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



德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 199)

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF 50% EQUITY INTEREST IN
VASTNESS INVESTMENT LIMITED**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A notice convening the SGM to be held at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Monday, 5th September, 2011 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is also enclosed.

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 the same 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 the holding of 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 at the SGM or any adjournment thereof if you so wish.

* For identification purpose only

Hong Kong, 8th August, 2011

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms have the meanings set out below:

“Adventura”	Adventura International Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Vastness
“AGW”	A.G. Wilkinson & Associates, an independent professional valuer engaged by the Company to carry out the valuation of the Properties
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“BEA”	The Bank of East Asia, Limited
“BEA Facility”	the HK\$625.0 million term and revolving credit facilities provided by BEA as lender to Pine Cheer, Sino Able and Fortress Jet as borrowers and the Company as guarantor pursuant to the facility agreement dated 31st March, 2011
“BEA Finance Documents”	the facility agreement dated 31st March, 2011 entered into among Pine Cheer, Sino Able and Fortress Jet as borrowers, the Company as guarantor and BEA as lender in respect of the BEA Facility and all security documents entered into pursuant thereto as security for the obligations and liabilities of the borrowers thereunder
“BEA Guarantee”	the guarantee given by the Company in favour of BEA in respect of the indebtedness owing to BEA under the BEA Facility
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday and other general holidays in Hong Kong and/or the PRC and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m.) on which the licensed banks in Hong Kong and the PRC are generally open for business
“BVI”	the British Virgin Islands

DEFINITIONS

“Charm Noble”	Charm Noble Group Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Vastness
“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)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	the aggregate consideration for the Sale Shares and the Sale Loan pursuant to the terms and conditions of the Disposal Agreement
“CSI”	CSI Properties 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 : 497)
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan by the Vendor to the Purchaser pursuant to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the sale and purchase agreement dated 7th July, 2011 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares and the Sale Loan
“Favor Gain”	Favor Gain Group Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Vastness
“Fortress Jet”	Fortress Jet International Limited, a company incorporated in Hong Kong with limited liability and is owned as to 50% by Charm Noble and Favor Gain respectively

DEFINITIONS

“Golden Jade”	Golden Jade Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Vastness, which is a dormant company as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	4th August, 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling four (4) months after the date of the Disposal Agreement or such other date as the Vendor and the Purchaser may agree in writing
“Macau”	the Macau Special Administrative Region of the PRC
“Mandung”	Mandung Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Vastness
“Nam Fung Property”	Sub-Section 1 of Section C of Sub-Section 1 of Section A of Inland Lot No. 1580 together with the messuages thereon previously known as “Nam Fung Building”, No. 33 Tung Lo Wan Road, Hong Kong
“Pine Cheer”	Pine Cheer Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Mandung
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this circular
“Properties”	collectively, the Nam Fung Property, the Yue King Property and the Yuet Wah Property

DEFINITIONS

“Purchaser”	Greatward Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of CSI
“Remaining Group”	the Company and its subsidiaries upon Completion
“Sale Loan”	50% of the entire amount of the shareholder’s loan due by Vastness to the Vendor as at the Completion Date
“Sale Shares”	the fifty (50) shares of US\$1 each in the capital of Vastness held by the Vendor, representing 50% of the issued share capital of Vastness as at the Latest Practicable Date and as at Completion
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder
“Share(s)”	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 to be entered into among the Purchaser, the Vendor and Vastness upon Completion in respect of the affairs of Vastness (including, without limitation, its operations, management and business), and the rights and obligations of the Vendor and the Purchaser with respect to their interests in the Vastness Group after Completion
“Sino Able”	Sino Able Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Adventura
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Vastness”	Vastness Investment Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company prior to Completion
“Vastness Group”	Vastness and its subsidiaries as at Completion
“Vendor”	ITC Properties (Hong Kong) Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Yue King Property”	the Remaining Portion of Section C of Sub-Section 1 of Section A of Inland Lot No. 1580, the Remaining Portion of Section B of Sub-Section 2 of Section A of Inland Lot No. 1580 and Sub-Section 1 of Section B of Sub-Section 2 of Section A of Inland Lot No. 1580 together with the messuages thereon previously known as “Yue King Mansion”, Nos. 35, 37, 39-39A, 39B and 39C, Tung Lo Wan Road, Hong Kong
“Yuet Wah Property”	the Remaining Portion and Sub-Section 1 of Section A of Inland Lot No. 1580 and the Remaining Portion of Sub-Section 2 of Section A of Inland Lot No. 1580 together with the messuages thereon previously known as “Yuet Wah Court”, Nos. 19-21 Shelter Street, Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percentage
“sq. ft.”	square feet

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. Chan Yiu Lun, Alan

Registered office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Non-executive Director:

Mr. Ma Chi Kong, Karl

Principal place of business in Hong Kong:

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

Independent non-executive Directors:

Hon. Shek Lai Him, Abraham, SBS, JP (*Vice Chairman*)
Mr. Wong Chi Keung, Alvin
Mr. Kwok Ka Lap, Alva

8th August, 2011

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

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO THE DISPOSAL OF 50% EQUITY INTEREST IN
VASTNESS INVESTMENT LIMITED**

INTRODUCTION

On 7th July, 2011, the Board announced that the Vendor entered into the Disposal Agreement with the Purchaser whereby the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares and the Sale Loan for an aggregate consideration of HK\$337.0 million (subject to adjustment). The Sale Shares represent a 50% equity interest in Vastness, which indirectly owns the entire issued share capital of Pine Cheer, Sino Able and Fortress Jet, each of which in turn owns the Yuet Wah Property, the Nam Fung Property and the Yue King Property respectively.

* For identification purpose only

LETTER FROM THE BOARD

As a term of the Disposal Agreement, upon Completion, the Purchaser and CSI, being the ultimate holding company of the Purchaser, shall execute a deed of counter-indemnity in favour of the Vendor and the Company pursuant to which the Purchaser and CSI will undertake to indemnify the Vendor and the Company 50% of the liabilities of the Company under the BEA Finance Documents if such liabilities have not been reduced to correspond to its effective interest in Vastness after the Disposal.

Upon Completion, the Vendor, the Purchaser and Vastness will enter into the Shareholders' Agreement under which, among other things, the Vendor and the Purchaser shall undertake to provide the shareholder's loans up to an aggregate maximum amount of HK\$200.0 million according to their equity proportion to finance the development of the Properties and the working capital of the Vastness Group.

The Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the approval by the Shareholders at the SGM by way of poll. The purpose of this circular is to provide you with, among other things, (i) details of the Disposal Agreement; (ii) details of the Shareholders' Agreement; (iii) the valuation report on the Properties; (iv) certain financial information of the Group; and (v) the notice of the SGM.

THE DISPOSAL AGREEMENT

Date:

7th July, 2011

Parties:

Vendor: ITC Properties (Hong Kong) Limited, an indirect wholly-owned subsidiary of the Company; and

Purchaser: Greatward Limited, an indirect wholly-owned subsidiary of CSI.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons and are not connected persons of the Company. The principal activity of the Purchaser is investment holding.

Assets to be disposed of:

The assets to be disposed of comprise (i) the Sale Shares, representing 50% of the entire issued share capital of Vastness as at the Latest Practicable Date and on Completion; and (ii) the Sale Loan, representing 50% of the entire amount of the shareholder's loan owing by Vastness to the Vendor on Completion. The principal amount of the Sale Loan was approximately HK\$143.9 million as at the date of the Disposal Agreement and HK\$144.2 million as at the Latest Practicable Date.

LETTER FROM THE BOARD

Consideration:

The aggregate consideration for the Sale Shares and the Sale Loan is HK\$337.0 million (being HK\$499.5 million (i.e. 50% of the value of the Properties as agreed by the Purchaser and the Vendor) less 50% of the aggregate outstanding principal amount of HK\$325.0 million due by the Vastness Group under the BEA Facility), which shall be apportioned as follows:

- (i) the portion of the Consideration attributable to the Sale Loan shall be equal to the face value of the Sale Loan; and
- (ii) the balance of the Consideration shall be attributable to the Sale Shares.

The Consideration has been/shall be paid by the Purchaser in cash in the following manner:

- (i) a deposit of HK\$100.0 million (the "First Deposit") has been paid upon the signing of the Disposal Agreement;
- (ii) a further deposit of HK\$150.0 million (the "Second Deposit") shall be paid within two (2) weeks from the date of the Disposal Agreement; and
- (iii) the balance of the Consideration shall be paid upon Completion.

If the Vastness Group has any further liabilities on Completion other than the said principal sum of HK\$325.0 million under the BEA Facility, the Consideration shall be adjusted downward by 50% of such additional liabilities on a dollar-for-dollar basis. The Second Deposit has been paid by the Purchaser on 20th July, 2011.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, (i) the unaudited net deficit of the Vastness Group of approximately HK\$12.1 million as at 27th June, 2011; (ii) 50% of the outstanding shareholder's loan of approximately HK\$287.8 million due by Vastness to the Vendor as at the date of the Disposal Agreement (being the Sale Loan of approximately HK\$143.9 million); (iii) 50% of the principal amount of the loan outstanding under the BEA Facility of HK\$325.0 million as at the date of the Disposal Agreement; and (iv) the valuation of the Properties on an amalgamated site basis at HK\$1,200.0 million as at 31st March, 2011 conducted by AGW. The value of the Properties as agreed by the Purchaser and the Vendor of HK\$999.0 million represents a discount of 16.75% to the valuation by AGW, which was arrived at after arm's length negotiation with the Purchaser, taking into account the changes in the local property market sentiment thereafter and the existing state of the Properties. The Directors consider that the terms of the Disposal Agreement including the Consideration are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Conditions precedent:

Completion of the Disposal Agreement is conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- (i) the Purchaser being satisfied with the results of the due diligence review on each member of the Vastness Group;
- (ii) the warranties given by the Vendor in the Disposal Agreement remaining true and accurate in all material respects and not misleading as at Completion;
- (iii) the Vendor having delivered to the Purchaser the certificates of good standing (subject to the usual assumptions and qualifications) issued by the relevant registered agents in the BVI and dated not earlier than seven (7) Business Days before the Completion Date, confirming that the Vendor and each of the group companies of the Vastness Group incorporated in the BVI are in good standing;
- (iv) Pine Cheer, Sino Able and Fortress Jet having shown good title to the Yuet Wah Property, the Nam Fung Property and the Yue King Property respectively;
- (v) the approval by the Shareholders (other than those who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations) of the Disposal Agreement and the transactions contemplated thereunder (if required) at the SGM;
- (vi) the Vendor and/or the Company having fulfilled all other relevant requirements under the Listing Rules, obtained all necessary approvals and complied with the processes of the relevant authorities for the entering into and implementation of the Disposal Agreement and the transactions contemplated thereunder; and
- (vii) the approval by BEA in relation to the Disposal Agreement and the transactions contemplated thereunder having been obtained without condition, or if subject to condition(s), on such terms as acceptable to both the Vendor and the Purchaser.

The Purchaser may at its absolute discretion at any time waive the conditions (i), (ii), (iii) and (iv) by notice in writing to the Vendor. Neither the Vendor nor the Purchaser may waive the conditions (v) and (vi). Condition (vii) can only be waived by agreement between the Vendor and the Purchaser. If the above conditions are not fulfilled or waived (as the case may be) on or before the Long Stop Date and/or the condition (ii) does not remain fulfilled (and is not waived by the Purchaser) on the Completion Date, the rights and obligations of the parties under the Disposal Agreement shall lapse and be of no further effect except for antecedent breach. In such event, the Vendor shall refund to the Purchaser the First Deposit and (if applicable) the Second Deposit within three (3) Business Days without interest.

Completion:

Completion shall take place on the third (3rd) Business Day after fulfillment or waiver (as the case may be) of the last of the above conditions, or such other date as the Vendor and the Purchaser may mutually agree in writing.

LETTER FROM THE BOARD

If after the fulfillment or waiver (as the case may be) of the conditions, Completion does not take place due to the default of the Purchaser, the Vendor shall be entitled to forfeit the First Deposit and refund the Second Deposit to the Purchaser without interest within three (3) Business Days but without prejudice to the rights and remedies the Vendor may have under the Disposal Agreement. If the defaulting party is the Vendor, the Vendor shall within three (3) Business Days refund to the Purchaser the First Deposit and the Second Deposit without prejudice to the rights and remedies the Purchaser may have under the Disposal Agreement.

Other terms:

On 31st March, 2011, Pine Cheer, Sino Able and Fortress Jet, as borrowers, and the Company, as guarantor, entered into a facility agreement with BEA, as lender, in respect of the BEA Facility for the development of the Properties. In addition to the mortgage on the Properties, among other things, the Company has given the BEA Guarantee. The Company is prepared to maintain the BEA Guarantee after Completion on the condition that 50% of its liability under the BEA Finance Documents shall be indemnified by CSI. To this end, as one of the terms of the Disposal Agreement, the Purchaser and CSI shall execute a counter-indemnity in favour of the Vendor and the Company on Completion, if the liabilities of the Company under the BEA Finance Documents have not been reduced to correspond to its effective interest in Vastness after the Disposal. The outstanding principal amount of the BEA Facility is HK\$325.0 million as at the Latest Practicable Date.

Tax indemnity:

The Vendor undertakes to indemnify the Purchaser against 50% of the difference in the profits tax payable by the Vastness Group from time to time after the Completion Date in respect of the Properties assessed or calculated by reference to the book costs of the Properties as at the Completion Date as being HK\$600.0 million and the value of the Properties as agreed by the Purchaser and the Vendor of HK\$999.0 million, provided that the maximum liability of the Vendor under this indemnity shall not exceed HK\$25.0 million in aggregate which was determined after arm's length negotiation between the Vendor and the Purchaser.

THE SHAREHOLDERS' AGREEMENT

Upon Completion, the Vendor, the Purchaser and Vastness will enter into the Shareholders' Agreement in respect of the affairs of (including, without limitation, its operations, management and business) and the rights with respect to their interest in the Vastness Group after Completion. The principal terms of the Shareholders' Agreement are set out below:

Board composition:

The board of Vastness and each member of the Vastness Group shall not exceed six (6) directors. Each of the Vendor and the Purchaser has the right to nominate and appoint up to three (3) directors.

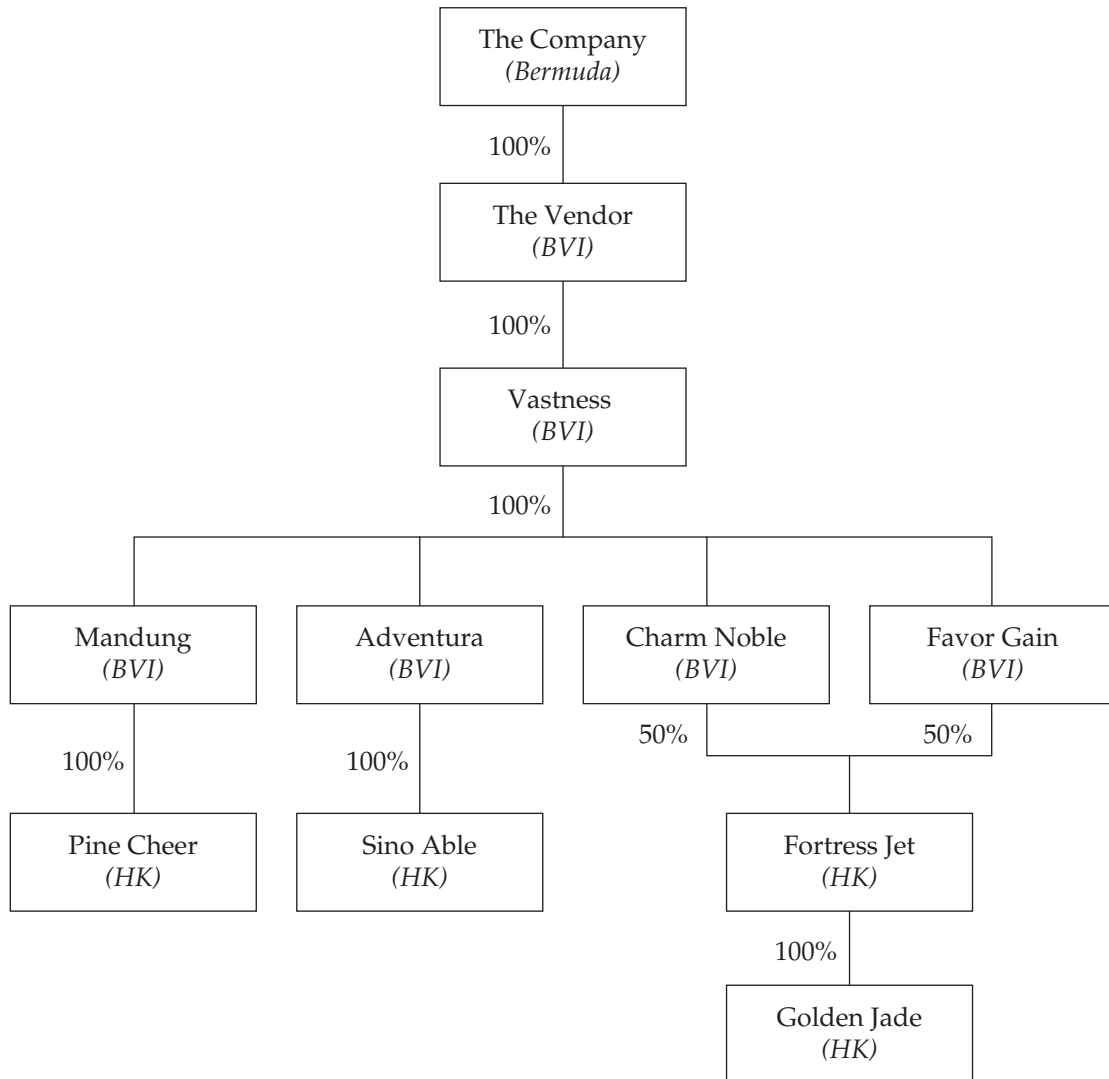
LETTER FROM THE BOARD

- Dividend policy: In respect of each member of the Vastness Group, all profits available for distribution shall be distributed to its shareholders by way of dividends after the provision of taxation and the discharge of the outstanding bank indebtedness (including the principal, accrued interest and other monies) and shareholders' loans.
- Right of first refusal and tag-along right: If a shareholder wishes to dispose of its interest in Vastness to a third party, all other shareholders are entitled to a right of first refusal to purchase all (but not part only) of the shares in and loans to Vastness which the disposing shareholder intends to dispose at the same price and material terms.
- Alternatively, the other shareholders are entitled to a tag-along right whereby they may dispose of their interests in Vastness on the same terms and conditions offered to the disposing shareholder.
- Finance: In addition to, for the Company, the securities currently given by it under the BEA Finance Documents and, for CSI and the Purchaser, the counter-indemnity to be given by them to the Vendor and the Company in respect of the 50% of the liabilities of the Company under the BEA Finance Documents, the Vendor and the Purchaser undertake to further provide shareholders' loans to Vastness in an aggregate amount not exceeding HK\$200.0 million according to their equity proportion. Such shareholders' loans shall be unsecured, may carry interest at such rate as agreed by the Vendor and the Purchaser and is repayable only upon the approval of the board of directors of Vastness.
- Termination: The Shareholders' Agreement shall continue in full force and effect until the entire issued share capital of Vastness shall be owned by one shareholder or Vastness shall be wound up or cease to exist as a corporate entity.

LETTER FROM THE BOARD

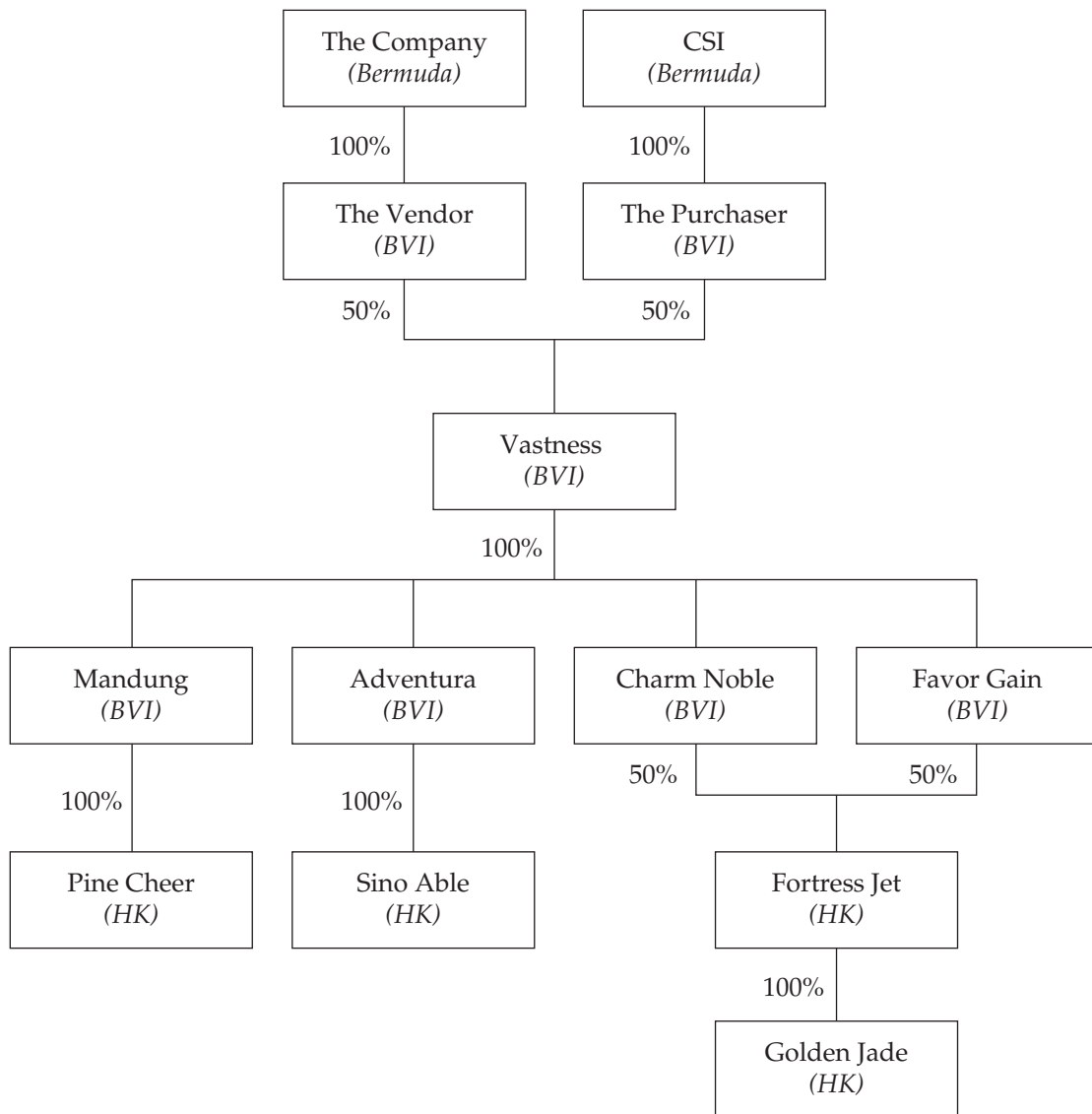
STRUCTURE OF THE VASTNESS GROUP BEFORE AND AFTER COMPLETION

- (i) Set out below is the structure of the Vastness Group as at the Latest Practicable Date and immediately before Completion



LETTER FROM THE BOARD

(ii) Set out below is the structure of the Vastness Group immediately after Completion



Note: Words in parentheses represent places of incorporation

INFORMATION OF THE VASTNESS GROUP

Vastness is a special purpose vehicle incorporated in the BVI on 20th January, 2010. It owns the entire issued share capital of Mandung, Adventura, Charm Noble and Favor Gain. Mandung owns the entire issued share capital of Pine Cheer which in turn owns the Yuet Wah Property. Adventura owns the entire issued share capital of Sino Able which in turn owns the Nam Fung Property. Each of Charm Noble and Favor Gain owns 50% of the issued share capital of Fortress Jet which in turn owns the Yue King Property. As at the date of the Disposal Agreement and as at the Latest Practicable Date, Golden Jade is a dormant company.

LETTER FROM THE BOARD

The Yuet Wah Property comprises all units within the building previously known as “Yuet Wah Court” erected on a site located at Nos. 19-21 Shelter Street, Causeway Bay, Hong Kong with a site area of approximately 3,842.5 sq. ft.

The Nam Fung Property comprises all units within the building previously known as “Nam Fung Building” erected on a site located at No. 33 Tung Lo Wan Road, Causeway Bay, Hong Kong with a site area of approximately 1,146.7 sq. ft.

The Yue King Property comprises all units within the building previously known as “Yue King Mansion” erected on a site located at Nos. 35, 37, 39-39A, 39B and 39C Tung Lo Wan Road, Causeway Bay, Hong Kong with a site area of approximately 4,498.8 sq. ft.

The Properties are intended to be developed into a luxury high end life-style residential tower with a total saleable floor area of approximately 90,000 sq. ft.

As at the Latest Practicable Date, the demolition of the existing buildings on the Properties is already in progress.

The Properties are valued by AGW at HK\$1,200.0 million as at 31st March, 2011 and 31st May, 2011 on an amalgamated site basis. Details of the valuation on the Properties as at 31st May, 2011 are set out in Appendix II to this circular.

Set out below is the unaudited consolidated financial information of the Vastness Group for the two years ended 31st March, 2010 and 31st March, 2011 respectively, which was prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31st March, 2011 HK\$'000	For the year ended 31st March, 2010 HK\$'000
Turnover	523	890
(Loss)/Profit before taxation	(8,062)	52,918
(Loss)/Profit after taxation	(8,062)	52,918
		As at 31st March, 2011 HK\$'000
Net liabilities		(10,738)

Immediately after Completion, Vastness will cease to be a subsidiary of the Company and become an associated company of the Company. Accordingly, the Group will equity account for the Vastness Group after Completion.

LETTER FROM THE BOARD

REASONS FOR THE DISPOSAL

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 investments and the provision of loan financing services.

The net proceeds from the Disposal, being the Consideration net of relevant expenses, are estimated to be approximately HK\$334.0 million. The Company intends to apply such net proceeds for the Group's general working capital.

The Directors consider that the Disposal provides the Group with a good opportunity to realise a considerable capital gain representing a return of over 120% on the Group's relevant investment in Vastness over a 2-year period and which will generate significant cash inflow to the Group with a significant interest in the development of the Properties retained. In addition, CSI is an active property group with focuses on Hong Kong and the PRC. The introduction of this joint venture partner is expected to bring in additional value to the development and subsequent sales of the redeveloped Properties.

Based on the above, the Board considers that the terms of the Disposal Agreement and the Shareholders' Agreement (including the provision of the Shareholder's Loan and the Company maintaining a 100% obligations and liabilities under the BEA Finance Documents subject to the counter-indemnity to be given by the Purchaser and CSI) are fair and reasonable, and the entering into of the Disposal Agreement is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

Earnings

Based on the unaudited consolidated accounts of the Vastness Group as at 27th June, 2011, an unaudited capital gain of approximately HK\$171.2 million is expected to arise from the Disposal, which is calculated with reference to the net proceeds from the Consideration of HK\$334.0 million, the carrying value attributable to the Sale Shares and the Sale Loan as at 27th June, 2011 included in the Group's accounts in an aggregate amount of approximately HK\$137.8 million and the estimated provision for the tax indemnities to be given by the Vendor upon Completion of approximately HK\$25.0 million. Shareholders and investors should note that the exact amount of the actual gain on the Disposal is to be determined with reference to the fair value attributable to the Sale Shares and the Sale Loan as at the Completion Date and may be different from the above figure.

LETTER FROM THE BOARD

Assets and liabilities

Immediately after Completion, the shareholding of the Company in Vastness will be reduced from 100% to 50% and thus Vastness will cease to be a subsidiary of the Company. The Company intends to retain the remaining 50% interest in Vastness, which will become an associated company of the Company. As such, the assets and liabilities of the Vastness Group will be deconsolidated from the Group's future financial statements. The Company will equity account for the net asset and results of the Vastness Group after Completion. Accordingly, the total assets of the Group would decrease upon Completion, which is attributable to the exclusion of the assets of the Vastness Group, net of the receipts of the proceeds from the Disposal and the recognition of its share of net assets of Vastness as an associated company. The total liabilities of the Group, save for the maximum provision for indemnity of HK\$25.0 million as disclosed above, would decrease because of the exclusion of the liabilities of the Vastness Group.

FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

Upon Completion, the Remaining Group will continue to be engaged in the business of property development and investment in Macau, the PRC and Hong Kong, golf resort and leisure operations, securities investments and provision of loan financing services. Though the global economy remains vulnerable, economic momentum in the PRC remains robust as continued growth in domestic consumption, completion of existing fixed investment projects and ongoing urbanization continue to fuel the growth and demand and growth potential of the leisure and resort market in the PRC. With its expertise in Hong Kong and the PRC, the Group shall continue to focus on developing high-end leisure, resort and residential properties in the PRC.

Macau is one of the fastest growing economies in the region with 26.2% growth in GDP for the year of 2010 driven by the resilient gaming sector. The Group, through its 35.5% interest in a residential property development, namely "One Oasis" in Cotai South, Macau, plans to capture the opportunity brought along by the expected increase in household income and intensified demand for quality homes by launching the presale of remaining phases of One Oasis in appropriate time.

The Remaining Group expects that the development of the Properties (in which the Remaining Group will retain a significant interest after the Disposal) as well as a project involving a high end (diamond, gold, jewelry, watches and luxury goods) retail complex on Nathan Road, Kowloon shall contribute an encouraging return after their completion.

Barring unforeseen circumstances, the Remaining Group is confident in capturing future gains from its investment portfolio.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules which requires the approval of the Shareholders at the SGM by way of poll.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Purchaser and its associates held 1,658,600 Shares, representing approximately 0.3% of the entire issued share capital of the Company. Accordingly, the Purchaser and its associates are required to abstain from voting on the proposed ordinary resolution to approve the Disposal Agreement and the transactions contemplated thereunder. Save as disclosed above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no other Shareholders are required to abstain from voting on the aforesaid resolution at the SGM.

SGM

The SGM, the notice of which is set out on pages SGM-1 to SGM-3 of this circular, will be held at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Monday, 5th September, 2011 at 11:00 a.m. to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder. The voting on the proposed ordinary resolution at the SGM will be taken by way of poll.

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 Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries Limited, at 26/F, 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 the holding of the SGM or any adjournment thereof. 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.

RECOMMENDATION

The Directors consider that the terms of the Disposal Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Disposal Agreement and the transactions contemplated thereunder.

GENERAL INFORMATION

Your attention is drawn to the additional information as set out in the appendices to this circular.

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

1. INDEBTEDNESS STATEMENT

At the close of business on 30th June, 2011, being the latest practicable date prior to the printing of this circular, the Group had secured bank borrowings and other borrowings of approximately HK\$500 million and HK\$16 million, respectively. In addition, the Group had outstanding at that date obligations under hire purchase contracts and finance leases of approximately HK\$0.3 million.

At the same date, the Group had also the following outstanding convertible notes:

	Conversion price <i>HK\$</i>	Principal amount <i>HK\$'000</i>	Carrying amount of debt component at 30th June, 2011 <i>HK\$'000</i>
Convertible notes issued on:			
– 25th May, 2011	2.20	589,050	478,735
– 10th June, 2011	2.20	30,000	23,993
		619,050	502,728
		619,050	502,728

The Group's bank borrowings and credit facilities from financial institutions were secured by legal charges over the following assets of the Group:

- (i) Properties held for sale with a carrying value of HK\$597.2 million;
- (ii) Investment properties under development with a carrying value of HK\$542.9 million; and
- (iii) Property, plant and equipment with a net book value of HK\$0.3 million.

Save as aforesaid, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 30th June, 2011, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, finance leases or hire purchases commitments, guarantees or other material contingent liabilities.

Foreign currency amounts have been translated into Hong Kong dollars at the approximate exchange rates prevailing at the close of business on 30th June, 2011.

2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account of its presently available financial resources, including funds internally generated from operation, the available banking facilities and the proceeds from the Disposal, the Remaining Group will have sufficient working capital for its business for the next twelve months from the date of this circular in the absence of unforeseen circumstances.

The following is the text of the letter and the valuation certificate, prepared for the purpose of incorporation in this circular received from A.G. Wilkinson & Associates, an independent valuer, in connection with its valuation of the Properties as at 31st May, 2011.



August 8, 2011

Our Ref: 11/VT/01353

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

Dear Sirs,

Re: Yuet Wah Court
Nos. 19-21 Shelter Street (IL 1580 sA ss2 RP and sA ss1 RP)
Nam Fung Building
No. 33 Tung Lo Wan Road (IL 1580 sA ss1 sC ss1) and
Yue King Mansion
Nos. 35, 37, 39-39A, 39B & 39C Tung Lo Wan Road
(IL 1580 sA ss1 sC RP, sA ss2 sB RP and sA ss2 sB ss1)
Hong Kong
(the "subject property")

In accordance with the instruction of ITC Properties Group Limited (the "Company") for us to value the subject property, we confirm that we have carried out an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at May 31, 2011.

Our valuation of the subject property is our opinion of the market value, which is defined in the HKIS Valuation Standards On Properties as "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Our valuation has been made on the assumption that the owner sells the property on the open market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the property value, except where mentioned in our report. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property interests and no forced sale situation in any manner is assumed in our valuation.

We have caused searches to be made at the relevant Land Registry. However, we have not searched the original documents to verify ownership or to verify any lease amendments. All documents and leases have been used as reference only. All dimensions, measurements and areas are approximate. Unless otherwise stated, the conversion factor of 1 square metre to 10.764 square feet is adopted.

Our valuation is primarily based on the Residual Approach of valuation. Residual Approach of valuation seeks to derive the site value by first determining the optimal development which would give the optimal value (i.e. the Gross Development Value). From the assessed value of the completed building, deductions are made to cover construction costs, professional fees, marketing cost, interest expense and developer's profit, etc. which are based on a set of realistic assumptions. The resultant residue figure is then adjusted back to the valuation date to arrive at the site value.

No allowance has been made in our report for any charges, mortgages or amounts owing on any property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions, easement and outgoings of an onerous nature which could affect its value.

Whilst we have inspected the property, we have not carried out investigations on site to determine the suitability of the ground conditions and the services etc. for the future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. We have not carried out detailed site measurements to verify the boundaries of the site and the correctness of the site area of the property and we have assumed that the site area shown on the documents handed to us is correct.

Our valuations have been prepared in accordance with the HKIS Valuation Standards On Properties (1st Edition 2005), the relevant provisions in the Companies Ordinance and the Rules Governing The Listing Of Securities On The Stock Exchange Of Hong Kong Limited (Main Board).

We attached herein our Summary of Valuation and Valuation Certificate for your reference.

Yours faithfully,
For and on behalf of
A.G. WILKINSON & ASSOCIATES
Lam Chun Chiu Ringo
Registered Professional Surveyor (GP)
BSc(Hons) MCIREAA, MHKIS, MRICS
Director
Valuation Department

Note: Mr. Lam Chun Chiu Ringo is a Registered Professional Surveyor in the Hong Kong Special Administrative Region. He is a Professional member of three professional bodies, namely the China Institute of Real Estate Appraisers and Agents, Hong Kong Institute of Surveyors and Royal Institution of Chartered Surveyors. Mr. Lam joined A.G. WILKINSON & ASSOCIATES since 1995 and he has about 19 years of post-qualification experience in valuing properties in Hong Kong.

SUMMARY OF VALUE

Property	Market Value as at May 31, 2011
Yuet Wah Court Nos. 19-21 Shelter Street (IL 1580 sA ss2 RP and sA ss1 RP) Nam Fung Building No. 33 Tung Lo Wan Road (IL 1580 sA ss1 sC ss1) and Yue King Mansion Nos. 35, 37, 39-39A, 39B & 39C Tung Lo Wan Road (IL 1580 sA ss1 sC RP, sA ss2 sB RP and sA ss2 sB ss1) Hong Kong	HK\$1,200,000,000
Total:	<hr/> HK\$1,200,000,000 <hr/>

Note: The subject property was valued at HK\$1,200,000,000 (ONE BILLION AND TWO HUNDRED MILLION HONG KONG DOLLARS) by External Valuer, A. G. Wilkinson & Associates (Surveyors) Ltd., as at May 31, 2011 on the basis of Market Value, in accordance with the HKIS Valuation Standards on Properties (1st Edition 2005), the relevant provisions in the Companies Ordinance and the Rules Governing The Listing of Securities On The Stock Exchange Of Hong Kong Limited (Main Board).

VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of Occupancy	Market Value as at May 31, 2011
<p>Yuet Wah Court Nos. 19-21 Shelter Street (IL 1580 sA ss2 RP and sA ss1 RP) Nam Fung Building No. 33 Tung Lo Wan Road (IL 1580 sA ss1 sC ss1) and Yue King Mansion Nos. 35, 37, 39-39A, 39B & 39C Tung Lo Wan Road (IL 1580 sA ss1 sC RP, sA ss2 sB RP and sA ss2 sB ss1) Hong Kong</p>	<p>The subject lots has a total registered site area of 9,488.05 sq.ft. (881.46 sq.m.) or thereabouts and net site area of 8,600.59 sq.ft. (799.014 sq.m.) or thereabouts.</p> <p>The subject site is a Class 'C' site and it has frontages of 82'6" onto Tung Lo Wan Road, 109'1/2" onto Shelter Street and 120'3-3/4" onto the service lane. The site appears to be generally level and is situated at an average level of 16'4" (4.965 m) approximately above Hong Kong Principal Datum.</p>	<p>Demolition work of the existing buildings had already been commenced as at the date of valuation.</p>	<p>HK\$1,200,000,000</p>
<p>The whole of Inland Lot Nos. 1580 sA ss1 sC ss1, sA ss1 sC RP, sA ss1 RP, sA ss2 sB ss1, sA ss2 sB RP and sA ss2 RP</p>	<p>According to the development scheme with approved building plans provided by the Company, the development comprises a 28-storey residential block excluding 2 level basements and refuge floor, with 17 car parking spaces (including 1 disabled person car park, 2 light goods vehicle car park and 1 motorcycle parking on B2/F to Ground Floor). Shop units on Ground Floor and First Floor, clubhouse on 2nd Floor, 6 flats on 3/F-22/F, 4 flats on 23/F-29/F and 4 duplex flats on 30/F-31/F. Vertical access is served by two lifts and two staircases with lift lobby on Ground Floor with main entrance lobby onto Tung Lo Wan Road.</p> <p>In accordance with the aforesaid approved building plans, the development parameters, accommodation, area breakdown is shown on Note 8.</p> <p>The property is held from the Government for a lease term of 75 years from January 29, 1900, renewable for a further term of 75 years.</p> <p>The total government rent for the subject lots is HK\$21,868 per annum.</p>	<p></p>	<p></p>

Notes:

1. With reference to the land search document, the registered owners of the subject property are as follows:-

Property	Registered Owner
Nos. 19-21 Shelter Street	Pine Cheer Limited
No. 33 Tung Lo Wan Road	Sino Able Investments Limited
Nos. 35, 37, 39-39A, 39B & 39C Tung Lo Wan Road	Fortress Jet International Limited

All units of the concerned buildings are subject to various assignments dated various dates, registered in various memorial nos. and considerations.

2. The property is subject to a Debenture and Mortgage in favour of "The Bank of East Asia, Limited" vide Memorial No. 11050503110067 dated April 13, 2011.
3. Apart from the usual "Non-offensive Trade Clause" and "Rate and Range Clause" in Inland Lot No. 1580, the lease is virtually unrestricted regarding the use and development of the respective sites.

The "Non-offensive Trade Clause" reads as "that the said Company, their Successors, or Assigns, or any other person or persons, shall not nor will, during the continuance of this demise, use, exercise or follow, in or upon the said premises or any part thereof, the trade or business of a Brazier, Slaughterman, Soap-maker, Sugar-baker, Fellmonger, Melter of tallow, Oilman, Butcher, Distiller, Victualler or Tavern-keeper, Blacksmith, Nightman, Scavenger or any other noisy, noisoms or offensive trade or business whatever, without the previous licence of Her said Majesty, Her Heirs, Successors or Assigns signified in writing by the Governor of the said Colony of Hong Kong, or other person duly authorized in that behalf."

This is a typical clause contained in an old Crown lease originated in the 17th Century of England. The term and wordings are obsolete in today's standard and even some of the trades described in this clause are already disappeared from the general urban scene, particularly in Hong Kong. Nevertheless, this clause is found in the standard form in government leases and is legally implied into all conditions.

Under the circumstances, the current practice in the market is to apply to the District Lands Office of the Lands Department of the Hong Kong Government for a licence to delete the following categories of offensive trade on payment of a technical modification fee, namely oilman, tavern keeper, victualler, butcher and sugar baker.

The "Rate and Range Clause" reads as "which said message or tenement, messages or tenements shall be of the same rate of building, elevation, character and description, and shall front and range in a uniform manner with the buildings (if any) immediately adjoining in the same Street, and the whole to be done to the satisfaction of the Surveyor of Her said Majesty, Her Heirs, Successors or Assigns."

This clause is only found in old government leases. It actually required the buildings to be erected on the lot to "rate and range" in a uniform manner with buildings immediately adjacent or in the same street. It was an early form of town planning that led to rows of houses of similar height and of uniform character.

Nowadays, town planning controls are substantially transformed already. The controls are now under the machinery of planning law with enactment of Town Planning Ordinance, Building Ordinance, Building (Planning) Regulations, etc. It is unlikely that this Rate and Range Clause will attract premium to the developer, but merely it might help the government to prevent a development or re-development which they have no intention to approve of and that there are no other possible legal means available to them.

4. The property falls within Hong Kong Planning Area No. 6 and is zoned under Causeway Bay – Outline Zoning Plan No. S/H6/15 dated September 17, 2010 for 'Residential (Group A)' purpose as at the date of valuation.
5. In assessing the market value of the subject property, we have made reference to the conditions under the Government Lease of the lots, Town Planning Zoning, Building (Planning) Regulation, size and layout of the site, the building profile of the locality and particularly the development scheme with approved building plans provided by the Company.
6. At the time of our recent inspection, we noted that the subject property is surrounded by bamboo scaffold and nylon sheets with demolition work in progress.

7. Before demolition, Nos. 19-21 Shelter Street (IL 1580 sA ss1 RP and sA ss2 RP) was comprised of a 14-storey composite building. Shops and ancillary accommodations was provided on ground floor and two domestic flats on each upper floors. Vertical access was served by one lift and two staircases with main entrance onto Shelter Street. The building was completed in December 22, 1982.

Before demolition, No. 33 Tung Lo Wan Road (IL 1580 sA ss1 sC ss1) was comprised of a 6-storey tenement building (excluding cockloft), having shop on ground floor, store on cockloft and one domestic flat on the upper floor. Vertical access was served by one common staircase with main entrance onto Tung Lo Wan Road. The building was completed on November 29, 1977.

Before demolition, Nos. 35, 37, 39-39A, 39B & 39C Tung Lo Wan Road (IL 1580 sA ss1 sC RP, sA ss2 sB ss1 and sA ss2 sB RP) was comprised of a 10-storey tenement building, having two shops on ground floor and 5 domestic flats on the upper floors. Vertical access was served by two lifts and two staircases with main entrance onto Tung Lo Wan Road. The building was completed in January 16, 1967.

8. The development parameters, accommodation, area breakdown is as follows:-

Floor	Accommodation	Gross Floor Area 1		Gross Floor Area 2	
		(sq.ft.)	(sq.m.)	(sq.ft.)	(sq.m.)
B2	7 Private Car Parks & 1 Disable Car Park, 1 Motorcycle Park, Pump Room and Water Tank	-	-	-	-
B1	7 Private Car Parks, 1 Light Goods Vehicle Park, Sprinkler Water Tank, Sprinkler Pump & Valve Room	-	-	-	-
G/F	Lift Lobby, 2 Shops, Refuse Storage and Water Recovery Chamber, Car Lift and 1 Light Goods Vehicle Park	4,799	445.798	4,745	440.798
1/F	2 Shops, Transformer Room, Switch Room, TBE Room and Emergency Generator Room	4,487	416.836	4,226	392.566
2/F	Gymnasium with Changing Room, Reading Room and Table Tennis Room	4,345	403.645	4,345	403.645
3/F-29/F	126 Domestic Flats	81,700	7,589.307	79,867	7,420.31
30/F-31/F	4 Duplex Units	-	-	-	-
Total:		<u>95,331</u>	<u>8,855.586</u>	<u>93,183</u>	<u>8,657.319</u>

- or thereabouts -

Area of Ancillary Accommodations:

Flat Roof on 1/F – 855 sq.ft. or thereabouts.

Flat Roof on 2/F – 1,231 sq.ft. or thereabouts.

Refuge Roof – 1,687 sq.ft. or thereabouts.

Top Roof – 443 sq.ft. or thereabouts.

Upper Roof – 109 sq.ft. or thereabouts.

- Notes:*
1. Gross Floor Area 1 is inclusive of common parts such as refuse storage, fire service control room, A.H.U. room, water meter room, electric meter room and wider common corridor & lift lobby and so on.
 2. Gross Floor Area 2 is exclusive of the aforesaid common parts in above mentioned Note 1.
 3. All Gross Floor Areas are quoted from the approved building plans dated May 27, 2011.
 4. Area of ancillary accommodations are scaled from the approved building plans dated May 27, 2011.
9. The estimated gross development value of the proposed development scheme when completed is approximately HK\$1,704,080,000. The expected total cost of construction is about HK\$197,648,000, professional fee is about HK\$11,859,000, contingency is about HK\$6,285,000, marketing and agency cost is about HK\$17,041,000, legal cost is about HK\$12,780,000, interest expense is about HK\$9,600,000 and developer's profit is approximately HK\$213,010,000.

In assessing the gross development value of this project, we have made reference to various residential transactions within the locality within 3 months immediately before our date of valuation (i.e. May 31, 2011). Residential units in projects such as The Serenade (i.e. an average unit rate of HK\$15,304 Gross), Mount East (i.e. an average unit rate of HK\$12,967 Gross), The Gloucester (i.e. an average unit rate of HK\$22,945 Gross) and The Warrenwoods (i.e. an average unit rate of HK\$13,047) were considered. For shop units, various transactions at Ground Floor of Brown Street (i.e. an average unit rate of HK\$43,206 Saleable), transactions on Ground Floor of Sunrise Court (i.e. an average unit rate of HK\$43,965 Net), Ground Floor of Professional Building (i.e. an unit rate of HK\$31,097 Net) and Ground Floor of Grand View House (i.e. an unit rate of HK\$50,000 Net) were considered. For carparks, transactions in projects such as The Serenade (i.e. an average of HK\$1,100,000 per car parking space) and The Legend (i.e. an average of HK\$988,000 per car parking space) were considered.

Apart from the valuation assumptions outlined in our covering letter on page II-1 to II-2, other specific valuation assumptions used in our residual valuation including:

- a) The remaining development period is assumed 21 months as from the date of valuation with expected completion date on February 28, 2013;
- b) Professional fees (being part of the development cost) is assumed 6% of total construction cost;
- c) Contingency allowance (being part of the development cost) is assumed 3% of total construction cost;
- d) Finance cost will be charged at an assumed interest rate of 5.25% per annum;
- e) Developer's profit is assumed 12.5% of the gross development value of the project upon completion; and
- f) The discount rate for present value calculation is assumed 1.5% per annum and it will assume unchanged throughout the remaining development period.

The development potential for this type of composite building project with shops on G/F to 1/F, residential units on upper floors and car parks in Basement is considered to be reasonably good. For description and breakdown of the component part of the composite development project, please refer to Page II-4 and Note 8.

1. 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.

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

Name of Director	Long position/ Short position	Capacity	Number of issued Shares	Approximate percentage of the issued share capital of the Company (%)
Mr. Cheung Hon Kit ("Mr. Cheung")	Long position	Beneficial owner	14,202,000	2.51

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

Name of Director	Date of grant	Option period	Exercise price per Share (HK\$)	Number of share options	Approximate percentage of the issued share capital of the Company (%)
Mr. Cheung	29th March, 2010	29th March, 2010 – 28th March, 2014	2.22	3,900,000	0.69
Mr. Chan Fut Yan ("Mr. Chan")	29th March, 2010	29th March, 2010 – 28th March, 2014	2.22	2,900,000	0.51
Mr. Cheung Chi Kit	29th March, 2010	29th March, 2010 – 28th March, 2014	2.22	2,100,000	0.37
Mr. Chan Yiu Lun, Alan	29th March, 2010	29th March, 2010 – 28th March, 2014	2.22	1,500,000	0.27
Mr. Ma Chi Kong, Karl	29th March, 2010	29th March, 2010 – 28th March, 2014	2.22	370,000	0.07
Mr. Wong Chi Keung, Alvin	29th March, 2010	29th March, 2010 – 28th March, 2014	2.22	370,000	0.07
Mr. Kwok Ka Lap, Alva	29th March, 2010	29th March, 2010 – 28th March, 2014	2.22	370,000	0.07
				<u>11,510,000</u>	

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 the 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 the Shares

Name of Shareholder	Long position/ Short position	Capacity	Number of issued Shares	Approximate percentage of the issued share capital of the Company (%)
Selective Choice Investments Limited ("Selective Choice") (Note 3)	Long position	Beneficial owner	139,583,474 (Note 1)	24.71
ITC Investment Holdings Limited ("ITC Investment") (Note 3)	Long position	Interest of controlled corporation	139,583,474 (Note 1)	24.71
ITC Corporation Limited ("ITC") (Notes 3 and 4)	Long position	Interest of controlled corporation	139,583,474 (Note 1)	24.71
Dr. Chan Kwok Keung, Charles ("Dr. Chan")	Long position	Interest of controlled corporation	139,583,474 (Note 1)	24.71
	Long position	Beneficial owner	6,066,400 (Note 1)	1.07
			145,649,874	25.78
Ms. Ng Yuen Lan, Macy ("Ms. Ng")	Long position	Interest of spouse	145,649,874 (Note 1)	25.78

(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 Limited ("Loyal Concept")	Long position	Beneficial owner	135,000,000 (Note 2)	23.90
Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics")	Long position	Interest of controlled corporation	135,000,000 (Note 2)	23.90
Hanny Holdings Limited ("Hanny") (Note 5)	Long position	Interest of controlled corporation	135,000,000 (Note 2)	23.90
Selective Choice (Note 3)	Long position	Beneficial owner	32,000,000 (Note 1)	5.66
ITC Investment (Note 3)	Long position	Interest of controlled corporation	32,000,000 (Note 1)	5.66
ITC (Notes 3 and 4)	Long position	Interest of controlled corporation	32,000,000 (Note 1)	5.66
Time Expert Investments Limited ("Time Expert")	Long position	Beneficial owner	135,000,000 (Note 6)	23.90
Dr. Chan	Long position	Interest of controlled corporations	167,000,000 (Notes 1 and 6)	29.56
Ms. Ng	Long position	Interest of spouse	167,000,000 (Notes 1 and 6)	29.56

Notes:

1. Selective Choice, a wholly-owned subsidiary of ITC Investment, which in turn was a wholly-owned subsidiary of ITC, owned 171,583,474 Shares (of which 32,000,000 Shares related to its derivative interest). ITC Investment and ITC were deemed to be interested in 171,583,474 Shares (of which 32,000,000 Shares related to their derivative interests) which was held by Selective Choice. Dr. Chan was the controlling shareholder of ITC. Ms. Ng is the spouse of Dr. Chan. Dr. Chan owned 6,066,400 Shares and was deemed to be interested in 171,583,474 Shares (of which 32,000,000 Shares related to his derivative interest) which was held by Selective Choice. Ms. Ng was deemed to be interested in 177,649,874 Shares (of which 32,000,000 Shares related to her derivative interest) which were held by Dr. Chan and Selective Choice.
2. Hanny and Hanny Magnetics were taken to have interests in 135,000,000 Shares which related to their derivative interests held by Loyal Concept, being a wholly-owned subsidiary of Hanny Magnetics, which in turn was a wholly-owned subsidiary of Hanny.
3. Mr. Chan, the managing Director of the Company and an executive Director, is an executive director of ITC and a director of Selective Choice and ITC Investment.
4. Mr. Cheung, the chairman of the Company and an executive Director, is an executive director of ITC; Mr. Chan Yiu Lun, Alan, an executive Director, is an executive director of ITC; and Hon. Shek Lai Him, Abraham, *SBS, JP*, the vice chairman of the Company and an independent non-executive Director, is an independent non-executive director of ITC.
5. Mr. Kwok Ka Lap, Alva, an independent non-executive Director, is an independent non-executive director of Hanny.
6. Pursuant to a conditional sale and purchase agreement dated 11th July, 2011 made among Loyal Concept as the vendor, Hanny as the guarantor of Loyal Concept, Time Expert as the purchaser and Dr. Chan as the guarantor of Time Expert, Time Expert conditionally agreed to acquire the 3.25% convertible notes due 2013 of the Company in the principal amount of HK\$297,000,000 from Loyal Concept. Dr. Chan was taken to have interest in 135,000,000 Shares which related to his derivative interest held by Time Expert which was wholly-owned by Dr. Chan. Ms. Ng was deemed to be interested in 135,000,000 Shares which related to her derivative interest held by Time Expert.

(iii) Other members 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 persons (not being a Director or chief executive of the Company) 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 the other members 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
Fame State Investment Limited	Le Truong Hien Hoa Chan Siu Chi	20 10
Forever Fame Corporation Limited	Le Truong Hien Hoa Chan Siu Chi	20 10
Guangdong International Marina Club Limited	Pui Mung Ying	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 were deemed or taken 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.

3. COMPETING INTERESTS

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

Name of company	Nature of competing business	Nature of interest
Rosedale Hotel Holdings Limited (formerly known as Wing On Travel (Holdings) Limited) and its subsidiaries	Property business and hotel operation in Hong Kong and the PRC	As the chairman and an executive 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 director and 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

Name of company	Nature of competing business	Nature of interest
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 beneficial shareholder
Silver City Limited	Property investment in Hong Kong	As a director and shareholder
Cosmo Luck Limited	Property investment in Hong Kong	As a beneficial shareholder
Ocean Region Limited	Property investment in Hong Kong	As a beneficial shareholder
Treasure Avenue Limited	Property investment in Hong Kong	As a beneficial shareholder
Fu Ying Development Ltd.	Property investment in Hong Kong	As a beneficial shareholder
Best Value International Ltd.	Property investment in Hong Kong	As a beneficial shareholder
Supermate Development Ltd.	Property investment in Hong Kong	As a beneficial shareholder
Lucky Castle Development Ltd.	Property investment in Hong Kong	As a beneficial shareholder
Joinsmart Corporation Ltd.	Property investment in Hong Kong	As a beneficial shareholder
Earn Wealth Capital Investment Ltd.	Property investment in Hong Kong	As a beneficial shareholder
Kun Hang Construction Limited	Property investment in Macau	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 or 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.

4. OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have, since 31st March, 2011 (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.

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.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract 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). Also, their remunerations and benefits in kind receivable will not be directly varied in consequence of any acquisition by the Group.

6. MATERIAL CONTRACTS

The following are contracts (not being contracts entered into in the ordinary course of business) entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date and which are or may be material:

- (a) the agreement dated 5th November, 2009 entered into between ITC (China) Properties Group Limited ("ITC China") and 貴州宏能溫泉旅游開發有限公司 (Guizhou Hong Neng Hot Spring Resort Tourism Development Company Limited) ("Hong Neng") in relation to the formation of 貴州宏德商務諮詢有限公司 (Guizhou Hong De Business Consulting Co., Ltd.) (the "JV Company") pursuant to which ITC China would make capital contribution commitment of RMB45.0 million (equivalent to approximately HK\$51.1 million);

- (b) the agreement dated 15th December, 2009 entered into among, *inter alia*, ITC Properties (China) Limited (formerly known as Macau Prime Property (China) Limited) (“ITCP (China)”), an indirect wholly-owned subsidiary of the Company as purchaser and Bright Sino Profits Limited as vendor in relation to the acquisition of 92% of the issued share capital of Newskill Investments Limited (“Newskill”) and (if any) the corresponding shareholders’ loans at an aggregate cash consideration of approximately HK\$883.2 million;
- (c) the agreement dated 15th December, 2009 entered into between ITCP (China) as purchaser and Cango Trading Limited as vendor in relation to the acquisition of 8% of the issued share capital of Newskill and (if any) the corresponding shareholders’ loans at an aggregate cash consideration of approximately HK\$76.8 million;
- (d) the joint venture agreement dated 23rd December, 2009 entered into between ITC China and Hong Neng pursuant to which ITC China agreed to increase its capital contribution to the JV Company by RMB45.0 million;
- (e) the memorandum of understanding dated 6th January, 2010 entered into between ITC China and Hong Neng in relation to the proposed increase in contributions to the JV Company pursuant to which the maximum additional capital contribution of ITC China in the JV Company would be RMB135.0 million (equivalent to approximately HK\$153.4 million);
- (f) the subscription agreement dated 5th February, 2010 entered into among ITC Golf & Leisure Group Limited (“ITC Golf”), an indirect wholly-owned subsidiary of the Company, Ocean Growth Enterprises Limited (“Ocean Growth”), 貴州宏能投資有限公司 (Guizhou Hong Neng Investment Company Limited) (“Hong Neng Investment”) and Business Action Holdings Limited (“Business Action”) in relation to the subscription of new shares in the share capital of Business Action pursuant to which ITC Golf contributed approximately HK\$3,500 for the shares subscription in Business Action;
- (g) the shareholders’ agreement dated 5th February, 2010 entered into among ITC Golf, Ocean Growth, Hong Neng Investment and Business Action to provide for the basis on which the Business Action group companies shall be operated, managed and administered pursuant to which ITC Golf would receive the loan repayment of approximately HK\$27.7 million from Business Action;
- (h) the amending agreement dated 2nd March, 2010 entered into between ITC China and Hong Neng in relation to the joint venture agreement referred to in item (d) above pursuant to which ITC China further agreed to increase its capital contribution to the JV Company by RMB90.0 million;
- (i) the placing agreement dated 19th May, 2010 (the “Placing Agreement 1”) entered into between the Company as issuer and CCB International Capital Limited as placing agent (the “Placing Agent”) in relation to the placing of up to 94,000,000 new

shares of HK\$0.01 each in the share capital of the Company at a price of HK\$1.60 per placing share by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement 1 (the "Placing 1") and the net proceeds from the Placing 1 (after deduction of expenses) amounted to approximately HK\$146.1 million;

- (j) the agreement dated 21st July, 2010 entered into between Everight Investment Limited ("Everight"), an indirect wholly-owned subsidiary of the Company as vendor, and Million Cube Limited as purchaser in relation to the disposal of 65% of the issued share capital of Paragon Winner Company Limited ("Paragon Winner") and 65% of Everight's loan to Paragon Winner and its subsidiaries at the aggregate consideration of approximately HK\$746.3 million (translated at the specified exchange rate from RMB650.0 million) (subject to adjustments);
- (k) the agreement dated 29th September, 2010 entered into among ITC Properties Holdings Group Limited, a direct wholly-owned subsidiary of the Company as vendor, the Company as vendor's guarantor, Vigorous World Limited as purchaser and Hanny as purchaser's guarantor in relation to the disposal of 50% of the issued share capital of ITCP (China) and (if any) the corresponding shareholders' loans at an aggregate consideration of HK\$480.0 million (subject to adjustments);
- (l) the offer letters dated 25th February, 2011, 8th March, 2011 and 28th March, 2011 sent by the Company to the holders of the 1% convertible notes due on 15th June, 2011 (the "2011 Notes") issued by the Company in an aggregate outstanding principal amount of HK\$906,000,000 (other than the noteholder in the United States of America) in relation to the repurchase of the 2011 Notes at the sum of the outstanding principal amount with 10% redemption premium payable by the Company at maturity and the corresponding acceptance tendered by the holders of the 2011 Notes with an aggregate principal amount of HK\$535,500,000;
- (m) the placing agreement dated 15th April, 2011 (the "Placing Agreement 2") entered into between the Company as issuer and the Placing Agent as placing agent in relation to the placing of the 3.25% convertible notes in the maximum aggregate principal amount of HK\$407,550,000 (if certain conditions precedent are fulfilled) or HK\$704,550,000 (if certain conditions precedent are not fulfilled) on a best effort basis pursuant to the Placing Agreement 2 (the "Placing 2") and the net proceeds from the Placing 2 (after deduction of expenses) amounted to approximately HK\$29.0 million;
- (n) the joint venture agreement dated 28th June, 2011 entered into between Global Wave Group Limited ("Global Wave"), an indirect wholly-owned subsidiary of the Company, TC Capital Group Limited and Golden Fruit Limited ("Golden Fruit") in relation to the formation of Golden Fruit pursuant to which Global Wave agreed to contribute the maximum amount of up to HK\$30,000,390 to Golden Fruit; and
- (o) the Disposal Agreement.

7. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any members of the Group.

8. EXPERT AND CONSENT

Set out below is the qualification of the expert who has been named in this circular or has given opinion or advice which is contained in this circular:

Name	Qualification
A.G. Wilkinson & Associates	Independent professional valuer

AGW has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, AGW did not have any shareholding, directly or indirectly, in any members of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of the Group.

As at the Latest Practicable Date, AGW did not have any direct or indirect interests in any assets which had been, since 31st March, 2011 (being the date to which the latest published audited accounts of the Company were made up), (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 members of the Group.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at 31st Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong from the date of this circular and up to and including the date of the SGM:

- the memorandum of association and the bye-laws of the Company;
- the published annual reports of the Company for each of the two financial years ended 31st March, 2010 and 2011;
- the letter of consent referred to in the paragraph headed “Expert and consent” in this appendix;
- the valuation report from AGW on the Properties, the text of which is set out in Appendix II to this circular;

- the material contracts referred to in the paragraph headed “Material contracts” in this appendix; and
- a copy of each circular of the Company issued pursuant to the requirements set out in Chapter 14 and/or 14A of the Listing Rules since 31st March, 2011.

10. MISCELLANEOUS

- 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, the notice of the SGM and the accompanying form of proxy prevail over their respective Chinese texts.

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 Monday, 5th September, 2011 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

"THAT

- (a) the sale and purchase agreement dated 7th July, 2011 (the "Disposal Agreement") entered into between ITC Properties (Hong Kong) Limited (the "Vendor"), an indirect wholly-owned subsidiary of the Company, and Greatward Limited (the "Purchaser") (a copy of which, together with the draft shareholders' agreement (the "Shareholders' Agreement") in relation to Vastness Investment Limited ("Vastness") to be executed upon completion of the Disposal Agreement annexed, signed by the Chairman of the meeting for the purposes of identification, has been produced to the meeting marked "A") pursuant to which the Vendor agrees to sell the fifty (50) shares of US\$1 each in the capital of Vastness held by the Vendor, representing 50% of the issued share capital of Vastness as at completion, and 50% of the entire amount of the shareholder's loan due by Vastness to the Vendor at the date of completion, the terms and conditions thereof and the transactions contemplated thereunder including (i) the signing of the Shareholders' Agreement and the provision of the shareholder's loans up to an aggregate maximum amount of HK\$100.0 million pursuant to the Shareholders' Agreement and (ii) the Company maintaining the securities given by it to The Bank of East Asia, Limited in respect of the banking facilities granted to the subsidiaries of Vastness be and are hereby approved, confirmed and ratified; and

* For identification purpose only

NOTICE OF THE SGM

- (b) the board of the directors of the Company (the “Board”) be and is hereby authorised to do all such acts and things and sign all such documents and to take such steps as it considers necessary or expedient or desirable in connection with or to give effect to the Disposal Agreement and to implement the transactions contemplated thereunder and to agree to such variation, amendment or waiver as are, in the opinion of the Board, in the interests of the Company.”

By order of the Board
ITC Properties Group Limited
Yan Ha Hung, Loucia
Company Secretary

Hong Kong, 8th August, 2011

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

Notes:

1. Any shareholder of the Company entitled to attend and vote at the meeting of the Company 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 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, 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.

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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:

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*)

Mr. Chan Fut Yan (*Managing Director*)

Mr. Cheung Chi Kit

Mr. Chan Yiu Lun, Alan

Non-executive Director:

Mr. Ma Chi Kong, Karl

Independent non-executive Directors:

Hon. Shek Lai Him, Abraham, SBS, JP (*Vice Chairman*)

Mr. Wong Chi Keung, Alvin

Mr. Kwok Ka Lap, Alva