

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ITC Properties Group Limited (the "Company"), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 199)

**PROPOSAL FOR REFRESHMENT OF THE
CURRENT GENERAL MANDATE TO ISSUE NEW SHARES
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent financial adviser to the Independent Board Committee and
the Independent Shareholders**



First Shanghai Capital Limited

A notice convening the special general meeting of the Company (the "SGM") to be held at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Friday, 16th July, 2010 at 11:00 a.m. is set out on pages 16 to 18 of this circular.

Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

| | |
|---------------------------|---|
| “Annual General Meeting” | the annual general meeting of the Company held on 9th September, 2009 |
| “Board” | the board of Directors |
| “Bye-laws” | the bye-laws of the Company |
| “Company” | ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code : 199) |
| “Current General Mandate” | the general mandate granted to the Directors at the Annual General Meeting to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the then issued share capital of the Company as at the date of the Annual General Meeting |
| “Director(s)” | the director(s) of the Company |
| “First Shanghai” | First Shanghai Capital Limited, a licensed corporation to carry out business in type 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the grant of the New General Mandate |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |

DEFINITIONS

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| “Independent Board Committee” | an independent committee of the Board, comprising all of the three independent non-executive Directors, namely Mr. Qiao Xiaodong, Mr. Wong Chi Keung, Alvin and Mr. Kwok Ka Lap, Alva, formed for the purpose of advising the Independent Shareholders on the grant of the New General Mandate |
| “Independent Shareholders” | the Shareholders other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates |
| “Latest Practicable Date” | Friday, 25th June, 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time |
| “Macau” | the Macau Special Administrative Region of the People’s Republic of China |
| “New General Mandate” | the refreshment of the general mandate proposed to be granted to the Directors at the SGM to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the ordinary resolution |
| “Placing” | the placing of up to 94,000,000 Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement |
| “Placing Agent” | CCB International Capital Limited |
| “Placing Agreement” | the placing agreement dated 19th May, 2010 entered into between the Company and the Placing Agent in relation to the Placing |
| “PRC” | the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau and Taiwan |

DEFINITIONS

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| “SGM” | the special general meeting of the Company to be convened and held for the Independent Shareholders to consider and, if thought fit, approve the grant of the New General Mandate |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the issued share capital of the Company |
| “Shareholder(s)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent. |

LETTER FROM THE BOARD



德祥地產集團有限公司*
ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 199)

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*)
Mr. Chan Fut Yan (*Managing Director*)
Mr. Cheung Chi Kit
Mr. Lai Tsan Tung, David
Mr. Chan Yiu Lun, Alan

Non-executive Director:

Mr. Ma Chi Kong, Karl

Independent non-executive Directors:

Mr. Qiao Xiaodong (*Vice Chairman*)
Mr. Wong Chi Keung, Alvin
Mr. Kwok Ka Lap, Alva

Registered office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal place of business

in Hong Kong:

Unit 3102, 31st Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

29th June, 2010

*To the Shareholders and, for information only,
the holders of convertible notes of the Company*

Dear Sir or Madam,

**PROPOSAL FOR REFRESHMENT OF THE
CURRENT GENERAL MANDATE TO ISSUE NEW SHARES
AND
NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information relating to (i) the refreshment of the Current General Mandate; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in relation to the grant of the New General Mandate; (iii) the advice from First Shanghai to the Independent Board Committee and the Independent Shareholders in relation to the grant of the New General Mandate; and (iv) the notice of the SGM to be convened and held for the purpose of considering and, if thought fit, approving the grant of the New General Mandate.

* For identification purpose only

LETTER FROM THE BOARD

2. REFRESHMENT OF THE CURRENT GENERAL MANDATE

At the Annual General Meeting, the Shareholders approved, among other things, an ordinary resolution to grant the Current General Mandate which authorised the Directors to exercise the powers of the Company to allot, issue and deal with additional Shares up to a maximum of 94,183,496 Shares, being 20% of the entire issued share capital of the Company as at 9th September, 2009. There has not been any refreshment of the Current General Mandate since the Annual General Meeting.

As at the Latest Practicable Date, the Current General Mandate had been utilised as to approximately 99.81%. As set out in the announcement of the Company dated 8th June, 2010 (the “**Announcement**”), an aggregate of 94,000,000 Shares were issued under the Current General Mandate to not less than six independent places at a price of HK\$1.60 per Share pursuant to the Placing Agreement. As stated in the Announcement, the net proceeds from the Placing were estimated to be approximately HK\$146.1 million which was intended to be used for general working capital and business development of the Group. As at the Latest Practicable Date, the said net proceeds had not yet been utilised.

The Directors believe that the grant of the New General Mandate will provide financial flexibility for the Company to conduct any equity financing exercise for future business development of the Group, and to issue Shares in prospective acquisitions by the Company where Shares are to be issued as consideration and which has to be completed within a short period of time. At present, there are no concrete proposals identified by the Company.

The Board proposes to seek the approval of the Independent Shareholders of an ordinary resolution which grants the Directors the New General Mandate to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the ordinary resolution. The New General Mandate will, if granted, remain effective until the earliest of (i) the date of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting is required to be held by the Bye-laws or any applicable laws of Bermuda; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

As at the Latest Practicable Date, there were an aggregate of 564,919,597 Shares in issue. Subject to the passing of the ordinary resolution for the grant of the New General Mandate and on the basis that no further Shares are issued or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed to issue up to a maximum of 112,983,919 Shares under the New General Mandate.

3. SGM

Pursuant to Rule 13.36(4) of the Listing Rules, the grant of the New General Mandate before the next annual general meeting shall be subject to the approval by the Independent Shareholders with the controlling Shareholders (as defined in the Listing Rules) and their associates, or in the case that the Company has no controlling Shareholders, the Directors

LETTER FROM THE BOARD

(excluding independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the relevant resolution at the SGM.

As at the Latest Practicable Date, there were no controlling Shareholders in the Company. As such, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the proposed ordinary resolution to approve the grant of the New General Mandate at the SGM. Mr. Cheung Hon Kit, the Chairman of the Company and an executive Director, who was interested in 12,000,000 Shares as at the Latest Practicable Date, representing approximately 2.13% of the issued share capital of the Company, and his associates are required to abstain from voting in relation to the proposed ordinary resolution approving the grant of the New General Mandate at the SGM.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll and accordingly, the ordinary resolution proposed at the SGM will be taken by poll.

A notice convening the SGM is set out on pages 16 to 18 of this circular. The ordinary resolution in respect of the grant of the New General Mandate will be proposed at the SGM. A form of proxy for the SGM is enclosed with this circular. Whether or not you are able to attend the SGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

4. INDEPENDENT ADVICE

The Independent Board Committee has been constituted by the Company to give a recommendation to the Independent Shareholders in relation to the grant of the New General Mandate, and First Shanghai has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the grant of the New General Mandate.

5. RECOMMENDATION

The Directors consider the grant of the New General Mandate is in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of the New of General Mandate.

Your attention is drawn to the recommendation of the Independent Board Committee as set out on page 8 of this circular and the letter of advice of First Shanghai containing its recommendation as set out on pages 9 to 15 of this circular in respect of the grant of the New General Mandate.

LETTER FROM THE BOARD

The Independent Board Committee, having taken into account the advice of First Shanghai, considers the grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Group and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends that the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of the New General Mandate.

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

7. CONSENT

First Shanghai has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter set out therein and reference to its name in the form and context in which they appear respectively.

Yours faithfully,
For and on behalf of
ITC Properties Group Limited
Cheung Hon Kit
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the refreshment of the Current General Mandate for the purpose of incorporation in this circular.



德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 199)

29th June, 2010

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF THE CURRENT GENERAL MANDATE

We refer to the circular of the Company dated 29th June, 2010 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed as members of the Independent Board Committee to consider the refreshment of the Current General Mandate and to advise you as to whether, in our opinion, the grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Group and the Shareholders as a whole.

Having taken into account the advice and recommendation of First Shanghai, we consider that the grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of the New General Mandate.

Yours faithfully,

Independent Board Committee

Qiao Xiaodong

Wong Chi Keung, Alvin

Kwok Ka Lap, Alva

Independent non-executive Directors

* For identification purpose only

LETTER OF ADVICE FROM FIRST SHANGHAI

The following is the text of a letter of advice received from First Shanghai setting out its advice to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Current General Mandate for the purpose of incorporation of inclusion in this circular.



FIRST SHANGHAI CAPITAL LIMITED

19th Floor, Wing On House
71 Des Voeux Road Central
Hong Kong

29th June, 2010

*To the Independent Board Committee and
the Independent Shareholders*

ITC Properties Group Limited
Unit 3102, 31/F
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Dear Sirs,

REFRESHMENT OF THE CURRENT GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the refreshment of the Current General Mandate, details of which are set out in the "Letter from the Board" contained in the circular dated 29th June, 2010 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

As at the Latest Practicable Date, the Current General Mandate, which was granted to the Directors at the Annual General Meeting held on 9th September, 2009, had been utilised as to approximately 99.81% resulting with only 183,496 Shares could be issued under the Current General Mandate. Therefore, the Board proposes to seek the approval of the Independent Shareholders for the grant of the New General Mandate such that the Directors will be granted the authority to allot, issue and deal with additional Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the relevant resolution at the SGM.

LETTER OF ADVICE FROM FIRST SHANGHAI

Pursuant to Rule 13.36(4) of the Listing Rules, the grant of the New General Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling Shareholders (as defined in the Listing Rules) and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the ordinary resolution proposed for the approval of such grant, and under Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by way of poll. As at the Latest Practicable Date, the Company had no controlling Shareholder; while Mr. Cheung Hon Kit, being the Chairman of the Company and an executive Director, was holding 12,000,000 Shares, representing approximately 2.13% interest in the issued share capital of the Company. Accordingly, Mr. Cheung Hon Kit and his associates shall abstain from voting in favour of the ordinary resolution to be proposed at the SGM to approve the grant of the New General Mandate.

An Independent Board Committee, comprising all of the three independent non-executive Directors, namely Mr. Qiao Xiaodong, Mr. Wong Chi Keung, Alvin and Mr. Kwok Ka Lap, Alva, has been established to advise the Independent Shareholders on the grant of the New General Mandate. We, First Shanghai, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and/or the management of the Company (the “**Management**”). We have assumed that all information and representations that have been provided by the Directors and/or the Management, for which they are solely and wholly responsible, are true, complete and accurate in all material respects at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiries and careful considerations. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers, the Directors and/or the Management, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our recommendation in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

We consider that we have been provided sufficient information to reach an informed view and to provide a reasonable basis for our recommendation. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, or its

LETTER OF ADVICE FROM FIRST SHANGHAI

subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the refreshment of the Current General Mandate. In addition, we have no obligation to update this opinion to take into account events occurring after the issue of this letter. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation in respect of the grant of the New General Mandate, we have taken into consideration the following principal factors and reasons:

1. Background of the refreshment of the Current General Mandate

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 golf resort and leisure operations in the PRC, securities investment and loan financing services.

The Directors were authorised to allot and issue up to 94,183,496 new Shares under the Current General Mandate which was granted to the Directors at the Annual General Meeting.

On 19th May, 2010, the Company entered into the Placing Agreement whereby the Company, through the Placing Agent, conditionally conducted the Placing to place up to 94,000,000 Shares to not less than six independent placees at a placing price of HK\$1.60 per Share. Completion of the Placing took place on 8th June, 2010 with net proceeds from the Placing of approximately HK\$146.1 million, which would be used for general working capital and business development of the Group. After completion of the Placing, only 183,496 new Shares could be issued under the Current General Mandate, representing merely approximately 0.03% of the issued share capital of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company had 564,919,597 Shares in issue. On the basis that no Share would be issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM, the grant of the New General Mandate would allow the Directors to allot, issue and deal with up to 112,983,919 additional Shares, representing 20% of the total issued share capital of the Company.

Given the above, the Board proposes to seek the approval of the Independent Shareholders for the grant of the New General Mandate such that the Directors will be granted the authority to allot, issue and deal with new Shares not exceeding 20% of its total issued share capital as at the date of passing the relevant resolution at the SGM.

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2. Reasons for the refreshment of the Current General Mandate

As referred to in the “Letter from the Board” in the Circular, the Directors believe that the grant of the New General Mandate will provide financial flexibility for the Company to conduct any equity financing exercise for future business development of the Group, and to issue Shares in prospective acquisitions by the Company where Shares are to be issued as consideration and which has to be completed within a short period of time. As at the Latest Practicable Date, there were no concrete proposals identified by the Company. To facilitate the Group’s prospective acquisitions for suitable investments and to further enhance its working capital position, if and when considered necessary, it will consider raising additional funds through various means, which include the issue of new Shares and/or debt financing. With the New General Mandate, the Company will have more flexibility in raising additional funds for the use of the Group as and when it is considered necessary.

In view of the above, we are of the opinion that the grant of the New General Mandate will provide the Company with the necessary flexibility to fulfil any possible funding needs for future business development and/or investment decisions. Accordingly, we are of the view that the grant of the New General Mandate is in the interests of the Group and the Shareholders as a whole.

3. Capital fund raising activities in the past twelve months

As mentioned in the above, on 19th May, 2010, the Company, through the Placing Agent, conducted the Placing with net proceeds of approximately HK\$146.1 million, which will be used for general working capital and business development of the Group. Other than that, the Directors confirm that the Company has not conducted any other capital fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

4. Flexibility in financing

As advised by the Directors, the Group does not obviate the possibilities of further issuing capital if there are investors indicating interest in the business of the Group. In this regard, the Directors believe that the grant of the New General Mandate will provide the Group with flexibility for any possible future equity financing exercise. The Directors are therefore of the view that the grant of the New General Mandate is in the interests of the Group and the Shareholders as a whole.

As discussed in the foregoing, we consider that the grant of the New General Mandate will provide the Company with the necessary flexibility to fulfil any possible funding needs for future business development and/or investment decisions. The grant of the New General Mandate will provide the Company with the flexibility as allowed under the Listing Rules to allot and issue additional Shares for equity fund raising activities, such as placing of new Shares, or as consideration for potential investments in the future as and when such opportunities arise. Furthermore, the additional amount of equity

LETTER OF ADVICE FROM FIRST SHANGHAI

which may be raised upon the grant of the New General Mandate would provide the Group with more financing options when assessing and negotiating potential investments in a timely manner. Given the financial flexibility available to the Company as discussed above, we are of the opinion that the grant of the New General Mandate is in the interests of the Group and the Shareholders as a whole.

5. Other financing alternatives

We have enquired with the Directors and the Directors have advised that apart from equity financing, the Group will also consider debt financing, such as bank borrowings and issue of convertible bonds, and other possible fund raising alternatives available to the Group. Nevertheless, the Directors are of the view that the ability of the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the then prevailing market condition. Furthermore, such alternative may be subject to lengthy due diligence and negotiations with the banks. Based on the interim report of the Company for the six months ended 30th September, 2009, the Group had aggregate interest-bearing borrowings and convertible notes payables of approximately HK\$1,772.6 million as at 30th September, 2009, representing a relatively high gearing ratio of approximately 83.00% thereof. In light of also that debt financing will further uplift the gearing position of and will usually incur interest burden on the Group, the Directors consider debt financing to be relatively unfavourable, uncertain and time-consuming as compared to equity financing, such as placing of new Shares, for the Group to obtain additional funding.

The Directors have further confirmed that they will exercise due and careful consideration when choosing the best financing method available to the Group. With this being the case, along with the fact that the grant of the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future business development, we are of the view that the grant of the New General Mandate is in the interests of the Group and the Shareholders as a whole.

LETTER OF ADVICE FROM FIRST SHANGHAI

6. Potential dilution to shareholding of the public Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company):

| | Issued Shares as at the Latest Practicable Date | | Issued Shares upon full utilisation of the New General Mandate | |
|--|---|----------------------|--|----------------------|
| | No. of Shares | Approximate % | No. of Shares | Approximate % |
| Hanny Holdings Limited (“Hanny”) and its subsidiaries (Note 1) | 76,402,763 | 13.52 | 76,402,763 | 11.27 |
| ITC Corporation Limited (“ITC”) and its subsidiaries (Note 1) | 36,593,400 | 6.48 | 36,593,400 | 5.40 |
| Dr. Chan Kwok Keung, Charles (“Dr. Chan”) (Note 1) | 6,066,400 | 1.07 | 6,066,400 | 0.89 |
| Mr. Cheung Hon Kit (Note 2) | <u>12,000,000</u> | <u>2.13</u> | <u>12,000,000</u> | <u>1.77</u> |
| Sub-total | 131,062,563 | 23.20 | 131,062,563 | 19.33 |
| Shares which may be issued under the New General Mandate | – | – | 112,983,919 | 16.67 |
| Public Shareholders | <u>433,857,034</u> | <u>76.80</u> | <u>433,857,034</u> | <u>64.00</u> |
| Total | <u><u>564,919,597</u></u> | <u><u>100.00</u></u> | <u><u>677,903,516</u></u> | <u><u>100.00</u></u> |

Notes:

- As at the Latest Practicable Date, Hanny and Hanny Magnetics (B.V.I.) Limited (“Hanny Magnetics”) were taken to have interest in 76,402,763 Shares which were held by Loyal Concept Limited (“Loyal Concept”), a wholly-owned subsidiary of Hanny Magnetics which, in turn, is a wholly-owned subsidiary of Hanny. Famex Investment Limited (“Famex”), a wholly-owned subsidiary of Mankar Assets Limited (“Mankar”), is the controlling shareholder of Hanny. Mankar is a wholly-owned subsidiary of ITC Investment Holdings Limited (“ITC Investment”) which, in turn, is a wholly-owned subsidiary of ITC. Famex and Mankar are deemed to be interested in 76,402,763 Shares which are held by Loyal Concept. Selective Choice Investments Limited (“Selective Choice”), a wholly-owned subsidiary of ITC Investment, owns 36,593,400 Shares. ITC Investment and ITC are deemed to be interested in 112,996,163 Shares which are held by Loyal Concept and Selective Choice. Dr. Chan, the controlling shareholder of ITC, owns

LETTER OF ADVICE FROM FIRST SHANGHAI

6,066,400 Shares and is deemed to be interested in 112,996,163 Shares which are held by Loyal Concept and Selective Choice. Ms. Ng Yuen Lan, Macy, the spouse of Dr. Chan, is deemed to be interested in 119,062,563 Shares which are held by Dr. Chan, Loyal Concept and Selective Choice.

2. As at the Latest Practicable Date, Mr. Cheung Hon Kit was interested in 12,000,000 Shares. He is an executive Director and the Chairman of the Company and an executive director of ITC.

The table above illustrates that the shareholdings of the public Shareholders would decrease from approximately 76.80% as at the Latest Practicable Date to approximately 64.00% upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company). Such potential dilution to the shareholdings of the public Shareholders represents a dilution of approximately 12.80%.

Taking into account that (i) the New General Mandate will provide an alternative to increase the amount of capital which may be raised under the New General Mandate and more options of financing to the Group for further development of its business and in other potential future investment as and when such opportunities arise; and (ii) the shareholding interests of all the Shareholders in the Company will be diluted in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we are of the opinion that the potential dilution to the shareholdings of the public Shareholders as mentioned above is acceptable.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that the grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Group and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the grant of the New General Mandate.

Yours faithfully,
For and on behalf of

First Shanghai Capital Limited

Helen Zee
Managing Director

Eric Lee
Deputy Managing Director

NOTICE OF THE SGM



德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 199)

NOTICE IS HEREBY GIVEN that the special general meeting of ITC Properties Group Limited (the “**Company**”) will be held at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Friday, 16th July, 2010 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**

- (i) subject to paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraphs (i) and (ii) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or an issue of shares of the Company under the share option scheme or similar arrangement for the time being adopted by the Company or an issue of shares upon exercise of subscription or conversion rights attached to warrants which may be issued by the Company or any securities convertible into shares or an issue of shares of the Company by way of any scrip dividend or similar arrangements pursuant to the bye-laws of the Company from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution, and the said approval shall be limited accordingly;

* For identification purpose only

NOTICE OF THE SGM

(iv) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the directors of the Company to holders of shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong); and

(v) the general mandate granted to the directors of the Company to allot, issue and deal with additional shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 9th September, 2009 be and is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution).”

By order of the Board
Yan Ha Hung, Loucia
Company Secretary

Hong Kong, 29th June, 2010

Registered office:
Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
Unit 3102, 31st Floor
Bank of America Tower
12 Harcourt Road
Central
Hong Kong

NOTICE OF THE SGM

Notes:

1. Any shareholder of the Company entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote instead of him. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a shareholder of the Company. In addition, a proxy or proxies representing either a shareholder of the Company who is an individual or a shareholder of the Company which is a corporation shall be entitled to exercise the same power on behalf of the shareholder of the Company which he or they represent as such shareholder of the Company could exercise.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
3. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof at which the person named in the instrument proposes to vote and, in default, the instrument of proxy shall not be treated as valid.
4. Completion and return of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting or on the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
5. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

As at the date of this notice, the directors of the Company are as follows:

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*)
Mr. Chan Fut Yan (*Managing Director*)
Mr. Cheung Chi Kit
Mr. Lai Tsan Tung, David
Mr. Chan Yiu Lun, Alan

Non-executive Director:

Mr. Ma Chi Kong, Karl

Independent non-executive Directors:

Mr. Qiao Xiaodong (*Vice Chairman*)
Mr. Wong Chi Keung, Alvin
Mr. Kwok Ka Lap, Alva