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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Macau Prime Properties Holdings 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 manager, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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澳門祥泰地產集團有限公司*
MACAU PRIME PROPERTIES HOLDINGS 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,
AMENDMENTS TO THE BYE-LAWS AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Conference Room, 11th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 12th September, 2007 at 11:00 a.m. is set out on pages 16 to 21 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 29th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 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 meeting or any adjournment thereof should you so wish.

* For identification purpose only

Hong Kong, 9th July, 2007

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DEFINITIONS

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

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| “Annual General Meeting” | the annual general meeting of the Company to be held at Conference Room, 11th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 12th September, 2007 at 11:00 a.m., notice of which is set out on pages 16 to 21 of this circular, or any adjournment thereof |
| “Board” | the board of Directors |
| “Bye-laws” | the bye-laws of the Company |
| “Company” | Macau Prime Properties Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange |
| “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 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 |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Invested Entity” | any entity in which the Group holds an equity interest |
| “Issue Mandate” | the general mandate to issue Shares to be granted to the Directors at the Annual General Meeting |
| “Latest Practicable Date” | Thursday, 5th July, 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein |

DEFINITIONS

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| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time |
| “Repurchase Mandate” | the 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 to be granted under the Share Option Scheme and any other share option scheme(s) of the Company (if any) |
| “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)” | holder(s) of the Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers |
| “%” | per cent. |

LETTER FROM THE CHAIRMAN



澳門祥泰地產集團有限公司*

MACAU PRIME PROPERTIES HOLDINGS 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

Non-executive Directors:

Mr. Ho Hau Chong, Norman (Deputy Chairman)
Mr. Lo Lin Shing, Simon

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:
29th Floor, Paul Y. Centre
51 Hung To Road
Kwun Tong, Kowloon
Hong Kong

9th July, 2007

*To the Shareholders and, for information only,
holders of 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, AMENDMENTS TO THE BYE-LAWS AND NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is: (a) to provide details regarding re-election of the retiring Directors; (b) to provide the Shareholders with details regarding the Issue Mandate and the Repurchase Mandate; (c) to serve an explanatory statement required by the Listing Rules to be given in relation to the Repurchase Mandate; and (d) to provide the Shareholders with details regarding the refreshment of the Scheme Mandate Limit; and (e) to provide the Shareholders with details of the amendments proposed to be made to the Bye-laws.

* For identification purpose only

LETTER FROM THE CHAIRMAN

2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-law 86(2), Mr. Wong Kam Cheong, Stanley, Mr. Cheung Chi Kit, Mr. Lai Tsan Tung, David and Mr. Ma Chi Kong, Karl, executive Directors, being appointed by the Board during the year, shall retire at the Annual General Meeting. Pursuant to Bye-law 87(1) and the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules, Mr. Ho Hau Chong, Norman and Mr. Lo Lin Shing, Simon, non-executive Directors, and Mr. Kwok Ka Lap, Alva, an independent non-executive Director, will retire at the Annual General Meeting by rotation. All retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting except Mr. Ho Hau Chong, Norman and Mr. Lo Lin Shing, Simon, who will not offer themselves for re-election at the Annual General Meeting.

Brief biographical and other details of the retiring Directors offering themselves for re-election, 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 annual general meeting of the Company held on 8th September, 2006, general mandates were granted to the Directors authorising them, *inter alia*, (a) to exercise the powers of the Company to allot and issue Shares not exceeding 20% of the issued Share Capital, as at 8th September, 2006; (b) to repurchase Shares not exceeding 10% of the issued Share Capital as at 8th September, 2006; and (c) to extend the general mandate to issue Shares by the number of Shares purchased under the repurchase mandate mentioned in (b) above. 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, *inter alia*, (a) to exercise the powers of the Company to allot and issue Shares not exceeding 20% of the issued Share Capital as at the date of the passing of such resolution; (b) to 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 proposed ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate, to extend the Issue Mandate by the number of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, there were 2,917,076,472 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 Annual General Meeting, the Company would be allowed to issue up to a maximum of 583,415,294 Shares under the Issue Mandate and to repurchase up to a maximum of 291,707,647 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 issue and allot Shares and to exercise the Repurchase Mandate to repurchase Shares.

An explanatory statement providing all the information required under the Listing Rules concerning 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 in compliance with Chapter 17 of the Listing Rules. Pursuant to the Share Option Scheme, the maximum number of Shares which may be issued upon the exercise of options which may be granted under the Share Option Scheme and any other share option scheme(s) of the Company (if any) shall not exceed 10% of the total number of issued Shares as at the date of adoption of the Share Option Scheme. The Scheme Mandate Limit may be refreshed by the Shareholders at general meeting from time to time provided that:

- (i) the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued Shares as at the date of approving the refreshment of the Scheme Mandate Limit;
- (ii) options previously granted under any existing schemes (including options outstanding, cancelled or lapsed in accordance with the relevant scheme rules or exercised options) 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 granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company (if any) must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

As at 26th August, 2002, being the date of adoption of the Share Option Scheme, the total number of issued Shares was 2,343,753,121 and the Scheme Mandate Limit was 234,375,312 Shares, representing 10% of the Shares in issue as at the date of adoption of the Share Option Scheme.

At the annual general meeting of the Company held on 8th September, 2006, 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 approving the refreshment, which amounted to 232,547,954 Shares.

As at the Latest Practicable Date, the Company has granted an aggregate of 31,300,000 options pursuant to the Scheme Mandate Limit as refreshed on 8th September, 2006, of which no options were exercised, lapsed or cancelled. Accordingly, as at the Latest Practicable Date, there were 31,300,000 options outstanding and unexercised under the Scheme Mandate Limit as refreshed on 8th September, 2006 to which holders were entitled to subscribe for 31,300,000 Shares.

LETTER FROM THE CHAIRMAN

Since there has been an increase in the issued Share Capital arising from conversion of the convertible notes of the Company leading to a dilution of the existing Scheme Mandate Limit to approximately 7.97% of the issued share capital of the Company as at the Latest Practicable Date, the Directors are of the view that in order to provide incentives and rewards to the Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Group by granting options to them, the Scheme Mandate Limit shall be refreshed to provide the Company with greater flexibility.

As at the Latest Practicable Date, there were 2,917,076,472 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 resolution approving the refreshment of the Scheme Mandate Limit by the Shareholders at the Annual General Meeting, the Scheme Mandate Limit will be refreshed to 291,707,647 Shares and the Company will be allowed to grant options under the Share Option Scheme and any other share option scheme(s) of the Company (if any) entitling holders thereof to subscribe for a maximum of 291,707,647 Shares, representing approximately 10% of the Shares in issue as at the Latest Practicable Date. To the extent that there are any unutilized options under the Scheme Mandate Limit as refreshed by the Shareholders on 8th September, 2006, all such unutilized 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 this will result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company (if any) exceed 30% of the Shares in issue from time to time.

The purpose of the Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to and continuing efforts to promote the interests of the Company. The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Company 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.

LETTER FROM THE CHAIRMAN

5. AMENDMENTS TO THE BYE-LAWS

The Company proposes to put forward to the Shareholders for approval at the Annual General Meeting a special resolution to amend the Bye-laws in order to bring them in line with the Companies Act 1981 of Bermuda which was recently amended by The Companies Amendment Act 2006.

Details of all the proposed amendments to the Bye-laws are set out in resolution no. 6 of the notice of Annual General Meeting contained in this circular.

6. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 16 to 21 of this circular at which resolutions will be proposed, *inter alia*, to re-elect retiring Directors, to approve the grant of the Issue Mandate and the Repurchase Mandate, the refreshment of the Scheme Mandate Limit and the amendments to the Bye-laws.

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 meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at 29th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the 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 meeting or any adjournment thereof should you so wish.

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.

7. PROCEDURE FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote at a general meeting shall be decided on a show of hands unless voting by way of a poll is required by the Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three members present in person or, in case of a member being a corporation, by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members present in person or, in case of a member being a corporation, by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

LETTER FROM THE CHAIRMAN

- (d) by any member or members present in person or, in case of a member being a corporation, by its duly authorised representative or by proxy and holding Shares conferring a right to vote at the meeting, being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; or
- (e) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent. (5%) or more of the total voting rights at such meeting, and if on a show of hand a meeting votes in the opposite manner to that instructed in those proxies, provided that if it is apparent from the total proxies held that a vote taken on a poll shall not reverse the vote taken on a show of hands, then the Director or Directors shall not be required to demand a poll.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

8. DOCUMENT AVAILABLE FOR INSPECTION

Copy of the Share Option Scheme will be available for inspection during normal business hours on any week days (except public holidays) at the principal place of business of the Company in Hong Kong at 29th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong from the date of this circular up to and including 12th September, 2007 and will be available for inspection at the Annual General Meeting.

9. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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 there are no other facts the omission of which would make any statement herein misleading.

10. RECOMMENDATION

The Directors consider that the grant of the Issue Mandate and the Repurchase Mandate, the refreshment of the Scheme Mandate Limit and the amendments to the By-laws are in the best interests of the Company and the Shareholders as a whole and 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
Macau Prime Properties Holdings 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. Wong Kam Cheong, Stanley, aged 49, joined the Company in 2006 and is now the Deputy Managing Director and an Executive Director of the Company. Mr. Wong is responsible for overseeing the property development and investment of the Group. He is also a director of various subsidiaries of the Group. Mr. Wong holds an Honours Degree in civil engineering awarded by the University of Manchester, U.K. and a Master of Science degree in finance awarded by the Chinese University of Hong Kong. He is a member of the Hong Kong Institution of Engineers, a Registered Professional Engineer in Hong Kong, a Chartered Professional Engineer of Australia, a U.K. Chartered Civil and Structural Engineer and a Fellow Member of the Hong Kong Institution of Real Estate Administration. Mr. Wong is also a Registered Structural Engineer and Authorised Person (Engineer) registered under section 3 of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong). He has over 25 years of experience in the field of design, construction, project management, property development and management. Mr. Wong was an independent non-executive director of ITC Corporation Limited (“ITC”) (0372.HK) until his retirement on 13th September, 2006. Save as disclosed herein, Mr. Wong did not hold any directorship in other publicly listed companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Wong held options entitling him to subscribe for 2,000,000 Shares, which represents approximately 0.07% of the existing issued share capital of the Company. 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 SFO. Save as being an Executive Director, Mr. Wong does not have any relationship with any Directors, senior management, substantial or controlling shareholders 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 the Annual General Meeting 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 remuneration of HK\$2,001,600 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 his relevant duties and responsibilities and time spent on the affairs of the Company.

On 15th November, 2005, the Securities and Futures Commission (the “SFC”) criticized the board of directors of ITC, for breaching Rule 21.3 of the Takeovers Code in respect of the dealing in the securities of Hanny Holdings Limited (0275.HK) by ITC during an offer period without the consent of Executive Director of the Corporate Finance Division of the SFC.

Save as disclosed above, in connection with the re-election of Mr. Wong as an Executive Director, there are no 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. Cheung Chi Kit, aged 41, joined the Company in 2005 and is now an Executive Director and the Qualified Accountant of the Company. Mr. Cheung is responsible for the finance and accounting functions of the Group. He is also a director of various subsidiaries of the Group. Mr. Cheung has over 19 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 publicly listed companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Cheung held options entitling him to subscribe for 2,000,000 Shares, which represents approximately 0.07% of the existing issued share capital of the Company. 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 SFO. Save as being an Executive Director, Mr. Cheung does not have any relationship with any Directors, senior management, substantial or controlling shareholders 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 the Annual General Meeting 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\$1,440,000 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 his relevant duties and responsibilities and time spent on the affairs of the Company.

Save as disclosed herein, in connection with the re-election of Mr. Cheung as an Executive Director, there are no 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. Lai Tsan Tung, David, aged 53, joined the Company in 2006 and is now an Executive Director of the Company. Mr. Lai is also a director of various subsidiaries of the Group and he is responsible for the leisure and golf operations in the People's Republic of China. He graduated from the University of Birmingham with a bachelor's degree in civil engineering. Mr. Lai has over 28 years of experience in the construction field and has worked for several international construction companies at a senior managerial position. Save as disclosed herein, he did not hold any directorship in other publicly listed companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Lai was interested in the 39,718,584 underlying Shares, representing approximately 1.36% of the existing issued share capital of the Company, 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. 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.

On 8th June, 2006, Mr. Lai entered into the service agreement (the “**Service Agreement**”) with Donson (International) Development Limited (“**Donson**”) with a view to formalize his existing terms of directorship in Donson. Pursuant to the Service Agreement, Mr. Lai shall remain as an executive director and the chairman of Donson for a period of three years commencing from the date of the Service Agreement and shall continue thereafter unless and until terminated in accordance with terms of the Service Agreement. Mr. Lai is entitled to a fixed monthly fee of HK\$146,800. Save as being an Executive Director, Mr. Lai does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

There is no proposed length of Mr. Lai’s service, but he is subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Bye-laws and the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules. Mr. Lai is entitled to a monthly director’s fee of HK\$20,000 as determined by both the remuneration committee of the Company and the Board with regard to his duties and responsibilities, and time spent on the affairs of the Company.

Save as disclosed above, in connection with the re-election of Mr. Lai as an Executive Director, there are no 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. Ma Chi Kong, Karl, aged 36, joined the Company as an Executive Director in May 2007 and a director of various subsidiaries of the Group. He is responsible for its real estate acquisitions and property development in the People’s Republic of China (the “**PRC**”). Mr. Ma holds a bachelor’s degree in Business Administration and a Master’s degree in Finance. He is also a holder of AIMR Certified Financial Analyst. Mr. Ma has over 14 years of experience in banking industry and property development in the PRC. Since 1998, he has been involved in SOE restructuring and acquisitions, projects financing and real estate investments in major cities of the PRC. He has successfully invested and managed several property deals for private investors including a villa project in Beijing, a vineyard property in Jiangsu Province and office developments in Guangdong Province. Mr. Ma is very active in the property sector in Beijing and is currently a standing member of Beijing Xicheng District China’s People Consultative Committee. Save as disclosed herein, Mr. Ma did not hold any directorship in other publicly listed companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Ma 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 SFO. Save as being an Executive Director of the Company, he does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company. There is no proposed length of Mr. Ma's service, but he is subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Bye-laws and the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules. Mr. Ma is entitled to an annual remuneration of HK\$3,000,000 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 his relevant duties and responsibilities and time spent on the affairs of the Company.

Save as disclosed herein, in connection with the re-election of Mr. Ma as an Executive Director, there are no 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 DIRECTOR

Mr. Kwok Ka Lap, Alva, aged 59, joined the Company as an Independent Non-executive Director in October 2001. He is also a member of both the Audit Committee and the Remuneration Committee of the Company. Mr. Kwok does not hold any position with other members of the Group. He has been a marketing manager in an international company engaging in the design of business administration system. Mr. Kwok has over 24 years of experience in the insurance and investment business, principally in the senior managerial position leading a sizable sales team. He is an executive director and the chief executive officer of China Strategic Holdings Limited (0235.HK) and an independent non-executive director of Hanny Holdings Limited (0275.HK) and Wing On Travel (Holdings) Limited (1189.HK). Save as disclosed herein, Mr. Kwok did not hold any directorship in other publicly listed companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Kwok did 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 SFO. Save as being an Independent Non-executive Director, Mr. Kwok does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company. There is no proposed length of Mr. Kwok's service, but he is subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Bye-laws and the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules. Mr. Kwok is entitled to an annual director's fee of HK\$120,000 as determined by the Board with regard to his relevant duties and responsibilities and time spent on the affairs of the Company, but is not otherwise entitled to any bonuses or other benefits. Save as disclosed herein, in connection with the re-election of Mr. Kwok as an Independent Non-executive Director, there are no 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 2,917,076,472 Shares were 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 291,707,647 Shares under the Repurchase Mandate.

2. Reasons for repurchases

The Directors believe that it is in the best 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 purchase 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 of the Company and/or its earnings per Share and will benefit the Company and the Shareholders.

3. Funding of repurchases

The repurchase of Shares shall be made with funds legally available for such purpose in accordance with its memorandum of association 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 purchased 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 purchase over the par value of the Shares to be purchased 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, 2007 (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

During the six months preceding the Latest Practicable Date, the Company has not repurchased any Shares (whether on the Stock Exchange or otherwise).

7. Effects of the Takeovers Code

If, as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. If the Company were to repurchase Shares up to the permitted maximum of 10% of the issued Share Capital, such parties may together with any other parties acting in concert with them become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. However, as far as the Company is aware, as at the Latest Practicable Date, there are no Shareholder or a group of Shareholders acting in concert, which, in the event that the Repurchase Mandate is exercised in full will increase their shareholders' interest such that they become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

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:

| | Shares | |
|---|-----------------|----------------|
| | Highest HK\$ | Lowest HK\$ |
| 2006 | | |
| July | 0.520 | 0.425 |
| August | 0.470 | 0.380 |
| September | 0.445 | 0.335 |
| October | 0.415 | 0.335 |
| November | 0.490 | 0.370 |
| December | 0.520 | 0.405 |
| 2007 | | |
| January | 0.475 | 0.400 |
| February | 0.510 | 0.440 |
| March | 0.450 | 0.375 |
| April | 0.560 | 0.400 |
| May | 0.770 | 0.440 |
| June | 0.860 | 0.640 |
| July (<i>up to and including the Latest Practicable Date</i>) | 0.710 | 0.570 |

NOTICE OF ANNUAL GENERAL MEETING



澳門祥泰地產集團有限公司*

MACAU PRIME PROPERTIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 199)

NOTICE IS HEREBY GIVEN that the annual general meeting of **Macau Prime Properties Holdings Limited** (the “Company”) will be held at Conference Room, 11th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 12th September, 2007 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 auditors for the year ended 31st March, 2007.
2.
 - (a) To re-elect Mr. Wong Kam Cheong, Stanley as executive director of the Company;
 - (b) To re-elect Mr. Cheung Chi Kit as executive director of the Company;
 - (c) To re-elect Mr. Lai Tsan Tung, David as executive director of the Company;
 - (d) To re-elect Mr. Ma Chi Kong, Karl as executive director of the Company;
 - (e) To re-elect Mr. Kwok Ka Lap, Alva as independent non-executive director of the Company; and
 - (f) To authorise the board of directors to fix the remuneration of the directors for the ensuing year.
3. To re-appoint auditors and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, to pass, with or without amendments, the following resolution as an ordinary resolution of the Company:
 - (A) “**THAT**
 - (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot,

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

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;

- (ii) the approval in sub-paragraph (i) of this resolution shall authorise the directors of the Company 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 of the Company pursuant to the approvals in sub-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 of the Company or an issue of shares upon exercise of subscription rights attached to warrants which may be issued by the Company or an issue of shares of the Company by way of any scrip dividend pursuant to 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 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.

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“**Rights Issue**” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company 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).”

(B) “**THAT**

- (i) subject to sub-paragraph (ii) of this resolution, the exercise by the directors of the Company 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 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) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its securities at a price determined by the directors of the Company;
- (iii) the aggregate nominal amount of the share capital of the Company which the directors of the Company are authorised to repurchase pursuant to the approval in sub-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 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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.”
- (C) “**THAT** conditional upon resolutions numbered 4(A) and 4(B) 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 of the Company pursuant to and in accordance with the said resolution numbered 4(B) 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 of the Company pursuant to and in accordance with the resolution numbered 4(A) as set out in the notice convening this meeting.”
5. As special business, to consider and, if thought fit, to pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting listing of and permission to deal in the shares of HK\$0.01 each in the capital of the Company (representing 10 per cent. of the shares of the Company in issue as at the date of passing 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 provided that the total number of ordinary shares which may be allotted or issued pursuant to the grant or exercise of options under the Scheme (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 passing this resolution (the “**Refreshed Mandate Limit**”) and that the directors of the Company be and are hereby authorized, from time to time, to grant options under the Scheme up to the Refreshed Mandate Limit, to exercise all powers of the Company to allot, issue and deal with ordinary shares of the Company pursuant to the exercise of such options and to do such acts and execute such documents for or incidental to such purpose.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

6. As special business, to consider, and if thought fit, to pass, with or without amendments, the following resolution as special resolution of the Company:

“**THAT** the bye-laws of the Company be and are hereby amended in the following manner:

- (A) By deleting the words “any share premium account or other undistributable reserve in any manner permitted by law” in the third line of existing bye-law 6 and replacing with “, save for the use of share premium in such manner as expressly permitted by the Act, any share premium account or other undistributable reserve”;

- (B) By deleting the first sentence of existing bye-law 44 and replacing therewith the following:

“The Register and branch register of Members, as the case may be, shall be open to inspection between 10:00 a.m. and 12:00 noon on every business day by members of the public at the Office or such other place at which the Register is kept in accordance with the Act.”;

- (C) By substituting existing bye-law 127(1) and (2) with the following new bye-law 127(1):

“127(1) The officers of the Company shall consist of the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purpose of the Act and these Bye-laws.”;

and by re-numbering existing bye-law 127(3) and (4) as bye-law 127(2) and (3) respectively;

- (D) By deleting the words “fourteen (14)” in the fourth line of existing bye-law 154(2) and replacing the same with “twenty-one (21)”;

- (E) By deleting the words “as soon as practicable convene a special general meeting to fill the vacancy” in the fourth line of existing bye-law 157 and replacing the same with “fill the vacancy and fix the remuneration of the Auditor so appointed”.

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

Hong Kong, 9th July, 2007

NOTICE OF ANNUAL GENERAL MEETING

Registered office:
Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
29th Floor, Paul Y. Centre
51 Hung To Road
Kwun Tong, Kowloon
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member may appoint a proxy in respect of part only of his holding of shares of the Company. A proxy need not be a member of the Company.
2. A form of proxy for use at the meeting is enclosed. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the principal place of business of the Company in Hong Kong at 29th Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment meeting at which the person named in the instrument purposes to vote.

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

Non-executive Directors:

Mr. Ho Hau Chong, Norman (*Deputy Chairman*)
Mr. Lo Lin Shing, Simon

Independent non-executive Directors:

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