

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 ACQUISITIONS OF PROPERTIES IN HONG KONG

The Board announces that Castle Win, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Sale and Purchase Agreements with the Vendors in relation to the acquisitions of the Properties on 10th December, 2007 and 11th December, 2007 respectively at an aggregate consideration of HK\$229,800,000.

The Acquisitions in aggregate constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

A circular containing further details of the Acquisitions will be despatched to the Shareholders as soon as practicable.

INTRODUCTION

The Board announces that Castle Win entered into the Provisional Sale and Purchase Agreements with the Vendors in relation to the acquisitions of the Properties on 10th December, 2007 and 11th December, 2007 respectively at an aggregate consideration of HK\$229,800,000.

PROVISIONAL SALE AND PURCHASE AGREEMENTS

The principal terms of each of the Provisional Sale and Purchase Agreements are primarily the same which are set out below:

(1) Date:

- 10th December, 2007 for the Provisional Sale and Purchase Agreement in relation to Property 703; and
- 11th December, 2007 for the Provisional Sale and Purchase Agreement in relation to Property 705.

* For identification purpose only

(2) Parties:

Vendors: Lucky Resources Investments Limited for Property 703; and
Pour Special Limited for Property 705,

both of which are introduced to Castle Win by an estate agent. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries:

- (i) the principal business activities of the Vendors are investment holding;
- (ii) the Vendors have no common shareholding or common directors;
- (iii) the Vendors, their respective ultimate beneficial owners and the estate agent are independent of the Company and its connected persons and are not connected persons of the Company; and
- (iv) the Vendors do not have any relationship with the vendors of the Company's acquisitions over the past 12 months.

Purchaser: Castle Win, an indirect wholly-owned subsidiary of the Company.

(3) Properties:

Property 703 is a corner site situated at the junction of Nathan Road and Fife Street with a gross site area of approximately 1,060 sq. ft. and Property 705 is situated next to Property 703 along Nathan Road with a gross site area of approximately 1,372 sq. ft. and together will have an aggregate re-developable gross floor area of approximately 30,000 sq. ft. Pursuant to the Provisional Sale and Purchase Agreements, Property 705 is sold to Castle Win with vacant possession and Property 703 is sold to Castle Win subject to several tenancies with independent third parties at a total rental income of approximately HK\$220,000 per month. Some of these tenancies contain a right for the landlord to terminate it by 6-month prior written notice for the reason of redevelopment. Save and except the said tenancies, in spite of the requests made by Castle Win, the Vendor(s) have not provided Castle Win with information on the aggregate rental and/or expenses as well as the book values of the Properties and therefore the Group is not able to ascertain the net profits attributable to the Properties for the last two financial years and the book values of the Properties.

(4) Consideration:

The purchase price for Property 703 is HK\$166,300,000 and the purchase price for Property 705 is HK\$63,500,000. The Consideration, being HK\$229,800,000 in aggregate, is payable as follows:

- (a) HK\$22,980,000, representing 10% of the Consideration, has already been paid by Castle Win as initial deposit (the "Initial Deposit") upon the signing of the Provisional Sale and Purchase Agreements;
- (b) HK\$22,980,000, representing 10% of the Consideration will be paid by Castle Win as further deposit (the "Further Deposit") on or before 19th December, 2007; and
- (c) the balance of the Consideration in the sum of HK\$183,840,000 shall be paid by Castle Win upon Completion which shall be on or before 8th January, 2008.

If Castle Win defaults in Completion, the Initial Deposit and Further Deposit, or so much thereof as the law permits, will be liable to be forfeited by the Vendors. On the other hand if the Vendors shall default in Completion, Castle Win shall have the option to require specific performance or to rescind the Provisional Sale and Purchase Agreements (or the formal agreements to be entered into pursuant thereof) in which event the Initial Deposit and Further Deposit shall be refunded to Castle Win.

The Initial Deposit and the Further Deposit has been and will be settled by internal resources of the Group respectively. It is expected that a further 10% of the Consideration is to be settled from internal resources and the remaining balance of the Consideration will be financed by bank loan.

The Consideration was arrived at after arm's length negotiation with the Vendors. The Directors consider that the Consideration is fair and reasonable since it was negotiated through an independent estate agent by reference to the market prices of similar properties in the surrounding areas of the Properties. The consideration of Property 703 is higher than that of Property 705 since the former is a corner site (i) having 2 frontages at the ground level and attracts more customer flow; (ii) having better view angle at upper level since there are more windows; and (iii) more convenient location since it is just next to a MTR station entrance.

The Properties were valued at HK\$232,000,000 as at 11th December, 2007 by RHL Appraisal Ltd., an independent property valuer, as the market value on a redevelopment basis of the Properties as at such date in their existing states and conditions.

(5) Completion:

Completion shall take place on or before 8th January, 2008.

The Completion of each Provisional Sale and Purchase Agreement is inter-conditional on the other. There is no other conditions precedent for the Acquisitions.

REASONS FOR 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 golf resort and leisure operations in the PRC, securities investment, trading of motorcycles and loan financing services.

The Board has been actively seeking property investment opportunities. The Board considers that the Acquisitions provide a good opportunity for the Company to invest in the Properties in view of the prospering property market in Hong Kong. It is currently intended that the Properties will be held for resale purpose but there is as at the date of this announcement no negotiations with any third party on such resale.

GENERAL INFORMATION

The Acquisitions in aggregate constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing further details of the Acquisitions will be despatched to the Shareholders as soon as practicable.

TERMS USED IN THIS ANNOUNCEMENT

“Acquisition(s)”	the acquisition(s) of the Properties by Castle Win
“Board”	the board of Directors
“Castle Win”	Castle Win International Limited (城威國際有限公司), an indirect wholly-owned subsidiary of the Company, which is incorporated in Hong Kong
“Company”	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
“Completion”	completion of the Acquisitions under the Provisional Sale and Purchase Agreement(s)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration payable by Castle Win under the Provisional Sale and Purchase Agreements for the Acquisitions, being in aggregate HK\$229,800,000
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this announcement
“Properties”	collectively Property 703 and Property 705
“Property 703”	the parcel of land registered in the Land Registry as Section B of Kowloon Inland Lot No. 1263 and all the buildings erected thereon, being 703, Nathan Road, Mongkok, Kowloon, Hong Kong
“Property 705”	the parcel of land registered in the Land Registry as The Remaining Portion of Inland Lot No. 1263 and all the buildings erected thereon, being 705, Nathan Road, Mongkok, Kowloon, Hong Kong

“Provisional Sale and Purchase Agreement(s)”	(i) the provisional agreement for sale and purchase dated 10th December, 2007 entered into between Lucky Resources Investments Limited as vendor and Castle Win as purchaser in relation to the sale and purchase of Property 703 and (ii) the provisional agreement for sale and purchase dated 11th December, 2007 entered into between Pour Special Limited as vendor and Castle Win as purchaser in relation to the sale and purchase of Property 705
“Share(s)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	any one of the Vendors
“Vendors”	Lucky Resources Investments Limited (皆福有限公司) and Pour Special Limited (包卓有限公司), both are companies incorporated in Hong Kong
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“sq. ft.”	square feet

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

Hong Kong, 13th December, 2007

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