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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)

**(1) DESPATCH OF CIRCULAR AND EXPECTED TIMETABLE
IN RELATION TO THE PROPOSED RIGHTS ISSUE
(2) CHANGE IN BOARD LOT SIZE OF SHARES
AND
(3) AMENDMENT ON BOARD LOT SIZE OF WARRANTS**

DESPATCH OF CIRCULAR

The Circular containing, among other things, (i) the details of the Rights Issue, (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Rights Issue, (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Rights Issue, (iv) the summary terms of the Warrants, (v) the financial and other information on the Group, and (vi) the notice to convene the SGM will be despatched by the Company to the Shareholders on 24th June, 2008. Details of the expected timetable of the Rights Issue are set out in this announcement.

The Rights Issue is conditional upon, among other things, the fulfillment of the conditions set out under the section headed “Conditions of the Rights Issue” of the Announcement and the Circular. In particular, the Rights Issue is conditional upon the approval of the Shareholders at the SGM. The Rights Issue is also subject to the Underwriter not terminating the Underwriting Agreement in accordance with its terms. Accordingly, the Rights Issue may or may not proceed.

Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as applicable), and any dealing in the Rights Shares in their nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

* For identification purpose only

CHANGE IN BOARD LOT SIZE OF SHARES

The Shares are currently traded in board lots of 5,000 Shares each. In order to raise the board lot value, the Company is pleased to announce that the board lot size of the Shares for trading on the Stock Exchange is expected to be changed from 5,000 Shares to 30,000 Shares with effect from 4th August, 2008.

Assuming the change in board lot size becomes effective on 4th August, 2008, the Shares will be traded in board lots of 30,000 Shares and the estimated market value per board lot of the Shares will be approximately HK\$2,985, based on the theoretical ex-rights price of HK\$0.0995 per Share (based on the closing price of HK\$0.188 per Share as quoted on the Stock Exchange on the Last Trading Day).

A designated broker will provide matching services for the sale and purchase of odd lots of the Shares from 4th August, 2008 to 25th August, 2008.

AMENDMENT ON BOARD LOT SIZE OF WARRANTS

Pursuant to the Announcement, it was announced that the Warrants, upon issue, will be listed on the Stock Exchange and traded in board lots of 250,000. However, in order to facilitate the trading of Warrant Shares by the Shareholders after the expected change in trading board lot size of the Shares, details of which are set out in section “CHANGE IN BOARD LOT SIZE OF SHARES” below, the Board has decided to amend the board lot size of the Warrants from 250,000 to 240,000.

Reference is made to the joint announcement of the Company and Hanny dated 6th June, 2008 (the “Announcement”) in relation to, among other things, the proposed Rights Issue. Terms used in this announcement shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

The Company proposes to raise not less than approximately HK\$650.1 million and not more than approximately HK\$899.2 million before expenses by way of the Rights Issue of not less than 9,286,554,078 Rights Shares (with Warrants) and not more than 12,845,401,482 Rights Shares (with Warrants) at a subscription price of HK\$0.07 per Rights Share. The Company will provisionally allot three Rights Shares (with Warrants) in nil-paid form for every Share held to the Qualifying Shareholders on the Record Date. The Rights Issue is not available to the Excluded Shareholders. The Warrants will be issued to the subscribers of the Rights Shares by way of bonus issue in the proportion of four Warrants for every fifteen Rights Shares subscribed.

The estimated net proceeds of the Rights Issue will be not less than approximately HK\$626.6 million and not more than approximately HK\$875.5 million. The net proceeds from the Rights Issue are intended to be used as general working capital of the Group principally for its existing business and for the repurchase of the 2010 Convertible Notes and the 2011 Convertible Notes (other than those held by the respective subsidiaries of ITC and Hanny). Recently, the Company has received requests from certain holders of the 2010 Convertible Notes and the 2011 Convertible Notes (other than the respective subsidiaries of Hanny and ITC) to consider repurchasing their convertible notes in view of the fact that the notes have been out-of-the-money. The Company intends that after the successful completion of the Rights Issue and subject to the Executive confirming compliance with the requirements of the Codes, it will proceed to agreeing the detailed terms with the requesting holders of such convertible notes to

repurchase the outstanding amounts owing thereunder. The Company plans to use up to approximately HK\$544.1 million of the net proceeds of the Rights Issue for the repurchase. The Company confirms that it will not apply the proceeds of the Rights Issue to repurchase the convertible notes held by the respective subsidiaries of ITC and Hanny. As at the date of this announcement, the other holders of the 2010 Convertible Notes and the 2011 Convertible Notes are not connected persons of the Company. Accordingly, the said repurchase, if proceed, is not expected to constitute a connected transaction for the Company. If the said repurchase does not proceed, the said entire net proceeds of the Rights Issue will be used as general working capital of the Group.

DESPATCH OF CIRCULAR

The circular of the Company (the “Circular”) containing, among other things, (i) the details of the Rights Issue, (ii) a letter of recommendation from the independent board committee of the Company to the Independent Shareholders in respect of the Rights Issue, (iii) a letter of advice from the independent financial adviser to the independent board committee of the Company and the Independent Shareholders on the Rights Issue, (iv) the summary terms of the Warrants, (v) the financial and other information on the Group, and (vi) the notice to convene the SGM will be despatched by the Company to the Shareholders on 24th June, 2008. Details of the expected timetable of the Rights Issue are set out below.

EXPECTED TIMETABLE

The expected timetable of the Rights Issue set out below is subject to the results of the SGM and other changes in accordance with any agreement to be made between the Company and the Underwriter. The Company will notify the Shareholders of any changes to the expected timetable by way of announcement(s) as and when appropriate. Shareholders are recommended to consult their licensed securities dealers, registered institution in securities, other licensed corporations, bank managers, solicitors, professional accountants or other professional advisers if they are in any doubt about the arrangements described below. The expected timetable will also be set out in the Circular.

2008

Last day of dealings in the Shares on a cum-rights basis	Wednesday, 2nd July
First day of dealings in the Shares on an ex-rights basis	Thursday, 3rd July
Latest time for lodging transfer of Shares for entitlement to the Rights Issue.....	4:30 p.m. on Friday, 4th July
Closure of register of members.....	Monday, 7th July to Friday, 11th July (both dates inclusive)
Latest time for return of form of proxy for the SGM	11:00 a.m. on Tuesday, 8th July
SGM	11:00 a.m. on Thursday, 10th July
Announcement of the results of the SGM	Thursday, 10th July

Record Date	Friday, 11th July
Despatch of the Prospectus Documents	Friday, 11th July
Register of members re-opens	Monday, 14th July
First day of dealings in nil-paid Rights Shares	9:30 a.m. on Tuesday, 15th July
Latest time for splitting nil-paid Rights Shares.....	4:30 p.m. on Thursday, 17th July
Last day of dealings in nil-paid Rights Shares.....	Tuesday, 22nd July
Latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Friday, 25th July
Latest time for termination of the Underwriting Agreement	4:30 p.m. on Wednesday, 30th July
Announcement of the results of the Rights Issue	Friday, 1st August
Effective date of the change in board lot size of Shares.....	Monday, 4th August
First day of free exchange of existing certificates for Shares in board lot of 5,000 Shares into new certificates for Shares in board lot of 30,000 Shares	Monday, 4th August
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Shares.....	9:30 a.m. on Monday, 4th August
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be posted on or before	Tuesday, 5th August
Certificates for the Rights Shares and the Warrants expected to be despatched on or before	Tuesday, 5th August
Commencement of dealings in fully-paid Rights Shares and Warrants	Thursday, 7th August
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Shares	4:10 p.m. on Monday, 25th August
Last day of free exchange of existing certificates for Shares in board lot of 5,000 Shares into new certificates for Shares in board lot of 30,000 Shares	Wednesday, 27th August

APPLICATION FOR EXCESS RIGHTS SHARES (WITH WARRANTS)

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Excluded Shareholders and for any Rights Shares (with Warrants) provisionally allotted but not accepted by the Qualifying Shareholders.

Application for excess Rights Shares (with Warrants) may be made by completing the EAF and lodging the same with a separate remittance for the excess Rights Shares (with Warrants) being applied for. The Directors will allocate the excess Rights Shares (with Warrants) at their discretion on a fair and equitable basis, and on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
- (2) subject to the availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive less number of Rights Shares; whereas Qualifying Shareholders applying for larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive greater number of Rights Shares) and with board lot allocations to be made on a best effort basis.

Shareholders with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the application for excess Rights Shares (with Warrants) will not be extended to beneficial owners individually. Shareholders with their Shares held by a nominee company are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For Shareholders whose Shares are held by their nominee(s) and would like to have their names registered on the register of members of the Company, they must complete the relevant registration with Tricor Secretaries Limited, the Company's branch share registrar and transfer office in Hong Kong, by 4:30 p.m. on Friday, 4th July, 2008, the Business Day immediately prior to the closure of the register of members of the Company.

AMENDMENT ON BOARD LOT SIZE OF WARRANTS

Pursuant to the Announcement, it was announced that the Warrants, upon issue, will be listed on the Stock Exchange and traded in board lots of 250,000. However, in order to facilitate the trading of Warrant Shares by the Shareholders after the expected change in trading board lot size of the Shares, details of which are set out in section "CHANGE IN BOARD LOT SIZE OF SHARES" below, the Board has decided to amend the board lot size of the Warrants from 250,000 to 240,000.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN THEIR NIL-PAID FORM

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Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as applicable), and any dealing in the Rights Shares in their nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 7th July, 2008 to Friday, 11th July, 2008, both dates inclusive. No transfer of the Shares will be registered during this period.

CHANGE IN BOARD LOT SIZE OF SHARES

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Assuming the change in board lot size becomes effective on 4th August, 2008, the Shares will be traded in board lots of 30,000 Shares and the estimated market value per board lot of the Shares will be approximately HK\$2,985, based on the theoretical ex-rights price of HK\$0.0995 per Share (based on the closing price of HK\$0.188 per Share as quoted on the Stock Exchange on the Last Trading Day).

In order to alleviate the difficulties arising from the existence of odd lots of the Shares as a result of the change in board lot size of the Shares, the Company has procured Kingston to stand in the market to provide matching services for the odd lots of the Shares on a best effort basis, during the period from 4th August, 2008 to 25th August, 2008 (both dates inclusive). Holders of the Shares in odd lots (i.e. board lots which are not in integral multiples of 30,000 Shares) who wish to take advantage of this matching facility, please contact Ms. Rosita Kiu of Kingston at telephone number (852) 2298-6215 during office hours. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. Shareholders are advised to consult their professional advisers if they are in doubt about the above arrangement.

FREE EXCHANGE OF SHARE CERTIFICATES

Shareholders may submit their existing certificates for the Shares in board lot of 5,000 Shares to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for exchange during business hours from Monday, 4th August, 2008 to Wednesday, 27th August, 2008 (both dates inclusive), at the expense of the Company for new certificates for the Shares in board lot of 30,000 Shares. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each certificate for the Shares cancelled or each new certificate for the Shares issued, whichever number of certificates for the Shares cancelled/issued is higher. Nevertheless, all existing certificates for the Shares will continue to be good evidence of legal title and will be valid for dealings, trading and settlement purposes after the change in board lot size of the Shares has become effective and may be exchanged for certificates for the Shares at any time in accordance with the foregoing.

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

Hong Kong, 23rd June, 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