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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)

**RESULTS OF THE RIGHTS ISSUE
AND
ADJUSTMENTS TO THE CONVERSION PRICES OF
THE 2010 CONVERTIBLE NOTES, THE 2011 CONVERTIBLE NOTES
AND THE DONSON CONVERTIBLE NOTES**

RESULTS OF THE RIGHTS ISSUE

The Directors are pleased to announce that at 4:00 p.m. on Friday, 25th July, 2008, being the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares, 79 valid acceptances of provisional allotments have been received for a total of 8,434,536,763 Rights Shares and 66 valid applications for excess Rights Shares have been received for a total of 325,576,724 Rights Shares. A total of 8,760,113,487 Rights Shares (together with 2,336,030,172 Warrants) have been allotted and issued to the subscribers thereof.

Based on the total number of 9,286,554,078 Rights Shares being offered under the Rights Issue, the Rights Issue was approximately 94.3% subscribed, of which approximately 90.8% was subscribed under the provisional allotments of the Rights Shares and approximately 3.5% was subscribed under the excess applications for the Rights Shares. The Underwriter has performed its obligation under the Underwriting Agreement by procuring the subscription by subscribers who are independent third parties not connected with any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined under the Listing Rules) for the remaining 526,440,591 Rights Shares (together with 140,384,156 Warrants).

Certificates for the fully-paid Rights Shares and certificates for the Warrants will be despatched by ordinary post to those subscribers entitled at their own risk on or before Tuesday, 5th August, 2008. Dealings in the fully-paid Rights Shares and the Warrants will commence from 9:30 a.m. on Thursday, 7th August, 2008.

* For identification purpose only

ADJUSTMENTS TO THE CONVERSION PRICES OF THE 2010 CONVERTIBLE NOTES, THE 2011 CONVERTIBLE NOTES AND THE DONSON CONVERTIBLE NOTES

Pursuant to the terms and conditions of the Notes, the conversion price of the outstanding 2010 Convertible Notes and the Donson Convertible Notes has been adjusted from HK\$0.44 per Share to HK\$0.227 per Share while the conversion price of the outstanding 2011 Convertible Notes has been adjusted from HK\$0.70 per Share to HK\$0.361 per Share, as a result of the Rights Issue. The said adjustments took effect retroactively on 12th July, 2008 (being the day next following the Record Date).

Reference is made to the joint announcement of the Company and Hanny dated 6th June, 2008 and the circular of the Company dated 24th June, 2008 and the prospectus (the “**Prospectus**”) dated 11th July, 2008 issued by the Company in relation to the Rights Issue. Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Directors are pleased to announce that at 4:00 p.m. on Friday, 25th July, 2008, being the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares, 79 valid acceptances of provisional allotments have been received for a total of 8,434,536,763 Rights Shares and 66 valid applications for excess Rights Shares have been received for a total of 325,576,724 Rights Shares. A total of 8,760,113,487 Rights Shares (together with 2,336,030,172 Warrants) have been allotted and issued to the subscribers thereof. A total of 92 Warrants with fractional entitlement were not issued to the subscribers but have been issued and retained for the benefit of the Company.

Based on the total number of 9,286,554,078 Rights Shares being offered under the Rights Issue, the Rights Issue was approximately 94.3% subscribed, of which approximately 90.8% was subscribed under the provisional allotments of the Rights Shares and approximately 3.5% was subscribed under the excess applications for the Rights Shares. The Underwriter has performed its obligation under the Underwriting Agreement by procuring the subscription by subscribers who are independent third parties not connected with any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined under the Listing Rules) for the remaining 526,440,591 Rights Shares (together with 140,384,156 Warrants).

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the knowledge, information and belief of the Directors and after having made all reasonable enquiries, the following is a summary of the shareholding structure of the Company immediately before and after completion of the Rights Issue:

Shareholders	Immediately before completion of the Rights Issue (the “Completion”)		After Completion	
	Number of Shares	%	Number of Shares	%
Hanny (Note 1)	477,517,272	15.43	1,910,069,088	15.43
ITC (Note 1)	202,125,000	6.53	914,835,000	7.39
Dr. Chan (Note 1)	3,810,000	0.12	145,060,000	1.17
Mr. Cheung (Note 2)	15,000,000	0.48	138,000,000	1.11
	698,452,272	22.56	3,107,964,088	25.10
Underwriter (Kingston)	–	–	–	–
Stark (Note 3)	220,267,725	7.12	220,267,725	1.78
Other public Shareholders	2,176,798,029	70.32	9,053,840,291	73.12
Total public Shareholders	2,397,065,754	77.44	9,274,108,016	74.90
Total	3,095,518,026	100.00	12,382,072,104	100.00

Notes:

- After Completion, Hanny and Hanny Magnetics (B.V.I.) Limited (“**Hanny Magnetics**”) were taken to have interest in 1,910,069,088 Shares which were held by Loyal Concept, being a wholly-owned subsidiary of Hanny Magnetics which, in turn, was a wholly-owned subsidiary of Hanny. Famex Investment Limited (“**Famex**”), a wholly-owned subsidiary of Mankar Assets Limited (“**Mankar**”), was the controlling shareholder of Hanny. Mankar was a wholly-owned subsidiary of ITC Investment Holdings Limited (“**ITC Investment**”) which, in turn, was a wholly-owned subsidiary of ITC. Famex and Mankar were deemed to be interested in 1,910,069,088 Shares which were held by Loyal Concept. Selective Choice Investments Limited (“**Selective**”), a wholly-owned subsidiary of ITC Investment, owned 789,265,000 Shares. ITC Investment was deemed to be interested in 2,699,334,088 Shares which were held by Loyal Concept and Selective. Great Intelligence Holdings Limited (“**Great Intelligence**”), a wholly-owned subsidiary of ITC Management Group Limited which, in turn, was a wholly-owned subsidiary of ITC. Dr. Chan was the controlling shareholder of ITC. Ms. Ng Yuen Lan, Macy (“**Ms. Ng**”) is the spouse of Dr. Chan. Great Intelligence owned 125,570,000 Shares. ITC was deemed to be interested in 2,824,904,088 Shares which were held by Loyal Concept, Selective and Great Intelligence. Dr. Chan owned 145,060,000 Shares and was deemed to be interested in 2,824,904,088 Shares which were held by Loyal Concept, Selective and Great Intelligence. Ms. Ng was deemed to be interested in 2,969,964,088 Shares which were held by Dr. Chan, Loyal Concept, Selective and Great Intelligence.
- After Completion, Mr. Cheung was interested in 138,000,000 Shares. He is the executive director of ITC.
- After Completion, Stark was taken to have an interest as an investment manager in 220,267,725 Shares which were held by Centar Investments (Asia) Ltd., Shepherd Investments International, Ltd., Stark Asia Master Fund, Ltd. and Stark International, all of which are not connected with Hanny, ITC, Dr. Chan or connected persons of the Company.

DESPATCH OF SHARE CERTIFICATES AND WARRANT CERTIFICATES

Certificates for the fully-paid Rights Shares and certificates for the Warrants will be despatched by ordinary post to the relevant successful subscribers on or before Tuesday, 5th August, 2008 at their own risk.

Dealings in the fully-paid Rights Shares and the Warrants on the Stock Exchange will commence from 9:30 a.m. on Thursday, 7th August, 2008.

ADJUSTMENTS TO THE CONVERSION PRICES OF THE 2010 CONVERTIBLE NOTES, THE 2011 CONVERTIBLE NOTES AND THE DONSON CONVERTIBLE NOTES

Pursuant to the terms and conditions of the respective instruments constituting the 2010 Convertible Notes, the 2011 Convertible Notes and the Donson Convertible Notes (together, the “Notes”), the conversion price of the outstanding 2010 Convertible Notes and the Donson Convertible Notes has been adjusted from HK\$0.44 per Share to HK\$0.227 per Share while the conversion price of the outstanding 2011 Convertible Notes has been adjusted from HK\$0.70 per Share to HK\$0.361 per Share, as a result of the Rights Issue. The said adjustments took effect retroactively on 12th July, 2008 (being the day next following the Record Date).

Save for the above adjustments, all other terms and conditions of the Notes remain unchanged. The above adjustments were computed by the Company in accordance with the terms and conditions of the Notes and have been reviewed and confirmed by Optima Capital Limited, which was appointed for the purpose of providing a specific opinion on the adjustments to the Notes.

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

Hong Kong, 1st August, 2008

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

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*)
Mr. Chan Fut Yan (*Managing Director*)
Mr. Wong Kam Cheong, Stanley (*Deputy Managing Director*)
Mr. Cheung Chi Kit
Mr. Lai Tsan Tung, David
Mr. Ma Chi Kong, Karl

Independent non-executive Directors:

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