605	131,091	(37,702)	93,389	400,638	13,125	413,763	507,152
SEGMENT RESULTS	1,963	1,040	3,428	26,837	4,269	37,537		37,537	4,384	215	4,599	42,136
Unallocated corporate income						41,741	-	41,741			698	42,439
Unallocated corporate expenses						(43,015)	-	(43,015)			(3)	(43,018)
Discount on acquisition of subsidiaries	-	-	4,207	-	-	4,207	-	4,207			-	4,207
Compensation for cancellation of call options for acquisition of additional interest in an associate						23,370	-	23,370			-	23,370
Share of results of associates	-	40,916	-	-	-	40,916	-	40,916			-	40,916
Unallocated finance costs						(24,059)	-	(24,059)			(1,835)	(25,894)
Profit before taxation						80,697	-	80,697			3,459	84,156
Taxation						(10,004)	-	(10,004)			(51)	(10,055)
Profit for the year						70,693		70,693			3,408	74,101

\* Inter-segment sales were charged at terms determined and agreed between group companies.

## Consolidated balance sheet

As at 31st March, 2007

	Continuing operations							Discontinued operations				Consolidated
	Property development	Property investment	Golf and leisure	Securities investment	Finance	Segment total	Elimination/adjustments	Total	Medicine and health products	Motor-cycles	Total	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>ASSETS</b>												
Segment assets	71,662	-	509,581	194,265	1,518,647	2,294,155	-	2,294,155	164,145	1,859	166,004	2,460,159
Interest in associates	93,879	-	-	-	-	93,879	-	93,879	-	-	-	93,879
Unallocated corporate assets						795,651		795,651	32,411	-	32,411	828,062
Consolidated total assets						<u>3,183,685</u>		<u>3,183,685</u>			<u>198,415</u>	<u>3,382,100</u>
<b>LIABILITIES</b>												
Segment liabilities	13,600	-	41,248	720	1,318,822	1,374,390	(1,318,822)	55,568	94,874	50	94,924	150,492
Unallocated corporate liabilities						1,559,788		1,559,788			-	1,559,788
Consolidated total liabilities						<u>2,934,178</u>		<u>1,615,356</u>			<u>94,924</u>	<u>1,710,280</u>

## Geographical segments

The Group's operations are principally located in Macau, Hong Kong, the People's Republic of China (the "PRC"), and other countries including Canada, Taiwan and Singapore. The Group's administrative functions are carried out in Macau, Hong Kong and the PRC.

The following table provides an analysis of the Group's sales revenue by geographical market, irrespective of the origin of the goods:

	Sales revenue by geographical market	
	2008	2007
	HK\$'000	HK\$'000
Hong Kong	188,549	335,502
PRC	89,657	136,306
Other countries	37,046	35,344
	<u>315,252</u>	<u>507,152</u>

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, intangible assets and goodwill, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets		Additions to property, plant and equipment and intangible assets	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Segment assets				
Macau	1,375,889	1,242,017	–	–
Hong Kong	607,606	646,703	1,628	4,954
PRC	374,277	565,284	37,685	248,904
Other countries	122,153	6,155	–	199
	<u>2,479,925</u>	<u>2,460,159</u>	<u>39,313</u>	<u>254,057</u>
Other assets	881,068	921,941	–	–
	<u>3,360,993</u>	<u>3,382,100</u>	<u>39,313</u>	<u>254,057</u>

#### 4. FINANCE COSTS

	Continuing operations		Discontinued operations		Consolidated	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Interest on bank and other borrowings wholly repayable within five years	11,416	5,186	613	1,831	12,029	7,017
Interest on unsecured loans from minority shareholders of subsidiaries	734	2,051	–	–	734	2,051
Interest on unsecured loans from related companies	94	221	–	–	94	221
Interest on obligations under finance leases	8	8	–	4	8	12
Interest on unsecured loan from a director	–	222	–	–	–	222
Effective interest on convertible note payables	97,681	89,321	–	–	97,681	89,321
	<u>109,933</u>	<u>97,009</u>	<u>613</u>	<u>1,835</u>	<u>110,546</u>	<u>98,844</u>

#### 5. IMPAIRMENT LOSSES ON PREPAID LEASE PAYMENTS OF LEASEHOLD LAND AND PREMIUM ON PREPAID LEASE PAYMENTS OF LEASEHOLD LAND

Impairment losses of HK\$14,319,000 and HK\$30,681,000 in respect of the premium on prepaid lease payments of leasehold land and prepaid lease payments of leasehold land, respectively, were charged to the consolidated income statement.

## 6. LOSS ON DISPOSAL OF AN ASSOCIATE

On 26th June, 2007, the Group disposed of its entire 40% equity interest in an associate, More Profit International Limited (“**More Profit**”), through disposal of a subsidiary, Dragon Rainbow Limited (“**Dragon Rainbow**”), together with the shareholder’s loan due from Dragon Rainbow to the Group amounting to HK\$260,412,000, to Get Nice Holdings Limited (“**Get Nice**”), a company incorporated in Cayman Islands listed on the Stock Exchange (the “**Disposal**”). More Profit is an investment holding company incorporated in the British Virgin Islands. Its principal asset is a 50% equity interest in Great China Company Limited which was a company incorporated in Macau with limited liability and was the owner of a land situated in Su da Marina Taipa-Sul Junto à Rotunda do Dique-Oeste, Macau and a hotel complex, the Grand Waldo Hotel, erected thereon.

The total consideration for the Disposal amounted to HK\$350 million, which was satisfied as to (i) HK\$150 million in cash; (ii) 126,262,626 shares of Get Nice at an agreed price of HK\$0.792 each which market price at the date of completion of the Disposal was HK\$0.66 each; and (iii) HK\$100 million 5% convertible bonds due 2010 issued by Get Nice.

The Disposal was completed in September 2007 resulting in a loss of the Disposal of approximately HK\$39,486,000 which has been charged to the consolidated income statement during the year. Details of the Disposal were disclosed in the circular of the Company dated 24th August, 2007.

## 7. LOSS ON DISPOSAL OF SUBSIDIARIES

On 28th November, 2007, the Group entered into several conditional agreements to dispose of its entire interests in Guangzhou Panyu Lotus Golf & Country Club Co. Ltd. (“**Panyu Golf**”), Guangzhou Lian Chui Property Management Company Limited and Guangzhou Panyu Wei Di Si Golf Property Company Limited (the “**Panyu Disposal**”) to a fellow subsidiary of the PRC partner. The aggregate consideration of HK\$51.6 million comprised of (i) a cash consideration of RMB20 million, equivalent to approximately HK\$22.2 million; (ii) interest in properties held for development approximately HK\$14.7 million; and (iii) amount due from the then subsidiary of RMB13.2 million, equivalent to approximately HK\$14.7 million. The Panyu Disposal was completed on 6th March, 2008. Loss on the Panyu Disposal of approximately HK\$19.1 million has been charged to the consolidated income statement during the year. Details of the Panyu Disposal were disclosed in the circular of the Company dated 17th January, 2008.

## 8. TAXATION

	Continuing operations		Discontinued operations		Consolidated	
	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax:						
Hong Kong Profits Tax	1,509	–	–	37	1,509	37
PRC Enterprise Income Tax	833	283	558	14	1,391	297
	<u>2,342</u>	<u>283</u>	<u>558</u>	<u>51</u>	<u>2,900</u>	<u>334</u>
Deferred tax:						
Current year	1,133	3,190	–	–	1,133	3,190
Attributable to a change in tax rate	–	6,531	–	–	–	6,531
	<u>1,133</u>	<u>9,721</u>	<u>–</u>	<u>–</u>	<u>1,133</u>	<u>9,721</u>
	<u>3,475</u>	<u>10,004</u>	<u>558</u>	<u>51</u>	<u>4,033</u>	<u>10,055</u>

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profits for both years. The provision for PRC Enterprise Income Tax for all PRC subsidiaries is calculated at a range of 15% to 33% of the estimated assessable profits for the period from 1st April, 2007 to 31st December, 2007 and 25% of the estimated assessable profits for the period from 1st January, 2008 to 31st March, 2008, determined in accordance with the relevant income tax rules and regulations in the PRC.

## 9. DISCONTINUED OPERATIONS

On 27th February, 2007, the Group entered into a sale and purchase agreement to dispose of its 100% equity interest in Tung Fong Hung Investment Limited (“TFH”) (together with its subsidiaries, the “TFH Group”), which carried out all of the Group’s business of manufacturing and trading of medicine and health products, and together with an assignment of the outstanding loan owing by TFH amounting to HK\$99,728,000 to the acquirer. The disposal was completed on 31st July, 2007, on which the control of the TFH Group was passed to the acquirer.

On 31st March, 2008, the Group dispose of its entire interest in King-Tech International Holdings Limited, which carried out all of the Group’s business of trading of motorcycles to the acquirer.

The (loss) profit for the period up to the completion from the discontinued operations is analysed as follows:

	2008 HK\$’000	2007 HK\$’000
Loss on disposal of discontinued operations:		
Loss on disposal of business of manufacturing and trading of medicine and health products	(18,577)	–
Gain on disposal of business of trading of motorcycles	6	–
	<u>(18,571)</u>	<u>–</u>
(Loss) profit for the period up to the completion of disposals of discontinued operations:		
Profit from manufacturing and trading of medicine and health products operation	1,266	3,235
(Loss) profit from trading of motorcycles operation	(1,360)	173
	<u>(94)</u>	<u>3,408</u>
	<u>(18,665)</u>	<u>3,408</u>

## 10. (LOSS) PROFIT FOR THE YEAR

	Continuing operations		Discontinued operations		Consolidated	
	2008 HK\$’000	2007 HK\$’000	2008 HK\$’000	2007 HK\$’000	2008 HK\$’000	2007 HK\$’000
(Loss) profit for the year has been arrived at after charging:						
Depreciation of property, plant and equipment						
– assets owned by the Group	15,664	10,998	1,879	9,776	17,543	20,774
– assets held under finance leases	24	21	2	2	26	23
Release of prepaid lease payments of leasehold land	2,283	1,953	10	31	2,293	1,984
Amortisation of premium on prepaid lease payments of leasehold land	2,914	2,502	–	–	2,914	2,502
Amortisation of intangible assets	–	–	–	225	–	225
Equity-settled share-based payments expenses to employees	2,498	702	–	–	2,498	702
Loss on disposal of property, plant and equipment	110	71	17	164	127	235
Cost of inventories recognised as an expense	55,690	3,203	90,121	288,308	145,811	291,511
	<u>55,690</u>	<u>3,203</u>	<u>90,121</u>	<u>288,308</u>	<u>145,811</u>	<u>291,511</u>

## 11. (LOSS) EARNINGS PER SHARE

### From continuing and discontinued operations

The calculation of the basic and diluted (loss) earnings per share attributable to the equity holders of the Company is based on the following data:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
<b>Earnings:</b>		
(Loss) profit for the year attributable to the equity holders of the Company and (loss) earnings for the purpose of basic (loss) earnings per share	<u>(141,853)</u>	79,091
Effect of dilutive potential ordinary shares – interest on convertible note payables		<u>89,321</u>
Earnings for the purpose of diluted earnings per share		<u>168,412</u>
	2008	2007
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<u>2,938,675,116</u>	2,119,525,127
Effect of dilutive potential ordinary shares – convertible note payables		<u>2,611,225,804</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share		<u>4,730,750,931</u>

### From continuing operations

The calculation of the basic and diluted (loss) earnings per share from continuing operations attributable to the equity holders of the Company is based on the following data:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
<b>Earnings:</b>		
(Loss) profit for the year attributable to the equity holders of the Company	(141,853)	79,091
Less: Loss (profit) for the year from discontinued operations	<u>(18,596)</u>	<u>3,667</u>
(Loss) earnings for the purposes of basic earnings per share from continuing operations	<u>(123,257)</u>	75,424
Effect of dilutive potential ordinary shares – interest on convertible note payables		<u>89,321</u>
Earnings for the purpose of diluted earnings per share from continuing operations		<u>164,745</u>

The denominators used are the same as those detailed above for basic and diluted (loss) earnings per share.

### From discontinued operations

Basic loss per share from discontinued operations is 0.6 HK cent per share (2007: basic earnings per share of 0.1 HK cent per share), and diluted earnings per share from discontinued operation is 0.1 HK cent per share for the year ended 31st March, 2007, based on the loss for the year from discontinued operations attributable to the equity holders of the Company of HK\$18,596,000 (2007: profit of HK\$3,667,000) and the denominators detailed above for both basic and diluted (loss) earnings per share.

No diluted (loss) earnings per share has been presented for the year ended 31st March, 2008 because the exercise of the share options and the conversion of convertible notes would result in a decrease in loss per share.

## 12. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of approximately HK\$27,685,000 (2007: HK\$50,034,000).

The following is an aged analysis of trade debtors at the balance sheet date:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
0 – 60 days	16,977	35,555
61 – 90 days	124	1,118
Over 90 days	10,584	13,361
	<u>27,685</u>	<u>50,034</u>

## 13. CREDITORS, DEPOSITS AND ACCRUED CHARGES

Included in creditors, deposits and accrued charges are trade creditors of approximately HK\$2,135,000 (2007: HK\$80,026,000).

The following is an aged analysis of trade creditors at the balance sheet date:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
0 – 60 days	1,420	61,825
61 – 90 days	355	8,956
Over 90 days	360	9,245
	<u>2,135</u>	<u>80,026</u>

## FINAL DIVIDEND

The Board does not recommend the payment of final dividend in respect of the year ended 31st March, 2008 (2007: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In the current year, revenue includes net gain on disposal of investments held-for-trading and excludes interest on unsecured loan due from an associate whereas revenue for 2007 as previously reported included gross proceeds from disposal of investments held-for-trading of HK\$328.7 million and interest on unsecured loan due from an associate of HK\$56.2 million. The Group's gross proceeds from continuing operations, as shown on note 3 above, for the year ended 31st March, 2008 was approximately HK\$600.8 million, representing an increase of 46% as compared with last year of HK\$411.7 million, primarily attributable to increase in securities investment transactions and sale of properties during the year. As a result, the Group achieved a gross profit for the year of approximately HK\$76.9 million, showing an improvement from HK\$43.5 million last year.

Income from loan financing amounted to HK\$31.8 million for the year as compared to HK\$21 million last year. Other income, including interest of HK\$51.6 million charged on shareholder's loan to Orient Town Limited ("**Orient Town**", together with its subsidiaries the "**Orient Town Group**"), an associate of the Group, amounted to HK\$73.2 million, showing a decrease as compared with HK\$105.6 million last year mainly because there was less bank interest income in current year due to the lower interest rate.

Since Concordia Land (as defined below) was still in the development stage, the Orient Town Group incurred a loss during the year as a result of the effective interest charged on shareholders' loans which was included in share of results of associates of a loss of HK\$25 million.

The Group recorded a loss for the year of HK\$144.4 million, as compared to the profit of HK\$74.1 million last year, mainly due to the following non-recurring items from the corporate exercises during the year:

1. a loss on disposal of an associate of HK\$39.5 million as a result of the disposal of the Group's effective 20% interest in Grand Waldo Hotel, details of which are included in "Property Development and Investment" paragraph below;
2. an impairment loss of HK\$45 million was recognised in view of an estimated loss on disposal of the Group's entire interest in the Lotus Hill Golf Resort due to the change in regulations of the PRC, details of which are included in "Golf and Leisure" paragraph below. Together with the further recognition of a loss on disposal of HK\$19.1 million of the Lotus Hill Golf Resort and the related businesses, the aggregate loss incurred in this respect amounted to HK\$64.1 million; and
3. a loss on disposal of the Group's entire interest in Tung Fong Hung Investment Limited ("**TFH**") of HK\$18.6 million.



## Property Development and Investment

### *Macau:*

In April 2007, the Group acquired 44 residential units in Zhu Kuan Mansion, a residential/office/commercial complex nearby the Sands casino-hotel. These properties have been upgraded with major renovation and improvements which are currently held for the purpose of resale at an opportune time. The total gross floor area of the units is approximately 57,432 sq. ft. with an average cost of approximately HK\$2,070/sq. ft.

In July 2007, the Group further acquired another 18 residential units and 18 car parking spaces in Pearl on the Lough, a luxury residential building on the waterfront of Taipa, which are also currently held for resale purpose. The total gross floor area of the units is approximately 44,046 sq. ft. with an average cost of approximately HK\$2,690/sq. ft. In March 2008, 2 residential units and 2 car parking spaces were sold. In May 2008, another residential unit and car parking space were sold at close to HK\$4,000/sq. ft.

The Group has an effective 35.5% interest in Empresa De Fomento Industrial E Comercial Concórdia, S.A. (“**Concordia**”). In October 2007, the Government of Macau has granted to Concordia the new concession of 14 parcels of leased land situated in Estrada de Seac Pai Van, Macau for a 25-year plus 25-year time from 2007 (“**Concordia Land**”), which absolutely confirmed the value of the Group’s investment in Concordia. The planned total gross floor area of Concordia is approximately 8,000,000 sq. ft. with an average cost of approximately HK\$430/sq. ft. as based on the Group’s investment in Concordia of HK\$1,213 million. Development plans are being submitted to the Government of Macau for approval and other preparatory works for the development and marketing are being actively taken out.

In September 2007, the Group disposed of its effective 20% interest in Grand Waldo Hotel in Macau for an aggregate consideration of HK\$350 million, of which HK\$150 million was paid in cash, HK\$100 million was settled by 126,262,626 shares in Get Nice Holdings Limited (“**Get Nice**”) at HK\$0.792 each (“**Get Nice Consideration Shares**”) and remaining HK\$100 million was settled by convertible bonds issued by Get Nice. Upon the completion of the disposal, the market price of the Get Nice Consideration Shares was considerably below HK\$0.792 and as a result, a loss on disposal of an associate of HK\$39.5 million was recorded mainly attributable to the shortfall in the fair value of the Get Nice Consideration Shares as partial consideration. This loss was substantially compensated by the net gain on financial instruments since all the Get Nice Consideration Shares were subsequently disposed of at market prices above HK\$0.792 each and HK\$43 million of the convertible bonds issued by Get Nice was also disposed of at a price above its face value. Taking into account the share of profit from Grand Waldo Hotel of approximately HK\$92.1 million recognised in last year, there is a reasonably good return from this investment.

### *PRC:*

The Group has entered into an agreement to acquire in Hengqin, Zhuhai a plot of land in the area of approximately 26,000 m<sup>2</sup> located right on the waterfront across from Cotai, Macau, at the consideration of approximately RMB51 million which permitted uses under town planning guidelines are commercial, residential, hotel and retail. The plot ratio is 1.6. Consideration had substantially been paid up and title transfer is pending upon lifting of moratorium for land transfer within the Hengqin area imposed by local government.

### *Hong Kong:*

In January 2008, the Group has acquired 2 adjacent blocks of building located at the junction of Nathan Road and Fife Street for approximately HK\$229 million which aggregate re-developable gross floor area is approximately 29,000 sq. ft. It is currently intended that the properties will be held for re-development into a retail and office complex for investment purpose.

During the current year, some units at Talon Tower on Connaught Road West were sold at a profit. As at 31st March, 2008, 7 residential units and 1 commercial unit remained unsold.

Outlined below is a summary of the Group's interest in significant properties held for development/sale as at 31st March, 2008:

<b>Location</b>	<b>Usage</b>	<b>Group's interest (%)</b>	<b>Attributable Gross Floor Area (excluding car parking spaces) (sq. ft.)</b>
14 parcels of land situated in Estrada de Seac Pai Van, Macau	Residential, Commercial/Hotel	35.5	2,250,000
44 residential units at Edifício Comercial Zhu Kuan Mansion, Avenida Xian Xing Hai nos. 81 – 121, Rua de Londres nos. 148-254, Avenida do Governador Jaime Silvério Marques nos. 80-120 and Rua de Madrid nos. 147-225, Macau	Residential	100	57,432
16 residential units and 16 car parking spaces at Pearl on the Lough, Ilha da Taipa, junto à Estrada Nordeste da Taipa Aterro da Baía de Pac On, Macau	Residential	100	39,936
703 and 705, Nathan Road, Kowloon, Hong Kong	Retailing/Office	100	29,000

### **Golf and Leisure**

The sales revenue from the golf and leisure business during the year was HK\$62.6 million (2007: HK\$52.4 million) with a segmental loss of HK\$16.3 million (2007: segmental profit of HK\$3.4 million). The construction of additional 9 holes in Sun Valley Golf Resort has been completed and opened to golfers in November 2007. The enlarged hotel development plan has been approved by the local government.

In November 2007, the National Commission of Development and Reform and the Ministry of Commerce of the PRC have jointly announced that foreign investors are prohibited to take part in golf business in the PRC unless consent has been obtained prior to 1st December, 2007. The joint venture for the Sun Valley Golf Resort in Sanya will expire in 2049 and therefore shall not be affected by this new regulation

in the foreseeable future. However, this new regulation had significant impact on the joint venture for the Lotus Hill Golf Resort in Guangzhou since its contract period expired in September 2007 which had been temporarily extended by further 6 months in order to facilitate the negotiation with the PRC joint venture partner for a practical re-arrangement of the joint venture. In November 2007, the Group entered into agreements to dispose of its entire interest in the Lotus Hill Golf Resort to an associate of the PRC joint venture partner. Simultaneously the Group:

- a) remains as a lessee of the golf resort to maintain revenue from guests for using facilities in the golf resort;
- b) remains as a partner to the development of villas of saleable area of about 23,000 m<sup>2</sup> within the golf resort; and
- c) has the first right to participate in any new business opportunities within the golf resort, including property developments.

Details of this transaction have been included in the circular of the Company dated 17th January, 2008.

### **Securities Investment**

As part of its treasury management to obtain better return from the surplus cash, the Group has increased its activities in securities investment. During the year, gross proceeds and segmental profit from securities investment were HK\$424.6 million (2007: HK\$329.2 million) and HK\$59.1 million (2007: HK\$26.8 million) respectively. As at 31st March, 2008, the Group had available-for-sale investments and financial assets at fair value through profit or loss in an aggregate sum of HK\$106.5 million, mainly comprised of shares listed in Hong Kong and Singapore.

### **Manufacture and Trading of Medicine and Health Products**

Following the disposal of entire interest in TFH in July 2007, the Group has discontinued the operation of manufacturing and trading of medicine and health products. The segmental turnover for the year up to the date of disposal was HK\$115.7 million (2007: HK\$400.6 million) with a pre-tax profit contribution of HK\$1.8 million (2007: HK\$3.2 million).

### **Financing**

During the year, the Group had interest income from unsecured loans due from associates, convertible bonds, related companies and other loan receivables of HK\$86.4 million of which HK\$31.8 million was included as revenue while the remaining HK\$54.6 million was included in other income. As at 31st March, 2008, unsecured loans and interest due from associates, debt portion of convertible bonds, unsecured loan and interest due from related companies and other loan receivables of the Group amounted to HK\$1,077.7 million, HK\$51.1 million, HK\$58.3 million and HK\$243.1 million respectively.

## **FINANCIAL REVIEW**

During the year, convertible notes in an aggregate principal amount of HK\$247.5 million were converted into approximately 483.2 million shares of the Company and the outstanding principal amount of the convertible notes as at 31st March, 2008 was approximately HK\$1,394.5 million.

To further strengthen the Group's resources, the Company had entered into a placing and subscription agreement for the issue of 300,000,000 new shares at HK\$0.56 each ("**Top-Up Placing**") which was completed in June 2007. The net proceeds of approximately HK\$163 million were retained as general working capital.

The Group adopts a prudent funding and treasury policy with regard to its overall business operations. In addition to the above convertible note payables, a variety of credit facilities is maintained so as to meet its working capital requirements.

During the year, the Group has obtained additional bank loans of approximately HK\$144 million to partially finance the acquisition of properties in Macau. As at 31st March, 2008, total borrowings from financial institutions amounted to HK\$153.6 million, of which HK\$39.6 million was repayable after one year. The net gearing ratio of the Group, calculated with reference to the bank and other borrowings of HK\$153.6 million and the fair value of the liability component of convertible note payables of HK\$1,243.8 million, offsetting with the pledged bank deposits and the bank and cash balances of HK\$294.9 million, and the Group's shareholders' funds of HK\$1,843 million, was 0.6 as at 31st March, 2008, showing some decreases from 0.74 as at 31st March, 2007.

About HK\$120.4 million of the borrowings from financial institutions were interest-bearing with variable rates while interest of the remaining balance was calculated on fixed rate. The management anticipates that interest rate remains stable in the capital market and therefore no hedge is to be made against any unfavourable fluctuation in interest rate. Most of the assets and liabilities of the Group were denominated in Hong Kong dollars, Renminbi and Macau Pataca, and hence the Directors considered that the Group was not subject to any material adverse exchange rate exposure.

## **NUMBER OF EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME**

As at 31st March, 2008, the number of employees of the Group was 1,003 (2007: 1,726). Employees are remunerated according to their qualifications and experience, job nature and performance, under the pay scales aligned with market conditions. Other benefits to employees include medical, insurance cover and retirement schemes. On 15th August, 2006 and 27th July, 2007, the Company had granted share options with an exercise price of HK\$0.50 per share and HK\$0.67 per share respectively, to certain directors, senior management and employees of the Group pursuant to the terms and conditions of the share option scheme adopted by the Company on 26th August, 2002.

## OUTLOOK

In September 2007, the name of the Company has been changed from Macau Prime Properties Holdings Limited to ITC Properties Group Limited so as to reflect that in addition to Macau being a major geographical market, the Group has considerable investments in the PRC and the interests of ITC Corporation Limited in the Group.

Further to the real growth in the GDP of 16.6% recorded in full year 2006, the GDPs of Macau for the full year 2007 further accelerated with a strong real growth of 27.3%. Unemployment rate remains low at around 3.1% with enviable increases in household income which drives the local demand for better living condition. Most of the properties recently put on the market are well received with wide attraction to the international investors. As a result, the Macau property market has been strong in all sectors, including residential, shops, office and hotels. The opening of Venetian Macao Resort Hotel, the Crown Macau, the MGM Grand Macau, the convention and exhibition facilities as well as scheduled opening of more exciting leisure and entertainment facilities stage the area in Cotai Strip, Macau as an international focal spot. The Group's investment in the luxury and large-scale residential development over the Concordia Land, superiorly located at the south end of Cotai Strip, enjoys a magnificent view of Venetian Macao Resort Hotel and other surrounding deluxe entertainment developments. The Group believes that once this development is marketed for pre-sale, it will be one of the most popular luxury residential projects in Macau.

After the termination and cancellation of the acquisition of an effective 25% in the Shanghai Tianma Country Club, the Group will focus on the development of leisure facilities including hotels within Sun Valley Golf Resort in Sanya, where is one of the most preferred spot for vacation within the PRC.

The Group has been closely studying the property market in Vietnam to explore lucrative investment opportunities in light of the current market slump. The Group has targeted and touched base with certain party in relation to a developable site of about 1 sq. kilometre in Greater Ho Chi Minh City to be developed into residential houses and units with amenity facilities.

In June 2008, the Company proposes to raise HK\$650.1 million before expenses by way of the rights issue of 9,286,554,078 rights shares (with warrants) at a subscription price of HK\$0.07 per rights share on the basis of three rights shares (with warrants in the proportion of four warrants for every fifteen rights shares subscribed) for every share held (the "**Rights Issue**"). The net proceeds from the Rights Issue and the exercise of the warrants are intended to be used (i) as a general working capital of the Group for its existing business; and (ii) for possible repurchase of the convertible notes (other than those held by the respective subsidiaries and/or associate of ITC Corporation Limited, Hanny Holdings Limited and a director of the Company) issued by the Company; and (iii) future acquisitions. The details of the Rights Issue have been disclosed in the Company's circular dated 24th June, 2008.

In the recent years, the Group has proactively enlarged its portfolio of property investments by acquiring property interests in Macau and Hong Kong including the aspiring substantial interest in Concordia Land. In addition, the Group has on one hand extended its business to the PRC market by developing quality leisure properties within its golf resorts while on the other hand, streamlined its operations by disposing the non-core businesses including the medicine and health products segment. The management of the Group is confident that these investments will contribute substantial rewards to the Group in the coming years. Continuing with the same strategy, the Group will be looking for new opportunities in Macau, the PRC, Hong Kong and the surrounding area with a view to expanding its investments in quality properties.

## **PLEDGE OF ASSETS**

As at 31st March, 2008, general credit facilities granted to the Group by banks and financial institutions were secured by pledges of the Group's property held for sale in an aggregate value of approximately HK\$231.8 million, bank balances of HK\$41.3 million, and financial assets at fair value through profit or loss of approximately HK\$1.8 million.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31st March, 2008.

## **SECURITIES IN ISSUE**

During the year, the Company had issued a total of 483,203,485 shares upon conversion of convertible notes including 348,917,775 shares at the conversion price of HK\$0.44 per share and 134,285,710 shares at the conversion price of HK\$0.70 per share. In addition, the Company had issued 300,000,000 new shares at the price of HK\$0.56 per share by way of Top-Up Placing on 1st June, 2007.

As at 31st March, 2008, there were 3,095,518,026 shares in issue and a total of outstanding share options of 90,500,000 shares including 26,800,000 shares at an exercise price of HK\$0.50 per share and 63,700,000 shares at an exercise price of HK\$0.67 per share. Save as disclosed above, there was no movement in the issued share capital during the year.

## **AUDIT COMMITTEE**

The principal duties of the audit committee of the Company (the "**Audit Committee**") include reviewing the Group's interim and final results prior to recommending them to the Board for its approval, appointing external auditors and reviewing the relationship with the external auditors of the Company, reviewing the Group's financial information and the Company's financial reporting system and internal control procedures. The Audit Committee, with specific written terms of reference in line with the code provisions of the Code on Corporate Governance Practices (the "**Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), currently comprises three independent non-executive Directors, namely, Mr. Wong Chi Keung, Alvin (chairman of the Audit Committee), Mr. Qiao Xiaodong and Mr. Kwok Ka Lap, Alva.

The figures in respect of this preliminary results announcement for the year ended 31st March, 2008 have been reviewed by the Audit Committee.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company is committed to maintaining a high standard of corporate governance practices and procedures and to complying with statutory and regulatory requirements with an aim to maximising the shareholders' values and interests as well as to enhancing the stakeholders' transparency and accountability. The Company has, throughout the year ended 31st March, 2008, complied with the code provisions of the Code.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Specific enquiry has been made with all Directors and the Directors have confirmed that they have complied with the required standard set out in the Model Code during the year ended 31st March, 2008.

## **ANNUAL GENERAL MEETING**

The annual general meeting (the “**AGM**”) of the Company will be held at 11:00 a.m. on Wednesday, 10th September, 2008 at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong. A circular containing the Notice of the AGM and information regarding, inter alia, re-election of retiring directors, general mandates to issue new shares and to repurchase shares, refreshment of the scheme mandate limit and amendments to the bye-laws of the Company (the “**Bye-laws**”) will be despatched to the shareholders and, for information only, holders of convertible notes of the Company in due course.

## **AMENDMENTS TO THE BYE-LAWS**

To cater for the increasing demand from investors holding securities in the Company through the Central Clearing and Settlement System (“**CCASS**”) for attending general meetings of the Company in person or appointing proxies to vote on their behalf, and pursuant to the requirements for continuous admission of the shares of the Company into CCASS, the Board proposes to put forward to the shareholders of the Company for approval at the AGM a special resolution to amend the Bye-laws in order to allow the clearing house to appoint multiple proxies to vote for their behalf at the general meetings of the Company.

## **PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT**

This final results announcement is published on the website of the Stock Exchange. The annual report for the year ended 31st March, 2008 will be despatched to the shareholders and, for information only, holders of convertible notes of the Company and published on the website of the Stock Exchange in due course.

## **APPRECIATION**

I would like to take this opportunity to express my appreciation to the shareholders for their support, to the management and staff for their dedicated efforts and to our client, consultants and partners for all their valuable assistance offered during this past year.

On behalf of the Board  
**ITC Properties Group Limited**  
**Cheung Hon Kit**  
*Chairman*

Hong Kong, 4th July, 2008

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

Mr. Ma Chi Kong, Karl

*Independent non-executive Directors:*

Mr. Qiao Xiaodong (*Vice Chairman*)

Mr. Wong Chi Keung, Alvin

Mr. Kwok Ka Lap, Alva

The full version of this announcement can also be accessed on the Company's website: [www.itcproperties.com](http://www.itcproperties.com).