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德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 199)

DISCLOSEABLE TRANSACTION RELATING TO THE PROVISION OF FINANCIAL ASSISTANCE TO A JOINT VENTURE

The Board announces that on 31st July, 2008, the Shareholders' Agreement has been entered into among Maxter, an indirect wholly-owned subsidiary of the Company, United Sun and Keen Step, pursuant to which each of the JV Parties has agreed, among other things, to extend, or procure its fellow subsidiary company(ies) to extend, loan facilities to Keen Step of not more than HK\$75 million (inclusive of approximately HK\$22.5 million already advanced by each of the JV Parties). Keen Step is beneficially owned as to 50% each by Maxter and United Sun respectively.

The provision of the loans pursuant to the Shareholders' Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Details of the provision of the loans are also disclosed pursuant to Rules 13.13 to 13.16 of the Listing Rules.

A circular containing further details of the Shareholders' Agreement will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

INTRODUCTION

On 23rd May, 2008, the JV is formed between Maxter, an indirect wholly-owned subsidiary of the Company, and United Sun for the purpose of pursuing investment opportunities in the property market. Each of Maxter and United Sun has 50% interest in the issued share capital of Keen Step and Keen Step is equity accounted for in the accounts of the Group. There was no capital commitment required of or made by the JV Parties upon the formation of the JV. Based on the subscription amount of share capital by Maxter of HK\$1, the formation of the JV did not constitute a notifiable transaction to the Company under Chapter 14 of the Listing Rules.

After the formation of the JV, Keen Step has entered into the Provisional Agreements between 28th May, 2008 and 10th June, 2008 to acquire the Property. Up to the date of this announcement, each of Maxter and United Sun has contributed approximately HK\$22.5 million to the JV (inclusive of paid-up capital and shareholders' loans) to finance the progress payments for the acquisition of the Property.

* For identification purpose only

THE SHAREHOLDERS' AGREEMENT

United Sun, Maxter and Keen Step entered into the Shareholders' Agreement on 31st July, 2008 to regulate the rights and obligations of the JV Parties in Keen Step including, among other things, the obligations of each of the JV Parties to provide loans to Keen Step to finance its further payment obligations in relation to the acquisition of the Property. The principal terms of the Shareholders' Agreement are set out below:

(1) Date:

31st July, 2008

(2) Parties:

- (i) United Sun;
- (ii) Maxter, an indirect wholly-owned subsidiary of the Company; and
- (iii) Keen Step.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, United Sun is a company incorporated in the British Virgin Islands and engaged in investment holdings. Both United Sun and its ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Apart from the formation of Keen Step, there is no prior transaction between the Company and United Sun and its ultimate beneficial owner.

(3) Finance:

Each of Maxter and United Sun undertakes to provide or procure its fellow subsidiary company(ies) to provide loans not exceeding HK\$75 million to Keen Step (inclusive of approximately HK\$22.5 million shareholders' loans already advanced by each of the JV Parties to Keen Step as at the date of this announcement), which shall be contributed by the JV Parties in accordance with their respective shareholding interests in Keen Step, to pay for the balance of the consideration for the acquisition of the Property and other expenses incidental to or associated with the acquisition and holding of the Property. In the event any guarantee, indemnity or other security is required by any bank or financial institution in respect of borrowings of Keen Step, the JV Parties also agreed that such guarantee or financing arrangement will be borne by them in proportion to their respective shareholding interests in Keen Step. The loans shall be unsecured, bear interest calculated at the prime rate for Hong Kong dollars from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited and have no fixed repayment date.

(4) Management of the JV:

The JV Board shall consist of a maximum of four directors. Each of the JV Parties shall be entitled to nominate and appoint two directors.

(5) Transfer restrictions:

Save and except for any transfer between the JV Parties and any transfer by a JV Party to a party which is its wholly-owned subsidiary or holding company or a wholly-owned subsidiary of such holding company, no JV Party shall transfer, sell, mortgage, charge, assign or otherwise dispose of or encumber the whole or any part of its shareholding in Keen Step or any shareholders' loans without the prior written consent of the other.

(6) Termination:

Except as agreed by the JV Parties in writing, the Shareholders' Agreement shall continue in full force and effect until Keen Step shall be wound up or otherwise cease to exist as a separate corporate entity, or until the entire issued share capital of Keen Step shall be owned by one shareholder of Keen Step.

INFORMATION ON KEEN STEP AND THE PROPERTY

Keen Step is a special purpose vehicle incorporated in May 2008 for the acquisition and holding of the Property. Keen Step has entered into the Provisional Agreements between 28th May, 2008 and 10th June, 2008 to acquire the Property for a total consideration of approximately HK\$134 million.

The Property is situated at No. 7 Moreton Terrace, Hong Kong. Pursuant to the Provisional Agreements, Ground Floor together with Cockloft and the Whole of Front Terrace, Flat A of the Second Floor, Flat B of the Third Floor, and Flats A and B of the Fourth Floor are sold to Keen Step subject to tenancies with independent third parties at a total rental income of approximately HK\$105,000 per month. The term of the leases will expire between the year 2009 to year 2011 (except for the Ground Floor with Cockloft and the Whole of Front Terrace where the tenant has an option to renew for another 3 years). The Ground Floor with Cockloft of the Property is for commercial use and the other units of the Property (other than the Whole of Front Terrace) are for residential use.

Completion of the acquisition of the Property is expected to take place between 31st July, 2008 and 31st December, 2008. Following completion of the acquisition, the JV Parties intend to hold the Property for resale or redevelopment purpose.

REASONS FOR THE LOANS

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

The Group has significant experience in property development and investment in Hong Kong. The Board considers that the formation of the JV will enable the Group to further expand into the property market in Hong Kong and the acquisition of the Property is expected to generate capital gain for the JV. Accordingly, the Board considers that it is in the Group's interest to support the capital requirements of the JV by way of loans in proportion to its shareholding interest in Keen Step. The Board also considers the terms of the Shareholders' Agreement including the terms of the provision of loans to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The loans will be financed by the Group’s internal resources. The provision of the loans is not expected to have any effects on the Group’s results, assets and liabilities.

GENERAL

Pursuant to Rule 14.06 of the Listing Rules, the provision of the loans constitutes a discloseable transaction for the Company. Details of the provision of the loans are also disclosed pursuant to Rules 13.13 to 13.16 of the Listing Rules.

A circular containing further details of the Shareholders’ Agreement will be despatched to the Shareholders in accordance with the requirements of the Listing Rules in due course.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	ITC Properties Group Limited (Stock Code : 199), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV” or “Keen Step”	Keen Step Corporation Limited, a company incorporated in Hong Kong with limited liability and in which each of United Sun and Maxter has a 50% shareholding
“JV Board”	the board of directors of the JV
“JV Parties”	United Sun and Maxter
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Maxter”	Maxter Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan

“Property”	(i) Ground Floor together with Cockloft and the Whole of Front Terrace, (ii) Flats A and B on the First Floor and Flat Roof, (iii) Flats A and B on the Second Floor, (iv) Flats A and B on the Third Floor, (v) Flats A and B on the Fourth Floor, and (vi) Flat A on the Fifth Floor, and Portion of the Main Roof, No.7 Moreton Terrace, Hong Kong
“Provisional Agreements”	the conditional provisional sale and purchase agreements entered into between the JV and various vendors of the Property between 28th May, 2008 and 10th June, 2008
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Shareholders’ Agreement”	the shareholders’ agreement entered into among Maxter, United Sun and Keen Step on 31st July, 2008 in relation to the respective rights and obligations of the JV Parties in Keen Step
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United Sun”	United Sun Investments Limited, a company incorporated in the British Virgin Islands
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%” or “per cent.”	percentage

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

Hong Kong, 4th August, 2008

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

Executive Directors:

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

Independent non-executive Directors:

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