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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)

EXERCISE OF THE PUT OPTION OVER SHARES IN SANYA GOLF & LEISURE GROUP LIMITED

The Board wishes to announce that on 16th December, 2015, the Vendor has issued a written notice to the Purchaser exercising the Put Option to require the Purchaser to purchase the Tranche B Interest at the consideration of HK\$112.5 million.

Following completion of the sale and purchase of the Tranche B Interest under the Put Option on 16th December, 2015, the Group ceases to hold any interest in the Target.

References are made to the announcements of the Company dated 18th February, 2014 and 29th April, 2014 (the “**Announcements**”) in relation to, among other things, the disposal and the grant of options over shares in ITC Golf & Leisure Group Limited (now known as Sanya Golf & Leisure Group Limited). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, the Put Option was granted by the Purchaser to the Vendor (an indirect wholly-owned subsidiary of the Company), pursuant to which the Vendor has the right, exercisable during the period commencing on the first anniversary of the date of the Agreement (i.e. 18th February, 2015) and ending on the second anniversary of the date of the Agreement (i.e. 18th February, 2016), to require the Purchaser to purchase the Tranche B Interest (representing 20% of the issued share capital of the Target) at the consideration of HK\$112.5 million, payable upon completion of the sale and purchase of the Tranche B Interest. The Board wishes to announce that on 16th December, 2015, the Vendor has issued a written notice to the Purchaser exercising the Put Option to require the Purchaser to purchase the Tranche B Interest at the consideration of HK\$112.5 million in accordance with the terms of the Restated Shareholders’ Agreement. The Vendor and the Purchaser have mutually agreed that completion of the sale and purchase of the Tranche B Interest under the Put Option shall take place on the same day of the issue of the written notice exercising the Put Option.

* For identification purpose only

Following completion of the sale and purchase of the Tranche B Interest under the Put Option on 16th December, 2015, the Group ceases to hold any interest in the Target. The proceeds (net of expenses directly attributable thereto) from the disposal of the Tranche B Interest of approximately HK\$112.5 million are intended to be used as working capital of the Group and for other property and hotel development projects being undertaken by the Group.

Based on the exercise price of the Put Option of HK\$112.5 million and the carrying value of the Group's investment as at 30th September, 2015 attributable to the Tranche B Interest of approximately HK\$91.2 million, the Group is expected to record a gain before taxes and expenses of approximately HK\$21.3 million.

By order of the Board
ITC Properties Group Limited
Cheung Hon Kit
Chairman

Hong Kong, 16th December, 2015

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. Cheung Chi Kit

Mr. Chan Yiu Lun, Alan

Mr. Wong Lai Shun, Benny

Independent Non-executive Directors:

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

Mr. Kwok Ka Lap, Alva

Mr. Chan Pak Cheong Afonso