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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)

**VERY SUBSTANTIAL ACQUISITIONS
IN RELATION TO
THE ACQUISITIONS OF SHARES AND LOANS OF
MAKERSTON LIMITED AND
EAGLE SPIRIT HOLDINGS LIMITED
AND
RESUMPTION OF TRADING**

THE TRANSACTIONS

The Makerston Agreement

The Board is pleased to announce that, after trading hours of the Stock Exchange on 11th April, 2014, Silver Infinite (as purchaser, being a direct wholly-owned subsidiary of the Company), the MS Vendor (as vendor, being a non wholly-owned subsidiary of Rosedale), the Company and Rosedale entered into the Makerston Agreement pursuant to which Silver Infinite has conditionally agreed to purchase and accept the assignment of, and the MS Vendor has conditionally agreed to sell and assign, the MS Sale Share and the MS Sale Loan.

The MS Sale Share represents the entire issued share capital of Makerston as at the date of the Makerston Agreement and on the MS Completion. The principal asset or activity of the MS Group Entities is the 20% property interest in and operation of the Beijing Hotel (which is currently known as “*Rosedale Hotel & Suites, Beijing*”) as at the date of the Makerston Agreement.

Details of the MS Consideration are set out in the paragraph headed “Consideration and payment terms” under the section headed “The Makerston Agreement” below. Based on the unaudited management accounts of the MS Group Entities as at 31st December, 2013, the MS Consideration is estimated at approximately HK\$304 million.

* For identification purpose only

The Eagle Spirit Agreement

The Board is also pleased to announce that, after trading hours of the Stock Exchange on 11th April, 2014, Silver Infinite (as purchaser), the ES Vendor (as vendor, a direct wholly-owned subsidiary of Rosedale), the Company and Rosedale entered into the Eagle Spirit Agreement pursuant to which Silver Infinite has conditionally agreed to purchase and accept the assignment of, and the ES Vendor has conditionally agreed to sell and assign, the ES Sale Share and the ES Sale Loan.

The ES Sale Share represents the entire issued share capital of Eagle Spirit as at the date of the Eagle Spirit Agreement and on the ES Completion. As at the date of the Eagle Spirit Agreement, the principal asset of the ES Group Entities is the 40% property interest in the TKT Hotel. In addition, Eagle Spirit holds, among other things, the entire issued share capital of Rosedale Kowloon, which is the lessee and operator of the TKT Hotel (currently known as “*Rosedale Hotel Kowloon*”).

Details of the ES Consideration are set out in the paragraph headed “Consideration and payment terms” under the section headed “The Eagle Spirit Agreement” below. Based on the unaudited combined adjusted management accounts of the ES Group Entities as at 31st December, 2013, the ES Consideration is estimated at approximately HK\$536 million.

Each of the Makerston Agreement and the Eagle Spirit Agreement is not inter-conditional on each other.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Transactions exceed 100% in aggregate, the Transactions collectively constitute very substantial acquisitions for the Company under Chapter 14 of the Listing Rules. The Agreements and the transactions contemplated thereunder are therefore subject to the approval by the Shareholders at the SGM by way of poll. The SGM will be convened and held for the Shareholders to consider and if thought fit, pass the proposed ordinary resolution(s) to approve the Agreements and the transactions contemplated thereunder.

In addition, the Company has been informed by ITCC that, on 11th April, 2014, it has entered into the Rosedale Share Agreement in respect of the proposed disposal of the entire issued share capital of a wholly-owned subsidiary of ITCC (which in turn, indirectly holds the Relevant Rosedale Shares) to a wholly-owned subsidiary of Hanny. As referred to in the announcement of ITCC dated 23rd April, 2014, the Rosedale Share Agreement is conditional on the completion of the Makerston Agreement and the Eagle Spirit Agreement. Accordingly, ITCC is considered to have a material interest in the Transactions. ITCC and its associates will abstain from voting in respect of the proposed ordinary resolution(s) to approve the Agreements and the transactions contemplated thereunder at the SGM. Dr. Chan Kwok Keung, Charles (by virtue of his being the controlling shareholder of ITCC) and his spouse will also abstain from voting in respect of the resolutions approving the Agreements and the transactions contemplated thereunder at the SGM. As at the date of this announcement, ITCC beneficially holds 211,052,123 Shares (representing approximately 30.65% of the issued share capital of the Company); and Dr. Chan Kwok Keung, Charles and his spouse beneficially hold 147,360,405 Shares in aggregate (representing approximately 21.40% of the issued share capital of the Company).

By virtue of the information as set out under the paragraphs headed “Parties” under each of the sections headed “The Makerston Agreement” and “The Eagle Spirit Agreement” below, Mr. Cheung, Mr. Chan FY and Mr. Chan YL have not attended whereas Mr. Shek and Mr. Kwok have abstained from voting on the relevant resolution(s) approving the entering into of the Agreements in the meeting of the Board.

A circular containing, among other things, details of the Agreements, the valuation reports on the property interests of the Beijing Hotel and the TKT Hotel, the unaudited pro forma financial information of the Enlarged Group, information of the MS Group Entities and the ES Group Entities and the notice convening the SGM together with the proxy form and other information as required under the Listing Rules will be despatched to the Shareholders on or before 20th June, 2014 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on Monday, 14th April, 2014 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Thursday, 24th April, 2014.

INTRODUCTION

Reference is made to the joint announcement of Hanny, ITCC, the Company and Rosedale dated 19th March, 2014 in relation to, among other things, the possible acquisition by the Company of, certain Rosedale’s minority holdings in hotels.

The Board is pleased to announce that, after trading hours of the Stock Exchange on 11th April, 2014, (1) Silver Infinite, the MS Vendor, the Company and Rosedale entered into the Makerston Agreement pursuant to which Silver Infinite has conditionally agreed to purchase and accept the assignment of, and the MS Vendor has conditionally agreed to sell and assign, the MS Sale Share and the MS Sale Loan; and (2) Silver Infinite, the ES Vendor, the Company and Rosedale entered into the Eagle Spirit Agreement pursuant to which Silver Infinite has conditionally agreed to purchase and accept the assignment of, and the ES Vendor has conditionally agreed to sell and assign, the ES Sale Share and the ES Sale Loan. Each of the Makerston Agreement and the Eagle Spirit Agreement is not inter-conditional on each other.

In addition, on 11th April, 2014, the Company has been informed by ITCC that it has entered into the Rosedale Share Agreement in respect of the proposed disposal of the entire issued share capital of a wholly-owned subsidiary of ITCC (which in turn, indirectly holds the Relevant Rosedale Shares) to a wholly-owned subsidiary of Hanny. The Transactions are not conditional on the Rosedale Share Agreement and, accordingly, the Rosedale Share Agreement does not affect the ES Completion and/or the MS Completion. Details of the Rosedale Share Agreement are set out in each of the announcements of ITCC and Hanny dated 23rd April, 2014.

Set out below are the principal terms of the Makerston Agreement and the Eagle Spirit Agreement.

THE MAKERSTON AGREEMENT

Date: 11th April, 2014 (after trading hours of the Stock Exchange)

Parties:

1. Purchaser : Silver Infinite, a direct wholly-owned subsidiary of the Company;
2. MS Vendor : RHGL, which is beneficially owned as to approximately 88.64% by Rosedale;
3. Purchaser's guarantor : the Company; and
4. MS Vendor's guarantor : Rosedale.

As at the date of this announcement, (1) ITCC beneficially holds 195,706,000 shares in Rosedale (representing approximately 29.76% of the issued share capital of Rosedale) and Dr. Chan Kwok Keung, Charles (being the controlling shareholder of ITCC) holds 1,132,450 shares in Rosedale (representing approximately 0.17% of the issued share capital of Rosedale); (2) ITCC beneficially holds 211,052,123 Shares (representing approximately 30.65% of the issued share capital of the Company) and Dr. Chan Kwok Keung, Charles and his spouse beneficially hold 147,360,405 Shares in aggregate (representing approximately 21.40% of the issued share capital of the Company); and (3) Mr. Kwok holds 7,500 shares in Rosedale (representing approximately 0.001% of the issued share capital of Rosedale). Save for the abovementioned, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the MS Vendor and its ultimate beneficial owners are third parties independent of the Group and its connected persons and are not connected persons of the Company as at the date of the Makerston Agreement.

In addition, as at the date of the Agreements, apart from being a Director, (i) Mr. Cheung is also an executive director and chairman of Rosedale; (ii) Mr. Chan FY and Mr. Chan YL are also directors of ITCC; (iii) Mr. Shek is also an independent non-executive director of ITCC; (iv) Mr. Kwok is also an independent non-executive director of Rosedale and Hanny; (v) Mr. Cheung and Mr. Chan FY are also the directors of the MS Vendor and certain members of the MS Group Entities and the ES Group Entities; and (vi) Mr. Chan YL is also a director of certain members of the ES Group Entities.

Interests to be acquired:

The assets to be acquired by the Purchaser pursuant to the Makerston Agreement comprise (i) the MS Sale Share; and (ii) the MS Sale Loan.

The MS Sale Share comprises the entire issued share capital of Makerston as at the date of the Makerston Agreement and on the MS Completion. Makerston owns the entire issued share capital of DS Eastin which in turn owns 20% of the equity interest in the PRC Company which owns the Beijing Hotel (currently known as “*Rosedale Hotel & Suites, Beijing*”). The remaining 80% of the equity interest of the PRC Company is indirectly owned by CPVL.

The MS Sale Loan represents the aggregate amount owing by Makerston to the MS Vendor as at the MS Completion Date. The amount of the MS Sale Loan as at the date of the Makerston Agreement was approximately HK\$207.8 million.

For further details of the interests to be acquired under the Makerston Agreement, please refer to the paragraph headed “Information on the MS Group Entities and the ES Group Entities”.

Consideration and payment terms:

Subject to the amount payable, if applicable, as described under the paragraph headed “Compensated Amount” in this section below, the MS Consideration shall be determined in accordance with the following formula:

$$\begin{aligned} \text{MS Consideration} &= \text{HK\$256 million} \\ &+ \text{the MS Net Current Assets of Makerston} \\ &+ \text{the MS Net Current Assets of DS Eastin} \\ &+ 20\% \text{ of the MS Net Current Assets of the PRC Company} \\ &+ 20\% \text{ of the amount of land premium paid by the PRC} \\ &\quad \text{Company out of its cash on hand during the period between} \\ &\quad \text{the date of the Makerston Agreement and the MS Completion} \\ &\quad \text{Date,} \end{aligned}$$

of which:

1. the portion of the MS Consideration attributable to the MS Sale Loan shall be equal to the face value of the MS Sale Loan on a dollar-for-dollar basis as at the MS Completion Date; and

2. the remaining balance of the MS Consideration shall be attributable to the MS Sale Share.

The MS Consideration shall be paid by the Purchaser to the MS Vendor upon MS Completion as to:

1. HK\$250 million by way of the issue of the MS Note; and
2. the balance in cash.

As at the MS Completion, the MS Consideration shall be determined based on the draft MS Completion Accounts prepared by the MS Vendor and the Purchaser shall have the right, no later than thirty (30) days after the MS Completion, to cause an audit on the then draft MS Completion Accounts within two (2) months after the MS Completion Date. Upon finalisation of the MS Completion Accounts, any excess of the MS Consideration paid shall be returned to the Purchaser and any shortfall shall be paid by the Purchaser to the MS Vendor within ten (10) Business Days after the agreed MS Completion Accounts is available, provided in any case, the aggregate of the MS Consideration shall not exceed HK\$324 million (excluding any amount payable relating to the Compensated Amount as described in the paragraph headed “Compensated Amount” below).

Based on the unaudited management accounts of the MS Group Entities as at 31st December, 2013, the MS Consideration is estimated at approximately HK\$304 million.

The MS Consideration was determined after arm’s length negotiation between the Purchaser and the MS Vendor with reference to, among other things, the unaudited financial information of the MS Group Entities as at 31st December, 2013, the amount of the MS Sale Loan which was approximately HK\$207.8 million as at the date of the Makerston Agreement, and the market value of the Beijing Hotel of HK\$1,290 million as at 31st March, 2014 as preliminarily appraised by Asset Appraisal Limited, an independent property valuer. In addition, the Purchaser has taken into account the growing prospects of the tourism industry in Beijing, which is more particularly described under the section headed “Reasons for and benefits of the Acquisitions” below. For the avoidance of doubt, the Rosedale Share Agreement has not been taken into account by the Company in the determination of the MS Consideration.

Conditions precedent:

Completion of the Makerston Agreement is conditional upon fulfillment or waiver (as the case may be) of the following conditions:

- (a) approval by the Rosedale Shareholders (other than those, if any, who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations) of the Makerston Agreement and the transactions contemplated thereunder at the Rosedale SGM in compliance with the requirements of the Listing Rules has been obtained;

- (b) written approval of the Shareholders or approval by the Shareholders (other than those, if any, who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations) of the Makerston Agreement and the transactions contemplated thereunder at the SGM in compliance with the requirements of the Listing Rules has been obtained;
- (c) the Purchaser being satisfied with the results of the due diligence review and investigation on each of the Makerston Group and the PRC Company;
- (d) requisite consent under the PRC JV Agreement has been obtained in respect of the transfer of the MS Sale Share under the Makerston Agreement;
- (e) each of the warranties given by the MS Vendor under the Makerston Agreement is true and accurate in all material respects and not misleading as at the date of the Makerston Agreement and shall remain true and accurate in all material respects and not misleading as at the MS Completion Date; and
- (f) there being no material adverse change in the financial position of the Makerston Group and the PRC Company from 31st March, 2014 up to and as at the MS Completion Date.

The Purchaser may at its absolute discretion at any time waive the above conditions (c), (e) and (f) by notice in writing to the MS Vendor. Neither the MS Vendor nor the Purchaser may waive the conditions (a), (b) and (d) above.

If any of the above conditions (a), (b) and (d) is not fulfilled on or before the MS Long Stop Date and/or the above conditions (c), (e) and (f) do not remain fulfilled (and are not waived by the Purchaser) on the MS Completion Date, the rights and obligations of the parties under the Makerston Agreement shall lapse and be of no further effect except for antecedent breach.

The MS Vendor's indemnities:

Pursuant to the terms of the Makerston Agreement, the MS Vendor undertakes, among other things, to the Purchaser that it will fully indemnify the Purchaser, the Makerston Group and the PRC Company against any taxation and related expenses arising from the Capital Increase Agreement and the transactions contemplated thereunder. In the event that any of the MS Group Entities has received any notice or demand from any PRC authority in relation to any taxation and related expenses arising from the Capital Increase Agreement or any transactions contemplated therein, the Company shall be entitled to withhold the relevant amounts from and against any future amounts (other than interest payable) due to the MS Vendor under the MS Note pending determination of the MS Vendor's liability to make such payment to the Purchaser. Any amount so deducted from or set off against the amounts payable under the MS Note shall be deemed payment of the sum due thereunder by the Company.

Compensated Amount:

On 29th November, 2013, completion of the Capital Increase Agreement took place whereby the registered capital of the PRC Company increased from US\$17.2 million (representing approximately HK\$133.3 million) to US\$86.0 million (representing approximately HK\$666.5 million) and Makerston's equity interest in the PRC Company was diluted from 100% to 20%. Pursuant to the Capital Increase Agreement, CPVL has agreed to pay DS Eastin the Compensated Amount on or before six (6) months after the completion of the Capital Increase Agreement, i.e. 29th May, 2014. For further details of the Compensated Amount, please refer to the circular issued by Rosedale dated 26th July, 2013. As the date of the completion of the Capital Increase Agreement, the Compensated Amount amounted to approximately RMB528 million (representing approximately HK\$665 million).

Pursuant to the Makerston Agreement, the Compensated Amount is excluded in the calculation of the MS Consideration. The Purchaser agreed that if DS Eastin receives the Compensated Amount before the MS Completion Date, the same shall be paid to the MS Vendor by way of the DS Eastin Dividend and the Makerston Dividend and/or repayment of shareholder's loan due to the MS Vendor. In addition, the Purchaser undertakes that if DS Eastin receives the Compensated Amount after the MS Completion, the Purchaser shall ensure that the MS Vendor shall receive within five (5) Business Days thereafter the Compensated Amount by way of the Makerston Dividend and to the extent that the Makerston Dividend is less than the Compensated Amount, by way of an increase of in the MS Consideration in the amount equal to that difference.

The MS Completion:

The MS Completion shall take place on the seventh (7th) Business Day immediately after fulfillment (or waiver, if applicable) of the conditions precedent (a), (b) and (d) to the Makerston Agreement above, subject to all conditions precedent under the Makerston Agreement being fulfilled or waived (as the case may be), or such other date as the parties to the Makerston Agreement may agree in writing.

Upon the MS Completion, the Makerston Group will become indirect wholly-owned subsidiaries of the Company which results and assets will be consolidated into the financial statements of the Enlarged Group. The PRC Company will become an associated company of the Enlarged Group which results will be equity accounted for by the Enlarged Group.

THE EAGLE SPIRIT AGREEMENT

Date: 11th April, 2014 (after trading hours of the Stock Exchange)

Parties:

1. Purchaser : Silver Infinite;
2. ES Vendor : Easy Vision, a direct wholly-owned subsidiary of Rosedale;
3. Purchaser's guarantor : the Company; and
4. ES Vendor's guarantor : Rosedale.

As mentioned above, as at the date of this announcement, (1) ITCC beneficially holds 195,706,000 shares in Rosedale (representing approximately 29.76% of the issued share capital of Rosedale) and Dr. Chan Kwok Keung, Charles (being the controlling shareholder of ITCC) holds 1,132,450 shares in Rosedale (representing approximately 0.17% of the issued share capital of Rosedale); (2) ITCC beneficially holds 211,052,123 Shares (representing approximately 30.65% of the issued share capital of the Company) and Dr. Chan Kwok Keung, Charles and his spouse beneficially hold 147,360,405 Shares in aggregate (representing approximately 21.40% of the issued share capital of the Company); and (3) Mr. Kwok holds 7,500 shares in Rosedale (representing approximately 0.001% of the issued share capital of Rosedale). Save as aforesaid, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the ES Vendor and its ultimate beneficial owners are third parties independent of the Group and its connected persons and are not connected persons of the Company as at the date of the Eagle Spirit Agreement.

In addition, as at the date of the Agreements, apart from being a Director, (i) Mr. Cheung is also an executive director and chairman of Rosedale; (ii) Mr. Chan FY and Mr. Chan YL are also directors of ITCC; (iii) Mr. Shek is also an independent non-executive director of ITCC; (iv) Mr. Kwok is also an independent non-executive director of Rosedale and Hanny; (v) Mr. Cheung and Mr. Chan FY are also the directors of certain members of the MS Group Entities and the ES Group Entities; and (vi) Mr. Chan YL is also a director of certain members of the ES Group Entities.

Interests to be acquired:

The assets to be acquired by the Purchaser pursuant to the Eagle Spirit Agreement comprise (1) the ES Sale Share; and (2) the ES Sale Loan.

The ES Sale Share comprises the entire issued share capital of Eagle Spirit as at the date of the Eagle Spirit Agreement and on the ES Completion. As at the date of the Eagle Spirit Agreement, Eagle Spirit owns 40% of the issued share capital of More Star which in turn owns the entire issued share capital of Fortress State. Fortress State is the owner of the TKT Hotel (currently known as "*Rosedale Hotel Kowloon*"). The remaining 60% equity interest in More Star is owned by SHI. Eagle Spirit also owns the entire issued share capital of Rosedale Kowloon, HMIL and Rosy.

The ES Sale Loan represents the aggregate amounts owing by Eagle Spirit to the ES Vendor as at the ES Completion Date. The amount of the ES Sale Loan as at the date of the Eagle Spirit Agreement was approximately HK\$45.5 million.

For further details of the interests to be acquired under the Eagle Spirit Agreement, please refer to the paragraph headed "Information on the MS Group Entities and the ES Group Entities".

Consideration and payment terms:

The ES Consideration shall be determined in accordance with the following formula:

$$\begin{aligned} \text{ES Consideration} &= \text{HK\$530 million} \\ &+ 40\% \text{ of the consolidated ES Net Current Assets of More Star} \\ &+ \text{the ES Net Current Assets of Eagle Spirit} \\ &+ \text{the ES Net Current Assets of Rosedale Kowloon} \\ &+ \text{the consolidated ES Net Current Assets of HMIL} \\ &+ \text{the combined ES Net Current Assets of Rosy,} \end{aligned}$$

of which:

1. the portion of the ES Consideration attributable to the ES Sale Loan shall be equal to the face value of the ES Sale Loan on a dollar-for-dollar basis as at the ES Completion Date; and
2. the remaining balance of the ES Consideration shall be attributable to the ES Sale Share.

The ES Consideration shall be paid by the Purchaser to the ES Vendor upon ES Completion as to:

1. HK\$250 million by way of issue of the ES Note; and
2. the balance in cash.

At the ES Completion, the ES Consideration shall be determined based on the draft ES Completion Accounts prepared by the ES Vendor and the Purchaser shall, no later than thirty (30) days after the ES Completion, have the right to cause an audit of the then draft ES Completion Accounts within two (2) months after the ES Completion Date. Upon finalisation of the ES Completion Accounts, any excess of the ES Consideration paid shall be returned to the Purchaser and any shortfall shall be paid by the Purchaser to the ES Vendor within ten (10) Business Days after the agreed ES Completion Accounts is available, provided in any case, the ES Consideration shall not exceed HK\$566 million.

Based on the unaudited combined adjusted management accounts of the ES Group Entities as at 31st December, 2013, the ES Consideration is estimated at approximately HK\$536 million.

The ES Consideration was determined after arm's length negotiation between the Purchaser and the ES Vendor with reference to, among other things, the unaudited financial information of the ES Group Entities as at 31st December, 2013, the amount of the ES Sale Loan which was approximately HK\$45.5 million as at the date of the Eagle Spirit Agreement and the valuation of the TKT Hotel of HK\$1,285 million as at 31st March, 2014 conducted by an independent professional valuer. In addition, the Purchaser has also taken into account the growing prospects of the tourism industry in Hong Kong, which is more described under the section headed "Reasons for and benefits of the Acquisitions" below. For the avoidance of doubt, the Rosedale Share Agreement has not been taken into account by the Company in the determination of the ES Consideration.

Conditions precedent:

Completion of the Eagle Spirit Agreement is conditional upon fulfillment or waiver (as the case may be) of the following conditions:

- (a) approval by the Rosedale Shareholders (other than those, if any, who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations) of the Eagle Spirit Agreement and the transactions contemplated thereunder at the Rosedale SGM in compliance with the requirements of the Listing Rules has been obtained;
- (b) written approval of the Shareholders or approval by the Shareholders (other than those, if any, who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations) of the Eagle Spirit Agreement and the transactions contemplated thereunder at the SGM in compliance with the requirements of the Listing Rules has been obtained;
- (c) the Purchaser being satisfied with the results of the due diligence review and investigation on each of the Eagle Spirit Group and the More Star Group;
- (d) each of the warranties given by the ES Vendor in the Eagle Spirit Agreement is true and accurate in all material respects and not misleading as at the date of the Eagle Spirit Agreement and shall remain true and accurate in all material respects and not misleading as at the ES Completion Date;
- (e) there is no material adverse change in the financial position of the Eagle Spirit Group and the More Star Group from 31st March, 2014 up to and as at the ES Completion Date; and
- (f) Fortress State having given its consent in writing to the indirect disposal of Rosedale Kowloon under the Master Lease.

The Purchaser may at its absolute discretion at any time waive the above conditions (c), (d) and (e) by notice in writing to the ES Vendor. Neither the ES Vendor nor the Purchaser may waive the conditions (a), (b) and (f) above.

If any of the above conditions is not fulfilled on or before the ES Long Stop Date and/or the above conditions (c), (d) and (e) do not remain fulfilled (and are not waived by the Purchaser) on the ES Completion Date, the rights and obligations of the parties under the Eagle Spirit Agreement shall lapse and be of no further effect except for antecedent breach.

Master Lease:

Upon the ES Completion, Rosedale Kowloon will become an indirect wholly-owned subsidiary of the Company. Rosedale Kowloon as lessee has entered into the Master Lease with Fortress State as lessor in relation to the lease of the TKT Hotel for hotel operation for a term of six (6) years after completion of the SHI Agreement. The completion of the SHI Agreement took place on 14th March, 2014 and the term of the Master Lease has commenced on 1st April, 2014. The rent payable by Rosedale Kowloon to Fortress State comprises monthly base rent and turnover rent as follows:

1. Monthly base rent represents the amount for each year as set out below divided by twelve (12):

HK\$'million

(i)	First year	64.0
(ii)	Second year	67.2
(iii)	Third year	70.4
(iv)	Fourth year	73.6
(v)	Fifth year	76.8
(vi)	Sixth year	80.0

2. For any year during the term of the Master Lease, in the event the gross revenue (all revenue and income of any kind derived from operations at the TKT Hotel) exceeds the threshold amount of such year, Rosedale Kowloon shall also pay a turnover rent in an amount equal to 60% of the difference between the gross revenue and the threshold amount for such year. For the avoidance of doubt, no turnover rent shall be payable for the year if the gross revenue of a year is equal to or less than the threshold amount for such year. Set out below is the threshold amount of each year:

HK\$'million

(i)	First year	140
(ii)	Second year	145
(iii)	Third year	150
(iv)	Fourth year	155
(v)	Fifth year	160
(vi)	Sixth year	165

The above rental is exclusive of, and Rosedale Kowloon shall be responsible for and shall pay all assessments, duties, charges, impositions and outgoings of an annual or recurring nature assessed, incurred, imposed or charged on or in respect of the TKT Hotel or upon the owner or occupier thereof by the government authority. Fortress State shall be responsible for all property tax, government rents and rates of the TKT Hotel during the term of the Master Lease.

ES-SHI Shareholders' Agreement:

Upon the ES Completion, Eagle Spirit will become an indirect wholly-owned subsidiary of the Company. Eagle Spirit has entered into the ES-SHI Shareholders' Agreement with SHI and More Star to regulate the rights and obligations between Eagle Spirit and SHI in respect of the management and operation of the More Star Group. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, SHI and its ultimate beneficial owners are third parties independent of the Group and its connected persons and are not connected persons of the Company as at the date of the Eagle Spirit Agreement. The major provisions of the ES-SHI Shareholders' Agreement are set out below:

1. Financing

The shareholders of More Star have no obligation to provide further finance to the More Star Group unless with their unanimous written consents.

2. Appointment of directors

The board of directors of More Star and Fortress State shall consist of up to five (5) directors. SHI shall have the right to nominate and appoint up to three (3) directors and Eagle Spirit shall have the right to nominate and appoint up to two (2) directors.

3. SHI Put Option and SHI Call Option

If a proposal is made by SHI or a director nominated by it in relation to (i) the leasing or licensing of the TKT Hotel as a whole to a party other than Rosedale Kowloon; or (ii) the appointment of any party other than Rosedale Kowloon as the operator or manager of the TKT Hotel, on or after the expiration or early termination of the Master Lease, and such proposal is not approved by Eagle Spirit within thirty (30) Business Days of all the material terms thereof having been provided to Eagle Spirit or the director(s) nominated by it, a deadlock (the "**Deadlock**") shall be deemed to have occurred and in such case, for a period of thirty (30) Business Days of the occurrence of the Deadlock (the "**Exit Period**"), SHI shall be entitled to serve a notice (the "**Exit Notice**") on Eagle Spirit either:

- (i) the SHI Put Option: to require Eagle Spirit to purchase all (and not part only) of the shares held by SHI in More Star and the total amount (which shall be all and not part only) of the shareholder's loans then owing by the More Star Group to SHI and its affiliated companies; or
- (ii) the SHI Call Option: to require Eagle Spirit to sell to SHI all (and not part only) of the shares held by Eagle Spirit in More Star and the total amount (which shall be all and not part only) of the shareholder's loans then owing by the More Star Group to Eagle Spirit and its affiliated companies,

each at the Valuation Price provided that the obligation of Eagle Spirit to sell or, as the case may be, purchase the shares and shareholders' loans referred to above shall be conditional on the same being approved by the shareholders of its ultimate holding company and which is a company listed on the Stock Exchange, if required, and compliance with the Listing Rules by the ultimate holding company, such that if the said conditions are not fulfilled within ninety (90) days of the determination of the Valuation Price such Exit Notice shall be deemed void and of no further force and effect without any claim by any shareholders of More Star for such non-fulfillment.

If either no Exit Notice is served within the Exit Period or an Exit Notice has been served within the Exit Period but the conditions under the SHI Put Option or, as the case may be, the SHI Call Option are not fulfilled within the period therein provided, and at the end of the relevant period the Deadlock persists, any shareholder of More Star may at any time thereafter by written notice to the other shareholder of More Star request that Fortress State to dispose of the TKT Hotel to a third party with reference to the Valuation Price and thereafter More Star be liquidated whereupon its shareholders shall jointly procure that the relevant resolutions be passed to wind-up More Star as soon as practicable.

The SHI Put Option and the SHI Call Option would be inherited by the Group as a result of the acquisition of the ES Sale Share and the assignment of the ES Sale Loan. Each of the SHI Put Option and the SHI Call Option was not granted by the Company and/or Silver Infinite, being the purchaser under the Eagle Spirit Agreement. As disclosed above, when the SHI Put Option or the SHI Call Option is being exercised, the Company will comply with the relevant Listing Rules as and when appropriate.

The ES Completion:

The ES Completion shall take place on the seventh (7th) Business Day after fulfillment (or waiver, if applicable) of the conditions precedent (a), (b) and (f) to the Eagle Spirit Agreement above, subject to all conditions precedent under the Eagle Spirit Agreement being fulfilled or waived (as the case may be), or such other date as the parties to the Eagle Spirit Agreement may agree in writing.

Upon the ES Completion, the Eagle Spirit Group will become indirect wholly-owned subsidiaries of the Company which results will be consolidated into the financial statements of the Company. The More Star Group will become associated companies of the Enlarged Group which results will be equity accounted for by the Enlarged Group.

Pursuant to the Eagle Spirit Agreement, ROHMI (as licensor) shall enter into the Licence Agreement with Rosedale Kowloon upon the ES Completion to grant a free but non-exclusive and non-transferrable licence to Rosedale Kowloon and companies under common control of Rosedale Kowloon to use the Trademarks in relation to the operation of the TKT Hotel for a term commencing from the date of the ES Completion until 31st March, 2020, being expiry of the Master Lease.

THE MS NOTE AND THE ES NOTE

Both the MS Note and the ES Note shall be unsecured which principal terms are as follows:

Issuer:	the Company
Noteholders:	the MS Vendor for the MS Note and the ES Vendor for the ES Note or their respective nominees
Principal amounts:	HK\$250 million for the MS Note and HK\$250 million for the ES Note
Interest:	5% per annum payable semi-annually in arrear
Maturity:	two (2) years after the respective dates of issue of the MS Note and the ES Note, but the Company may prepay all or part of the outstanding principal amount (at the minimum amount of HK\$5,000,000) at any time prior to the maturity date without any penalty, prepayment or other fees by giving the noteholders not less than seven (7) days' prior written notice together with all interest accrued on the amount to be prepaid
Transferrability:	the noteholders are not entitled to assign the outstanding amount under the notes or any of their rights, interests or benefits thereunder without the prior written consent of the Company

INFORMATION ON THE MS GROUP ENTITIES AND THE ES GROUP ENTITIES

RHGL (being the MS Vendor) is an indirect subsidiary of Rosedale in which Rosedale has 88.64% indirect interest while Easy Vision (being the ES Vendor) is a wholly-owned subsidiary of Rosedale. Both RHGL and Easy Vision are engaged in investment holding. Further information on the MS Group Entities and the ES Group Entities are set out below:

1. The MS Group Entities

RHGL owns the entire issued share capital of Makerston, an investment holding company incorporated in the BVI with limited liability which in turn owns the entire issued share capital of DS Eastin. DS Eastin is an investment holding company incorporated in Hong Kong with limited liability owning 20% of the paid-up capital of the PRC Company. The remaining 80% of the equity interest in the PRC Company is owned indirectly by CPVL. Save that Mr. Ma Chi Kong, Karl (who has resigned as a non-executive Director with effect from 17th April, 2013) is interested in more than 30% shareholding interest in CPVL, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, CPVL and its ultimate beneficial owners are third parties independent of the Group and its connected persons and are not connected persons of the Company as at the date of the Makerston Agreement.

As at the date of this announcement, the PRC Company is a sino-foreign joint venture entity established in the PRC with registered capital of US\$86 million (representing approximately HK\$666.5 million). The PRC Company is principally engaged in hotel ownership and operation and its principal asset is the ownership of the Beijing Hotel. At present, the Beijing Hotel has a gross floor area of approximately 37,173 m² with 462 guestrooms and a shopping arcade. In January 2013, an approval for an extension of the Beijing Hotel by the Beijing Municipal Commission of Urban Planning was obtained. Pursuant to the Capital Increase Agreement, it was agreed that the maximum amount to be contributed by DS Eastin to the PRC Company in respect of such an extension shall not exceed RMB30 million (representing approximately HK\$37.8 million).

Prior to the completion of the Capital Increase Agreement on 29th November, 2013, the PRC Company was indirectly wholly-owned by Makerston and its results and assets were consolidated into the financial statements of Makerston. From 29th November, 2013 and onwards, as a result of the completion of the Capital Increase Agreement, Makerston's equity interest in the PRC Company was diluted from 100% to 20% and the PRC Company ceased to be a subsidiary of Makerston. Accordingly, the results and assets of the PRC Company were no longer consolidated into the financial statements of Makerston thereafter. Based on the unaudited financial information of Makerston, an one-off gain on deemed disposal of the PRC Company of approximately HK\$825 million was recorded for the year ended 31st December, 2013. Set out below is the unaudited consolidated financial information of the Makerston Group prepared in accordance with the HK GAAP:

	For the year ended 31st December, 2012 <i>HK\$'000</i>	For the year ended 31st December, 2013 <i>HK\$'000</i>
(Loss)/profit before taxation	(18,443)	811,669
(Loss)/profit after taxation	(12,488)	816,265

As at 31st December, 2013, being a date after completion of the Capital Increase Agreement, Makerston recorded an unaudited consolidated net asset value of approximately HK\$722.2 million (which has not taken into account the Makerston Dividend).

In respect of the PRC Company, its unaudited financial information for the two years ended 31st December, 2013 prepared in accordance with PRC GAAP are summarised below:

	For the year ended 31st December, 2012	<i>Approximately</i>	For the year ended 31st December, 2013	<i>Approximately</i>
	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>
(Loss)/profit before taxation	(1,581)	(1,992)	28,608	36,046
(Loss)/profit after taxation	(1,581)	(1,992)	28,608	36,046

As at 31st December, 2013, the PRC Company recorded an unaudited net asset value of approximately RMB221.4 million (representing approximately HK\$279.0 million).

2. The ES Group Entities

Easy Vision owns the entire issued share capital of Eagle Spirit, which is an investment holding company incorporated in the BVI with limited liability. As at the date of this announcement, Eagle Spirit owns 40% of the issued share capital of More Star, an investment holding company incorporated in the BVI with limited liability which in turn owns the entire issued share capital of Fortress State. Fortress State is a company incorporated in Hong Kong with limited liability and is the owner of the TKT Hotel. The TKT Hotel is a 4-star rated hotel located at No. 86 Tai Kok Tsui Road, Tai Kok Tsui, Kowloon, Hong Kong and currently known as “*Rosedale Hotel Kowloon*” with a gross floor area of approximately 10,300 m² and 435 guestrooms.

Eagle Spirit also owns the entire issued share capital of Rosedale Kowloon, HMIL and Rosy. Rosedale Kowloon is a company incorporated in Hong Kong with limited liability and is the lessee and operator of the TKT Hotel, which details are set out in the paragraph headed “Master Lease” above. HMIL is an investment holding company incorporated in the BVI with limited liability which owns the entire issued share capital of RCL (which is a food and beverage operator). Rosy is an investment holding company incorporated in the BVI with limited liability which in turn owns the entire issued share capital of RHMIL and RGML respectively. RHMIL is a company incorporated in the BVI with limited liability and its principal activities are the provision of hotel management and consultancy services. RGML is a company incorporated in Hong Kong with limited liability and it is principally engaged in the provision of corporate management and secretarial services.

On 14th March, 2014, Eagle Spirit completed the disposal of 60% of the issued share capital of More Star to SHI. Prior to the completion of such disposal, More Star was wholly-owned by Eagle Spirit and its results and assets were consolidated into the financial statements of Eagle Spirit. From 14th March, 2014 and onwards, as a result of the completion of the disposal, Eagle Spirit’s equity interest in More Star was diluted from 100% to 40% and More Star ceased to be a subsidiary of Eagle Spirit.

Accordingly, the results and assets of the More Star Group were no longer consolidated into the financial statements of Eagle Spirit thereafter. In addition, each of Rosedale Kowloon, the HMIL Group and the Rosy Group were fellow subsidiaries of Eagle Spirit prior to completion of the aforesaid disposal. Set out below is the unaudited combined financial information of the Eagle Spirit Group prepared in accordance with HK GAAP:

	For the year ended 31st December, 2012 HK\$'000	For the year ended 31st December, 2013 HK\$'000
Profit before taxation	18,161	36,796
Profit after taxation	18,161	36,796

As at 31st December, 2013, the Eagle Spirit Group recorded an unaudited combined net assets of approximately HK\$71.0 million.

For the avoidance of doubt, the unaudited financial information of the More Star Group has been fully consolidated into the financial information of Eagle Spirit as disclosed above.

As at the date of the Eagle Spirit Agreement and since the issue of the TKT Hotel Licence in May 2013, Rosedale Kowloon has been managing and operating the TKT Hotel. Upon the ES Completion, through the Master Lease, the Enlarged Group shall continue to operate and manage the TKT Hotel. The unaudited financial information of Rosedale Kowloon for the past two years ended 31st December, 2013 prepared in accordance with HK GAAP are summarised below:

	For the year ended 31st December, 2012 HK\$'000	For the year ended 31st December, 2013 HK\$'000
(Loss)/profit before taxation	(2,211)	1,420
(Loss)/profit after taxation	(2,211)	1,420

As at 31st December, 2013, Rosedale Kowloon recorded an unaudited net liability of approximately HK\$1.6 million.

In respect of the More Star Group, in which the Enlarged Group will be indirectly beneficially interested in 40% upon the ES Completion, its unaudited consolidated financial information for the two years ended 31st December, 2013 prepared in accordance with HK GAAP are summarised below:

	For the year ended 31st December, 2012 HK\$'000 (Note 1)	For the year ended 31st December, 2013 HK\$'000 (Note 2)
Profit before taxation	485,041	19,422
Profit after taxation	485,041	19,422

Notes:

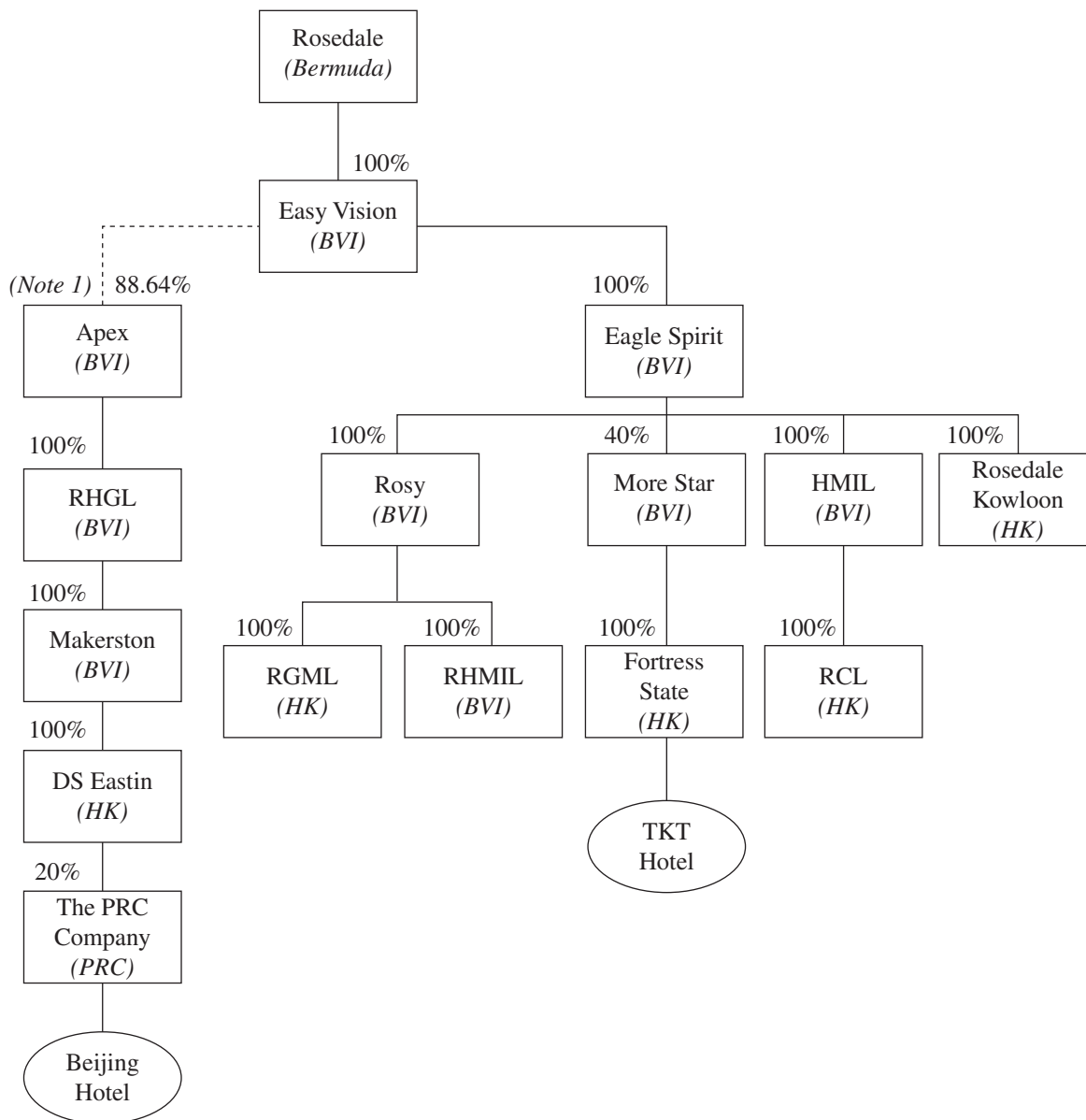
1. The profit before and after taxation for the year included the gain from increase in the fair value of the TKT Hotel, which was accounted for as an investment property in the consolidated accounts of More Star, of approximately HK\$472.8 million. Such gain from increase in the fair value was reversed upon consolidation by Eagle Spirit since the TKT Hotel was accounted for as property, plant and equipment in the consolidated accounts of Eagle Spirit.
2. The profit before and after taxation for the year included the rental income of approximately HK\$52 million received from Rosedale Kowloon which was eliminated as an inter-company transaction upon consolidation by Eagle Spirit.

As at 31st December, 2013, More Star recorded an unaudited net asset value of approximately HK\$503.6 million.

STRUCTURE OF THE MS GROUP ENTITIES AND THE ES GROUP ENTITIES

The following chart illustrates the structure of the MS Group Entities and the ES Group Entities as at the date of this announcement and immediately after the Completion:

As at the date of this announcement

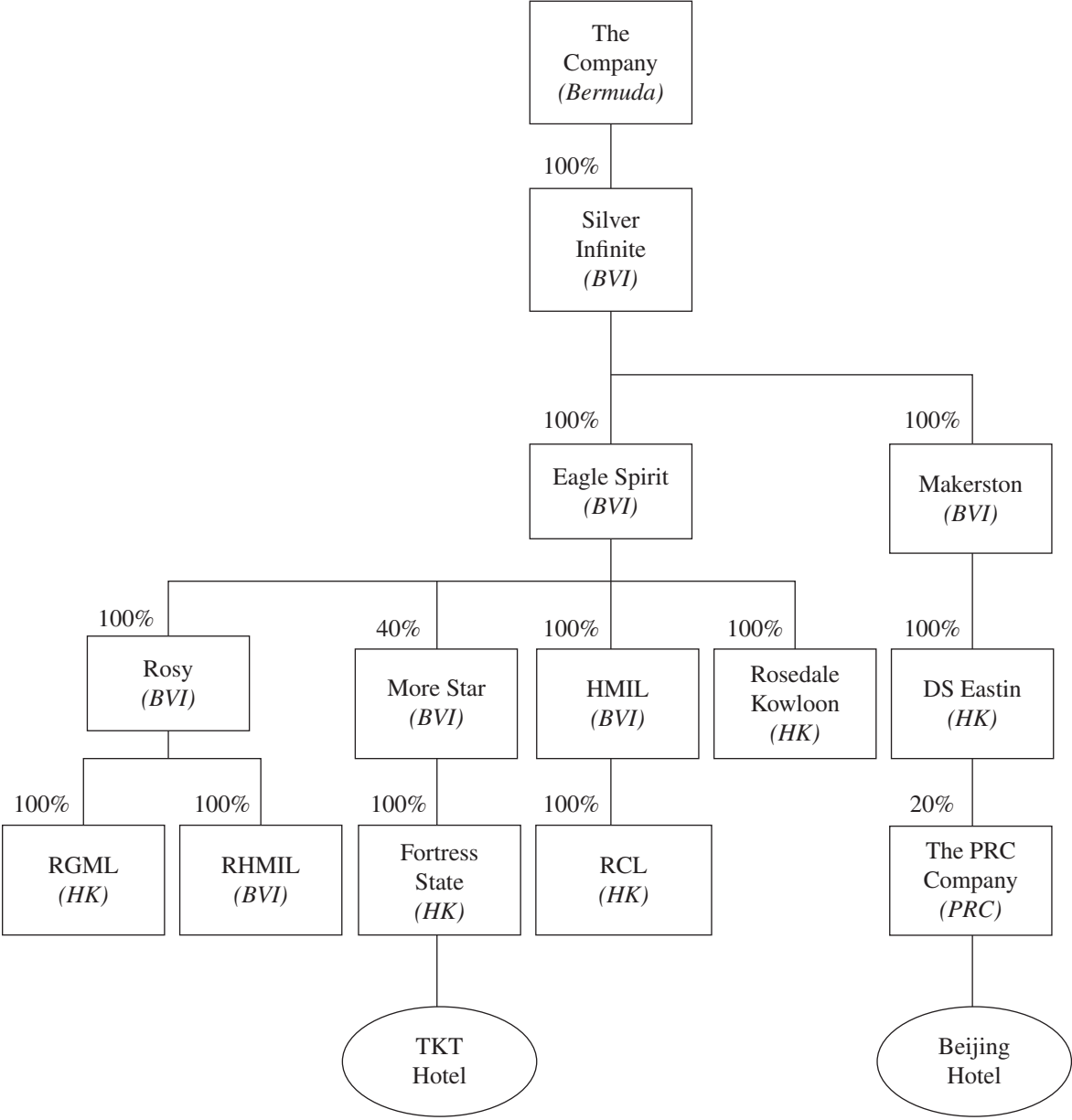


----- indirect holding

Notes:

1. The ES Vendor directly held approximately 5.5% and indirectly held approximately 83.14% of Apex.
2. Places in parentheses represent places of incorporation.

Immediately after the completion of both the Makerston Agreement and the Eagle Spirit Agreement



Note: Places in parentheses represent places of incorporation.

REASONS FOR AND BENEFITS OF 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 the development and investments of golf resort and leisure operations in the PRC, securities investments and the provision of loan financing services.

The Group has been engaged in resort and catering services in the PRC for a number of years. Recently, the Group has purchased the land use right in a parcel of land situated at Sanya City, Hainan Province, the PRC for hotel development. Another hotel development in Moreton Terrace, Causeway Bay, Hong Kong is under construction which completion is expected in 2015. In light of the growing prospects of the tourism industry, the Group has been actively looking for other investment opportunities to expand its resort and catering services. The acquisitions of partial interests in the Beijing Hotel and the TKT Hotel are good opportunities to extend the Group's hospitality business. In particular, through the Master Lease, the Group will manage and operate the TKT Hotel in Hong Kong upon completion of the Eagle Spirit Agreement. In respect of the Hong Kong tourism industry, the annual visitor arrivals for 2013 reached a record-high of approximately 54.3 million, representing a growth of approximately 11.7% as compared to 2012, according to the Hong Kong Government. The Hong Kong Tourism Board expected the visitor arrivals may further increase in 2014. Based on Hong Kong Tourism Board, the total tourism expenditure associated to inbound tourism increased by approximately 15.7% in 2013 as compared to 2012. Among the overnight visitors' total spending, hotel bills accounted for approximately 18.4% and amounted to approximately HK\$18.1 billion for the first half of 2013, representing an increase of approximately 4.0% in monetary terms as compared to the corresponding period in 2012. For Beijing, the capital city of the PRC, according to the Beijing Municipal Commission of Tourism Development, it recorded total tourism receipts of approximately RMB396 billion (representing approximately HK\$499 billion) for 2013, representing an increase of approximately 9.3% as compared to that of 2012. The said commission also announced at its annual meeting in February 2014 that the Beijing government will further establish Beijing as a world-class main line city by improving inbound tourism market and promoting city image and public environment.

In addition, the acquisition of the Eagle Spirit Group will bring in to the Group a well-established management team with expertise and experience in this field covering city and business hotel management. Synergy can be gained to enhance the overall quality of the services provided which will in turn increase the intrinsic values of the resort and hotel properties held by the Group. In view of the above, the Directors (excluding Mr. Cheung, Mr. Chan FY, Mr. Chan YL, Mr. Shek and Mr. Kwok) consider that the entering into of the Agreements (including the transactions contemplated thereunder) is in the interests of the Company and the Shareholders as a whole and that the terms of the Agreements are fair and reasonable.

It is intended that the payment of the cash portion of the Consideration upon the MS Completion and the ES Completion respectively shall be financed by internal resources and/or borrowings of the Group.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined under Chapter 14 of the Listing Rules) in respect of the Transactions exceed 100% in aggregate, the Transactions collectively constitute very substantial acquisitions for the Company under Chapter 14 of the Listing Rules. The Agreements and the transactions contemplated thereunder are therefore subject to the approval by the Shareholders at the SGM by way of poll. The SGM will be convened and held for the Shareholders to consider and if thought fit, pass the proposed ordinary resolution(s) to approve the Agreements and the transactions contemplated thereunder.

In addition, the Company has been informed by ITCC that, on 11th April, 2014, it has entered into the Rosedale Share Agreement in respect of the proposed disposal of the entire issued share capital of a wholly-owned subsidiary of ITCC (which in turn, indirectly holds the Relevant Rosedale Shares) to a wholly-owned subsidiary of Hanny. As referred to in the announcement of ITCC dated 23rd April, 2014, the completion of the Rosedale Share Agreement is conditional on the completion of the Makerston Agreement and the Eagle Spirit Agreement. Accordingly, ITCC is considered to have material interest in the Transactions. ITCC and its associates will abstain from voting in respect of the proposed ordinary resolution(s) to approve the Agreements and the transactions contemplated thereunder at the SGM. Dr. Chan Kwok Keung, Charles (by virtue of his being the controlling shareholder of ITCC) and his spouse will also abstain from voting in respect of the resolutions approving the Agreements and the transactions contemplated thereunder at the SGM. As at the date of this announcement, ITCC beneficially holds 211,052,123 Shares (representing approximately 30.65% of the issued share capital of the Company); and Dr. Chan Kwok Keung, Charles and his spouse beneficially hold 147,360,405 Shares in aggregate (representing approximately 21.40% of the issued share capital of the Company).

By virtue of the information as set out under the paragraphs headed “Parties” under each of the sections headed “The Makerston Agreement” and “The Eagle Spirit Agreement” above, Mr. Cheung, Mr. Chan FY and Mr. Chan YL have not attended whereas Mr. Shek and Mr. Kwok have abstained from voting on the relevant resolution(s) approving the entering into of the Agreements in the meeting of the Board.

A circular containing, among other things, details of the Agreements, the valuation reports on the property interests of the Beijing Hotel and the TKT Hotel, the unaudited pro forma financial information of the Enlarged Group, the information of the MS Group Entities and the ES Group Entities and the notice convening the SGM together with the proxy form and other information as required under the Listing Rules will be despatched to the Shareholders on or before 20th June, 2014 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended at the request of the Company with effect from 9:00 a.m. on Monday, 14th April, 2014 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Thursday, 24th April, 2014.

DEFINITIONS

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

“Affiliated Lender(s)”	in relation to shareholder(s) of More Star, any entity that is wholly-owned by such shareholder(s) or the ultimate holding company of such shareholder(s)
“Agreements”	collectively, the Makerston Agreement and the Eagle Spirit Agreement
“Apex”	Apex Quality Group Limited, an indirect non wholly-owned subsidiary of Rosedale incorporated in the BVI with limited liability
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Beijing Hotel”	the hotel situated at No. 8, Jiang Tai Road West, Chao Yang District, Beijing, the PRC now operating under the name of “ <i>Rosedale Hotel & Suites, Beijing</i> ”
“Board”	the board of the Directors
“Business Day”	a day (other than Saturday, Sunday, public holidays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“Capital Increase Agreement”	the capital increase agreement dated 31st May, 2013 entered into between DS Eastin, CPVL, the PRC Company and Rosedale in relation to, amongst other things, the capital contribution by a PRC subsidiary of CPVL in the amount US\$68.8 million (representing approximately HK\$533.2 million) to the registered capital of the PRC Company
“Company”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares (Stock Code : 199) of which are listed on the Main Board of the Stock Exchange
“Compensated Amount”	approximately HK\$665 million, representing the amount of compensation receivable by DS Eastin from CPVL as at the completion of the Capital Increase Agreement
“Completion”	collectively, the MS Completion and the ES Completion

“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	collectively, the MS Consideration and the ES Consideration
“CPVL”	China Private Ventures Ltd., a company incorporated in the BVI with limited liability
“Director(s)”	the director(s) of the Company
“Domain Name”	the domain name “kowloon.rosedalehotels.com”, including email addresses using such domain name, namely, “@rosedalehotels.com”
“DS Eastin”	DS Eastin Limited, an indirect wholly-owned subsidiary of RHGL, which was incorporated in Hong Kong with limited liability
“DS Eastin Dividend”	a dividend to be declared prior to the MS Completion by DS Eastin to Makerston in an amount equal to the lesser of all the distributable reserves of DS Eastin and the Compensated Amount, payable on receipt of the Compensated Amount
“Eagle Spirit”	Eagle Spirit Holdings Limited, a wholly-owned subsidiary of Easy Vision, which was incorporated in the BVI with limited liability
“Eagle Spirit Agreement”	the agreement dated 11th April, 2014 entered into between, inter alia, the Purchaser and the ES Vendor in relation to the sale and purchase of the ES Sale Share and the ES Sale Loan
“Eagle Spirit Group”	collectively, Eagle Spirit and its subsidiaries
“Enlarged Group”	the Group immediately after the Completion
“ES Completion”	completion of the sale and purchase of the ES Sale Share and the assignment of the ES Sale Loan under the Eagle Spirit Agreement

“ES Completion Accounts”	(i) the unaudited management accounts of Eagle Spirit (on a non-consolidated basis); (ii) the unaudited consolidated management accounts of More Star (including Fortress State as its subsidiary); (iii) the unaudited management accounts of Rosedale Kowloon; (iv) the unaudited consolidated management accounts of HMIL (including RCL as its subsidiary); and (v) the unaudited combined management accounts of Rosy (including RHMIL and RGML as subsidiaries), each comprising an income statement for the period from 1st January, 2014 to the ES Completion Date and a statement (or consolidated statement as the case may be) of financial position as at the ES Completion Date
“ES Completion Date”	the date that the ES Completion takes place
“ES Consideration”	the aggregate consideration for the ES Sale Share and the ES Sale Loan pursuant to the terms of the Eagle Spirit Agreement
“ES Group Entities”	Eagle Spirit, More Star, Fortress State, Rosedale Kowloon, HMIL, RCL, Rosy, RHMIL and RGML
“ES Long Stop Date”	the day falling on six (6) months from the date of the Eagle Spirit Agreement or such later date as the Purchaser and the ES Vendor may agree in writing
“ES Net Current Assets”	for any company, the aggregate of all current assets (including all cash at bank and on hand but excluding deferred tax assets and the TKT Hotel) of such company less all liabilities (including without limitation, all unpaid professional fees and other costs and expenses incurred by the ES Group Entities in relation to the development of the TKT Hotel for the purpose of obtaining the occupation permit no. KN39/2011 and the TKT Hotel Licence but excluding deferred tax liabilities and the ES Sale Loan) of such company, as at the ES Completion Date
“ES Note”	a 5%, 2-year promissory note in the principal amount of HK\$250 million to be issued by the Company to the ES Vendor or its nominee in partial settlement of the ES Consideration upon the ES Completion
“ES Sale Loan”	the amounts due from Eagle Spirit to the ES Vendor upon Completion
“ES Sale Share”	one (1) ordinary share of US\$1 each in the issued share capital of Eagle Spirit representing the entire issued share capital as at the date of the Eagle Spirit Agreement and on the ES Completion

“ES-SHI Shareholders’ Agreement”	the shareholders’ agreement entered into between Eagle Spirit, SHI and More Star dated 14th March, 2014
“ES Vendor” or “Easy Vision”	Easy Vision Holdings Limited, a direct wholly-owned subsidiary of Rosedale, which was incorporated in the BVI with limited liability
“Fair Value Per More Star Share”	the fair value of a share in More Star as certified by an independent firm of public accountants agreed by the shareholders of More Star with reference to a joint valuation report on the open market value of the TKT Hotel prepared by two independent valuers (one of being nominated by the purchasing shareholders of More Star and the other by the selling shareholders of More Star) and ignoring all selling shareholders’ loans other than any excess over the equity proportion of any shareholders of More Star
“Fortress State”	Fortress State International Limited, a wholly-owned subsidiary of More Star, which was incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries
“Hanny”	Hanny Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares (Stock Code : 275) of which are listed on the Main Board of the Stock Exchange
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK GAAP”	generally accepted accounting principles applicable in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HMIL”	Hongkong Macau (International) BVI Limited, a direct wholly-owned subsidiary of Eagle Spirit, which was incorporated in the BVI with limited liability
“HMIL Group”	collectively, HMIL and its subsidiary
“ITCC”	ITC Corporation Limited, a company incorporated in Bermuda with limited liability, the issued shares (Stock Code : 372) of which are listed on the Main Board of the Stock Exchange
“Licence Agreement”	the licence agreement to be entered into between ROHMI (as licensor) and Rosedale Kowloon (as licensee) upon the ES Completion

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Makerston”	Makerston Limited, a wholly-owned subsidiary of RHGL, which was incorporated in the BVI with limited liability
“Makerston Agreement”	the agreement dated 11th April, 2014 entered into between, inter alia, the Purchaser and the MS Vendor in relation to the sale and purchase of the MS Sale Share and the MS Sale Loan
“Makerston Dividend”	a dividend to be declared by Makerston prior to the MS Completion to the MS Vendor in an amount equal to the lesser of all distributable reserves of Makerston and the DS Eastin Dividend, subject to receipt of the DS Eastin Dividend
“Makerston Group”	collectively, Makerston and its subsidiary
“Master Lease”	the lease dated 14th March, 2014 entered into between Rosedale Kowloon (as lessee) and Fortress State (as lessor) in relation to the lease of the TKT Hotel
“More Star”	More Star Limited, incorporated in the BVI with limited liability, 40% of the issued share capital of which is owned by Eagle Spirit
“More Star Group”	collectively, More Star and its subsidiaries
“Mr. Chan FY”	Mr. Chan Fut Yan, an executive Director and the managing director of the Company, and an executive director of ITCC
“Mr. Chan YL”	Mr. Chan Yiu Lun, Alan, an executive Director, who is also an executive director of ITCC
“Mr. Cheung”	Mr. Cheung Hon Kit, an executive director and chairman of the Company and Rosedale
“Mr. Kwok”	Mr. Kwok Ka Lap, Alva, an independent non-executive director of the Company, Rosedale and Hanny
“Mr. Shek”	Hon. Shek Lai Him, Abraham, <i>GBS, JP</i> , an independent non-executive director of the Company and ITCC
“MS Completion”	completion of the sale and purchase of the MS Sale Share and the assignment of the MS Sale Loan under the Makerston Agreement

“MS Completion Accounts”	(i) the unaudited management accounts of Makerston on a non-consolidated basis; (ii) the unaudited management accounts of DS Eastin (on a non-consolidated basis); and (iii) the unaudited management accounts of the PRC Company, each comprising an income statement for the period from 1st January, 2014 to the MS Completion Date and a statement of financial position as at the MS Completion Date
“MS Completion Date”	the date that the MS Completion takes place
“MS Consideration”	the aggregate consideration for the MS Sale Share and the MS Sale Loan pursuant to the terms of the Makerston Agreement
“MS Group Entities”	Makerston, DS Eastin and the PRC Company
“MS Long Stop Date”	the day falling six (6) months from the date of the Makerston Agreement or such later date as the Purchaser and the MS Vendor may agree in writing
“MS Net Current Assets”	for any company, the aggregate of all current assets (including all cash at bank and on hand but excluding interest in an associated company, deferred tax assets, the Compensated Amount, net asset adjustment receivable under the Capital Increase Agreement and the Beijing Hotel) of such company less all liabilities (excluding all unpaid land premium, professional fees and other costs and expenses incurred by the MS Group Entities in relation to the proposed expansion and renovation of the Beijing Hotel up to the amount of available cash of the PRC Company, PRC tax liabilities on disposal of 80% interest in the PRC Company pursuant to the Capital Increase Agreement, deferred tax liabilities and the MS Sale Loan) of such company, as at the MS Completion Date
“MS Note”	a 5%, 2-year promissory note in the principal amount of HK\$250 million to be issued by the Company to the MS Vendor or its nominee in partial settlement of the MS Consideration upon the MS Completion
“MS Sale Loan”	the amounts due from Makerston to the MS Vendor upon Completion
“MS Sale Share”	one (1) ordinary share of US\$1 each in the issued share capital of Makerston representing the entire issued share capital as at the date of the Makerston Agreement and on the MS Completion

“MS Vendor” or “RHGL”	Rosedale Hotel Group Limited, a wholly-owned subsidiary of Apex, which was incorporated in the BVI with limited liability
“m ² ”	square meters
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“PRC Company”	Rosedale Hotel Beijing Co., Ltd. (北京珀麗酒店有限責任公司), a sino-foreign joint venture company established in the PRC, in which DS Eastin has a 20% equity interest
“PRC JV Agreement”	the shareholders’ agreement entered into between DS Eastin, and a subsidiary of CPVL dated 18th October, 2013
“Purchaser” or “Silver Infinite”	Silver Infinite Limited, a direct wholly-owned subsidiary of the Company, which was incorporated in the BVI with limited liability
“RCL”	Rosedale Restaurant and Catering Limited, an indirect wholly-owned subsidiary of Eagle Spirit, which was incorporated in Hong Kong with limited liability
“Relevant Rosedale Shares”	195,706,000 ordinary share(s) of HK\$0.01 each in the share capital of Rosedale (representing approximately 29.76% of its issued share capital)
“RGML”	Rosedale Group Management Limited, a direct wholly-owned subsidiary of Rosy, which was incorporated in Hong Kong with limited liability
“RHMIL”	Rosedale Hotel Management International Limited, a direct wholly-owned subsidiary of Rosy, which was incorporated in the BVI with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“ROHMI”	Rosedale Oriental Hotel Management Inc., a direct wholly-owned subsidiary of RHGL, which was incorporated in the BVI with limited liability
“Rosedale”	Rosedale Hotel Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares (Stock Code : 1189) of which are listed on the Main Board of the Stock Exchange
“Rosedale Kowloon”	Rosedale Hotel Kowloon Limited, a direct wholly-owned subsidiary of Eagle Spirit, which was incorporated in Hong Kong with limited liability

“Rosedale SGM”	the special general meeting of Rosedale to be convened and held for the Rosedale Shareholders to consider and, if thought fit, approve the Agreements and the transactions contemplated thereunder
“Rosedale Share Agreement”	the agreement dated 11th April, 2014 entered into among ITCC, ITC Investment Holdings Limited (as vendor), Hanny and Hanny Investment Group Limited (as purchaser) in relation to the sale and purchase of the entire issued share capital of Leaptop Investments Limited (a wholly-owned subsidiary of ITCC) which through its wholly-owned subsidiary, holds the Relevant Rosedale Shares
“Rosedale Shareholders(s)”	holder(s) of share(s) of HK\$0.01 each in the share capital of Rosedale
“Rosy”	Rosy Universe Limited, a wholly-owned subsidiary of Eagle Spirit, which was incorporated in the BVI with limited liability
“Rosy Group”	collectively, Rosy and its subsidiaries
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Agreements and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SHI”	Shaw Holdings Inc., a company incorporated in the Republic of Nauru
“SHI Agreement”	the sale and purchase agreement dated 5th November, 2013 entered into between Eagle Spirit as vendor and SHI as purchaser in relation to the sale and purchase of 60% interest in More Star
“SHI Call Option”	an option to require Eagle Spirit to sell to SHI the SHI Call Option Interest pursuant to the ES-SHI Shareholders’ Agreement
“SHI Call Option Interest”	all (and not part only) of the shares of Eagle Spirit holds in More Star and the total amount (which shall be all and not part only) of the shareholders’ loans then owing by the More Star Group to Eagle Spirit and its Affiliated Lenders

“SHI Put Option”	an option to require Eagle Spirit to purchase the SHI Put Option Interest pursuant to the ES-SHI Shareholders’ Agreement
“SHI Put Option Interest”	all (and not part only) of the shares of SHI holds in More Star and the total amount (which shall be all and not part only) of the shareholders’ loans then owing by the More Star Group to SHI and its Affiliated Lenders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TKT Hotel”	the hotel situated at No. 86 Tai Kok Tsui Road, Tai Kok Tsui, Kowloon, Hong Kong, registered in the Land Registry as Kowloon Inland Lot No. 11208 and now operating under the name of “ <i>Rosedale Hotel Kowloon</i> ”
“TKT Hotel Licence”	the hotel licence with Licence No. H/4644 issued by Hotel and Guesthouse Accommodation Authority to Fortress State dated 24th May, 2013
“Trademarks”	means (i) the trademarks registrations in Hong Kong in relation to the “ <i>Rosedale</i> ” brand of which ROHMI is the registered owner; (ii) such other marks which are from time to time used by, owned by, registered in the name of and/or applied for registration in the name of ROHMI or any of its wholly-owned subsidiaries from time to time and the use of which by Rosedale Kowloon and companies under common control of Rosedale Kowloon has been agreed between ROHMI and Rosedale Kowloon from time to time in writing; and (iii) the Domain Name
“Transactions”	collectively, the transactions contemplated under the Agreements
“US\$”	United States dollars, the lawful currency of the United States of America
“Valuation Price”	the Fair Value Per More Star Share times (i) the number of shares of More Star to be sold and purchased plus (ii) if any portion of the shareholder’s loan over and above the proportion of shareholding in More Star of the respective shareholders of More Star is owing to the selling shareholders of More Star and/or its Affiliated Lenders, an amount equivalent to the face value thereof and interest accrued thereon
“%”	per cent.

In this announcement, save as otherwise provided, amounts in RMB are translated into HK\$ on the basis of RMB1 = HK\$1.26 and US\$ are converted into HK\$ on the basis of US\$1 = HK\$7.75. The conversion rate is for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at that rate or at all.

For ease of reference, the names of companies and entities established in the PRC have been included in this announcement in both Chinese and English languages and the English names of these companies and entities are either English translation of their respective official Chinese names or English tradenames used by them. In the event of any inconsistency between the English names and their respective official Chinese names, the Chinese names shall prevail.

By order of the Board
ITC Properties Group Limited
Wong Kim Man
Company Secretary

Hong Kong, 23rd April, 2014

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

Independent Non-executive Directors:

Hon. Shek Lai Him, Abraham, *GBS, JP (Vice Chairman)*
Mr. Wong Chi Keung, Alvin
Mr. Kwok Ka Lap, Alva