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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)



VISIONS AHEAD

HANNY HOLDINGS LIMITED

錦興集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 275)

(i) MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF 50% INTEREST IN ITC PROPERTIES (CHINA) LIMITED;
(ii) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE PROVISION OF SHAREHOLDER'S LOAN;
AND
(iii) RESUMPTION OF TRADING

(i) VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE ACQUISITION OF 50% INTEREST IN ITC PROPERTIES (CHINA) LIMITED AND PROVISION OF SHAREHOLDER'S LOAN;
AND
(ii) RESUMPTION OF TRADING

THE AGREEMENT AND THE SHAREHOLDERS' AGREEMENT

On 29th September, 2010, the Vendor, the Purchaser, ITCP and Hanny entered into the Agreement pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares and the Sale Loan at an aggregate consideration of HK\$480 million.

The Sale Shares represent 50% of the issued share capital of ITCP (China) which will hold the entire interest in the Property Development Project upon completion of the Acquisition Agreements. Upon Completion, ITCP (China) will be owned equally by the Vendor and the Purchaser and will be accounted for as a jointly controlled entity by each of ITCP and Hanny.

On Completion, the Vendor, the Purchaser and ITCP (China) shall enter into the Shareholders' Agreement in respect of the affairs of, and the rights and obligations of the Vendor and the Purchaser in, ITCP (China) after Completion, under which each of the Vendor and the Purchaser shall undertake to provide Shareholder's Loan up to the amount of HK\$150 million to finance the Property Development Project and the operating expenses of the ITCP (China) Group.

* For identification purpose only

LISTING RULES IMPLICATIONS

The Transaction constitutes a major and connected transaction for ITCP under the Listing Rules by virtue of the substantial shareholding of Hanny in ITCP, while the provision of the Shareholder's Loan constitutes a discloseable and connected transaction for ITCP under the Listing Rules. The Agreement, the Shareholders' Agreement and the transactions contemplated respectively thereunder are therefore subject to the approval of the Independent ITCP Shareholders by way of poll. The ITCP IBC will be established to give recommendation to the Independent ITCP Shareholders on the terms of the Agreement, the Shareholders' Agreement and the transactions contemplated respectively thereunder. An independent financial adviser will be appointed to advise the ITCP IBC and the Independent ITCP Shareholders in this regard. The ITCP SGM will be convened and held for the Independent ITCP Shareholders to consider and, if thought fit, pass the ordinary resolution(s) to approve the Agreement, the Shareholders' Agreement and the transactions contemplated respectively thereunder (including the provision of Shareholder's Loan).

A circular containing, among other things, (i) details of the Transaction; (ii) the valuation report on the Property Development Project; (iii) the recommendation from the ITCP IBC; (iv) the letter of advice from the independent financial adviser; and (v) a notice convening the ITCP SGM together with the proxy form will be despatched to the ITCP Shareholders on or before 27th October, 2010.

The acquisition of the Sale Shares and the Sale Loan and the agreement to the provision of the Shareholder's Loan together constitute a very substantial acquisition for Hanny under Chapter 14 of the Listing Rules which requires the approval of the Hanny Shareholders by way of poll at the Hanny SGM. No Hanny Shareholder is required to abstain from voting at the Hanny SGM.

A circular containing, among other things, (i) details of the acquisition of the Sale Shares and the Sale Loan; (ii) the valuation report on the Property Development Project; (iii) financial information of the Hanny Group; (iv) financial information of the ITCP (China) Group; (v) unaudited pro forma financial information of the Enlarged Hanny Group; and (vi) a notice of the Hanny SGM will be despatched to the Hanny Shareholders on or before 31st January, 2011 to allow sufficient time for the preparation of the relevant information for inclusion in such circular of Hanny.

RESUMPTION OF TRADING

Trading in the ITCP Shares and the Hanny Shares has been suspended with effect from 9:30 a.m. on 30th September, 2010 pending the release of this announcement. Applications have been made to the Stock Exchange for the resumption of trading in the ITCP Shares and the Hanny Shares with effect from 9:30 a.m. on 7th October, 2010.

THE AGREEMENT

Date

29th September, 2010

Parties

- (i) Vendor : ITC Properties Holdings Group Limited, being the vendor of the Sale Shares and the Sale Loan, is a wholly-owned subsidiary of ITCP. The principal activity of the Vendor is investment holding;
- (ii) Purchaser : Vigorous World Limited, being the purchaser of the Sale Shares and the Sale Loan, is an indirect wholly-owned subsidiary of Hanny. As at the date of the Agreement, Hanny was indirectly interested in (a) 76,402,763 ITCP Shares, representing approximately 13.52% of the total issued ITCP Shares and is therefore a connected person of ITCP; and (b) convertible notes of ITCP in the principal amount of HK\$270,000,000 which are convertible into ITCP Shares at the adjusted conversion price of HK\$8.904 per ITCP Share. The principal activity of the Purchaser is investment holding;
- (iii) Vendor's guarantor : ITCP, as the guarantor to guarantee the obligations and liabilities of the Vendor under the Agreement; and
- (iv) Purchaser's guarantor : Hanny, as the guarantor to guarantee the obligations and liabilities of the Purchaser under the Agreement.

Subject matter

The assets to be disposed of by the Vendor and to be acquired by the Purchaser pursuant to the Agreement comprise (i) the Sale Shares, being fifty (50) shares of US\$1 each in the issued share capital of ITCP (China), representing 50% of the issued share capital of ITCP (China) as at the date of the Agreement and on Completion; and (ii) the Sale Loan. The amount of the shareholder's loan owing by ITCP (China) to the Vendor as at the date of the Agreement was approximately HK\$365 million.

Consideration

The aggregate consideration for the Sale Shares and the Sale Loan is HK\$480 million (subject to downward adjustment(s) as described below) which shall be apportioned as follows:

- (i) the portion of the Consideration attributable to the Sale Loan shall be equal to the face value of the Sale Loan on a dollar-for-dollar basis; and
- (ii) the remaining balance of the Consideration shall be attributable to the Sale Shares.

The Vendor and the Purchaser shall jointly procure that the Completion Accounts be issued within three months after the Completion Date. If the Purchaser so requires not later than two months after the issue thereof, the Vendor and the Purchaser shall, at the cost of ITCP (China), jointly appoint a firm of certified public accountants to audit the Completion Accounts.

The Consideration shall be adjusted downwards as described below. If the amount of the liabilities (other than the Sale Loan) appearing in the audited Completion Accounts exceeds the amount disclosed in the Completion Accounts, the Vendor shall repay to the Purchaser 50% of the amount of such excess. If the aforesaid excess is more than HK\$1 million, apart from repaying the Purchaser 50% of the amount of such excess, the Vendor shall also reimburse the Purchaser the audit expenses incurred by the Purchaser.

The Consideration has been/shall be paid by the Purchaser in cash in the following manner:

- (i) a deposit of HK\$350 million (the “**Deposit**”) has been paid upon signing of the Agreement; and
- (ii) the balance of the Consideration shall be paid upon Completion.

The Consideration was determined after arm’s length negotiations between the Vendor and the Purchaser with reference to, among other things, the Acquisition Consideration of HK\$960 million for the acquisition of the entire interest in Newskill under the Acquisition Agreements. As set out in the announcement and circular of ITCP dated 23rd December, 2009 and 31st May, 2010 respectively, the Acquisition Consideration was determined after arm’s length negotiations between ITCP (China) and the vendors under the Acquisition Agreements with reference to, among other things, the unaudited net deficit of the Newskill Group of approximately HK\$44.9 million as at 30th September, 2009, the valuation of the Property Development Project of RMB1,100 million (equivalent to approximately HK\$1,247.9 million) at its existing state as at 24th July, 2009 conducted by an independent professional valuer as well as the future prospects of the Property Development Project. As the valuation of the Property Development Project at its existing state as at 31st August, 2010 conducted by the independent professional valuer remained at RMB1,100 million (equivalent to approximately HK\$1,247.9 million) and there is no significant change in the financial position of the Newskill Group since 30th September, 2009, the ITCP Directors (excluding members of the ITCP IBC who shall form their views after considering the advice of the independent financial adviser) consider the Acquisition Consideration is a fair and reasonable basis for determining the Consideration and that the Consideration is fair and reasonable and the Agreement is on normal commercial terms.

Conditions precedent

Completion of the Agreement is conditional on:

- (i) the warranties given by the Vendor in the Agreement remaining true and accurate and not misleading in any material respect as at Completion and at all times between the date of the Agreement and the Completion Date;

- (ii) the delivery by the Vendor to the Purchaser of a legal opinion issued by a BVI law firm acceptable to the Purchaser and addressed to the Purchaser regarding, inter alia, due execution of the Agreement by the Vendor and the validity and enforceability thereof on the Vendor, together with a certificate of good standing and a certificate of incumbency of ITCP (China), all of which to be dated not more than ten (10) Business Days prior to Completion Date;
- (iii) the approval by the Independent ITCP Shareholders of the Agreement, the Shareholders' Agreement and the transactions contemplated thereunder at a general meeting of ITCP in compliance with the requirements of the Listing Rules;
- (iv) the approval by the Hanny Shareholders of the Agreement, the Shareholders' Agreement and the transactions contemplated thereunder at a general meeting of Hanny in compliance with the requirements of the Listing Rules;
- (v) the Acquisition Agreements having been completed such that ITCP (China) has acquired the entire issued share capital of and (if any) the shareholders' loans due by Newskill;
- (vi) the compliance by the Vendor and/or ITCP of any other requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities which require compliance at any time prior to Completion in relation to the transactions contemplated under the Agreement;
- (vii) the compliance by the Purchaser and/or Hanny of any other requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities which require compliance at any time prior to Completion in relation to the transactions contemplated under the Agreement; and
- (viii) no event or circumstances having occurred which has, had, or would reasonably be expected to have, a material adverse effect on the ITCP (China) Group taken as a whole.

The Purchaser may in its absolute discretion at any time waive the above conditions (i), (ii) and (viii) by notice in writing to the Vendor. Neither the Vendor nor the Purchaser may waive any of the above conditions (iii), (iv), (vi) and (vii). The condition (v) may only be waived by an agreement between the Vendor and the Purchaser. If the above conditions are not fulfilled or waived (as the case may be) on or before the Long Stop Date and/or the above conditions (i) and (viii) do not remain fulfilled (and are not waived by the Purchaser) on the Completion Date, the rights and obligations of the parties under the Agreement shall lapse and be of no further effect except for antecedent breach. In such event, the Vendor shall refund to the Purchaser the Deposit forthwith without any interest.

Completion

Completion shall take place on the third Business Day after all the conditions precedent having been fulfilled or, as the case may be, being properly waived, or such other date as the Vendor and the Purchaser may mutually agree in writing. If after fulfilment or waiver (as the case may be) of the above conditions, Completion does not take place due to the default of the Purchaser, the Vendor shall be entitled to forfeit HK\$20 million of the Deposit as full and final settlement of all claims by the Vendor in connection with the Agreement whatsoever and refund the balance of the Deposit to the Purchaser within seven (7) Business Days without interest. If the defaulting party is the Vendor, the Vendor shall within seven (7) Business Days refund to the Purchaser the Deposit together with an additional amount of HK\$20 million as full and final settlement of all claims by the Purchaser in connection with the Agreement whatsoever.

THE SHAREHOLDERS' AGREEMENT

On Completion, the Vendor, the Purchaser and ITCP (China) shall enter into the Shareholders' Agreement in respect of the affairs of (including, without limitation, its operations, management and business), and the rights and obligations of the Vendor and the Purchaser with respect to their interests in, ITCP (China) after Completion. The principal terms of the Shareholders' Agreement are set out below:

- Board composition : Each of the board of ITCP (China), Newskill and Joyful Honour shall consist of a maximum of six (6) directors, with each of the Purchaser and the Vendor having the right to nominate and appoint up to three (3) directors thereof. Chairman of the board of each of ITCP (China), Newskill and Joyful Honour shall be elected by majority votes of the directors present at the relevant meeting. For the Project Company, there shall be a maximum of seven (7) directors of which each of the Purchaser and the Vendor has the right to nominate and appoint up to three (3) directors while the remaining director shall be the general manager of the Project Company to be agreed between the Purchaser and the Vendor.
- Dividend policy : All profits of the ITCP (China) Group available for distribution (after provision for taxation, discharge of outstanding debts due to the banks and financial institutions and shareholders' loans) shall be distributed to its shareholders by way of dividends.
- Shareholder's Loan : The Vendor and the Purchaser shall, and shall procure the ITCP (China) Group to, use all reasonable endeavours to obtain financing from the banks or financial institutions to finance the Property Development Project and for operating expenses of the ITCP (China) Group on such terms as its board may determine.

In the event that external financing is not available or insufficient for such purposes, each of the Purchaser and the Vendor undertakes to provide further shareholders' loans to ITCP (China) up to a maximum amount of HK\$150 million within three years from the date of the Shareholders' Agreement at such time(s) as the board of ITCP (China) may from time to time resolve. All shareholders' loan(s) shall be unsecured, carry interest at the prime rate for Hong Kong dollar loans as quoted by The Hongkong and Shanghai Banking Corporation Limited from time to time and have no fixed repayment date and neither the Purchaser nor the Vendor shall demand repayment unless approved by the board of ITCP (China).

Right of first refusal and tag along right : If a shareholder wishes to dispose of its interest in ITCP (China) to a third party, all other shareholders are entitled to a right of first refusal to purchase all (but not part only) of the shares in and loans to ITCP (China) which the transferring shareholder intends to dispose at the same price and material terms.

Alternatively, the non-transferring shareholders are entitled to a tag along right whereby they may require the prospective purchaser to purchase all (but not part only) of their shares in and shareholders' loan due by ITCP (China) on the same terms.

Both the right of first refusal and tag along right are exercisable within a period of fourteen (14) days from the receipt of the transfer notice from the transferring shareholder.

Project management : The shareholders shall procure the ITCP (China) Group to appoint a subsidiary of Hanny as the project manager for the Property Development Project, which appointment shall be on terms comparable to those prevailing in the market and set out in a service agreement to be entered into by such parties.

Termination : The Shareholders' Agreement shall continue in full force and effect until the entire issued share capital of ITCP (China) shall be owned by one shareholder.

INFORMATION ON THE ITCP (CHINA) GROUP

ITCP (China) is an investment holding company. Its principal asset would be the entire issued share capital of Newskill upon completion of the Acquisition Agreements.

The principal activity of Newskill is investment holding and its sole asset is the investment in the entire issued share capital of Joyful Honour. Joyful Honour is a joint venture partner of the Project Company with Guangzhou Metro, which is a large-scale state-owned enterprise under Guangzhou government principally engaged in the operation and management of Guangzhou city track traffic system. As disclosed in the circular of ITCP dated 31st May, 2010, the Cooperation Agreement did not provide for the percentage interests of the joint venture partners in the Project Company but provided that upon completion of the Property Development Project on the Land, Guangzhou Metro would be entitled to a gross floor area of 1,420 m² of the developed property (the “**Entitlement**”), and that in view of the Entitlement, it is one of the conditions precedent to the Acquisition Agreements that Guangzhou Metro will provide a confirmation (the “**Confirmation**”) to the satisfaction of ITCP (China) that (i) it has received full payment pursuant to the Cooperation Agreement; (ii) it has no claims against any company in the Newskill Group whatsoever; (iii) it would (at such time appointed by Joyful Honour) transfer its interest in the Project Company to Joyful Honour or a company nominated by Joyful Honour and direct the director(s) nominated by it in the Project Company to resign from his (their) directorship(s); and (iv) it no longer has any interest in the Land and the building to be erected thereon (collectively the “**Guangzhou Metro Condition**”).

Up to the date of this announcement, all conditions precedent set out in the Acquisition Agreements have been fulfilled except for the Guangzhou Metro Condition. Based on the discussion with the vendors under the Acquisition Agreements, there are good progress in the negotiations with Guangzhou Metro and it is expected that the Guangzhou Metro Condition will be fulfilled before the end of November 2010.

Set out below is the unaudited financial information of ITCP (China) for the two years ended 31st March, 2009 and 31st March, 2010 respectively, prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31st March,	
	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	–	–
Loss before taxation	(339)	(5)
Loss after taxation	(339)	(5)

The unaudited net liabilities of ITCP (China) as at 31st August, 2010 amounted to approximately HK\$3.9 million.

Set out below is the audited consolidated financial information of the Newskill Group for the two years ended 31st December, 2008 and 31st December, 2009 respectively, prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31st December,	
	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	–	–
Profit before taxation	2,597	1,670
Profit after taxation	2,597	1,670

The unaudited consolidated net asset value of the Newskill Group as at 30th June, 2010 amounted to approximately HK\$41.3 million.

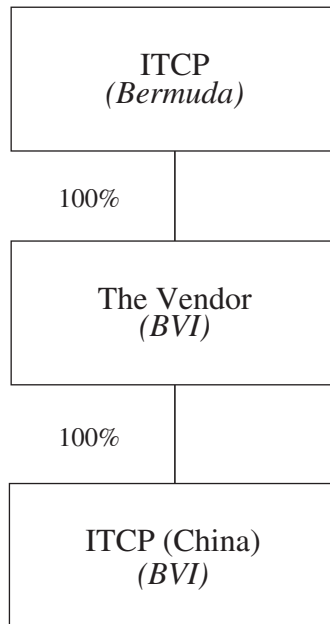
Based on the unaudited management accounts of ITCP (China) and the Newskill Group as at 30th June, 2010, the unaudited book value of the subject matters of the Transaction, which shall comprise mainly the book value of ITCP (China), the assets of the Newskill Group which shall be acquired by ITCP (China) pursuant to the Acquisition Agreements, and the amounts which may be owing by ITCP (China) to the Vendor upon Completion, amounted to a deficit of approximately HK\$3.9 million as at 30th June, 2010.

Upon Completion, ITCP (China) will cease to be a subsidiary of ITCP and become a jointly controlled entity of each of ITCP and Hanny. Accordingly, ITCP and Hanny will each equity account for the results of the ITCP (China) Group after Completion.

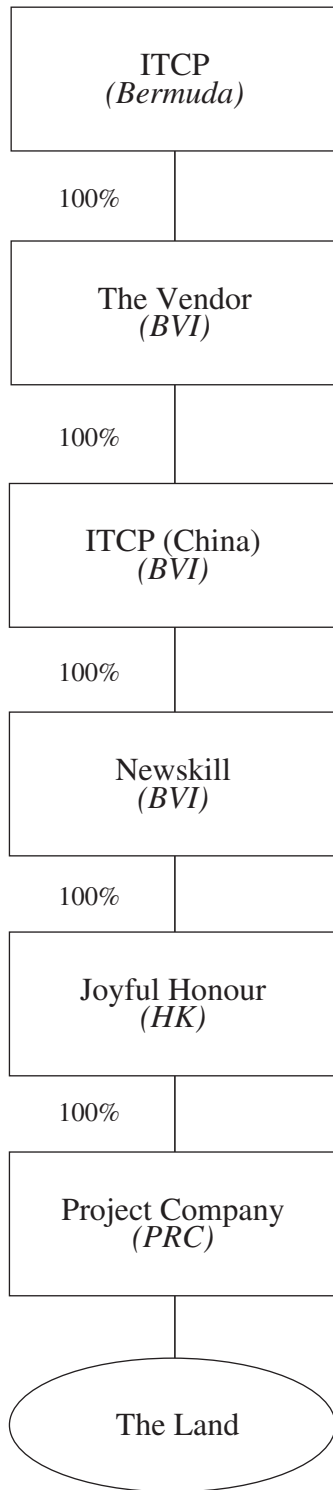
STRUCTURE OF THE ITCP (CHINA) GROUP

The following charts illustrate the structure of the ITCP (China) Group (i) as at the date of this announcement; (ii) immediately after completion of the Acquisition Agreements but before Completion; and (iii) immediately after Completion:

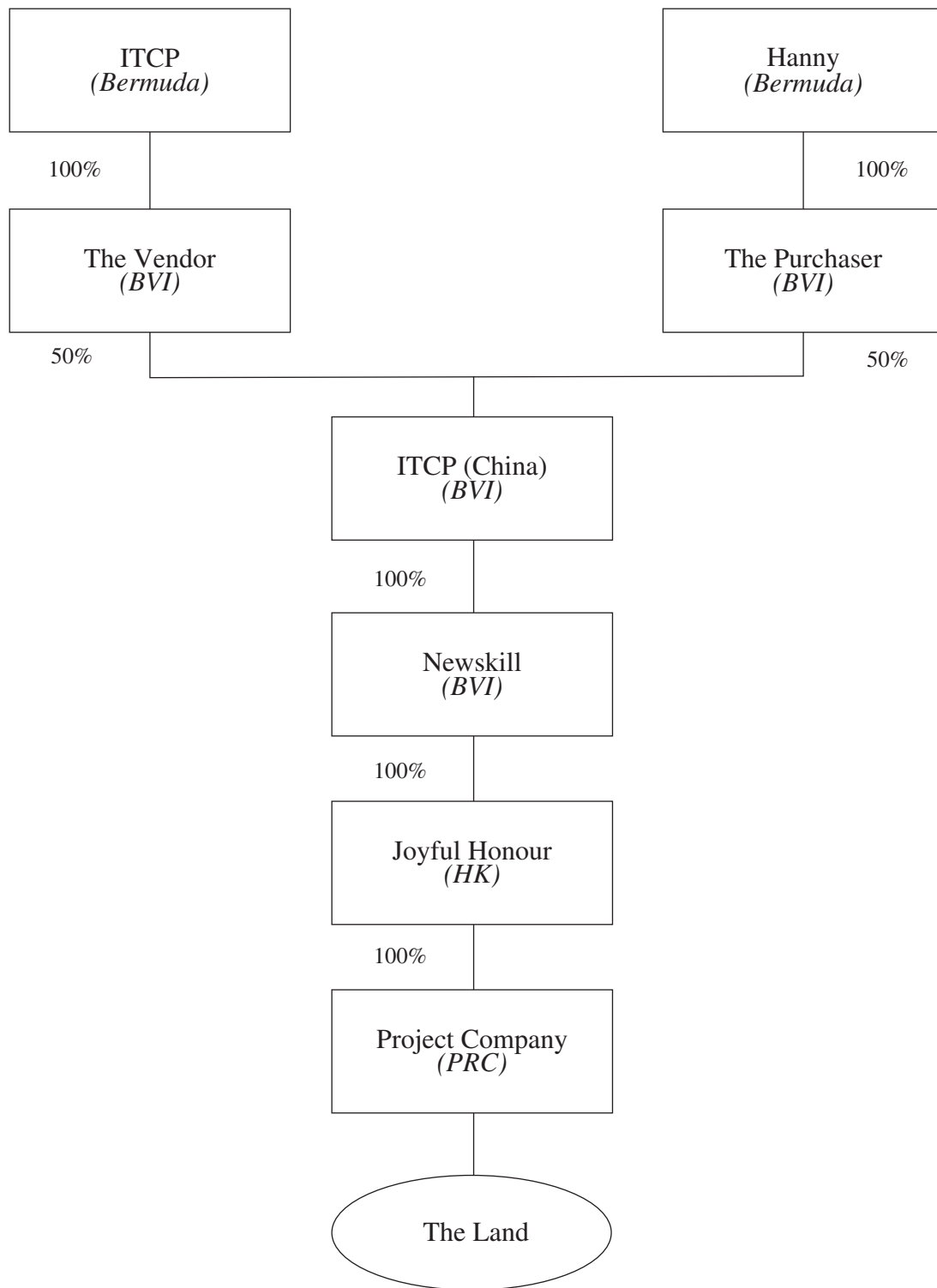
(i) *As at the date of this announcement*



(ii) Immediately after completion of the Acquisition Agreements but before Completion



(iii) Immediately after Completion



Note: Words in parentheses represent places of incorporation.

REASONS FOR THE TRANSACTION

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

Hanny is an investment holding company and the Hanny Group is principally engaged in trading of securities, holding of vessels for sand mining, industrial water supply business, property development and trading and other strategic investments including an associated company whose shares are traded on the OTC Securities Market in the United States of America and convertible notes issued by companies whose shares are listed on the Stock Exchange.

As mentioned in the announcement of ITCP dated 23rd December, 2009, it is the intention of the ITCP Group to develop the Land into a high-class shopping arcade with 4 basement floors and 7-storeys above ground with gross floor area of about 64,514 m². The Property Development Project is expected to comprise shops, food and beverage outlets, cinema and carpark with passageways directly connecting to the Gongyuanqian Subway Station, one of the busiest interchange stations. Based on the latest progress including the Demolition and Resettlement, construction may commence in mid-2011 with construction period of approximately three years.

As at the date of this announcement, the Hanny Group is interested in another parcel of land located in the neighbourhood of the Land, details of which were set out in the circulars of Hanny dated 25th September, 2009 and 11th August, 2010. A residential, commercial and financial complex is planned to be developed on the Hanny Land and is expected to be completed by the end of 2011.

The Shareholders' Agreement provides that, among other things, a subsidiary of Hanny will be engaged as the project manager for the Property Development Project. Accordingly, the Hanny Group will take lead in the overall development of the Land and the Hanny Land. It is currently expected that the properties to be developed on the Land and the Hanny Land would be linked up with passageways to enhance accessibility and traffic flow. The ITCP Directors and the Hanny Directors are of the view that the development potential and therefore the capital value of both the Land and the Hanny Land would be maximized if they are developed under one project manager. From ITCP's perspective, the Transaction reduces the ITCP Group's commitment towards the Property Development Project and yet allows ITCP to retain a joint control over the Property Development Project. From Hanny's perspective, the Transaction enables the Hanny Group to capitalize its existing resources and experience to expand its property portfolio in Guangzhou.

Based on the above, the ITCP Directors (excluding members of the ITCP IBC who shall form their views after considering the advice of the independent financial adviser) are of the view that the terms of the Agreement and the Shareholders' Agreement (including the provision of the Shareholder's Loan) are fair and reasonable and the disposal of the Sale Shares and the Sale Loan and the provision of the Shareholder's Loan are in the interests of ITCP and the ITCP Shareholders as a whole. The Hanny Directors also consider that the terms of the

Agreement and the Shareholders' Agreement (including the Shareholder's Loan) are fair and reasonable and the acquisition of the Sale Shares and the Sale Loan and the provision of the Shareholder's Loan are in the interests of Hanny and the Hanny Shareholders as a whole.

Based on the unaudited financial information of the ITCP (China) Group as at 30th June, 2010 and assuming completion of the Acquisition Agreements, a loss of approximately HK\$1 million is expected to arise from the Transaction for the ITCP Group, which is calculated with reference to the net proceeds from the Consideration of HK\$477 million less the carrying value attributable to the Sale Shares and the Sale Loan as at 30th June, 2010, after accounting for the transaction costs associated with the implementation of the Transaction. ITCP Shareholders and investors should note that the exact financial effects of the Transaction on the ITCP Group is subject to audit and is yet to be determined with reference to the fair value attributable to the Sale Shares and the Sale Loan as at the Completion Date.

The net proceeds receivable by ITCP from the Transaction, after deducting the related expenses, are estimated to be approximately HK\$477 million. ITCP intends to apply such net proceeds for refinancing completion of the Acquisition Agreements and as the ITCP Group's general working capital.

The Consideration payable by the Purchaser shall be funded by internal resources of the Hanny Group.

LISTING RULES IMPLICATIONS

For ITCP

The Transaction constitutes a major transaction for ITCP under Chapter 14 of the Listing Rules. As at the date of the Agreement, Hanny was indirectly interested in 76,402,763 ITCP Shares, representing approximately 13.52% of the issued share capital of ITCP. As the Purchaser is an indirect wholly-owned subsidiary of Hanny, the Purchaser is a connected person of ITCP pursuant to the Listing Rules and the Transaction also constitutes a connected transaction for ITCP. The provision of the Shareholder's Loan under the Shareholders' Agreement constitutes a discloseable and connected transaction for ITCP under the Listing Rules. Accordingly, the Agreement, the Shareholders' Agreement and the transactions contemplated respectively thereunder are subject to the approval of the Independent ITCP Shareholders at the ITCP SGM by way of poll. Hanny and its associates shall abstain from voting on the proposed ordinary resolution(s) to approve the Agreement, the Shareholders' Agreement and the transactions contemplated respectively thereunder (including the provision of the Shareholder's Loan) at the ITCP SGM.

The ITCP IBC will be established to give recommendation to the Independent ITCP Shareholders on the terms of the Agreement, the Shareholders' Agreement and the transactions contemplated respectively thereunder. An independent financial adviser will be appointed to advise the ITCP IBC and the Independent ITCP Shareholders in this regard. The ITCP SGM will be convened and held for the Independent ITCP Shareholders to consider and, if thought fit, approve the Agreement, the Shareholders' Agreement and the transactions contemplated respectively thereunder (including the provision of the Shareholder's Loan).

A circular containing, among other things, (i) details of the Transaction; (ii) the valuation report on the Property Development Project; (iii) the recommendation from the ITCP IBC; (iv) the letter of advice from the independent financial adviser; and (v) a notice convening the ITCP SGM together with the proxy form will be despatched to the ITCP Shareholders on or before 27th October, 2010.

For Hanny

The acquisition of the Sale Shares and the Sale Loan and the agreement to the provision of the Shareholder's Loan together constitute a very substantial acquisition for Hanny under Chapter 14 of the Listing Rules which requires the approval of the Hanny Shareholders by way of poll at the Hanny SGM. No Hanny Shareholder is required to abstain from voting at the Hanny SGM.

A circular containing, among other things, (i) details of the acquisition of the Sale Shares and the Sale Loan; (ii) the valuation report on the Property Development Project; (iii) financial information of the Hanny Group; (iv) financial information of the ITCP (China) Group; (v) unaudited pro forma financial information of the Enlarged Hanny Group; and (vi) a notice of the Hanny SGM will be despatched to the Hanny Shareholders on or before 31st January, 2011 to allow sufficient time for the preparation of the relevant information for inclusion in such circular of Hanny.

RESUMPTION OF TRADING

Trading in the ITCP Shares and the Hanny Shares has been suspended with effect from 9:30 a.m. on 30th September, 2010 pending the release of this announcement. Applications have been made to the Stock Exchange for the resumption of trading in the ITCP Shares and the Hanny Shares with effect from 9:30 a.m. on 7th October, 2010.

DEFINITION

In this announcement, the following terms have the following meanings:

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|-----------------------------|---|
| “Acquisition Agreements” | collectively, (i) the agreement dated 15th December, 2009 entered into between ITCP (China) and Bright Sino Profits Limited in relation to the acquisition of 92% of the issued share capital of Newskill and (if any) the corresponding shareholders' loans; and (ii) the agreement dated 15th December, 2009 entered into between ITCP (China) and Cango Trading Limited, an indirect wholly-owned subsidiary of Hanny, in relation to the acquisition of 8% of the issued share capital of Newskill and (if any) the corresponding shareholders' loans |
| “Acquisition Consideration” | the aggregate cash consideration in the amount of HK\$960 million payable by ITCP (China) to the vendors pursuant to the Acquisition Agreements |

“Agreement”	the agreement dated 29th September, 2010 entered into among the Vendor, ITCP, the Purchaser and Hanny in relation to the sale and purchase of the Sale Shares and the Sale Loan
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Business Day(s)”	a day (other than Saturday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which the banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“Completion”	completion of the Agreement
“Completion Accounts”	the unaudited consolidated profit and loss account of the ITCP (China) Group for the period from its date of incorporation to the Completion Date and the unaudited consolidated balance sheet of the ITCP (China) Group as at the Completion Date to be prepared in accordance with the Hong Kong Financial Reporting Standards
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	the aggregate consideration for the Sale Shares and the Sale Loan pursuant to the terms of the Agreement

“Cooperation Agreement”	a cooperation agreement relating to the Project Company entered into between Guangzhou Metro and Keep Mount (Holdings) Limited (協望(集團)有限公司) dated 18th August, 1993 as supplemented by (i) a supplemental agreement entered into between Keep Mount (Holdings) Limited (協望(集團)有限公司), Joyful Honour and Guangzhou Metro dated 2nd March, 1998; (ii) a supplemental agreement relating to the Project Company (合作經營廣州捷榮房地產開發有限公司合同的補充合同) entered into between Joyful Honour and Guangzhou Metro dated 9th June, 2006; (iii) a supplemental agreement entered into between Joyful Honour and Guangzhou Metro dated 22nd September, 2006; (iv) a supplemental agreement entered into between Guangzhou Metro and Joyful Honour dated 30th January, 2007; (v) a supplemental agreement entered into between Joyful Honour and Guangzhou Metro dated 28th September, 2009; and (vi) a supplemental articles of association of the Project Company signed by Joyful Honour and Guangzhou Metro dated 28th September, 2009
“Demolition and Resettlement”	demolition of all structures on the Land and resettlement of all occupiers (拆遷安置) thereon in compliance with Permit for Demolition and Removal Chai Xu Zi (2006) No. 27 (拆許字(2006)第27號《房屋拆遷許可證》) and the relevant laws and regulations and requirements of all relevant PRC authorities and all contractual obligations of the Project Company
“Enlarged Hanny Group”	the Hanny Group as enlarged by the acquisition of the Sale Shares immediately upon Completion
“Guangzhou Metro”	廣州市地下鐵道總公司 (Guangzhou Metro Corporation)
“Hanny”	Hanny 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 (Stock Code : 275)
“Hanny Director(s)”	director(s) of Hanny
“Hanny Group”	Hanny and its subsidiaries
“Hanny Land”	the parcel of land held by the Hanny Group located at the junction of 中山五路 (Zhongshanwu Road) and 吉祥路 (Jixiang Road) in 越秀區 (Yuexiu District), Guangzhou, the PRC

“Hanny SGM”	the special general meeting of Hanny to be convened and held for the Hanny Shareholders to consider and, if thought fit, approve the Agreement, the Shareholders’ Agreement and the transactions contemplated respectively thereunder
“Hanny Share(s)”	ordinary shares of HK\$0.01 each in the capital of Hanny
“Hanny Shareholder(s)”	holder(s) of the Hanny Share(s)
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Independent ITCP Shareholders”	ITCP Shareholders other than Hanny and its associates
“ITCP”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code : 199)
“ITCP (China)”	ITC Properties (China) Limited (formerly known as Macau Prime Property (China) Limited), a company incorporated in the BVI and a wholly-owned subsidiary of the Vendor prior to Completion
“ITCP (China) Group”	ITCP (China) and its subsidiaries upon completion of the Acquisition Agreements
“ITCP Director(s)”	director(s) of ITCP
“ITCP Group”	ITCP and its subsidiaries
“ITCP IBC”	independent committee of the board of the ITCP Directors, comprising Hon. Shek Lai Him, Abraham, SBS, JP and Mr. Wong Chi Keung, Alvin, both being the independent non-executive directors of ITCP, to be established to give recommendation to the Independent ITCP Shareholders on the Transaction
“ITCP SGM”	the special general meeting of ITCP to be convened and held for the Independent ITCP Shareholders to consider and, if thought fit, approve the Agreement, the Shareholders’ Agreement and the transactions contemplated respectively thereunder
“ITCP Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of ITCP
“ITCP Shareholder(s)”	holder(s) of the ITCP Share(s)

“Joyful Honour”	Joyful Honour Investment Limited, a company incorporated in Hong Kong with limited liability
“Land”	the parcel of land situated at the junction of 中山五路 (Zhongshan Wu Road) and 教育路 (Education Road) in 越秀區 (Yuexiu District), Guangzhou, the PRC which is owned by the Project Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling 180 calendar days after the date of the Agreement or such other date as the parties to the Agreement may agree in writing
“Macau”	the Macau Special Administrative Region of the PRC
“Newskill”	Newskill Investments Limited, a company incorporated in the BVI with limited liability
“Newskill Group”	Newskill and its subsidiaries
“PRC”	The People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this announcement
“Project Company”	廣州捷榮房地產開發有限公司 (Guangzhou Jierong Real Estate Development Co., Ltd.), a company incorporated in the PRC with limited liability
“Property Development Project”	the property development project named “JY-1 Project” to be carried out by the Project Company on the Land
“Purchaser”	Vigorous World Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of Hanny
“Sale Loan”	50% of all the amounts which may be owing by ITCP (China) to the Vendor as at Completion
“Sale Shares”	fifty (50) shares of US\$1 each in the capital of ITCP (China), representing 50% of the issued share capital of ITCP (China) as at the date of the Agreement and on Completion
“Shareholder’s Loan”	the shareholder’s loan which may be advanced by each of the Vendor and the Purchaser to ITCP (China) up to the maximum amount of HK\$150 million pursuant to the Shareholders’ Agreement

“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among the Purchaser, the Vendor and ITCP (China) on Completion in respect of the affairs of (including, without limitation, its operations, management and business), and the rights and obligations of the Vendor and the Purchaser with respect to their interests in, the ITCP (China) Group after Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction”	the sale and purchase of the Sale Shares and the Sale Loan pursuant to the terms and conditions of the Agreement
“Vendor”	ITC Properties Holdings Group Limited, a company incorporated in the BVI and a direct wholly-owned subsidiary of ITCP
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

In this announcement, save as otherwise provided, amounts in RMB are converted into HK\$ on the basis of HK\$1 = RMB0.8815. 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 of directors
ITC Properties Group Limited
Cheung Hon Kit
Chairman

By order of the board of directors
Hanny Holdings Limited
Dr. Yap, Allan
Chairman

Hong Kong, 6th October, 2010

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

Executive directors:

Mr. Cheung Hon Kit (*Chairman*)
Mr. Chan Fut Yan (*Managing Director*)
Mr. Cheung Chi Kit
Mr. Lai Tsan Tung, David
Mr. Chan Yiu Lun, Alan

Non-executive director:

Mr. Ma Chi Kong, Karl

Independent non-executive directors:

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

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

Executive directors:

Dr. Yap, Allan (*Chairman*)
Mr. Chan Kwok Chuen, Augustine
(*Managing Director*)

Independent non-executive directors:

Mr. Kwok Ka Lap, Alva
Mr. Poon Kwok Hing, Albert
Mr. Sin Chi Fai