



德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 199)

**INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2007**

The board of directors (the “**Board**”) of ITC Properties Group Limited (the “**Company**”) (formerly known as Macau Prime Properties Holdings Limited) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30th September, 2007, together with the comparative figures for the corresponding period in 2006.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2007**

		Six months ended	
		30.9.2007	30.9.2006
		(unaudited)	(unaudited)
	Notes	HK\$'000	HK\$'000
Continuing operations			
Turnover	3	<u>361,077</u>	<u>60,631</u>
Property sales and rental income		7,903	2,117
Golf and leisure income		24,994	11,961
Sales of motorcycles		<u>9,044</u>	<u>6,391</u>
		41,941	20,469
Cost of sales		<u>(20,092)</u>	<u>(10,268)</u>
Gross profit		21,849	10,201
Income from loan financing		58,014	26,471
Net gain (loss) on financial instruments		57,035	(5,360)
Other income		8,413	22,540
Administrative expenses		(62,286)	(32,268)
Impairment losses on prepaid lease payments of leasehold land and premium on prepaid lease payments of leasehold land	4	(45,000)	–
Loss on disposal of an associate	5	(39,486)	–
Compensation for cancellation of call options for acquisition of additional interest in an associate		–	32,154
Share of results of associates		(33,036)	(4,823)
Finance costs	6	<u>(55,523)</u>	<u>(41,216)</u>
(Loss) profit before taxation		(90,020)	7,699
Taxation	7	<u>(2,400)</u>	<u>(957)</u>
(Loss) profit for the period from continuing operations		(92,420)	6,742
Discontinued operation			
(Loss) profit for the period from discontinued operation	8	<u>(17,311)</u>	<u>794</u>
(Loss) profit for the period	9	<u>(109,731)</u>	<u>7,536</u>

* For identification purpose only

CONDENSED CONSOLIDATED INCOME STATEMENT *(Cont'd)*
FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2007

		Six months ended	
		30.9.2007	30.9.2006
		(unaudited)	(unaudited)
	<i>Note</i>	HK\$'000	HK\$'000
Attributable to:			
Equity holders of the Company		(108,877)	12,440
Minority interests		(854)	(4,904)
		<u>(109,731)</u>	<u>7,536</u>
 (Loss) earnings per share	 <i>10</i>		
<i>From continuing and discontinued operations</i>			
Basic (HK cents)		<u>(3.9)</u>	<u>0.6</u>
Diluted (HK cents)		<u>N/A</u>	<u>N/A</u>
<i>From continuing operations</i>			
Basic (HK cents)		<u>(4.0)</u>	<u>0.6</u>
Diluted (HK cents)		<u>N/A</u>	<u>N/A</u>

CONDENSED CONSOLIDATED BALANCE SHEET
AT 30TH SEPTEMBER, 2007

	<i>Note</i>	30.9.2007 (unaudited) HK\$'000	31.3.2007 (audited) HK\$'000
Non-current assets			
Property, plant and equipment		264,174	279,956
Prepaid lease payments of leasehold land		65,206	96,772
Premium on prepaid lease payments of leasehold land		115,666	131,527
Intangible assets		–	430
Available-for-sale investments		232,750	130,036
Interests in associates		148,172	93,879
Unsecured loans and interest due from associates		1,122,902	1,234,443
Debt portion of convertible bonds		87,881	–
Derivatives embedded in convertible bonds		10,694	–
Deposits paid for acquisition of a land use right		44,221	41,466
Deposits paid for acquisition of associates		48,951	90,675
Deposits paid for acquisition of properties		–	27,125
Other loan receivables		13,134	9,634
		<hr/> 2,153,751	<hr/> 2,135,943
Current assets			
Inventories		2,572	76,919
Properties held for sale		291,346	58,536
Properties under development		12,397	11,296
Financial assets at fair value through profit or loss		35,850	66,725
Debtors, deposits and prepayments	<i>11</i>	661,591	473,160
Other loan receivables		253,126	205,495
Debt portion of convertible bonds		153	–
Prepaid lease payments of leasehold land		2,361	2,480
Amounts due from associates		–	68
Unsecured loans and interest due from related companies		58,215	54,567
Amount due from a related company		283	–
Tax recoverable		274	1,506
Pledged bank deposits		51,156	40,783
Bank balances and cash		315,213	254,622
		<hr/> 1,684,537	<hr/> 1,246,157

CONDENSED CONSOLIDATED BALANCE SHEET (Cont'd)
AT 30TH SEPTEMBER, 2007

	<i>Note</i>	30.9.2007 (unaudited) HK\$'000	31.3.2007 (audited) HK\$'000
Current liabilities			
Creditors, deposits and accrued charges	12	201,718	158,947
Amount due to an associate		135	–
Amounts due to minority shareholders of subsidiaries		2,076	1,884
Dividend payable to a minority shareholder of a subsidiary		2,468	2,354
Tax payable		11,788	12,340
Unsecured loans from minority shareholders of subsidiaries		14,374	4,515
Unsecured loan from a related company		1,643	1,616
Convertible note payables – due within one year		2,742	7,945
Obligations under finance leases – due within one year		21	24
Bank and other borrowings – due within one year		391,540	111,439
		628,505	301,064
Net current assets		1,056,032	945,093
Total assets less current liabilities		3,209,783	3,081,036
Non-current liabilities			
Convertible note payables – due after one year		1,193,298	1,360,455
Obligations under finance leases – due after one year		51	71
Bank and other borrowings – due after one year		46,187	8,081
Deferred tax liabilities		43,384	40,609
		1,282,920	1,409,216
		1,926,863	1,671,820
Capital and reserves			
Share capital		30,955	23,123
Reserves		1,846,657	1,598,516
Equity attributable to equity holders of the Company		1,877,612	1,621,639
Minority interests		49,251	50,181
		1,926,863	1,671,820

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30TH SEPTEMBER, 2007

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the 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 with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st March, 2007. In addition, the Group has applied the following accounting policies during the current interim period:

(a) Debt portion of convertible bonds

Convertible bonds held by the Group are separately recognised as a debt portion and derivatives embedded in convertible bonds. On initial recognition, the debt portion of the convertible bonds and the embedded derivatives are recognised separately at the respective fair value. The debt portion is subsequently measured at amortised cost according to the effective interest method.

(b) Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are separated from the relevant host contracts and are treated as separate derivative when the economic characteristics and risks of the embedded derivatives are not closely related to those of the host contracts, and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. In all other circumstances, derivatives embedded are not separated and are accounted for together with the host contracts in accordance with appropriate standards.

In the current interim period, the Group has applied, for the first time, a new standard, amendment and interpretations (“**new HKFRSs**”) issued by the HKICPA, which are effective for the Group’s financial year beginning 1st April, 2007. The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

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

HKAS 23 (Revised)	Borrowing Costs ¹
HKFRS 8	Operating Segments ¹
HK(IFRIC) – INT 12	Service Concession Arrangements ²
HK(IFRIC) – INT 13	Customer Loyalty Programmes ³
HK(IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ²

¹ Effective for annual periods beginning on or after 1st January, 2009

² Effective for annual periods beginning on or after 1st January, 2008

³ Effective for annual periods beginning on or after 1st July, 2008

The directors of the Company (the “**Directors**”) anticipate that the application of these new or revised standards or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

For management purposes and before the disposal of medicine and health products business, the Group is organised into seven operating divisions for both periods. 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
Motorcycles	– trading of motorcycles and spare parts
Finance	– loan financing services
Medicine and health products	– manufacture and trading of medicine and health products

During the period, the Group disposed of its entire interest in medicine and health products business.

For the six months ended 30th September, 2007

	Continuing operations									Discontin- ued operation	Consoli- dated	
	Property develop- ment HK\$'000	Property invest- ment HK\$'000	Golf and leisure HK\$'000	Securities invest- ment HK\$'000	Motor- cycles HK\$'000	Finance HK\$'000	Elimin- ation HK\$'000	Segment total HK\$'000	Adjust- ments HK\$'000	Total HK\$'000	Medicine and health products HK\$'000	HK\$'000
TURNOVER	978	6,925	24,994	261,122	9,044	58,014	–	361,077	–	361,077	115,741	476,818
EXTERNAL SALES	978	6,925	24,994	–	9,044	58,014	–	99,955	–	99,955	115,741	215,696
INTER-SEGMENT SALES*	–	–	–	–	–	14,005	(14,005)	–	–	–	–	–
	978	6,925	24,994	–	9,044	72,019	(14,005)	99,955	–	99,955	115,741	215,696
SEGMENT RESULTS	(322)	2,215	(10,651)	54,079	350	1,406	–	47,077	56,434	103,511	12,580	116,091
Unallocated corporate income								6,704	–	6,704	689	7,393
Unallocated corporate expenses								(27,190)	–	(27,190)	(10,833)	(38,023)
Impairment losses on prepaid lease payments of leasehold land and premium on prepaid lease payments 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)
Share of results of associates	(38,036)	5,000	–	–	–	–	–	(33,036)	–	(33,036)	–	(33,036)
Finance costs								(55,523)	–	(55,523)	(612)	(56,135)
Loss before taxation								(146,454)	56,434	(90,020)	1,824	(88,196)
Taxation								(2,400)	–	(2,400)	(558)	(2,958)
Loss on disposal of discontinued operation								–	–	–	(18,577)	(18,577)
Loss for the period								(148,854)	56,434	(92,420)	(17,311)	(109,731)

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

3. SEGMENT INFORMATION (Cont'd)

For the six months ended 30th September, 2006

	Continuing operations									Discontin- ued operation	Consoli- dated	
	Property develop- ment HK\$'000	Property invest- ment HK\$'000	Golf and leisure HK\$'000	Securities invest- ment HK\$'000	Motor- cycles HK\$'000	Finance HK\$'000	Elimin- ation HK\$'000	Segment total HK\$'000	Adjust- ments HK\$'000	Total HK\$'000	Medicine and health products HK\$'000	HK\$'000
TURNOVER	1,082	1,035	11,961	13,691	6,391	26,471	-	60,631	-	60,631	167,039	227,670
EXTERNAL SALES	1,082	1,035	11,961	-	6,391	26,471	-	46,940	-	46,940	167,039	213,979
INTER-SEGMENT SALES*	-	-	-	-	-	4,599	(4,599)	-	-	-	-	-
	1,082	1,035	11,961	-	6,391	31,070	(4,599)	46,940	-	46,940	167,039	213,979
SEGMENT RESULTS	(4,572)	102	(1,325)	(5,392)	197	2,896	-	(8,094)	23,575	15,481	16,604	32,085
Unallocated corporate income								22,265	-	22,265	1,211	23,476
Unallocated corporate expenses								(16,162)	-	(16,162)	(15,071)	(31,233)
Compensation for cancellation of call options for acquisition of additional interest in an associate								32,154	-	32,154	-	32,154
Share of results of associates	(4,823)	-	-	-	-	-	-	(4,823)	-	(4,823)	-	(4,823)
Finance costs								(41,216)	-	(41,216)	(893)	(42,109)
Profit before taxation								(15,876)	23,575	7,699	1,851	9,550
Taxation								(957)	-	(957)	(1,057)	(2,014)
Profit for the period								(16,833)	23,575	6,742	794	7,536

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

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

With the enforcement of 外商投資產業指導目錄 (2007 年修訂) as jointly announced by the National Development and Reform Commission and Ministry of Commerce in the People's Republic of China (the "PRC"), Hong Kong investors are prohibited to develop and operate golf course in the PRC unless relevant permits have been granted prior to 1st December, 2007. The operating permits of the golf course business in Panyu, Guangdong Province and in Sanya, Hainan in the PRC will be expired on 17th March, 2008 and 6th June, 2049, respectively. Therefore the Group assessed the recoverable amount of the related segment assets.

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, was charged to the condensed consolidated income statement as, in the opinion of the Directors, the Group will cease to have any beneficial interest in the company operating the golf course business upon the expiry of the permits.

5. 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 whose shares are 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 is a company incorporated in Macau and is the owner of a land situated in Sul da Marina Taipa-Sul Junto à Rotunda do Dique Oeste, Macau and a hotel complex, 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 of Get Nice.

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

6. FINANCE COSTS

	Continuing operations		Discontinued operation		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006	30.9.2007	30.9.2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest on:						
Bank and other borrowings wholly repayable within five years	5,376	3,144	612	892	5,988	4,036
Unsecured loans from minority shareholders of subsidiaries	216	606	–	–	216	606
Unsecured loan from a related company	49	110	–	–	49	110
Obligations under finance leases	4	4	–	1	4	5
Effective interest on convertible note payables	49,878	37,352	–	–	49,878	37,352
	<u>55,523</u>	<u>41,216</u>	<u>612</u>	<u>893</u>	<u>56,135</u>	<u>42,109</u>

7. TAXATION

	Continuing operations		Discontinued operation		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006	30.9.2007	30.9.2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax:						
Hong Kong Profits Tax	56	33	–	–	56	33
Taxation in other jurisdictions	66	1	558	1,057	624	1,058
	<u>122</u>	<u>34</u>	<u>558</u>	<u>1,057</u>	<u>680</u>	<u>1,091</u>
Deferred tax	2,278	923	–	–	2,278	923
	<u>2,400</u>	<u>957</u>	<u>558</u>	<u>1,057</u>	<u>2,958</u>	<u>2,014</u>

Hong Kong Profits Tax is calculated at 17.5% of the estimated assessable profits for both periods.

Taxation arising in other jurisdictions is calculated at rates prevailing in the relevant jurisdictions.

8. DISCONTINUED OPERATION

On 27th February, 2007, the Group entered into a sale and purchase agreement to dispose of its entire 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, 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.

The (loss) profit for the period from the discontinued operation is analysed as follows:

	1.4.2007	1.4.2006
	to	to
	31.7.2007	30.9.2006
	HK\$’000	HK\$’000
Profit from manufacturing and trading of medicine and health products for the period	1,266	794
Loss on disposal of the business of manufacturing and trading of medicine and health products	(18,577)	–
	<u>(17,311)</u>	<u>794</u>

9. (LOSS) PROFIT FOR THE PERIOD

	<u>Continuing operations</u>		<u>Discontinued operation</u>		<u>Consolidated</u>	
	Six months ended		Six months ended		Six months ended	
	30.9.2007	30.9.2006	30.9.2007	30.9.2006	30.9.2007	30.9.2006
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
(Loss) profit for the period has been arrived at after charging (crediting):						
Depreciation of property, plant and equipment	8,712	3,875	1,881	4,587	10,593	8,462
Release of prepaid lease payments of leasehold land	1,237	710	10	15	1,247	725
Amortisation of premium on prepaid lease payments of leasehold land	1,542	968	–	–	1,542	968
Amortisation of intangible assets (including in administrative expenses)	–	–	–	65	–	65
Equity-settled share-based payments expenses	2,771	1,517	–	–	2,771	1,517
Loss (gain) on disposal of property, plant and equipment	33	(135)	14	120	47	(15)
Interest income	(63,232)	(48,735)	(691)	(1,212)	(63,923)	(49,947)

10. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

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

	Six months ended	
	30.9.2007	30.9.2006
	HK\$'000	HK\$'000
Earnings:		
(Loss) profit for the period attributable to the equity holders of the Company and (loss) earnings for the purpose of basic (loss) earnings per share	<u>(108,877)</u>	<u>12,440</u>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<u>2,781,227,390</u>	<u>1,932,681,786</u>

No diluted earnings per share has been presented for the six months ended 30th September, 2007 and 2006 because the exercise of the share options and the conversion of the convertible notes would result in a decrease (increase) in (loss) earnings per share, respectively.

From continuing operations

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

	Six months ended	
	30.9.2007	30.9.2006
	HK\$'000	HK\$'000
Earnings:		
(Loss) profit for the period attributable to the equity holders of the Company and (loss) earnings for the purpose of basic (loss) earnings per share	(108,877)	12,440
Less: profit for the period from discontinued operation attributable to the equity holders of the Company	<u>(1,336)</u>	<u>(988)</u>
(Loss) earnings for the purpose of basic (loss) earnings per share from continuing operations	<u>(110,213)</u>	<u>11,452</u>

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

From discontinued operation

Basic earnings per share from discontinued operation is 0.05 HK cent per share (six months ended 30th September, 2006: 0.05 HK cent per share), based on the profit for the period from discontinued operation attributable to the equity holders of the Company of HK\$1,336,000 (six months ended 30th September, 2006: HK\$988,000) and the denominators detailed above for both basic and diluted (loss) earnings per share.

11. DEBTORS, DEPOSITS AND PREPAYMENTS

Included in debtors, deposits and prepayments are trade debtors of approximately HK\$16,387,000 (31st March, 2007: HK\$50,034,000).

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

	30.9.2007 <i>HK\$'000</i>	31.3.2007 <i>HK\$'000</i>
Trade debtors aged:		
0 – 60 days	3,296	35,555
61 – 90 days	541	1,118
Over 90 days	12,550	13,361
	<hr/> 16,387 <hr/>	<hr/> 13,361 <hr/> <hr/> 50,034 <hr/>

12. CREDITORS, DEPOSITS AND ACCRUED CHARGES

Included in creditors, deposits and accrued charges are trade creditors of approximately HK\$2,202,000 (31st March, 2007: HK\$80,026,000).

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

	30.9.2007 <i>HK\$'000</i>	31.3.2007 <i>HK\$'000</i>
Trade creditors aged:		
0 – 60 days	1,144	61,825
61 – 90 days	381	8,956
Over 90 days	677	9,245
	<hr/> 2,202 <hr/>	<hr/> 9,245 <hr/> <hr/> 80,026 <hr/>

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend in respect of the six months ended 30th September, 2007 (six months ended 30th September, 2006: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's turnover from continuing operations for the six months ended 30th September, 2007 was approximately HK\$361.1 million, representing a growth of more than 5 folds as compared with the comparative period of HK\$60.6 million, primarily attributable to increase in securities investment transactions during the period. As a result, the Group achieved a gross profit for the current period of approximately HK\$21.8 million, showing an encouraging improvement from the comparative figure of HK\$10.2 million.

Loan financing income, including interest charged on shareholder's loan of HK\$978 million to Orient Town Limited ("**Orient Town**", together with its subsidiaries "**Orient Town Group**"), an associate of the Group, amounted to HK\$58.0 million for the current period as compared to HK\$26.5 million for the comparative period.

The current golf and leisure business was acquired in June 2006 and its results for the six months ended 30th September, 2007 were consolidated by the Group. As a result, the administrative expenses increased significantly to HK\$62.2 million as compared with the same period last year of HK\$32.3 million.

Since Concordia Land (as defined below) was still in its early stage of development, Orient Town Group incurred a loss during the period mainly as a result of interest charged on shareholders' loans which was included in sharing of the results of associates in the amount of HK\$33 million.

The Group recorded a loss for the six months ended 30th September, 2007 of HK\$109.7 million, as compared to the profit of HK\$7.5 million for the comparative period, mainly due to the following non-recurring items from the corporate exercises as previously announced:

1. 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 and remaining HK\$100 million was settled by convertible bonds issued by Get Nice. Upon the completion of the acquisition, the market price of the share of Get Nice was considerably below HK\$0.792 and a loss on disposal of an associate of HK\$39.5 million was recorded. Subsequent to 30th September, 2007, the loss from this share price fluctuation was recovered since all these shares in Get Nice were disposed of at market prices above HK\$0.792 each. 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;
2. In addition, 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 recent unexpected change in regulations of the People's Republic of China (the "**PRC**"), details of which are included in "Golf and Leisure" paragraph below; and
3. The disposal of the Group's entire interest in Tung Fung Hung Investment Limited ("**TFH**") incurred a loss of approximately HK\$18.6 million.

Property Development and Investment

Macau:

In April 2007, the Group acquired 44 residential units in a residential/office/commercial complex nearby the Sands Macao Hotel for a consideration of HK\$88.5 million. 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 ft².

In July 2007, the Group further acquired another 18 residential units and 18 car parking spaces in a newly completed luxury residential building on the waterfront of Taipa for a consideration of HK\$118.6 million, which are also currently held for resale purpose. The total gross floor area of the units is approximately 44,046 ft².

After the acquisition of an additional 8.7% interest in, and shareholder loans to, Empresa De Fomento Industrial E Comercial Concórdia, S.A. (“**Concordia**”), the Group’s effective interest in Concordia increased to 35.5%. 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 from 2007 (“**Concordia Land**”), which absolutely confirmed the value of the Group’s investment in Concordia. Development plans are being submitted to the Government of Macau for approval and other preparatory works for the marketing and development are being actively taken out.

PRC:

The Group has entered into an agreement to acquire in Hengqin, Zhuhai a plot of land in the area of approximately 26,000 m² at the consideration of approximately RMB51 million. The plot ratio is 1.6 under the current town plans. This site can be developed into residential condominium, office, retail plaza and/or hotel.

HK:

In December 2007, the Group has entered into agreements to acquire 2 adjacent blocks of building located at the busy junction of Nathan Road and Fife Street for about HK\$229 million which re-developable gross floor area is approximately 30,000 ft². It is currently intended that the properties will be held for resale purpose.

During the current period, some units at Talon Tower on Connaught Road West were sold at a slight profit and 22 residential units and 1 commercial unit remained unsold as at 30th September, 2007.

Golf and Leisure

The turnover from the golf and leisure business during the six months ended 30th September, 2007 was HK\$25 million (six months ended 30th September, 2006: HK\$12 million) with a segmental loss of HK\$10.7 million (six months ended 30th September, 2006: HK\$1.3 million). The first half year is normally the low season, in particular for the Sun Valley Golf Resort in Sanya. The construction of additional 9 holes in Sun Valley Golf Resort have been completed and opened to golfers in November 2007. The hotel development plan inside its golf resort, comprising approximately 30 low-density deluxe villas and 300-room hotel with full amenities, is progressing well and the relevant governmental authorities have in principle approved this enlarged hotel development of gross floor area of approximately 80,000 m².

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 will expire in 2049 and therefore shall not be affected by this new regulation in the foreseeable future. However, this new regulation has significant impact on the joint venture for the Lotus Hill Golf Resort in Guangzhou since its contract period expired in September 2007 which has 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 has 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 will:

- (a) remain as a lessee of the golf resort to maintain revenue from guests for using facilities in the golf resort;
- (b) remain as a partner to the development of villas of saleable area of about 23,000 m² within the golf resort; and
- (c) have 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 an announcement of the Company dated 7th December, 2007.

In July 2007, the Group has entered into an agreement to acquire an effective 25% interest in Shanghai Tianma Country Club which comprises of a 27-hole golf course and 2 club-houses equipped with resort facilities including food and beverage outlets, swimming pool, fitness and recreational centres. In addition, villas in total number of 135 units had been developed in 2 phases which had already been sold out. Another 128 units of villas are currently under construction which pre-sale are well received. The acquisition is in the stage of due diligence review.

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 six months ended 30th September, 2007, gross proceed and segmental profit from securities investment were HK\$261.1 million (six months ended 30th September, 2006: HK\$13.7 million) and HK\$54.1 million (six months ended 30th September, 2006: a segmental loss of HK\$5.4 million) respectively. As at 30th September, 2007, the Group had available-for-sale investments and financial assets at fair value through profit or loss in an aggregate sum of HK\$268.6 million, mainly comprised shares listed in Hong Kong, Japan, Singapore and USA.

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 manufacture and trading of medicine and health products. Its turnover for current period up to the date of disposal was HK\$115.7 million (six months ended 30th September, 2006: HK\$167 million) with a pre-tax profit contribution of HK\$1.8 million (six months ended 30th September, 2006: HK\$1.9 million).

FINANCIAL REVIEW

During the period, 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 30th September, 2007 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 period, the Group has obtained additional bank loans of approximately HK\$144 million to partially finance the acquisition of properties in Macau. As at 30th September, 2007, total borrowings from financial institutions amounted to HK\$437.7 million, of which HK\$46.2 million was repayable after one year. The net gearing ratio of the Group, calculated with reference to the bank and other borrowings of HK\$453.7 million and the fair value of the debt component of convertible note payables of HK\$1,196 million, offsetting with the pledged bank deposits and the bank and cash balances of HK\$366.4 million, and the Group's shareholders' funds of HK\$1,877.6 million, was 0.68 as at 30th September, 2007, showing some decreases from 0.74 as at 31st March, 2007.

About HK\$163.5 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 of the Company (the "Directors") considered that the Group was not subject to any material adverse exchange rate exposure.

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 rapid real growth in the GDP of 16.6% recorded in full year 2006, the GDPs of Macau for the first quarter and second quarter of 2007 are estimated to attain strong real growth of 25.8% and 31.9% respectively. Unemployment rate remains low at around 3.1% with enviable increases in household income which accelerates the local demand for better living condition. As a result, the Macau property market has been strong in all sectors, including residential, shops, office and hotels. The recent opening of Venetian Macao Resort Hotel, the convention and exhibition facilities as well as launches of world-class events including soccer and tennis games 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 southern end of the Cotai Strip, enjoys a magnificent view of the golf course, Studio City, the Venetian Macao Resort Hotel and other surrounding deluxe entertainment developments. The Group believes that once this development is ready for pre-sale which will take place in the first half of 2008, it will be one of the most popular luxury residential projects in Macau.

The Group continues to look for suitable opportunities to expand its golf and leisure business in the PRC. The Group's interest and commitment in golf resorts in the prime cities of Sanya, Guangzhou and Shanghai are strategically located to form a network. In addition to the leisure facilities including the hotels to be built within the Sun Valley Golf Resort, which will further strengthen the Group's recurring source of revenue, the Group will plan for property development including villas as member facilities within the Shanghai Tianma Country Club.

The Group has also made step to understand the property market and make acquisitions in Vietnam. The Group has targeted a developable site of about 1 square kilometre in Greater Ho Chi Ming City to be developed into residential houses and units with amenity facilities.

The Group is actively and cautiously looking for further investment opportunities in Macau, the PRC and surrounding area, with a view to expanding its investments in quality properties. We are optimistic about the Group's future prospects to take advantage of the intrinsic value of the excellent property portfolio as held and targeted by the Group.

PLEDGE OF ASSETS

As at 30th September, 2007, the Group's properties held for sale in an aggregate value of approximately HK\$291.3 million, bank balances of HK\$51.2 million, prepaid lease payments of HK\$57.9 million, refundable subscription money of initial-public-offering of shares to be listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") of HK\$224.4 million and financial assets at fair value through profit or loss of approximately HK\$2.1 million had been pledged to banks and financial institutions to secure general credit facilities granted to the Group and TFH.

CONTINGENT LIABILITIES

As at 30th September, 2007, the Group had contingent liabilities in respect of a tax indemnity given upon disposal of a subsidiary in the previous year at HK\$60 million, guarantees in relation to banking facilities granted by banks to TFH, of which approximately HK\$10.3 million had been utilised.

NUMBER OF EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 30th September, 2007, the number of employees of the Group was 1,171 (31st March, 2007: 1,861). 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 27th July, 2007, the Company had granted share options with an exercise price of HK\$0.67 per share 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.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30th September, 2007.

SECURITIES IN ISSUE

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

As at 30th September, 2007, there were 3,095,518,026 ordinary shares in issue and a total of outstanding share options of 95,000,000 shares including 31,300,000 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 period.

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. Kwok Ka Lap, Alva and Mr. Chui Sai Cheong.

The Audit Committee has reviewed with the management and the Company’s auditors the accounting principles and practices adopted by the Group and discussed auditing, financial reporting process and internal control matters including a review of the unaudited interim financial report for the six months ended 30th September, 2007.

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 period ended 30th September, 2007, 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 six months ended 30th September, 2007.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

This interim results announcement is published on the website of the Stock Exchange. The interim report for the six months ended 30th September, 2007 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.

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

Hong Kong, 20th December, 2007

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

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*)

Mr. Chan Fut Yan (*Managing Director*)

Mr. Wong Kam Cheong, Stanley (*Deputy Managing Director*)

Mr. Cheung Chi Kit

Mr. Lai Tsan Tung, David

Mr. Ma Chi Kong, Karl

Independent non-executive Directors:

Mr. Wong Chi Keung, Alvin

Mr. Kwok Ka Lap, Alva

Mr. Chui Sai Cheong