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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)

(Warrant Code : 490)

**(1) VERY SUBSTANTIAL ACQUISITION
IN RELATION TO THE
ACQUISITION OF NEWSKILL INVESTMENTS LIMITED;
(2) CONNECTED TRANSACTION;
AND
(3) RESUMPTION OF TRADING**

THE ACQUISITIONS

After trading hours of the Stock Exchange on 15th December, 2009, the Purchaser, an indirect wholly-owned subsidiary of the Company, and BSP entered into the BSP Acquisition Agreement pursuant to which the Purchaser has conditionally agreed to purchase and BSP has conditionally agreed to sell the BSP Sale Shares and (if any) the BSP Sale Loan at an aggregate cash consideration of approximately HK\$883.2 million.

Separately, the Purchaser and CTL entered into the CTL Acquisition Agreement pursuant to which the Purchaser has conditionally agreed to purchase and CTL has conditionally agreed to sell the CTL Sale Shares and (if any) the CTL Sale Loan at an aggregate cash consideration of approximately HK\$76.8 million.

The Sale Shares represent the entire issued share capital of Newskill. As at the date of this announcement, Newskill owns the entire issued share capital of Joyful Honour which together with Guangzhou Metro, an Independent Third Party, are the joint venture partners of the Project Company. The principal asset of the Project Company is the Property Development Project named "JY-1 Project" in Guangzhou, the PRC.

* For identification purposes only

The Acquisitions in aggregate constitute a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. By virtue of the fact that CTL is an indirect wholly-owned subsidiary of Hanny, which in turn is a substantial shareholder of the Company indirectly holding approximately 16.22% of the total issued Shares as at the date of this announcement and therefore a connected person of the Company, the CTL Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The BSP Completion and the CTL Completion are not inter-conditional with each other. The BSP Acquisition is subject to the approval of the Shareholders or (if required) the Independent Shareholders and the CTL Acquisition is subject to the approval of the Independent Shareholders by way of poll at the SGM. The SGM will be convened and held to consider and, if thought fit, pass the ordinary resolutions to approve the BSP Acquisition Agreement, the CTL Acquisition Agreement and the transactions respectively contemplated thereunder.

An Independent Board Committee will be constituted by the Company to give a recommendation to the Independent Shareholders in relation to the CTL Acquisition, and an independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the terms of the CTL Acquisition Agreement.

A circular containing, among other things, details of the Acquisition Agreements, the valuation report on the property interests of the Enlarged Group, the unaudited pro forma financial information of the Enlarged Group, information of the Newskill Group and the Property Development Project, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the terms of the CTL Acquisition Agreement, the recommendation from the Independent Board Committee to the Independent Shareholders and the notice of the SGM together with the proxy form and other information as required under the Listing Rules will be despatched to the Shareholders as soon as practicable.

RESUMPTION OF TRADING

Trading in the Shares and warrants of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 16th December, 2009 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares and warrants of the Company with effect from 9:30 a.m. on 24th December, 2009.

INTRODUCTION

After trading hours of the Stock Exchange on 15th December, 2009, the Purchaser and BSP entered into the BSP Acquisition Agreement in relation to the sale and purchase of the BSP Sale Shares and (if any) the BSP Sale Loan at an aggregate cash consideration of approximately HK\$883.2 million. Separately, the Purchaser and CTL entered into the CTL Acquisition Agreement in relation to the sale and purchase of the CTL Sale Shares and (if any) the CTL Sale Loan at an aggregate cash consideration of approximately HK\$76.8 million. Set out below are the principal terms of the BSP Acquisition Agreement and the CTL Acquisition Agreement.

THE BSP ACQUISITION AGREEMENT DATED 15TH DECEMBER, 2009

1. Parties

- Vendor: Bright Sino Profits Limited, a company incorporated in the BVI with limited liability holding 92 shares in Newskill, which is engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, BSP and its ultimate beneficial owner are Independent Third Parties;
- Purchaser: Macau Prime Property (China) Limited, an indirect wholly-owned subsidiary of the Company, which is incorporated in the BVI with limited liability;
- Vendor's guarantor: Mr. Tang Chi Ming ("Mr. Tang"), the sole shareholder of BSP, as guarantor to guarantee the obligations and liabilities of BSP under the BSP Acquisition Agreement; and
- Purchaser's guarantor: The Company, the ultimate holding company of the Purchaser, as guarantor to guarantee the obligations and liabilities of the Purchaser under the BSP Acquisition Agreement.

To the best of the Directors' knowledge, information and belief and after making due and careful enquiries, Mr. Tang (i) is an executive director of Trasy Gold Ex Limited (a company whose shares are listed on the Growth Enterprise Market of the Stock Exchange) and a merchant with investments in properties; and (ii) currently does not hold any shares in the Company or Hanny. Mr. Tang was acquainted by the Group through some business associates of the Group. Apart from the BSP Acquisition, Mr. Tang does not have any other business relationship with the Group.

2. Interests to be acquired

The assets to be acquired comprise (i) the BSP Sale Shares, being 92 shares in Newskill, representing 92% of the issued share capital of Newskill; and (ii) (if any) the BSP Sale Loan. As at the date of the BSP Acquisition Agreement and the date of this announcement, there was/is no BSP Sale Loan outstanding.

As at the date of this announcement, Newskill owns the entire issued share capital of Joyful Honour which is an investment holding company incorporated in Hong Kong with limited liability. As at the date of this announcement, Joyful Honour together with Guangzhou Metro, an Independent Third Party, are the joint venture partners of the Project Company. For details of Joyful Honour and the Project Company, please refer to the section headed "Information of the Newskill Group".

The principal asset of the Project Company is the Property Development Project with a gross site area of approximately 9,710 m². The Property Development Project involves

the development of a high class shopping arcade in Yuexiu District which is one of the prime shopping and commercial districts in Guangzhou, the PRC.

3. Consideration and payment terms

The aggregate consideration for the BSP Sale Shares and (if any) the BSP Sale Loan is approximately HK\$883.2 million (subject to downward adjustment(s) as described below), which shall be apportioned as follows:

- (i) the portion of the BSP Consideration attributable to the BSP Sale Loan (if any) shall be equal to the face value of the BSP Sale Loan; and
- (ii) the balance of the BSP Consideration shall be attributable to the BSP Sale Shares.

There shall not be any upward adjustment to the said aggregate consideration for the BSP Sale Shares and (if any) the BSP Sale Loan.

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

- (i) a deposit (the “Deposit”) of approximately HK\$362.2 million has been paid to BSP upon the signing of the BSP Acquisition Agreement;
- (ii) a further payment of HK\$371.0 million (the “Further Payment”) shall be made to BSP (subject to a reduction of an amount equal to 92% of the excess of the consolidated liabilities (other than the BSP Sale Loan (if any) and any amount owing by the Newskill Group to the Guangzhou Company) of the Newskill Group over RMB300.0 million as shown in the completion accounts of the Newskill Group prepared for the purpose of BSP Completion) at BSP Completion; and
- (iii) the balance of the BSP Consideration of HK\$150.0 million shall be payable to BSP within 14 days of the date on which all the conditions set out in the paragraph headed “Conditions subsequent” below in this section are fulfilled or the expiry of 18 months after the BSP Completion Date, whichever is the earlier, subject to adjustment(s) as described below.

The BSP Consideration shall be adjusted in the following circumstances:

- (a) on account of the conditions subsequent as described in the paragraph headed “Conditions subsequent” below:
 - (i) it shall be reduced by an amount (which is not subject to any cap) equivalent to the costs and expenses incurred by the Project Company in connection with the Demolition and Resettlement since the BSP Completion Date;
 - (ii) it shall be reduced by HK\$50.0 million if a current and valid Permit for Demolition and Removal (房屋拆遷許可證) relating to the Land has not been obtained by the Project Company and the Demolition and Resettlement is not completed by the Project Company by the end of 1 year and 6 months after the BSP Completion Date; and

- (iii) it shall be reduced by an amount (which is not subject to any cap) equivalent to the costs and expenses incurred by the Project Company in connection with the obtaining of all relevant approvals, permits and consents from the relevant PRC authorities for the Development Plan (including the corresponding amendment (if any) to the Responsibility Agreement and the obtaining of the State-owned Land Use Certificate (國有土地使用證), Construction Land Planning Permit (建設用地規劃許可證), Planning Permit for Construction Project (建設工程規劃許可證), Commencement Permit for Construction Work (建設工程施工許可證) and Approval for the Construction Use of Land (建設用地批准書) relating to the Land pursuant to the BSP Acquisition Agreement) after the BSP Completion Date;
 - (iv) it shall be reduced by HK\$50.0 million if relevant approvals, permits, consents and amendments referred to in (iii) above have not been duly obtained or amended by the end of 1 year and 6 months after the BSP Completion Date;
- (b) on account of the consolidated liabilities of the Newskill Group:
- (i) it shall be reduced by an amount equal to 92% of the excess of the consolidated liabilities (other than the BSP Sale Loan (if any) and any amount owing by the Newskill Group to the Guangzhou Company) of the Newskill Group in the audited completion accounts prepared for the purpose of BSP Completion over those appearing in the unaudited completion accounts. For the avoidance of doubt, any amount already been deducted from the BSP Consideration from the Further Payment as described above shall not be counted toward the amount of deduction under this paragraph.

4. Conditions precedent

Completion of the BSP Acquisition is conditional upon fulfillment of the following conditions:

- (a) the warranties given by BSP remaining true and accurate, and not misleading, in all material respects as at BSP Completion and at all times between the date of the BSP Acquisition Agreement and BSP Completion;
- (b) the passing of the requisite resolution 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) approving the BSP Acquisition Agreement and the transactions contemplated thereunder at the SGM in compliance with the requirements of the Listing Rules;
- (c) all other relevant requirements under the Listing Rules and/or all necessary approvals and processes of the relevant authorities for the entry into and the implementation of the BSP Acquisition Agreement and the transactions contemplated thereunder having been fulfilled, obtained and/or complied with by the Purchaser and/or the Company;

- (d) the Purchaser being satisfied with the results of the due diligence review on the Newskill Group;
- (e) issue of a legal opinion by a PRC firm of lawyers acceptable to the Purchaser in respect of the Project Company and its business and assets in such form and substance to the satisfaction of the Purchaser, including: (i) (if requested by the Purchaser) the due and valid release of the Foreclosure Order; and (ii) the rights of the Project Company to the Land;
- (f) issue of a legal opinion by a BVI law firm acceptable to the Purchaser and addressed to the Purchaser on the due execution of the BSP Acquisition Agreement, the deed of assignment of loan and the deed of tax indemnity by BSP, their validity and enforceability, such legal opinion to be in form and substance to the satisfaction of the Purchaser and to be dated not more than 10 Business Days prior to the BSP Completion Date;
- (g) the delivery by BSP to the Purchaser of certificates of good standing and certificates of incumbency of Newskill and BSP to be dated not more than 10 Business Days prior to the BSP Completion Date;
- (h) a confirmation (in such form and substance acceptable to the Purchaser) from Guangzhou Metro (the “Confirmation”) confirming 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 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;
- (i) (if requested by the Purchaser) documentary evidence in such form and substance to the satisfaction of the Purchaser that (i) the Foreclosure Order has been duly discharged; and (ii) the Guangzhou Company has agreed to assign and transfer to the Purchaser (or its nominee) all amounts owing by the Newskill Group to the Guangzhou Company at a consideration of RMB10; and
- (j) no event or circumstance having occurred which would reasonably be expected to result in material adverse change to the Newskill Group taken as a whole.

BSP shall use its best endeavours to procure the fulfillment of all the above conditions precedent (other than conditions precedent (b) and (c)) and the Purchaser shall use its reasonable endeavours to procure the fulfillment of conditions precedent (b) and (c). Save for conditions precedent (b) and (c), all the above conditions precedent may be waived by the Purchaser at its absolute discretion.

If any of the above conditions precedent has not been fulfilled or waived by the Purchaser (as the case may be) by notice in writing to BSP (save for conditions precedent (b) and (c) which cannot be waived) on or before 5:00 p.m. on the Long Stop Date and/or the conditions precedent (a) and (j) above do not remain fulfilled (and are

not waived by the Purchaser) on the BSP Completion Date, the rights and obligations of the parties under the BSP Acquisition Agreement shall determine, and neither party shall have any claim against the other save for antecedent breach and the Deposit shall be returned by BSP to the Purchaser forthwith without interest.

If after fulfillment or waiver (as the case may be) of the above conditions precedent, BSP Completion does not take place due to the default of the Purchaser, BSP shall be entitled to forfeit HK\$50.0 million of the Deposit as liquidated damages and BSP shall not have any other claims against the Purchaser and shall refund the remaining Deposit to the Purchaser within 14 days.

If after fulfillment or waiver (as the case may be) of the above conditions precedent, BSP Completion does not take place due to any reason other than the Purchaser's default, BSP shall within 14 days refund the Deposit to the Purchaser as full and final settlement of all claims in connection with the BSP Acquisition Agreement whatsoever. If, however, such non-completion is due to the default of BSP, BSP shall, in addition to the refund of the Deposit as set out above and within 14 days, pay an amount of HK\$50.0 million to the Purchaser as liquidated damages as full and final settlement of all claims that the Purchaser may have in connection with the BSP Acquisition Agreement whatsoever.

5. Conditions subsequent

BSP undertakes to the Purchaser that:

- (a) it will procure completion of the Demolition and Resettlement such that the Demolition and Resettlement be duly completed by the Project Company by the end of 1 year and 6 months after the BSP Completion Date and that BSP shall be responsible for all costs and expenses for the Demolition and Resettlement;
- (b) it will procure that all relevant approvals, permits and consents from the relevant PRC authorities for the Development Plan, including the corresponding amendment (if any) to the Responsibility Agreement and the obtaining of the State-owned Land Use Certificate (國有土地使用證), Construction Land Planning Permit (建設用地規劃許可證), Planning Permit for Construction Project (建設工程規劃許可證), Commencement Permit for Construction Work (建設工程施工許可證) and Approval for the Construction Use of Land (建設用地批准書) in relation to the Land such that the said approvals, permits, consents and amendments are duly obtained by the Project Company by the end of 1 year and 6 months after the BSP Completion Date and that BSP shall be responsible for all costs and expenses thereof;
- (c) notwithstanding BSP Completion, it will indemnify and keep indemnified the Purchaser and the Newskill Group from and against all claims, liabilities, losses, costs and expenses (including legal expenses on a full indemnity basis) incurred by the Newskill Group arising from the Foreclosure Order and the settlement thereof;

- (d) it will demolish the temporary shop outlets and structure constructed on the Land for the Asian Games 2010 and related structures at its own costs and expenses and deliver vacant possession of the Land to the Project Company within 3 months after the issue of the Permit for Commencement of Construction Work (施工許可證) of the Land. BSP undertakes to indemnify the Purchaser and the Newskill Group against and from all claims, liabilities, costs and expenses (including legal expenses on a full indemnity basis) which the Purchaser or any company in the Newskill Group may suffer or incur or which may be made against the Purchaser or any company in the Newskill Group arising from or in connection with these temporary shop outlets (including but not limited to construction, management and/or demolition of such temporary shop outlets and any claims from third parties relating to such temporary shop outlets);
- (e) after fulfillment of the condition subsequent (b) above and upon receipt of full amount of the BSP Consideration (subject to any adjustment(s) to be made pursuant to the BSP Acquisition Agreement), BSP shall use its best endeavours to provide all necessary and reasonable assistance to the Purchaser in obtaining further approvals regarding development of the Land; and
- (f) it will indemnify and keep indemnified the Purchaser and the Newskill Group from and against all claims, liabilities, losses, costs and expenses (including legal expenses on a full indemnity basis) incurred by the Newskill Group arising from or in connection with (i) a civil action judgment and the settlement thereof; and (ii) the properties held by the Project Company other than the Land.

6. Completion

Completion of the BSP Acquisition shall take place on the fifth Business Day after the last outstanding conditions precedent (save and except that conditions precedent (a) and (j) which shall remain fulfilled up to BSP Completion) having been fulfilled (or waived, as the case may be) or such later date as the parties thereto shall agree in writing.

Completion of the BSP Acquisition is not conditional on the completion of the CTL Acquisition.

THE CTL ACQUISITION AGREEMENT DATED 15TH DECEMBER, 2009

1. Parties

Vendor: CTL, a company incorporated in the BVI and an indirect wholly-owned subsidiary of Hanny, holding 8 shares in Newskill. CTL is an investment holding company. As at the date of this announcement, Hanny is indirectly holding approximately 16.22% of the total issued share capital of the Company and CTL is therefore a connected person of the Company; and

Purchaser: Macau Prime Property (China) Limited.

2. Interests to be acquired

The assets to be acquired comprise (i) the CTL Sale Shares, being 8 shares in Newskill, representing 8% of the issued share capital of Newskill; and (ii) (if any) the CTL Sale Loan. As at the date of the CTL Acquisition Agreement and the date of this announcement, there was/is no CTL Sale Loan outstanding.

Both the original purchase cost of the above shares in Newskill to CTL and the carrying value of the above shares in Newskill to CTL as at 31st March, 2009 was approximately HK\$75.0 million.

3. Consideration and payment terms

The aggregate consideration for the CTL Sale Shares and (if any) the CTL Sale Loan is approximately HK\$76.8 million (subject to any downward adjustment as described below), payable by the Company to CTL in cash at CTL Completion, which shall be apportioned as follows:

- (i) the portion of the CTL Consideration attributable to the CTL Sale Loan (if any) shall be equal to the face value of the CTL Sale Loan; and
- (ii) the balance of the CTL Consideration shall be attributable to the CTL Sale Shares.

If the consolidated liabilities as shown in the completion accounts of the Newskill Group prepared for the purpose of CTL Completion (other than the CTL Sale Loan (if any) and any amount due by the Newskill Group to the Guangzhou Company) exceeds RMB300.0 million, the CTL Consideration shall be reduced by an amount equal to 8% of such excess.

There shall not be any upward adjustment to the said aggregate consideration for the CTL Sale Shares and (if any) the CTL Sale Loan.

4. Conditions precedent

Completion of the CTL Acquisition is conditional upon fulfillment of the following conditions:

- (a) the warranties made by CTL remaining true and accurate, and not misleading, in all material respects as at CTL Completion and at all times between the date of the CTL Acquisition Agreement and CTL Completion;
- (b) the passing of the requisite resolution 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) approving the CTL Acquisition Agreement and the transactions contemplated thereunder at the SGM to be convened for such purpose in compliance with the requirements of the Listing Rules;
- (c) (if applicable) the passing of the requisite resolution by the shareholders of Hanny (other than those, if any, who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations) approving the CTL Acquisition Agreement and the transactions contemplated thereunder at a general meeting of Hanny to be convened for such purpose in compliance with the requirements of the Listing Rules;
- (d) all other relevant requirements under the Listing Rules and/or all necessary approvals and processes of the relevant authorities for the entry into and the implementation of the CTL Acquisition Agreement and the transactions contemplated thereunder having been fulfilled, obtained and/or complied with by the Purchaser and/or CTL and/or the Company and/or Hanny;
- (e) the Purchaser being satisfied with the results of the due diligence review on the Newskill Group;
- (f) the Purchaser having obtained a legal opinion issued by a PRC firm of lawyers acceptable to the Purchaser and addressed to the Purchaser in respect of the Project Company and its business and assets in such form and substance to the satisfaction of the Purchaser, including: (i) (if requested by the Purchaser) the due and valid release of the Foreclosure Order; and (ii) the rights of the Project Company to the Land;
- (g) the Purchaser having obtained a certificate of good standing and a certificate of incumbency of Newskill to be dated not more than 10 Business Days prior to the CTL Completion Date;
- (h) the Confirmation from Guangzhou Metro;
- (i) (if requested by the Purchaser) documentary evidence in such form and substance to the satisfaction of the Purchaser that (i) the Foreclosure Order has been duly discharged; and (ii) the Guangzhou Company has agreed to assign and transfer to the Purchaser (or its nominee) all amounts owing by the Newskill Group to the Guangzhou Company at a consideration of RMB10; and

- (j) no event or circumstance having occurred which would reasonably be expected to result in material adverse change to the Newskill Group taken as a whole.

CTL shall use its best endeavours to procure the fulfillment of all the above conditions (other than conditions (b) and (d)) and the Purchaser shall use its reasonable endeavours to procure the fulfillment of conditions (b) and (d). Save for conditions (b), (c) and (d), all the above conditions may be waived by the Purchaser at its absolute discretion.

If any of the above conditions has not been fulfilled or waived by the Purchaser (as the case may be) by notice in writing to CTL on or before 5:00 p.m. on the Long Stop Date and/or the conditions (a) and (j) above do not remain fulfilled (and are not waived by the Purchaser) on the CTL Completion Date, the rights and obligations of the parties under the CTL Acquisition Agreement shall cease and terminate and no party shall have any claim against the other save for any antecedent breach.

If after fulfillment or waiver (as the case may be) of the above conditions, CTL Completion does not take place due to the default of either party thereto, the non-defaulting party shall have the right to terminate or rescind the CTL Acquisition Agreement without prejudice to any of its other rights or remedies arising from such default of the defaulting party.

5. Completion

Completion of the CTL Acquisition shall take place on the fifth Business Day after the last outstanding conditions shall have been fulfilled (or waived, as the case may be) or such later date as the parties thereto shall agree in writing.

Completion of the CTL Acquisition is not conditional on the completion of the BSP Acquisition.

INFORMATION OF THE NEWSKILL GROUP

1. Newskill and Joyful Honour

Newskill is a company incorporated in the BVI with limited liability. The principal activity of Newskill is investment holding and its only asset is the investment in the entire issued share capital of Joyful Honour which is a company incorporated in Hong Kong with limited liability. Joyful Honour and Guangzhou Metro, a large-scaled state-owned enterprise under Guangzhou government which is principally engaged in the operation and management of Guangzhou city track traffic system, are the only joint venture partners of the Project Company, a cooperative joint venture company established in the PRC. 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 aforesaid property development project, Guangzhou Metro would be entitled to a gross floor area of 1,420 m² of the developed property (the “Entitlement”). Save for the Entitlement, Guangzhou Metro is not entitled to any profit nor will it bear any risk in the Project Company. Furthermore, Guangzhou Metro has no obligation to contribute any capital or financing to the Project Company.

In view of the Entitlement of Guangzhou Metro under the Cooperation Agreement, it is a condition precedent to both the BSP Completion and the CTL Completion that Guangzhou Metro will provide the Confirmation to the satisfaction of the Purchaser 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. Based on the Directors' best knowledge, information and belief and after making due and careful enquiries, an amount of approximately HK\$108.6 million will be required to be paid by Joyful Honour, which will be funded by a shareholder's loan by BSP, as full payment under the Cooperation Agreement to Guangzhou Metro for Guangzhou Metro to give up all its rights, including but not limited to the Entitlement, under the Cooperation Agreement. Upon execution of the Confirmation and transfer of interest in the Project Company by Guangzhou Metro to Joyful Honour or a company nominated by Joyful Honour (which shall be a subsidiary of Joyful Honour) so provided under the BSP Acquisition Agreement, Joyful Honour will be entitled to 100% economic interests in the Project Company.

Set out below is the unaudited consolidated financial information of the Newskill Group for the nine months ended 30th September, 2009 and the two years ended 31st December, 2008 and 31st December, 2007 respectively prepared in accordance with the HK GAAP:

	For the nine months ended 30th September, 2009	For the year ended 31st December, 2008	For the year ended 31st December, 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	–	–	–
(Loss) profit before taxation	(1,992)	1,520	(831)
(Loss) profit after taxation	(1,992)	1,520	(831)
	As at 30th September, 2009	As at 31st December, 2008	As at 31st December, 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	695,570	773,543	712,204
Net liabilities	(44,858)	(41,690)	(63,855)

2. Project Company

The Project Company is a company incorporated in the PRC with limited liability with a registered and paid-up capital of approximately HK\$324.1 million. The principal asset of the Project Company is the Property Development Project which is situated at the junction of Zhongshan Wu Road (中山五路) and Education Road (教育路), Yuexiu District (越秀區), one of the prime shopping and commercial districts in Guangzhou, the PRC.

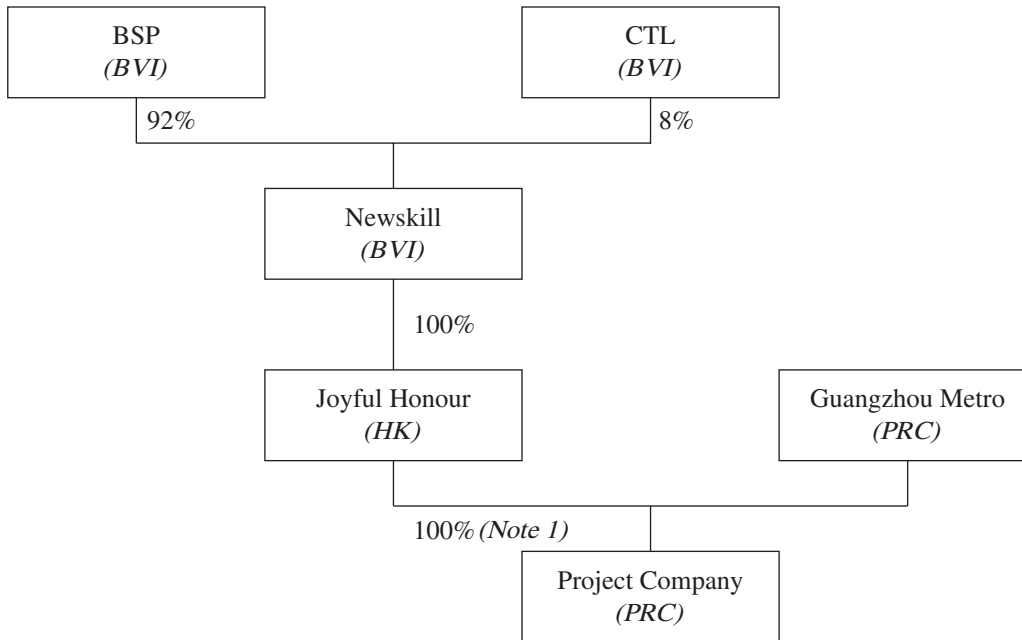
According to the land use right certificate dated 4th November, 1994, the Land has a site area of 7,594 m². The site area is subsequently increased to 9,710 m² pursuant to a supplemental land grant contract entered into between Bureau of Land Resources and Housing Management of Guangzhou (廣州市國土資源和房屋管理局) and the Project Company dated 1st August, 2006. Based on the Directors' best knowledge, information and belief and after making due and careful enquiries, there are currently certain buildings (primarily residential buildings) owned or used by less than 50 individuals or entities remaining on the Land pending demolition and resettlement. Pursuant to the terms of the BSP Acquisition Agreement, BSP undertakes to complete the Demolition and Resettlement within 1 year and 6 months after the BSP Completion. Otherwise, the BSP Consideration will be reduced by HK\$50.0 million.

The gross site area of the Land is 9,710 m², which is planned to be developed 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 corridors directly connecting to the Gongyuanqian Subway Station, one of the busiest interchange stations. Construction is targeted to commence in late 2010 with a construction period of approximately three years. It is the present intention of the Company to hold the Property Development Project for rental purpose after its completion.

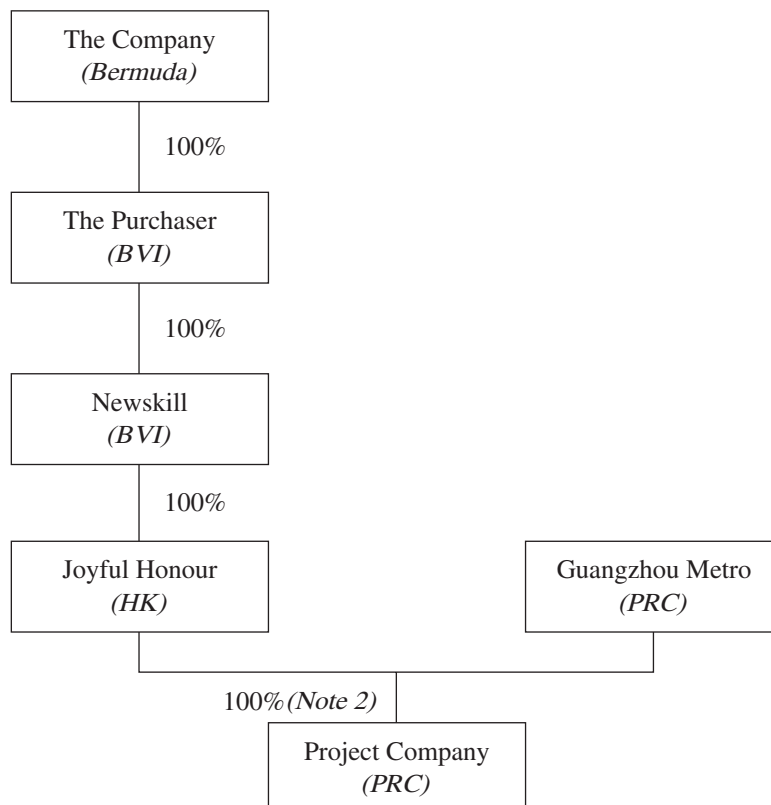
3. Structure of the Newskill Group

The following illustrates the structure of the Newskill Group:

Before BSP Completion and CTL Completion



Immediately after BSP Completion and CTL Completion



Notes:

1. Joyful Honour and Guangzhou Metro are joint venture partners of the Project Company, which together hold 100% interest in the Project Company.
2. It is a condition precedent to the BSP Completion and the CTL Completion that the Confirmation will be provided by Guangzhou Metro. Upon execution of the Confirmation and transfer of its interest in the Project Company by Guangzhou Metro to Joyful Honour or a company nominated by Joyful Honour (which shall be a subsidiary of Joyful Honour) so provided under the BSP Acquisition Agreement, Joyful Honour will be entitled to 100% economic interests in the Project Company.
3. Places in parentheses represent places of incorporation.

Upon BSP Completion and CTL Completion, Newskill and Joyful Honour will become indirect wholly-owned subsidiaries of the Company; and upon transfer of the interests in the Project Company by Guangzhou Metro to Joyful Honour or a company nominated by Joyful Honour (which shall be a subsidiary of Joyful Honour) so provided under the BSP Acquisition Agreement, the Company will be entitled to 100% economic interests in the Project Company. Accordingly, after Completion, the results, assets and liabilities of Newskill, Joyful Honour and the Project Company will be consolidated by the Group.

BASIS OF CONSIDERATION

The Purchaser negotiated the BSP Consideration and the CTL Consideration separately with BSP and CTL on an arm's length basis 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 and the valuation of the Property Development Project of approximately RMB1,100.0 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. Given that the BSP Consideration and the CTL Consideration, amounting to approximately HK\$960.0 million in aggregate, represents a discount of approximately 23.1% to the valuation of the Property Development Project of HK\$1,247.9 million, the Directors consider that the BSP Consideration and the CTL Consideration are fair and reasonable.

The Deposit for the BSP Consideration has been settled by internal resources of the Group. It is intended that the balance of the BSP Consideration will be financed by internal resources of the Group and (if required) bank borrowings whilst the CTL Consideration will be financed by internal resources of the Group.

Having considered that the current assets (including cash and bank deposits of approximately HK\$187.9 million) and net current assets of the Group amounted to approximately HK\$2,116.0 million and HK\$1,480.0 million respectively as at 30th September, 2009, the Company considers that the Group will have sufficient internal financial resources to satisfy the balance payment for the BSP Consideration and the payment for the CTL Consideration upon realisation of certain current assets such as, among other things, property held for sale and other loan receivables. In addition, the Group may seek bank financing for the Property Development Project, the proceeds of which may be utilised for partial settlements of the BSP Consideration and the CTL Consideration.

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 golf resort and leisure operations in the PRC, securities investment and loan financing services.

Guangzhou is the largest commercial and trading centre in southern part of the PRC. After an administrative region reconstruction in Guangzhou, Yuexiu District has become the region with the highest population in Guangzhou. In particular, three of the four major commercial centres in Guangzhou are within Yuexiu District, with Zhongshan Wu Road being one of them. The Acquisitions represent an attractive opportunity to the Group to extend its footprints into one of the prime shopping and commercial districts in Guangzhou. In view of the economic prospects of Guangzhou, the Directors believe that the Property Development Project will bring benefits to the Group, both in terms of future recurring rental income and capital gain to the Group.

In view of the above, the Board considers that the entering into of the BSP Acquisition Agreement (including the transactions contemplated thereunder) is in the interests of the Company and the Shareholders as a whole and that the terms of the BSP Acquisition Agreement are fair and reasonable. The Directors (excluding the independent non-executive Directors who shall form their view after considering the advice of the independent financial adviser) also consider that the entering into of the CTL Acquisition Agreement which enables the Group to consolidate 100% control over the Newskill Group is in the interests of the Company and the Shareholders as a whole, and the terms of the CTL Acquisition Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

LISTING RULES IMPLICATIONS

The Acquisitions in aggregate constitute a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. By virtue of the fact that CTL is an indirect wholly-owned subsidiary of Hanny, which in turn is a substantial shareholder of the Company indirectly holding approximately 16.22% of the total issued Shares as at the date of this announcement and therefore a connected person of the Company, the CTL Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. Completion of the BSP Acquisition and the CTL Acquisition are not inter-conditional with each other. The BSP Acquisition is subject to the approval of the Shareholders or (if required) the Independent Shareholders and the CTL Acquisition is subject to the approval of the Independent Shareholders by way of poll at the SGM. The SGM will be convened and held to consider and, if thought fit, pass the ordinary resolutions to approve the BSP Acquisition Agreement, the CTL Acquisition Agreement and the transactions respectively contemplated thereunder.

An Independent Board Committee will be constituted by the Company to give a recommendation to the Independent Shareholders in relation to the CTL Acquisition, and an independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the terms of the CTL Acquisition Agreement.

GENERAL

A circular containing, among other things, details of the Acquisition Agreements, the valuation report on the property interests of the Enlarged Group, the unaudited pro forma financial information of the Enlarged Group, information of the Newskill Group and the Property Development Project, a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders on the terms of the CTL Acquisition Agreement, the recommendation from the Independent Board Committee to the Independent Shareholders and the notice of the SGM together with the proxy form and other information as required under the Listing Rules will be despatched to the Shareholders as soon as practicable.

RESUMPTION OF TRADING

Trading in the Shares and warrants of the Company on the Stock Exchange was suspended at the request of the Company with effect from 9:30 a.m. on 16th December, 2009 pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares and warrants of the Company with effect from 9:30 a.m. on 24th December, 2009.

DEFINITIONS

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

“Acquisition Agreements”	collectively the BSP Acquisition Agreement and the CTL Acquisition Agreement
“Acquisitions”	collectively the BSP Acquisition and the CTL Acquisition
“associates”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BSP”	Bright Sino Profits Limited, a company incorporated in the BVI with limited liability
“BSP Acquisition”	acquisition of the BSP Sale Shares and (if any) the BSP Sale Loan by the Purchaser pursuant to the BSP Acquisition Agreement
“BSP Acquisition Agreement”	the agreement dated 15th December, 2009 entered into between the Purchaser, BSP, Mr. Tang and the Company in relation to the BSP Acquisition
“BSP Completion”	completion of the BSP Acquisition

“BSP Completion Date”	the date on which BSP Completion takes place
“BSP Consideration”	the aggregate consideration for the BSP Sale Shares and (if any) the BSP Sale Loan under the BSP Acquisition Agreement
“BSP Sale Loan”	the shareholder’s loan owing by the Newskill Group to BSP upon BSP Completion
“BSP Sale Shares”	the 92 shares of US\$1.00 each in the issued share capital of Newskill held by BSP, representing 92% of its issued share capital as at the date of the BSP Acquisition Agreement and BSP Completion Date
“Business Day”	a day (other than Saturday and other general holidays in Hong Kong 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 licensed banks in Hong Kong are generally open for business
“BVI”	British Virgin Islands
“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 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 Joyful Honour and Guangzhou Metro 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

“Company”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares (Stock Code: 199) and warrants (Warrant Code: 490) of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition(s)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Considerations”	collectively the BSP Consideration and the CTL Consideration
“CTL”	Cango Trading Limited, a company incorporated in the BVI and a wholly-owned subsidiary of Hanny
“CTL Acquisition”	acquisition of the CTL Sale Shares and (if any) the CTL Sale Loan by the Purchaser pursuant to the CTL Acquisition Agreement
“CTL Acquisition Agreement”	the agreement dated 15th December, 2009 entered into between the Purchaser and CTL in relation to the CTL Acquisition
“CTL Completion”	completion of the CTL Acquisition
“CTL Completion Date”	the date on which CTL Completion takes place
“CTL Consideration”	the aggregate consideration for the CTL Sale Shares and (if any) the CTL Sale Loan under the CTL Acquisition Agreement
“CTL Sale Loan”	the shareholder’s loan owing by the Newskill Group to CTL upon CTL Completion
“CTL Sale Shares”	the 8 shares of US\$1.00 each in the issued share capital of Newskill held by CTL, representing 8% of its issued share capital as at the date of the CTL Acquisition Agreement and CTL Completion Date
“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

“Development Plan”	the development of the Land with an aggregate floor area of not less than 60,000 m ² , of which not less than 45,000 m ² shall be for commercial use and not less than 15,000 m ² shall be for car parking space and the building to be erected thereon shall have entrance(s) directly connected to the underground train station
“Director(s)”	director(s) of the Company
“Enlarged Group”	the Group immediately after Completion
“Foreclosure Order”	the (2003) Sui Zhong Fa Min Er Chu Zi No. 460 civil action judgments ((2003) 穗中法民二初字第460號民事裁定書) and (2005) Sui Zhong Fa Zhi Zi No. 1905 civil action judgments ((2005) 穗中法執字第1905號民事裁定書) issued by Intermediate People’s Court of Guangzhou (廣州市中級人民法院) relating to the foreclosure of the Land
“Group”	the Company and its subsidiaries
“Guangzhou Company”	廣州宏峰投資諮詢有限公司 (Guangzhou Hongfeng Investment Consultancy Limited)
“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 (Stock Code: 275) and warrants (Warrant Code: 749) 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
“Independent Board Committee”	independent committee of the Board, comprising all the independent non-executive Directors
“Independent Shareholders”	Shareholders other than Hanny and its associates
“Independent Third Party(ies)”	third party(ies) and its/their ultimate beneficial owner(s) which are independent of and not connected with the Company or any of its connected persons, nor are connected persons of the Company

“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 Zhongshan Wu Road and Education Road, 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 day falling on the expiry of six months from the date of the Acquisition Agreements or such later date as the Purchaser and the respective Vendors 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, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“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”	Macau Prime Property (China) Limited, an indirect wholly-owned subsidiary of the Company, which was incorporated in the BVI with limited liability
“Responsibility Agreement”	an agreement relating to responsibilities and technical requirements of protection of the underground train (保護地下鐵道的責任及技術規定) entered into between Guangzhou Metro and Keep Mount (Holdings) Limited (協望(集團)有限公司) dated 18th August, 1993
“Sale Shares”	collectively the BSP Sale Shares and the CTL Sale Shares

“SGM”	the special general meeting of the Company to be convened and held for the Shareholders/Independent Shareholders (as the case may be) to consider and, if thought fit, approve the BSP Acquisition Agreement, the CTL Acquisition Agreement and the transactions respectively contemplated thereunder
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	collectively BSP and CTL
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America
“m ² ”	square meter(s)
“%”	per cent.

In this announcement, RMB are converted into HK\$ on the basis of HK\$1 = RMB0.8815 and US\$ are converted into HK\$ on the basis of US\$1 = HK\$7.80 for illustration purpose.

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
Yan Ha Hung, Loucia
Company Secretary

Hong Kong, 23rd December, 2009

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. 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