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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, 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)

**DISCLOSEABLE TRANSACTION
ACQUISITIONS OF PROPERTIES IN HONG KONG**

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DEFINITIONS

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

“2005 August Note”	the zero coupon convertible notes due 2010 in the aggregate principal amount of HK\$1,000 million issued by the Company on 11th August, 2005, of which an aggregate principal amount of HK\$471,050,000 remained outstanding as at the Latest Practicable Date
“2006 June Note”	the 1% convertible notes due 2011 in the aggregate principal amount of HK\$1,000 million issued by the Company on 15th June, 2006, of which an aggregate principal amount of HK\$906,000,000 remained outstanding as at the Latest Practicable Date
“Acquisition(s)”	the acquisition(s) of the Properties by Castle Win
“Board”	the board of Directors
“Castle Win”	Castle Win International Limited (城威國際有限公司), an indirect wholly-owned subsidiary of the Company, which is incorporated in Hong Kong
“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
“Completion”	completion of the Acquisitions under the Provisional Sale and Purchase Agreement(s)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by Castle Win under the Provisional Sale and Purchase Agreements for the Acquisitions, being in aggregate HK\$229,800,000
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	27th December, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this announcement
“Properties”	collectively Property 703 and Property 705
“Property 703”	the parcel of land registered in the Land Registry as Section B of Kowloon Inland Lot No. 1263 and all the buildings erected thereon, being 703, Nathan Road, Mongkok, Kowloon, Hong Kong
“Property 705”	the parcel of land registered in the Land Registry as The Remaining Portion of Inland Lot No. 1263 and all the buildings erected thereon, being 705, Nathan Road, Mongkok, Kowloon, Hong Kong
“Provisional Sale and Purchase Agreement(s)”	(i) the provisional agreement for sale and purchase dated 10th December, 2007 entered into between Lucky Resources Investments Limited as vendor and Castle Win as purchaser in relation to the sale and purchase of Property 703 and (ii) the provisional agreement for sale and purchase dated 11th December, 2007 entered into between Pour Special Limited as vendor and Castle Win as purchaser in relation to the sale and purchase of Property 705
“Share(s)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	any one of the Vendors
“Vendors”	Lucky Resources Investments Limited (皆福有限公司) and Pour Special Limited (包卓有限公司), both are companies incorporated in Hong Kong
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“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. Wong Kam Cheong, Stanley
(Deputy Managing Director)
Mr. Cheung Chi Kit
Mr. Lai Tsan Tung, David
Mr. Ma Chi Kong, Karl

Independent non-executive Directors:

Mr. Wong Chi Keung, Alvin
Mr. Kwok Ka Lap, Alva
Mr. Chui Sai Cheong

Registered office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal place of business

in Hong Kong:
29/F., Paul Y. Centre
51 Hung To Road
Kwun Tong
Kowloon
Hong Kong

2nd January, 2008

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

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION ACQUISITIONS OF PROPERTIES IN HONG KONG

INTRODUCTION

The Board announced on 13th December, 2007 that Castle Win entered into the Provisional Sale and Purchase Agreements with the Vendors in relation to the acquisitions of the Properties on 10th December, 2007 and 11th December, 2007 respectively at an aggregate consideration of HK\$229,800,000.

The Acquisitions in aggregate constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide the Shareholders with further details on the Acquisitions and other information as required under the Listing Rules.

* For identification purpose only

LETTER FROM THE BOARD

PROVISIONAL SALE AND PURCHASE AGREEMENTS

The principal terms of each of the Provisional Sale and Purchase Agreements are primarily the same which are set out below:

(1) Date:

- 10th December, 2007 for the Provisional Sale and Purchase Agreement in relation to Property 703; and
- 11th December, 2007 for the Provisional Sale and Purchase Agreement in relation to Property 705.

(2) Parties:

Vendors: Lucky Resources Investments Limited for Property 703; and
Pour Special Limited for Property 705,

both of which were introduced to Castle Win by an estate agent. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries:

- (i) the principal business activities of the Vendors are investment holding;
- (ii) the Vendors have no common shareholding or common directors;
- (iii) the Vendors, their respective ultimate beneficial owners and the estate agent are independent of the Company and its connected persons and are not connected persons of the Company; and
- (iv) the Vendors do not have any relationship with the vendors of the Company's acquisitions over the past 12 months.

Purchaser: Castle Win, an indirect wholly-owned subsidiary of the Company.

(3) Properties:

Property 703 is a corner site situated at the junction of Nathan Road and Fife Street with a gross site area of approximately 1,060 sq. ft. and Property 705 is situated next to Property 703 along Nathan Road with a gross site area of approximately 1,372 sq. ft. and together will have an aggregate re-developable gross floor area of approximately 30,000 sq. ft. Pursuant to the Provisional Sale and Purchase Agreements, Property 705 is sold to Castle Win with vacant possession and Property 703 is sold to Castle Win subject to several tenancies with independent third parties

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at a total rental income of approximately HK\$220,000 per month. Some of these tenancies contain a right for the landlord to terminate it by 6-month prior written notice for the reason of redevelopment. Save and except the said tenancies, in spite of the requests made by Castle Win, the Vendor(s) have not provided Castle Win with information on the aggregate rental and/or expenses as well as the book values of the Properties and therefore the Group is not able to ascertain the net profits attributable to the Properties for the last two financial years and the book values of the Properties.

(4) Consideration:

The purchase price for Property 703 is HK\$166,300,000 and the purchase price for Property 705 is HK\$63,500,000. The Consideration, being HK\$229,800,000 in aggregate, is payable as follows:

- (a) HK\$22,980,000, representing 10% of the Consideration, has already been paid by Castle Win as initial deposit (the "Initial Deposit") upon the signing of the Provisional Sale and Purchase Agreements;
- (b) HK\$22,980,000, representing 10% of the Consideration has already been paid by Castle Win as further deposit (the "Further Deposit") on 19th December, 2007; and
- (c) the balance of the Consideration in the sum of HK\$183,840,000 shall be paid by Castle Win upon Completion which shall be on or before 8th January, 2008.

If Castle Win defaults in Completion, the Initial Deposit and Further Deposit, or so much thereof as the law permits, will be liable to be forfeited by the Vendors. On the other hand if the Vendors shall default in Completion, Castle Win shall have the option to require specific performance or to rescind the Provisional Sale and Purchase Agreements (or the formal agreements to be entered into pursuant thereto) in which event the Initial Deposit and Further Deposit shall be refunded to Castle Win.

The Initial Deposit and the Further Deposit have been settled by internal resources of the Group. It is intended that a further 10% of the Consideration is to be settled from internal resources and the remaining balance of the Consideration will be financed by bank loan.

The Consideration was arrived at after arm's length negotiation with the Vendors. The Directors consider that the Consideration is fair and reasonable since it was negotiated through an independent estate agent by reference to the market prices of similar properties in the surrounding areas of the Properties. The consideration of Property 703 is higher than that of Property 705 since the former is a corner site (i) having 2 frontages at the ground level and attracts more customer flow; (ii) having better view angle at upper level since there are more windows; and (iii) more convenient location since it is just next to a MTR station entrance.

LETTER FROM THE BOARD

The Properties were valued at HK\$232,000,000 as at 11th December, 2007 by RHL Appraisal Ltd., an independent property valuer, as the market value on a redevelopment basis of the Properties as at such date in their existing states and conditions.

(5) Completion:

Completion shall take place on or before 8th January, 2008.

The Completion of each Provisional Sale and Purchase Agreement is inter-conditional on the other. There is no other conditions precedent for the Acquisitions.

FINANCIAL EFFECTS OF THE ACQUISITIONS

Earnings

The Acquisitions have no significant impact on the earnings of the Group.

Assets and Liabilities

It is not expected that the Acquisitions will have any significant impact on the Group's net asset value as any increase in assets will be offset by a corresponding decrease in bank balances and cash of the Group and increase in bank borrowings.

Gearing

The gearing ratio of the Group is expected to increase as a result of the Acquisitions as 70% of the Consideration, in the amount of HK\$160,860,000, is intended to be financed by bank borrowing.

REASONS FOR THE ACQUISITIONS

The Company is an investment holding company and its subsidiaries are principally engaged in property development and investment in Macau, the PRC and Hong Kong. The Group is also engaged in golf resort and leisure operations in the PRC, securities investment, trading of motorcycles and loan financing services.

The Board has been actively seeking property investment opportunities. The Board considers that the Acquisitions provide a good opportunity for the Company to invest in the Properties in view of the prospering property market in Hong Kong. It is currently intended that the Properties will be held for resale purpose but there is as at the Latest Practicable Date no negotiations with any third party on such resale.

LETTER FROM THE BOARD

GENERAL

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

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

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

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

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

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

Name of Director	Long position/ Short position	Capacity	Number of issued Shares	Number of underlying Shares (under equity derivatives of the Company)	Aggregate interest	Approximate percentage of the issued share capital of the Company (%)
Mr. Cheung Hon Kit ("Mr. Cheung")	Long position	Beneficial owner	8,000,000	-	8,000,000	0.26
Mr. Lai Tsan Tung, David ("Mr. Lai")	Long position	Interest of controlled corporation	-	39,718,584 (Note)	39,718,584	1.28

Note: Mr. Lai, an executive Director, was interested in the 39,718,584 underlying Shares of HK\$17,476,177 zero coupon convertible notes due 2010 issued by the Company on 8th June, 2006 at the initial conversion price of HK\$0.44 per Share held by Green Label Investments Limited ("Green Label") by virtue of his beneficial interest in the entire issued share capital of Green Label.

(ii) Interests in the share options of the Company

Name of Director	Date of grant	Option period	Exercise price per share HK\$	Number of share options	Approximate percentage of the issued share capital of the Company (%)
Mr. Cheung	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	10,000,000	0.32
	27th July, 2007	27th July, 2007 – 26th July, 2011	0.67	12,000,000	0.39
				22,000,000	0.71
Mr. Chan Fut Yan ("Mr. Chan")	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	6,000,000	0.19
	27th July, 2007	27th July, 2007 – 26th July, 2011	0.67	7,000,000	0.23
				13,000,000	0.42
Mr. Wong Kam Cheong, Stanley	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	2,000,000	0.06
	27th July, 2007	27th July, 2007 – 26th July, 2011	0.67	3,000,000	0.10
				5,000,000	0.16
Mr. Cheung Chi Kit	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	2,000,000	0.06
	27th July, 2007	27th July, 2007 – 26th July, 2011	0.67	5,000,000	0.16
				7,000,000	0.22
Mr. Lai	27th July, 2007	27th July, 2007 – 26th July, 2011	0.67	3,000,000	0.10
Mr. Ma Chi Kong, Karl	27th July, 2007	27th July, 2007 – 26th July, 2011	0.67	9,000,000	0.29

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. Wong Chi Keung, Alvin ("Mr. Wong")	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	1,500,000	0.05
	27th July, 2007	27th July, 2007 – 26th July, 2011	0.67	1,500,000	0.05
				3,000,000	0.10
Mr. Kwok Ka Lap, Alva	27th July, 2007	27th July, 2007 – 26th July, 2011	0.67	1,500,000	0.50
Mr. Chui Sai Cheong	15th August, 2006	15th August, 2006 – 14th August, 2008	0.50	1,500,000	0.05
	27th July, 2007	27th July, 2007 – 26th July, 2011	0.67	1,500,000	0.05
				3,000,000	0.10

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 or underlying shares of the Company or any of its associated corporation (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) were required, pursuant to the Model Code adopted by the Company, to be notified to the Company and the Stock Exchange.

(b) Interests of Shareholders discloseable pursuant to the SFO

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member 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 (%)
Loyal Concept Limited ("Loyal Concept")	Long position	Beneficial owner	477,517,272 (Note 1)	15.43
Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics")	Long position	Interest of controlled corporation	517,517,272 (Note 1)	16.72
Hanny Holdings Limited ("Hanny")	Long position	Interest of controlled corporation	517,517,272 (Note 1)	16.72
Famex Investment Limited ("Famex")	Long position	Interest of controlled corporations	517,517,272 (Note 1)	16.72
Mankar Assets Limited ("Mankar")	Long position	Interest of controlled corporations	517,517,272 (Note 1)	16.72
ITC Investment Holdings Limited ("ITC Investment")	Long position	Interest of controlled corporations	575,537,272 (Note 1)	18.59
ITC Corporation Limited ("ITC")	Long position	Interest of controlled corporations	701,107,272 (Note 1)	22.65

Name of Shareholder	Long position/ Short position	Capacity	Number of issued Shares	Approximate percentage of the issued share capital of the Company (%)
Dr. Chan Kwok Keung, Charles ("Dr. Chan")	Long position	Interest of controlled corporations	701,107,272 (Note 1)	22.65
	Long position	Beneficial owner	500,000 (Note 1)	0.02
			701,607,272	22.67
Ms. Ng Yuen Lan, Macy ("Ms. Ng")	Long position	Interest of spouse	701,607,272 (Note 1)	22.67
Shepherd Investments International, Ltd. ("Shepherd")	Long position	Beneficial owner	96,418,727 (Note 2)	3.11
Stark Master Fund, Ltd. ("Stark Master")	Long position	Beneficial owner	134,978,817	4.36
Stark Investments (Hong Kong) Limited ("Stark HK")	Long position	Investment manager	214,252,725 (Note 2)	6.92
Harmony Investment Fund Limited ("Harmony")	Long position	Beneficial owner	52,135,000	1.68

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

Name of Shareholder	Long position/ Short position	Capacity	Number of underlying Shares (under equity derivatives of the Company)	Approximate percentage of the issued share capital of the Company (%)
Loyal Concept	Long position	Beneficial owner	1,135,714,285 (Note 1)	36.69
Hanny Magnetics	Long position	Interest of controlled corporation	1,135,714,285 (Note 1)	36.69
Hanny	Long position	Interest of controlled corporation	1,135,714,285 (Note 1)	36.69
Famex	Long position	Interest of controlled corporation	1,135,714,285 (Note 1)	36.69
Mankar	Long position	Interest of controlled corporation	1,135,714,285 (Note 1)	36.69
ITC Investment	Long position	Interest of controlled corporations	1,178,571,427 (Note 1)	38.07
ITC	Long position	Interest of controlled corporations	1,178,571,427 (Note 1)	38.07
Dr. Chan	Long position	Interest of controlled corporations	1,178,571,427 (Note 1)	38.07
Ms. Ng	Long position	Interest of spouse	1,178,571,427 (Note 1)	38.07
Shepherd	Long position	Beneficial owner	200,016,234 (Note 2)	6.46

Name of Shareholder	Long position/ Short position	Capacity	Number of underlying Shares (under equity derivatives of the Company)	Approximate percentage of the issued share capital of the Company (%)
Stark Master	Long position	Beneficial owner	264,594,155	8.55
Stark HK	Long position	Investment manager	391,623,375 (Note 2)	12.65
Gandhara Master Fund Limited	Long position	Investment manager	334,285,715	10.80
Harmony	Long position	Beneficial owner	114,285,714	3.69

Notes:

- As at the Latest Practicable Date, Hanny and Hanny Magnetics were taken to have an interest in 517,517,272 Shares (in which 477,517,272 Shares were held by Loyal Concept and 40,000,000 Shares were held by Cyber Generation Limited ("Cyber")); and 1,135,714,285 underlying Shares (in respect of a principal amount of HK\$330 million under the 2005 August Note and a principal amount of HK\$270 million under the 2006 June Note) held by Loyal Concept since Loyal Concept and Cyber were wholly-owned subsidiaries of Hanny Magnetics which, in turn, was a wholly-owned subsidiary of Hanny, the issued shares of which are listed on the Stock Exchange. Famex, a wholly-owned subsidiary of Mankar, was the controlling shareholder of Hanny. Mankar was a wholly-owned subsidiary of ITC Investment, which in turn was a wholly-owned subsidiary of ITC. Famex and Mankar were deemed to be interested in 517,517,272 Shares held by Loyal Concept and Cyber; and 1,135,714,285 underlying Shares (in respect of a principal amount of HK\$330 million under the 2005 August Note and a principal amount of HK\$270 million under the 2006 June Note) held by Loyal Concept. Selective Choice Investments Limited ("Selective"), a wholly-owned subsidiary of ITC Investment, owned 58,020,000 Shares and 42,857,142 underlying Shares (in respect of a principal amount of HK\$30 million under the 2006 June Note). ITC Investment was deemed to be interested in 575,537,272 Shares which were held by Loyal Concept, Cyber and Selective; and 1,135,714,285 underlying Shares held by Loyal Concept and 42,857,142 underlying Shares held by 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 is the spouse of Dr. Chan. Great Intelligence owned 125,570,000 Shares. ITC was deemed to be interested in 701,107,272 Shares which were held by Loyal Concept, Cyber, Selective and Great Intelligence; and 1,135,714,285 underlying Shares held by Loyal Concept and 42,857,142 underlying Shares held by Selective. Dr. Chan owned 500,000 Shares and was deemed to be interested in 701,107,272 Shares which were held by Loyal Concept, Cyber, Selective and Great Intelligence; and 1,135,714,285 underlying Shares held by Loyal Concept and 42,857,142 underlying Shares held by Selective. Ms. Ng was deemed to be interested in 701,607,272 Shares which were held by Dr. Chan, Loyal Concept, Cyber, Selective and Great Intelligence; and 1,135,714,285 underlying Shares held by Loyal Concept and 42,857,142 underlying Shares held by Selective.

2. As at the Latest Practicable Date, Stark HK was taken to have an interest as an investment manager in 214,252,725 Shares, a principal amount of HK\$95 million under the 2005 August Note and a principal amount of HK\$123 million under the 2006 June Note held by Centar Investments (Asia) Ltd., Shepherd, Stark Asia Master Fund, Ltd. and Stark International.

(iii) *Other members of the Group*

As at the Latest Practicable Date, so far as was known to the Directors and the 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 any other members of the Group:

Name of subsidiary	Name of shareholder	Approximate percentage of the existing issued share/ registered capital (%)
廣州番禺蓮花山高爾夫球 度假俱樂部有限公司 (Guangzhou Panyu Lotus Golf & Country Club Co., Ltd.)	廣州市番禺旅游總公司	35
廣州市蓮翠房產物業 管理有限公司 (Guangzhou Lian Chui Property Management Company Limited)	廣州市番禺旅游總公司	35
廣州市番禺偉迪斯高爾夫 房地產有限公司 (Guangzhou Pan Yu Wei Di Si Golf Property Company Limited)	廣州市番禺旅游總公司	34.91
三亞亞龍灣風景高爾夫 文化公園有限公司 (Sanya Yalong Bayview Golf Garden Co., Ltd.)	三亞博后經濟開發有限公司	20

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

(c) Competing interests

As at the Latest Practicable Date, interests of the Directors and their respective associates in competing businesses were as follows:

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

Name of Director	Name of company	Nature of competing business	Nature of interest
Mr. Cheung	Supreme Best Ltd.	Property investment in Hong Kong	As a shareholder
	Orient Holdings Limited	Property investment in Hong Kong	As a director and shareholder
Mr. Wong	CNT Group Limited and its subsidiaries	Property investment and development in Hong Kong and the PRC	As an executive director

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. Mr. Wong, being an independent non-executive Director, does not participate in the daily management of the Group.

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 and Mr. Wong in other companies will not prejudice their capacity as Directors nor compromise the interests of the Group and the Shareholders.

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

(d) Other interests

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been since 31st March, 2007 (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 member of the Group.

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

3. CLAIMS AND LITIGATIONS

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

4. SERVICE CONTRACTS

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

5. MISCELLANEOUS

- The qualified accountant of the Company is Mr. Cheung Chi Kit, *CPA, ACS, ACIS*.
- The company secretary of the Company is Ms. Yan Ha Hung, *Loucia, MBA, ACS(PE), ACIS(PE)*.
- 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 29/F., Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong.
- The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- The English texts of this circular prevail over the Chinese texts.