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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, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ITC Properties Group Limited, you should at once hand this circular to the purchaser or the transferee, or to the bank, 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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ACQUISITION OF  
FURTHER INTEREST IN A JOINT VENTURE**

**Financial adviser to ITC Properties Group Limited**



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## DEFINITIONS

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

“Acquisition”	the purchase of the Sale Share contemplated under the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement between Maxter and United Sun in relation to the Sale Share
“Board”	the board of Directors
“Company”	ITC Properties Group Limited (Stock Code : 199), a company incorporated in Bermuda with limited liability, the issued shares and warrants of which are listed on the Main Board of the Stock Exchange
“connected persons”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	the cash consideration for the Sale Share paid pursuant to the Acquisition Agreement in the amount of HK\$1
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Keen Step”	Keen Step Corporation Limited, a company incorporated in Hong Kong with limited liability and in which each of United Sun and Maxter had a 50% shareholding before the Acquisition
“Latest Practicable Date”	11th September, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Maxter”	Maxter Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company

## DEFINITIONS

“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
“Property”	(i) Ground Floor together with Cockloft and the Whole of Front Terrace, (ii) Flat A on the Second Floor, (iii) Flat B on the Third Floor, and (iv) Flats A and B on the Fourth Floor, No. 7 Moreton Terrace, Hong Kong
“Provisional Agreements”	the conditional provisional sale and purchase agreements entered into between Keen Step and various vendors of the Property and the SP Property between 28th May, 2008 and 10th June, 2008
“Sale Share”	1 issued ordinary share of Keen Step
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement entered into among Maxter, United Sun and Keen Step on 31st July, 2008 in relation to Keen Step
“SP Property”	(i) Flats A and B on the First Floor and Flat Roof, (ii) Flat B on the Second Floor, (iii) Flat A on the Third Floor, and (iv) Flat A on the Fifth Floor and Portion A of the Main Roof, No. 7 Moreton Terrace, Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United Sun”	United Sun Investments Limited, a company incorporated in the British Virgin Islands
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%” or “per cent.”	percentage

## 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. 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

16th September, 2008

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

Dear Sir or Madam,

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF FURTHER INTEREST IN A JOINT VENTURE**

#### **INTRODUCTION**

The Board announced on 3rd September, 2008 that the Acquisition Agreement was entered into on 2nd September, 2008 between Maxter (an indirect wholly-owned subsidiary of the Company) and United Sun, whereby Maxter agreed to acquire from United Sun the Sale Share (representing 50% of the issued share capital of Keen Step) for a cash consideration of HK\$1.

The Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide the Shareholders with, among other things, details of the Acquisition Agreement and other information of the Group as required under the Listing Rules.

\* For identification purpose only

## LETTER FROM THE BOARD

### BACKGROUND

Keen Step was a joint venture formed between Maxter and United Sun for the purpose of pursuing investment opportunities in the property market. Before the Acquisition, each of Maxter and United Sun had a 50% equity interest in Keen Step and Keen Step was equity accounted for in the accounts of the Group.

After the formation of Keen Step, Keen Step entered into the Provisional Agreements for an aggregate consideration of approximately HK\$134 million. On 31st July, 2008, United Sun, Maxter and Keen Step entered into the Shareholders' Agreement, pursuant to which each of United Sun and Maxter has agreed, among other things, to provide or procure their respective fellow subsidiary company(ies) to provide loans not exceeding HK\$75 million to Keen Step, which loans shall be contributed in accordance with their respective shareholding interests in Keen Step. The loans are intended to finance the consideration for the acquisition of the Property and the SP Property and other expenses incidental to or associated with the acquisition and holding of the Property and the SP Property. As at the Latest Practicable Date, the amount due by Keen Step to United Sun has been fully settled.

On 2nd September, 2008, Maxter entered into the Acquisition Agreement with United Sun whereby Maxter agreed to acquire from United Sun the Sale Share (representing 50% of the issued share capital of Keen Step) for a cash consideration of HK\$1. Details of the Acquisition Agreement are set out below.

### THE ACQUISITION AGREEMENT

**(1) Date:**

2nd September, 2008

**(2) Parties:**

- (i) Maxter, being the purchaser of the Sale Share; and
- (ii) United Sun, being the vendor of the Sale Share.

United Sun is a company incorporated in the British Virgin Islands and is engaged in investment holding. Save for being the shareholder with a 50% interest in Keen Step, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, United Sun and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

In August 2008, Maxter advanced a short-term loan of approximately HK\$29.0 million to United Sun (the "Short-term Advance") in relation to the funding of Keen Step. The Short-term Advance is unsecured, interest-bearing at the prime rate for Hong Kong dollars from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited and has no fixed repayment date. Taking into account the relatively immaterial amount of the Short-term Advance and the interest charged at the prime rate, the Directors consider the terms of the Short-term Advance are fair and reasonable. Prior to the Latest Practicable Date, the Short-term Advance has been fully settled by United Sun.

## LETTER FROM THE BOARD

Apart from the formation of Keen Step on 23rd May, 2008, the Short-term Advance and the Shareholders' Agreement, there was no prior transaction between the Company and United Sun and its ultimate beneficial owner.

### (3) Assets to be acquired:

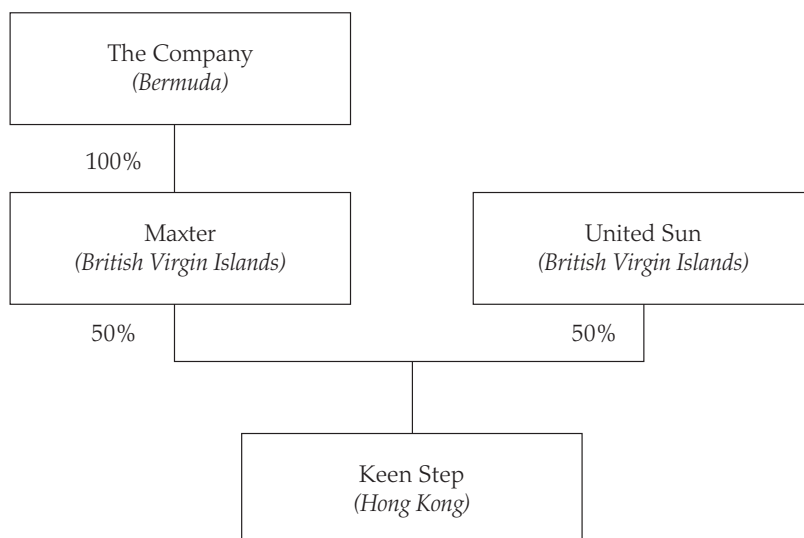
The Sale Share, representing 50% equity interest in Keen Step held by United Sun.

Keen Step is a special purpose vehicle incorporated in May 2008. Its principal assets are the Property and its interest under the relevant agreements for the acquisition of the SP Property. The Property and the SP Property are situated at No. 7 Moreton Terrace, Hong Kong. The Property are sold to Keen Step subject to tenancies with independent third parties. The Ground Floor with Cockloft of the Property is for commercial use and the other units of the Property and the SP Property (other than the whole of Front Terrace) are for residential use.

As at the Latest Practicable Date, the acquisition of the Property has been completed and acquisition costs paid amount to approximately HK\$97.5 million. Deposit in the amount of approximately HK\$20.5 million has been paid for the SP Property. Completion of the acquisition of the SP Property is expected to take place on or before 31st December, 2008 and is expected to incur an additional cost (including stamp duties) of approximately HK\$22.0 million. Keen Step intends to hold the Property and, following completion thereof, the SP Property for resale or redevelopment purposes. The Property and the SP Property are valued by an independent professional valuer on a redevelopment basis at HK\$140.5 million as at 31st August, 2008.

The following illustrates the shareholding structure of Keen Step:

#### Before the Acquisition



## LETTER FROM THE BOARD

### After the Acquisition



For the period from 7th May, 2008 (date of incorporation) to 31st August, 2008, Keen Step recorded unaudited loss before and after taxation of approximately HK\$0.4 million. The unaudited net shareholders' deficits of Keen Step as at 31st August, 2008 were approximately HK\$0.4 million.

#### **(4) Consideration:**

The consideration for the Sale Share is HK\$1, which has been paid in cash out of the internal resources of the Group upon completion of the Acquisition.

The Consideration was determined after arm's length negotiations between the parties taking into account the net shareholders' deficits of Keen Step, the nominal value of the Sale Share and the latest valuation of the Property and the SP Property which is approximately equivalent to their total acquisition costs. The Board considers the Consideration is fair and reasonable.

The Company intends to finance the further costs of completing the acquisition of the SP Property by internal resources.

#### **(5) Condition and completion:**

The Acquisition Agreement is unconditional. Completion of the Acquisition has taken place immediately after signing of the Acquisition Agreement.



## LETTER FROM THE BOARD

### FINANCIAL EFFECT

Following completion of the Acquisition, Keen Step has become an indirect wholly-owned subsidiary of the Company. The results, assets and liabilities of Keen Step have been consolidated into the accounts of the Group. Accordingly, both total assets and total liabilities of the Group have been increased. There is not any significant immediate effects on the results of the Group.

### REASONS FOR THE ACQUISITION

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.

As described above, Keen Step is a special purpose vehicle incorporated in May 2008 between Maxter and United Sun for the acquisition and holding of the Property and the SP Property. Due to its own commercial consideration, after the formation of Keen Step and the entering into of the Shareholders' Agreement, United Sun decided to discontinue its investment in Keen Step and requested Maxter to take up its shareholding in Keen Step. The Directors consider that the property market in Hong Kong has quieted down since beginning of the year and believe that it is an opportune time to invest in properties with redevelopment potential at reasonable prices to capture future capital gain when the property market recovers. After completion of the Acquisition, Keen Step has become an indirect wholly-owned subsidiary of the Company. The consolidation of control in Keen Step enables the Group to better implement its strategy and planning in respect of the resale or redevelopment of the Property and the SP Property in the future. The Board considers that the terms of the Acquisition Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

### FURTHER INFORMATION

Your attention is drawn to the general information set out in the appendix to this circular.

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

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests of the Directors or chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") adopted by the Company, to be notified to the Company and the Stock Exchange, were as follows:

#### (i) *Interests in the Shares and underlying Shares under equity derivatives (as defined in Part XV of the SFO)*

Name of Director	Long position/ Short position	Capacity	Number of issued Shares	Number of underlying Shares (under equity derivatives of the Company)	Aggregate interest	Approximate percentage of the issued share capital of the Company (%)
Mr. Cheung Hon Kit ("Mr. Cheung")	Long position	Beneficial owner	159,660,000	32,800,000	192,460,000	1.55
Mr. Lai Tsan Tung, David ("Mr. Lai")	Long position	Interest of controlled corporation	-	76,987,563 (Note)	76,987,563	0.62

*Note:*

Mr. Lai, an executive Director, was interested in 76,987,563 underlying Shares in respect of the principal amount of HK\$17,476,177 zero coupon convertible notes due 2010 issued by the Company on 8th June, 2006 at the adjusted conversion price of HK\$0.227 per Share held by Green Label Investments Limited ("Green Label") by virtue of his beneficial interest in the entire issued share capital of Green Label.

*(ii) Interests in the share options of the Company*

Name of Director	Date of grant	Option period	Adjusted exercise price per Share HK\$	Number of share options	Approximate percentage of the issued share capital of the Company (%)
Mr. Cheung	27th July, 2007	27th July, 2007 – 26th July, 2011	0.422	19,032,000	0.15
Mr. Chan Fut Yan ("Mr. Chan")	27th July, 2007	27th July, 2007 – 26th July, 2011	0.422	11,102,000	0.09
Mr. Cheung Chi Kit	27th July, 2007	27th July, 2007 – 26th July, 2011	0.422	7,930,000	0.06
Mr. Lai	27th July, 2007	27th July, 2007 – 26th July, 2011	0.422	4,758,000	0.04
Mr. Ma Chi Kong, Karl	27th July, 2007	27th July, 2007 – 26th July, 2011	0.422	14,274,000	0.12
Mr. Wong Chi Keung, Alvin	27th July, 2007	27th July, 2007 – 26th July, 2011	0.422	2,379,000	0.02
Mr. Kwok Ka Lap, Alva	27th July, 2007	27th July, 2007 – 26th July, 2011	0.422	2,379,000	0.02

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) were required, pursuant to the Model Code adopted by the Company, to be notified to the Company and the Stock Exchange.

**(b) Interests of Shareholders discloseable pursuant to the SFO**

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any option in respect of such capital:

*(i) Interests in Shares*

Name of Shareholder	Long position/ Short position	Capacity	Number of issued Shares	Approximate percentage of the issued share capital of the Company (%)
Loyal Concept Limited ("Loyal Concept")	Long position	Beneficial owner	1,910,069,088 (Note 1)	15.43
Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics")	Long position	Interest of controlled corporation	1,910,069,088 (Note 1)	15.43
Hanny Holdings Limited ("Hanny")	Long position	Interest of controlled corporation	1,910,069,088 (Note 1)	15.43
Famex Investment Limited ("Famex")	Long position	Interest of controlled corporations	1,910,069,088 (Note 1)	15.43
Mankar Assets Limited ("Mankar")	Long position	Interest of controlled corporations	1,910,069,088 (Note 1)	15.43
Selective Choice Investments Limited ("Selective Choice")	Long position	Beneficial owner	914,835,000 (Note 1)	7.39
ITC Investment Holdings Limited ("ITC Investment")	Long position	Interest of controlled corporations	2,824,904,088 (Note 1)	22.81

Name of Shareholder	Long position/ Short position	Capacity	Number of issued Shares	Approximate percentage of the issued share capital of the Company (%)
ITC Corporation Limited ("ITC")	Long position	Interest of controlled corporations	2,824,904,088 (Note 1)	22.81
Dr. Chan Kwok Keung, Charles ("Dr. Chan")	Long position	Interest of controlled corporations	2,824,904,088 (Note 1)	22.81
	Long position	Beneficial owner	151,660,000 (Note 1)	1.22
			<hr/> 2,976,564,088	<hr/> 24.04
Ms. Ng Yuen Lan, Macy ("Ms. Ng")	Long position	Interest of spouse	2,976,564,088 (Note 1)	24.04
Stark Master Fund, Ltd. ("Stark Master")	Long position	Beneficial owner	570,055,268	4.60
Stark Investments (Hong Kong) Limited ("Stark")	Long position	Investment manager	930,870,900 (Note 2)	7.52
Brightstar Global Capital Inc. ("Brightstar")	Long position	Beneficial owner	1,127,368,421 (Note 3)	9.10
Mr. Bradford Allen ("Mr. Allen")	Long position	Interest of controlled corporation	1,127,368,421 (Note 3)	9.10

(ii) *Interests in the underlying Shares under equity derivatives (as defined in Part XV of the SFO)*

Name of Shareholder	Long position/ Short position	Capacity	Number of underlying Shares (under equity derivatives of the Company)	Approximate percentage of the issued share capital of the Company (%)
Loyal Concept	Long position	Beneficial owner	2,583,680,747 (Note 1)	20.87
Hanny Magnetics	Long position	Interest of controlled corporation	2,583,680,747 (Note 1)	20.87
Hanny	Long position	Interest of controlled corporation	2,583,680,747 (Note 1)	20.87
Famex	Long position	Interest of controlled corporation	2,583,680,747 (Note 1)	20.87
Mankar	Long position	Interest of controlled corporation	2,583,680,747 (Note 1)	20.87
Selective Choice	Long position	Beneficial owner	244,802,493	1.98
ITC Investment	Long position	Interest of controlled corporations	2,828,483,240 (Note 1)	22.84
ITC	Long position	Interest of controlled corporations	2,828,483,240 (Note 1)	22.84
Dr. Chan	Long position	Interest of controlled corporations	2,828,483,240 (Note 1)	22.84
	Long position	Beneficial owner	19,048,000 (Note 1)	0.15
			2,847,531,240	23.00
Ms. Ng	Long position	Interest of spouse	2,847,531,240 (Note 1)	23.00

Name of Shareholder	Long position/ Short position	Capacity	Number of underlying Shares (under equity derivatives of the Company)	Approximate percentage of the issued share capital of the Company (%)
Stark Master	Long position	Beneficial owner	596,888,402	4.82
Stark	Long position	Investment manager	902,344,389 (Note 2)	7.29
Gandhara Master Fund Limited	Long position	Investment manager	334,285,715	2.70
Brightstar	Long position	Beneficial owner	300,631,579 (Note 3)	2.43
Mr. Allen	Long position	Interest of controlled corporation	300,631,579 (Note 3)	2.43

## Notes:

- Hanny and Hanny Magnetics were taken to have interest in 4,493,749,835 Shares (of which 2,583,680,747 Shares relate to their derivative interests) which were held by Loyal Concept, being a wholly-owned subsidiary of Hanny Magnetics which, in turn, was a wholly-owned subsidiary of Hanny. Famex, a wholly-owned subsidiary of Mankar, was the controlling shareholder of Hanny. Mankar was a wholly-owned subsidiary of ITC Investment which, in turn, was a wholly-owned subsidiary of ITC. Famex and Mankar were deemed to be interested in 4,493,749,835 Shares (of which 2,583,680,747 Shares relate to their derivative interests) which were held by Loyal Concept. Selective Choice, a wholly-owned subsidiary of ITC Investment which, in turn, was a wholly-owned subsidiary of ITC, owned 1,159,637,493 Shares (of which 244,802,493 Shares relate to its derivative interest). ITC Investment and ITC were deemed to be interested in 5,653,387,328 Shares (of which 2,828,483,240 Shares relate to their derivative interests) which were held by Loyal Concept and Selective Choice. Dr. Chan was the controlling shareholder of ITC. Ms. Ng is the spouse of Dr. Chan. Dr. Chan owned 170,708,000 Shares (of which 19,048,000 Shares relate to his derivative interest) and was deemed to be interested in 5,653,387,328 Shares (of which 2,828,483,240 Shares relate to his derivative interest) which were held by Loyal Concept and Selective Choice. Ms. Ng was deemed to be interested in 5,824,095,328 Shares (of which 2,847,531,240 Shares relate to her derivative interest) which were held by Dr. Chan, Loyal Concept and Selective Choice.
- Stark was taken to have an interest as an investment manager in 1,833,215,289 Shares (of which 902,344,389 Shares relate to its derivative interest) which were held by Centar Investments (Asia) Ltd., Shepherd Investments International, Ltd., Stark Asia Master Fund, Ltd. and Stark International.
- Mr. Allen was deemed to be interested in 1,428,000,000 Shares (of which 300,631,579 Shares relate to his derivative interest) which were held by Brightstar by virtue of his 100% beneficial interest in Brightstar.

*(iii) Other member of the Group*

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following person (not being a Director or chief executive of the Company) was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the other member of the Group:

Name of subsidiary	Name of shareholder	Approximate percentage of the existing issued share capital/ registered capital (%)
三亞亞龍灣風景高爾夫文化公園有限公司 (Sanya Yalong Bayview Golf Garden Co., Ltd.)	三亞博后經濟開發有限公司	20

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, no other persons (not being a Director or chief executive of the Company) had, or deemed to have, any interests or short positions in the shares or underlying shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, nor were there any persons, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or held any option in respect of such capital.



**(c) Competing interests**

As at the Latest Practicable Date, interests of a Director and his associates in competing businesses were as follows:

Name of Director	Name of company	Nature of competing business	Nature of interest
Mr. Cheung	Wing On Travel (Holdings) Limited and its subsidiaries	Property business and hotel operation in Hong Kong and the PRC	As the managing director
	China Development Limited	Property investment in Hong Kong	As a director and shareholder
	Artnos Limited	Property investment in Hong Kong	As a director and shareholder
	Co-Forward Development Ltd.	Property investment in Hong Kong	As a director and shareholder
	Orient Centre Limited	Property investment in Hong Kong	As a shareholder
	Super Time Limited	Property investment in Hong Kong	As a director and shareholder
	Asia City Holdings Ltd.	Property investment in Hong Kong	As a director and shareholder
	Supreme Best Ltd.	Property investment in Hong Kong	As a shareholder
	Orient Holdings Limited	Property investment in Hong Kong	As a director and shareholder
	Link Treasure International Limited	Property investment in Hong Kong	As a director and shareholder
	Silver City Limited	Property investment in Hong Kong	As a director and shareholder

Mr. Cheung is the chairman of the Company who is principally responsible for the Group's strategic planning and management of the operations of the Board. His role is clearly separated from that of the managing Director, Mr. Chan, who is principally responsible for the Group's operation and business development.

In addition, any significant business decision of the Group is to be determined by the Board. A Director who has interest in the subject matter being resolved will abstain from voting. In view of the above, the Board considers that the interests of Mr. Cheung in other companies will not prejudice his capacity as Director nor compromise the interests of the Group and the Shareholders.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

**(d) Other interests**

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have since 31st March, 2008 (being the date to which the latest published audited accounts of the Company were made up) been, (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

Save as disclosed above, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

**3. CLAIMS AND LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

**4. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

## 5. MISCELLANEOUS

- The qualified accountant of the Company is Mr. Cheung Chi Kit. He is a member of The Hong Kong Institute of Certified Public Accountants (*CPA*), The Hong Kong Institute of Chartered Secretaries (*ACS*) and The Institute of Chartered Secretaries and Administrators (*ACIS*).
- The company secretary of the Company is Ms. Yan Ha Hung, Loucia. She holds a master's degree in business administration (*MBA*). She is an Associate Member (Practitioner's Endorsement) of both The Hong Kong Institute of Chartered Secretaries (*ACS*) and The Institute of Chartered Secretaries and Administrators (*ACIS*).
- The registered office of the Company is at Clarendon House, Church Street, Hamilton HM 11, Bermuda.
- The Company's principal place of business in Hong Kong is situated at Unit 3102, 31st Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.
- The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- The English texts of this circular prevail over the Chinese texts.