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

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

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德祥地產集團有限公司\*

**ITC PROPERTIES GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 199)**

**RE-ELECTION OF RETIRING DIRECTORS,  
GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES,  
REFRESHMENT OF THE SCHEME MANDATE LIMIT  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (the “Annual General Meeting”) to be held at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Wednesday, 8th September, 2010 at 11:00 a.m. is set out on pages 16 to 20 of this circular.

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

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## DEFINITIONS

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

- “Annual General Meeting” the annual general meeting of the Company to be held at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Wednesday, 8th September, 2010 at 11:00 a.m., notice of which is set out on pages 16 to 20 of this circular, or any adjournment thereof
- “Board” the board of Directors
- “Bye-laws” the bye-laws of the Company
- “Capital Reorganisation” the reorganisation of the share capital of the Company, details of which have been disclosed in the circular of the Company dated 18th February, 2009, involving:
- (a) every twenty-five issued shares of HK\$0.01 each be consolidated into one consolidated share (the “**Consolidated Share(s)**”) of HK\$0.25 (the “**Share Consolidation**”);
  - (b) the total number of the Consolidated Shares in the issued share capital of the Company following the Share Consolidation be rounded down to a whole number by cancelling the fractional Consolidated Share arising from the Share Consolidation;
  - (c) the paid-up capital of each Consolidated Share be reduced from HK\$0.25 to HK\$0.01 by cancelling HK\$0.24 so as to form a reorganised share of HK\$0.01 (together with (b) above referred to as the “**Capital Reduction**”); and
  - (d) the credit arising in the accounts of the Company from the Capital Reduction be credited to the contributed surplus account of the Company and the Directors be authorised to apply such amount in any manner permitted by the laws of Bermuda and the Bye-laws and to make a distribution to the Shareholders from time to time, without further authorisation from the Shareholders

## DEFINITIONS

“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“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)
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	any employee (whether full time or part time), executives or officers, directors (including executive, non-executive and independent non-executive Directors) of any member of the Group or any Invested Entity and any celebrity, consultant, adviser or agent of any member of the Group or any Invested Entity, who, in the sole discretion of the Board, have contributed or will contribute to the growth and development of the Group or any Invested Entity
“Group”	the Company and its subsidiaries
“Hanny”	Hanny Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (Stock Code : 275)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which the Group holds any equity interest
“Issue Mandate”	the proposed general mandate to issue Shares to be granted to the Directors at the Annual General Meeting
“ITC”	ITC Corporation Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (Stock Code : 372)

## DEFINITIONS

“Latest Practicable Date”	Tuesday, 27th July, 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Option(s)”	the option(s) granted or to be granted under the Share Option Scheme and any other share option schemes of the Company (if any)
“Repurchase Mandate”	the proposed general mandate to repurchase Shares to be granted to the Directors at the Annual General Meeting
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all Options
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share Capital”	the aggregate nominal amount of the share capital of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the Share Capital
“Share Option Scheme”	the share option scheme of the Company adopted on 26th August, 2002
“Shareholder(s)” or “Member(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE CHAIRMAN



德祥地產集團有限公司\*

**ITC PROPERTIES GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code : 199)**

*Executive Directors:*

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

*Non-executive Director:*

Mr. Ma Chi Kong, Karl

*Independent non-executive Directors:*

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

*Registered office:*

Clarendon House  
Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business*

*in Hong Kong:*

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

30th July, 2010

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

Dear Sir or Madam,

**RE-ELECTION OF RETIRING DIRECTORS,  
GENERAL MANDATES TO ISSUE SHARES AND  
TO REPURCHASE SHARES,  
REFRESHMENT OF THE SCHEME MANDATE LIMIT  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for: (a) the re-election of the retiring Directors; (b) the granting of the Issue Mandate and the Repurchase Mandate to the Directors; (c) the extension of the Issue Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate; (d) the refreshment of the Scheme Mandate Limit; and (e) the giving of notice of the Annual General Meeting.

\* For identification purpose only

## LETTER FROM THE CHAIRMAN

### 2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-law 86(2) of the Bye-laws, Mr. Chan Yiu Lun, Alan, an executive Director, being appointed by the Board as an additional Director to the existing Board on 1st March, 2010, shall retire at the Annual General Meeting. Pursuant to Bye-law 87(1) of the Bye-laws and the Code on Corporate Governance Practices of the Listing Rules, Mr. Cheung Chi Kit, an executive Director, and Mr. Qiao Xiaodong and Mr. Wong Chi Keung, Alvin, both independent non-executive Directors, shall retire from office at the Annual General Meeting by rotation. All retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Brief biographical and other details of the retiring Directors offering themselves for re-election at the Annual General Meeting, which are required to be disclosed under the Listing Rules, are set out in appendix I to this circular.

### 3. GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

At the special general meeting of the Company held on 16th July, 2010, general mandate was granted to the Directors authorising them to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the issued Share Capital as at 16th July, 2010, and at the annual general meeting of the Company held on 9th September, 2009, general mandates were granted to the Directors authorising them, inter alia, to repurchase Shares not exceeding 10% of the issued Share Capital as at 9th September, 2009 and to extend the general mandate to issue Shares by the number of Shares repurchased under the aforesaid repurchase mandate. Such general mandates will expire at the conclusion of the Annual General Meeting.

Accordingly, ordinary resolutions will be proposed at the Annual General Meeting to grant to the Directors general mandates authorising them to (a) exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the issued Share Capital as at the date of the passing of such resolution; (b) repurchase Shares not exceeding 10% of the issued Share Capital as at the date of the passing of such resolution; and (c) subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the Annual General Meeting, extend the Issue Mandate by an amount representing the aggregate nominal amount of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, there were 564,919,597 Shares in issue. Subject to the passing of the ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate at the Annual General Meeting and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Company would be allowed to issue up to a maximum of 112,983,919 Shares under the Issue Mandate and to repurchase up to a maximum of 56,491,959 Shares under the Repurchase Mandate.

The Issue Mandate provides the Directors with flexibility to issue Shares especially in the context of a fund raising exercise or a transaction involving an acquisition by the Company where Shares are to be issued as consideration and which has to be completed speedily.

## LETTER FROM THE CHAIRMAN

The Directors have no present intention to exercise the Issue Mandate to allot, issue and deal with Shares and to exercise the Repurchase Mandate to repurchase Shares.

An explanatory statement providing all the information required under the Listing Rules regarding the Repurchase Mandate is set out in appendix II to this circular.

#### 4. REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Share Option Scheme was approved and adopted by the Shareholders at the special general meeting of the Company held on 26th August, 2002. Pursuant to the Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all Options shall not in aggregate exceed 10% of the total number of issued Share Capital as at the date of approval of the Share Option Scheme. According to the Listing Rules, the Company may refresh the Scheme Mandate Limit by an ordinary resolution of the Shareholders in general meetings from time to time provided that:

- (i) the Scheme Mandate Limit so refreshed shall not exceed 10% of the total issued Share Capital as at the date of approval of the refreshment of the Scheme Mandate Limit;
- (ii) Options previously granted under any existing schemes (including those outstanding, cancelled, lapsed in accordance with the relevant scheme rules or exercised options) of the Company shall not be counted for the purpose of calculating the limit as refreshed; and
- (iii) the maximum number of Shares which may be issued upon exercise of all outstanding Options must not exceed 30% of the total issued Share Capital from time to time.

As at 26th August, 2002, being the date of approval of the Share Option Scheme, the total number of Shares in issue was 93,750,124 (as restated taking into account the effect of the Capital Reorganisation) and the Scheme Mandate Limit was 9,375,012 Shares (as restated taking into account the effect of the Capital Reorganisation), representing 10% of the issued Share Capital as at the date of approval of the Share Option Scheme.

At the annual general meeting of the Company held on 9th September, 2009, the Scheme Mandate Limit was refreshed to allow the Company to grant Options entitling the holders thereof to subscribe for Shares not exceeding 10% of the issued Share Capital as at the date of approval of the refreshment, which amounted to 47,091,748 Shares.

As at the Latest Practicable Date, the Company has granted an aggregate of 21,890,000 Options pursuant to the Scheme Mandate Limit as refreshed on 9th September, 2009. During the period from the annual general meeting of the Company held on 9th September, 2009 and as at 29th March, 2010, 31,720 Options have lapsed due to the resignation of an employee of the Company and a total of 3,666,832 Options were cancelled. During the period from 30th March, 2010 and up to the Latest Practicable Date, 180,000 Options have lapsed due to the resignation of the employees of the Company. Save as set out above, no other options have lapsed and no



## LETTER FROM THE CHAIRMAN

Options have been exercised or cancelled. Accordingly, as at the Latest Practicable Date, there were a total of 21,710,000 Options remained outstanding and unexercised under the Share Option Scheme (as refreshed pursuant to the Scheme Mandate Limit as refreshed on 9th September, 2009) to which the holders were entitled to subscribe for a total of 21,710,000 Shares, representing approximately 3.84% of the issued Share Capital as at the Latest Practicable Date.

As at the Latest Practicable Date, there were 564,919,597 Shares in issue. Assuming there is no further issue or repurchase of Shares between the Latest Practicable Date and the date of the Annual General Meeting, upon the passing of the ordinary resolution approving the refreshment of the Scheme Mandate Limit at the Annual General Meeting, the Scheme Mandate Limit will be refreshed to 56,491,959 Shares and the Company will be allowed to grant Options entitling holders thereof to subscribe for a maximum of 56,491,959 Shares, representing approximately 10% of the issued Share Capital as at the Latest Practicable Date.

To the extent that there are any unutilised Options under the Scheme Mandate Limit as refreshed by the Shareholders on 9th September, 2009, all such unutilised Options will be considered as lapsed upon the approval of the refreshment of the Scheme Mandate Limit at the Annual General Meeting and the Company will not be allowed to grant any further Options pursuant thereto. No Options may be granted if it would result in the number of Shares which may be issued upon exercise of all outstanding Options exceed 30% of the issued Share Capital from time to time.

The purpose of the Share Option Scheme is to provide incentive or reward to the Eligible Persons for their contribution to and continuing efforts to promote the interests of the Group. The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole as it provides the Company with more flexibility in providing incentives to those Eligible Persons by way of granting of Options.

The refreshment of the Scheme Mandate Limit is conditional on:

- (a) the passing of an ordinary resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of Options granted under the Scheme Mandate Limit as refreshed.

Application will be made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of Options granted under the Scheme Mandate Limit as refreshed.

### 5. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 16 to 20 of this circular at which resolutions will be proposed to approve, inter alia, the re-election of the retiring Directors, the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate and the refreshment of the Scheme Mandate Limit.

## LETTER FROM THE CHAIRMAN

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

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll and accordingly, all resolutions proposed at the Annual General Meeting will be taken by poll. None of the Shareholders is required to abstain from voting at the Annual General Meeting pursuant to the Listing Rules and/or the Bye-laws.

### 6. RESPONSIBILITY STATEMENT

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

### 7. RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate and the refreshment of the Scheme Mandate Limit are in the interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all resolutions to be proposed at the Annual General Meeting.

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

The biographical and other details of retiring Directors standing for re-election at the Annual General Meeting are set out below:

#### EXECUTIVE DIRECTORS

**Mr. Cheung Chi Kit**, aged 44, joined the Company in 2005 and is now an executive Director. Mr. Cheung is responsible for the finance and accounting functions of the Group. He is also a director of various subsidiaries of the Company. Mr. Cheung has over 22 years of experience in auditing, accounting and financial management. He holds a bachelor's degree in accounting. Mr. Cheung is a member of The Hong Kong Institute of Certified Public Accountants, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. Save as disclosed herein, he did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Cheung held Options entitling him to subscribe for 2,100,000 Shares, representing approximately 0.37% of the existing issued Share Capital. Save as aforesaid, he does not have any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Save as being an executive Director, Mr. Cheung does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

There is no proposed length of Mr. Cheung's service, but he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Bye-laws and the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules. Mr. Cheung is entitled to an annual remuneration of HK\$1,800,000 and an annual director's fee of HK\$10,000 as determined by both the remuneration committee of the Company and the Board with regard to the prevailing market conditions, his relevant duties and responsibilities and time spent on the affairs of the Group.

Save as disclosed above, in connection with the re-election of Mr. Cheung as an executive Director, there are no other matters that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Chan Yiu Lun, Alan**, aged 26, joined the Company as an executive Director in March 2010 and a director of various subsidiaries of the Company. He graduated from Trinity College of Arts and Sciences of Duke University, United States of America, with a bachelor of arts degree in Political Science - International Relations. Mr. Chan previously worked in the investment banking division of The Goldman Sachs Group, Inc. He is currently an executive director of ITC (appointed on 19th March, 2009) and an alternate director to Dr. Chan Kwok Keung, Charles, a non-executive director of PYI Corporation Limited (00498.HK) (appointed on 19th July, 2010). Mr. Chan was appointed as a director of Burcon NutraScience Corporation ("**Burcon**") whose issued shares are listed on the Toronto Stock Exchange (Stock Code : BU) and Frankfurt Stock Exchange (Stock Code : WKN 157793) (appointed on 20th April, 2010) and an advisor of the Bisagni Environmental Enterprise (BEE Inc.). He was an alternate director to Ms. Chau Mei Wah, Rosanna in Burcon until 23rd April, 2010. Save as disclosed herein, he did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Chan held Options entitling him to subscribe for 1,500,000 Shares, representing approximately 0.27% of the existing issued Share Capital. Save as aforesaid, he does not have any other interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Save as being an executive Director, Mr. Chan does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company except that he is the son of Dr. Chan Kwok Keung, Charles, who holds approximately 1.07% shareholding interest in the Company as at the Latest Practicable Date.

There is no proposed length of Mr. Chan's service, but he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Bye-laws and the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules. Mr. Chan is entitled to a director's fee of HK\$10,000 per month as determined by both the remuneration committee of the Company and the Board with regard to the prevailing market conditions, his relevant duties and responsibilities and time spent on the affairs of the Group.

Save as disclosed above, in connection with the re-election of Mr. Chan as an executive Director, there are no other matters that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Qiao Xiaodong**, aged 52, joined the Company as Vice Chairman and an independent non-executive Director in February 2008. He is also a member of the audit committee of the Company. Mr. Qiao holds a bachelor's degree in Science and also a bachelor's degree in Business and Administration from Norwegian School of Management. He graduated from the Beijing University of Science and Technology. In the early 1990s, Mr. Qiao joined China Council for the Promotion of International Trade as a Patent Attorney, and the managing director of China Technology Trade (H.K.) Ltd. He has been engaged in real estate business in the People's Republic of China since 1997. Mr. Qiao was the chairman and the director in several real estate development companies. Save as disclosed herein, he did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Qiao held Options entitling him to subscribe for 370,000 Shares, representing approximately 0.07% of the existing issued Share Capital. Save as aforesaid, he does not have any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Save as being the Vice Chairman and an independent non-executive Director, Mr. Qiao does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

There is no proposed length of Mr. Qiao's service, but he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Bye-laws and the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules. Mr. Qiao is entitled to an annual director's fee of HK\$120,000 as determined by both the remuneration committee of the Company and the Board with regard to his relevant duties and responsibilities and time spent on the affairs of the Group.

Save as disclosed above, in connection with the re-election of Mr. Qiao as an independent non-executive Director, there are no other matters that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Wong Chi Keung, Alvin**, aged 48, joined the Company as an independent non-executive Director in May 2003. He is also the chairman of both the audit committee and the remuneration committee of the Company. Mr. Wong is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and an associate member of The Chartered Institute of Management Accountants. He has over 23 years of experience in accounting and corporate finance gained in property development, construction and manufacturing companies. Mr. Wong was an executive director of CNT Group Limited (00701.HK) (resigned on 1st September, 2008). Save as disclosed herein, he did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Wong held Options entitling him to subscribe for 370,000 Shares, representing approximately 0.07% of the existing issued Share Capital. Save as aforesaid, he does not have any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Save as being an independent non-executive Director, Mr. Wong does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

There is no proposed length of Mr. Wong's service, but he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Bye-laws and the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules. Mr. Wong is entitled to an annual director's fee of HK\$120,000 as determined by both the remuneration committee of the Company and the Board with regard to his relevant duties and responsibilities and time spent on the affairs of the Group.

Save as disclosed above, in connection with the re-election of Mr. Wong as an independent non-executive Director, there are no other matters that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

This appendix serves as the explanatory statement, as required by the Listing Rules, given to the Shareholders relating to a resolution authorising the Company to repurchase its own Shares which is proposed to be passed by the Shareholders by means of an ordinary resolution at the Annual General Meeting.

This explanatory statement contains a summary of the information required pursuant to Rule 10.06 of the Listing Rules which is set out as follows:

**1. Share Capital**

As at the Latest Practicable Date, the authorised share capital of the Company was 40,000,000,000 Shares, of which a total of 564,919,597 Shares were allotted, issued and fully paid.

Subject to the passing of the ordinary resolution to approve the Repurchase Mandate at the Annual General Meeting and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the Annual General Meeting, the Company would be allowed to repurchase up to a maximum of 56,491,959 Shares under the Repurchase Mandate.

**2. Reasons for repurchases**

The Directors believe that it is in the interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable the Directors to repurchase the Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or the earnings per Share and will benefit the Company and the Shareholders as a whole.

**3. Funding of repurchases**

The repurchase of Shares shall be made out of funds legally available for such purpose in accordance with the memorandum of association of the Company and the Bye-laws and the applicable laws of Bermuda. Under Bermuda law, repurchases may only be effected out of the capital paid up on the repurchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased. It is envisaged that the funds required for any repurchase would be derived from such sources.

As compared to the financial position of the Company as at 31st March, 2010 (being the date of the Company's latest audited accounts), the Directors consider that the repurchases of securities will have no material adverse impact on the working capital and the gearing position of the Company in the event that the Repurchase Mandate were to be exercised in full during the proposed repurchase period. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### **4. Directors, associates and connected persons**

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

#### **5. Undertaking of the Directors**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

#### **6. Share repurchase made by the Company**

The Company had not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

#### **7. Effects of the Takeovers Code**

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, so far as the Company is aware, the shareholding structure of the Company as at the Latest Practicable Date and in the event that the Repurchase Mandate is exercised in full is as follows:

	As at the Latest Practicable Date		Assuming the Repurchase Mandate is exercised in full	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Hanny (Note 1)	76,402,763	13.52	76,402,763	15.03
ITC (Note 1)	36,593,400	6.48	36,593,400	7.19
Mr. Cheung Hon Kit ("Mr. Cheung") (Note 2)	12,000,000	2.13	12,000,000	2.36
Other Shareholders	<u>439,923,434</u>	<u>77.87</u>	<u>383,431,475</u>	<u>75.42</u>
Total	<u>564,919,597</u>	<u>100.00</u>	<u>508,427,638</u>	<u>100.00</u>

Notes:

1. ITC indirectly held 36,593,400 Shares, representing approximately 6.48% of the issued Share Capital. In addition, ITC also indirectly held approximately 42.77% interest in Hanny which in turn indirectly held 76,402,763 Shares, representing approximately 13.52% of the issued Share Capital.
2. Mr. Cheung, the chairman and an executive Director, is also an executive director of ITC.

Accordingly, in the event that the Repurchase Mandate is exercised in full, the aggregate shareholdings of Hanny, ITC and Mr. Cheung would be increased from approximately 22.13% to approximately 24.58% of the issued Share Capital and such increase would not give rise to any mandatory offer obligation under the Takeovers Code. Save as aforesaid and as at the Latest Practicable Date, the Directors were not aware of any consequence which would arise under Rule 26 of the Takeovers Code as a result of any repurchase to be made under the Repurchase Mandate.

The Directors are also aware that the Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in the hands of the public. The Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in the Company failing to comply with the public float requirements under Rule 8.08 of the Listing Rules.



### 8. Share prices

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Share prices	
	Highest HK\$	Lowest HK\$
<b>2009</b>		
July	1.300	1.020
August	1.300	1.080
September	1.270	1.020
October	1.260	1.070
November	1.290	1.100
December	1.300	1.150
<b>2010</b>		
January	1.250	1.050
February	1.200	1.050
March	2.300	1.100
April	2.110	1.660
May	1.940	1.650
June	1.940	1.680
July ( <i>up to and including the Latest Practicable Date</i> )	2.080	1.770

## NOTICE OF ANNUAL GENERAL MEETING



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 annual 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 Wednesday, 8th September, 2010 at 11:00 a.m. for the following purposes:

### ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements and the reports of the directors and auditor for the year ended 31st March, 2010.
2.
  - (a) To re-elect Mr. Cheung Chi Kit as executive director of the Company;
  - (b) To re-elect Mr. Chan Yiu Lun, Alan as executive director of the Company;
  - (c) To re-elect Mr. Qiao Xiaodong as independent non-executive director of the Company;
  - (d) To re-elect Mr. Wong Chi Keung, Alvin as independent non-executive director of the Company; and
  - (e) To authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of the directors of the Company (the “**Directors**”) for the ensuing year.
3. To re-appoint Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the Board to fix their remuneration.

And as special business, to consider and, if thought fit, to pass, with or without amendments, the following resolutions as ordinary resolutions of the Company:

4. “**THAT**
  - (i) subject to paragraph (iii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;

\* For identification purpose only

## NOTICE OF ANNUAL GENERAL MEETING

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

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

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

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

## NOTICE OF ANNUAL GENERAL MEETING

5. **“THAT**

- (i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its securities at a price determined by the Directors;
- (iii) the aggregate nominal amount of the share capital of the Company which the Directors are authorised to repurchase pursuant to the approval in paragraphs (i) and (ii) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

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

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

6. **“THAT** conditional upon the resolutions numbered 4 and 5 as set out in the notice convening this meeting being passed, the aggregate nominal amount of the issued shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to and in accordance with the said resolution numbered 5 above shall be added to the aggregate nominal amount of the share capital that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Directors pursuant to and in accordance with the resolution numbered 4 as set out in the notice convening this meeting.”

## NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the shares of the Company, representing 10 per cent. of the shares of the Company in issue as at the date of the passing of this resolution which may be issued pursuant to the exercise of options granted under the Company’s share option scheme adopted on 26th August, 2002 (the “**Scheme**”), approval be and is hereby granted for the refreshment of the scheme mandate limit under the Scheme and any other scheme(s) of the Company provided that the total number of shares of the Company which may be allotted and issued pursuant to the exercise of the options granted under the Scheme and any other scheme(s) of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Scheme) shall not exceed 10 per cent. of the shares of the Company in issue as at the date of the passing of this resolution (the “**Refreshed Mandate Limit**”) and that the Directors be and are hereby authorised, from time to time, to (i) grant options under the Scheme and any other scheme(s) of the Company up to the Refreshed Mandate Limit in accordance with the Scheme and the Rules Governing the Listing of Securities on the Stock Exchange; (ii) exercise all powers of the Company to allot, issue and deal with the shares of the Company pursuant to the exercise of such options granted under the Scheme and any other scheme(s) of the Company within the Refreshed Mandate Limit; and (iii) do such acts and execute such documents for or incidental to such purpose.”

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

Hong Kong, 30th July, 2010

*Registered office:*  
Clarendon House  
Church Street  
Hamilton HM 11  
Bermuda

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

*Notes:*

1. Any shareholder of the Company entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote instead of him. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a shareholder of the Company. In addition, a proxy or proxies representing either a shareholder of the Company who is an individual or a shareholder of the Company which is a corporation shall be entitled to exercise the same power on behalf of the shareholder of the Company which he or they represent as such shareholder of the Company could exercise.

## NOTICE OF ANNUAL GENERAL MEETING

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

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

*Executive Directors:*

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

*Non-executive Director:*

Mr. Ma Chi Kong, Karl

*Independent non-executive Directors:*

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