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德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 199)

**DISCLOSEABLE TRANSACTION
RELATING TO THE PROPOSED ISSUE OF SHARES IN, AND
JOINT VENTURE ARRANGEMENT REGARDING,
BUSINESS ACTION HOLDINGS LIMITED**

The Board announces that after the trading hours of the Stock Exchange on 5th February, 2010, ITC Golf and Business Action, both indirect wholly-owned subsidiaries of the Company, have entered into the Subscription Agreement with Ocean Growth and 宏能投資, pursuant to which ITC Golf, Ocean Growth and 宏能投資 have agreed to subscribe for the Subscription Shares such that ITC Golf, Ocean Growth and 宏能投資 will hold 45%, 45% and 10% of the equity interests in Business Action respectively as enlarged by the Subscription. Completion has taken place immediately after the signing of the Subscription Agreement.

The Subscription by Ocean Growth and 宏能投資 in aggregate constitutes a deemed disposal of 55% equity interest in Business Action by the Company. As the applicable percentage ratios (as defined in the Listing Rules) are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE SUBSCRIPTION AGREEMENT

Date:

5th February, 2010 (after trading hours of the Stock Exchange)

Issuer:

Business Action, an indirect wholly-owned subsidiary of the Company before Completion

Subscribers:

- (i) ITC Golf, an indirect wholly-owned subsidiary of the Company;

* For identification purpose only

- (ii) Ocean Growth, an indirect wholly-owned subsidiary of Wing On which is engaged in investment holding. Wing On and its subsidiaries are principally engaged in the businesses of providing package tours, travel and other related services, hotel operation in Hong Kong and the PRC and trading of securities. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, both Ocean Growth and Wing On and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons; and
- (iii) 宏能投資, an investment holding company which is beneficially wholly-owned by Mr. Sun. Save for Mr. Sun is one of the beneficial owners of 貴州宏能溫泉旅游開發有限公司 (Guizhou Hong Neng Hot Spring Resort Tourism Development Company Limited), which owns 55% equity interest in 貴州宏德置業有限公司 (Guizhou Hong De Real Estate Co., Ltd.) in which the Group has 45% equity interest, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, both 宏能投資 and its ultimate beneficial owner and Mr. Sun are third parties independent of the Company and its connected persons.

The Subscription

Completion has taken place immediately after the signing of the Subscription Agreement.

Pursuant to the terms of the Subscription Agreement, Business Action has allotted and issued, and ITC Golf, Ocean Growth and 宏能投資 have subscribed for, the Subscription Shares at the subscription price of US\$1 each in the following manners:

	ITC Golf	Ocean Growth	宏能投資	Total
Number of shares of Business Action issued and fully paid immediately prior to Completion	1	—	—	1
Number of Subscription Shares allotted and issued on Completion	<u>449</u>	<u>450</u>	<u>100</u>	<u>999</u>
Number of shares of Business Action issued and fully paid immediately after Completion	<u>450</u>	<u>450</u>	<u>100</u>	<u>1,000</u>

The Subscription Shares were allotted and issued by Business Action as fully paid, free from all encumbrances and rank pari passu with all the shares of Business Action in issue together with all rights and benefits at any time thereafter accruing thereto including the right to dividends or distributions made or declared on or after the date of Completion.

The consideration for each Subscription Share is US\$1 and the aggregate consideration of the Subscription Shares has been paid to Business Action in cash on Completion.

The consideration for the Subscription Shares has been determined after arm's length negotiation between the parties to the Subscription Agreement with reference to the issued and paid-up capital of Business Action as at the date of the Subscription Agreement but prior to Completion. As at the date of the Subscription Agreement but prior to Completion, the issued and paid-up capital of Business Action is one share of US\$1.

The Board considers that the subscription price of US\$1 per Subscription Share which is equivalent to the par value of the Subscription Share is fair and reasonable and the Subscription is in the interests of the Group and the Shareholders as a whole.

Immediately after Completion, Business Action has ceased to be a subsidiary of the Company and has become a joint venture company owned as to 45% by ITC Golf, 45% by Ocean Growth and 10% by 宏能投資 respectively. Accordingly, the Group will equity account for the results of Business Action as an associated company.

The Group has financed the subscription price of the Subscription Shares in the sum of approximately HK\$3,500 by its internal resources.

THE SHAREHOLDERS' AGREEMENT

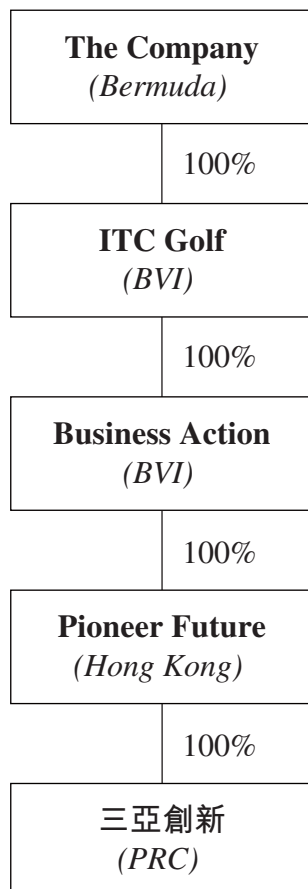
Upon Completion, ITC Golf, Ocean Growth, 宏能投資 and Business Action have entered into the Shareholders' Agreement to provide for the basis on which the Business Action Group shall be operated, managed and administered. As at the date of Completion, the Business Action Group owes approximately HK\$79.9 million to ITC Golf and approximately HK\$34.1 million to an independent third party. Pursuant to the Shareholders' Agreement, Ocean Growth and 宏能投資 have agreed to advance approximately HK\$52.2 million and approximately HK\$11.6 million respectively to Business Action within thirty (30) days from the date of the Shareholders' Agreement to enable Business Action to fully repay the amount of approximately HK\$34.1 million due to the independent third party and partially repay an amount of approximately HK\$27.7 million due to ITC Golf. After such repayment, Business Action will owe ITC Golf, Ocean Growth and 宏能投資 in the amounts of approximately HK\$52.2 million, approximately HK\$52.2 million and approximately HK\$11.6 million respectively which are in proportion to their respective equity interests in Business Action, interest free, unsecured and repayment is subject to approval by the board of directors of Business Action. The partial repayment of approximately HK\$27.7 million to be received by the Group from Business Action is intended for the Group's general working capital purposes.

Pursuant to the Shareholders' Agreement, the board of directors of Business Action will consist of a maximum of seven directors, each of ITC Golf and Ocean Growth has the right to nominate and appoint up to three directors while 宏能投資 has the right to nominate and appoint one director.

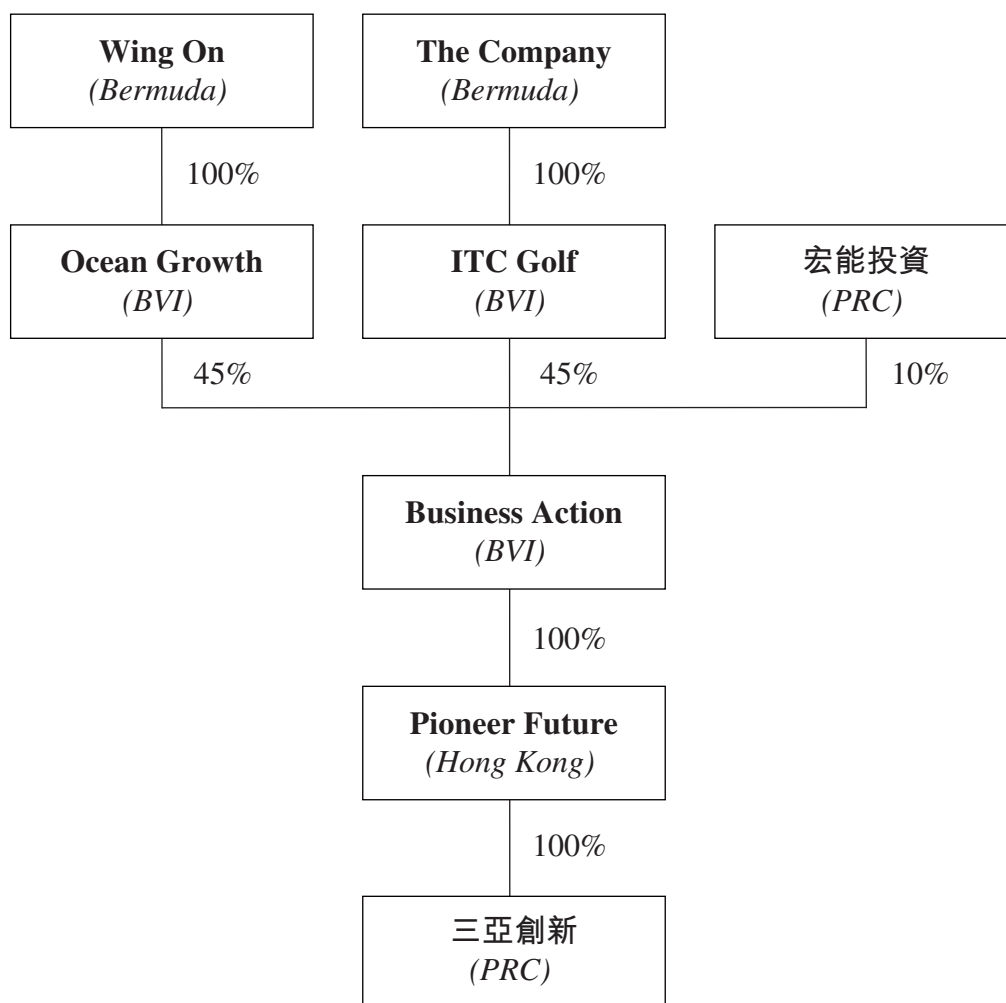
CORPORATE STRUCTURE IMMEDIATELY BEFORE AND AFTER COMPLETION

Set out below is the simplified structure of the Business Action Group immediately before and after Completion:

Immediately before Completion



Immediately after Completion



Note: Places in parentheses represent places of incorporation.

INFORMATION ON THE BUSINESS ACTION GROUP

As at the date of the Subscription Agreement but prior to Completion, Business Action owns the entire issued share capital of Pioneer Future which in turn owns the entire equity interest in 三亞創新. Business Action and Pioneer Future are companies incorporated in the BVI and Hong Kong respectively, and are special purpose vehicles established for the sole purpose of holding 三亞創新. It is intended that 三亞創新 will be principally engaged in the development and management of the Project, which comprises a sport recreational, marina and tour facilities at the bayou of River Ning Yuan situated at about 40 kilometers from Sanya City, Hainan Province, the PRC. The development of the Project is subject to, among other things, the successful bidding, acquisition and/or leasing of land parcels designated for this purpose by 三亞創新.

Set out below is the unaudited consolidated financial information of the Business Action Group for the period from 8th June, 2009 (date of its incorporation) to 31st December, 2009 prepared in accordance with the Hong Kong Financial Reporting Standards:

**From 8th June, 2009
(date of incorporation) to
31st December, 2009
HK\$'000**

Turnover	117
Loss before taxation	(961)
Loss after taxation and minority interest	(961)

**As at
31st December, 2009
HK\$'000**

Total assets	80,379
Net liabilities (after minority interest)	(963)

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

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.

Based on the unaudited consolidated accounts of the Business Action Group as at 31st December, 2009, it is estimated that the deemed disposal of 55% equity interest in Business Action will not have material financial impact on the Group.

The Group is keen to expand its property, resort and leisure businesses in the PRC. Through its operations of Sun Valley Golf Resort in Sanya, Hainan Province, the PRC, the Group itself has built up advanced knowledge and solid experience regarding the property, resort and leisure markets in Sanya, Hainan Province, the PRC. With its marina facilities and beautiful scenery, the Board considers that the Project is an excellent opportunity to expand its property, resort and leisure businesses in Sanya, Hainan Province, the PRC which is designated to be developed into an international tourist island according to the PRC national policy. Wing On is a renowned tourist and hotel operator. In this respect, the introduction of Wing On through Ocean Growth as a significant shareholder of Business Action will definitely further strengthen its competitiveness to secure the development right of the Project. 宏能投資 has also well-established business network in the PRC and its becoming a shareholder of Business Action will further strengthen its shareholder base and diversify the Group's risk in the Project.

Based on the above, the Board considers that the entering into of the Subscription Agreement and the Subscription by the Group is in the interests of the Group and the Shareholders as a whole and the terms of the Subscription Agreement are fair and reasonable.

GENERAL

The Subscription by Ocean Growth and 宏能投資 in aggregate constitutes a deemed disposal of 55% equity interest in Business Action by the Company. As the applicable percentage ratios (as defined in the Listing Rules) are more than 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Business Action”	Business Action Holdings Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Business Action Group”	Business Action and its subsidiaries
“BVI”	the British Virgin Islands
“Company”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares (Stock Code: 199) of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription Agreement
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“宏能投資”	貴州宏能投資有限公司 (Guizhou Hong Neng Investment Company Limited), a company incorporated in the PRC with limited liability
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“ITC Golf”	ITC Golf & Leisure Group Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Ocean Growth”	Ocean Growth Enterprises Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of Wing On
“Pioneer Future”	Pioneer Future Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Business Action
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Project”	“三亞創意新城體育公園及游艇碼頭” (Sanya Innovative New City Recreational Park & Marina), a project development comprising marina, river sight-seeing and sport recreational facilities located at the bayou of River Ning Yuan which is about 40 kilometers from Sanya City, Hainan Province, the PRC
“三亞創新”	三亞創新休閒產業投資有限公司 (Sanya Chuang Xin Leisure Business Investment Company Limited), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement dated 5th February, 2010 entered into among ITC Golf, Ocean Growth, 宏能投資 and Business Action to provide for the basis on which the Business Action Group shall be operated, managed and administered after Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 5th February, 2010 entered into among ITC Golf, Ocean Growth, 宏能投資 and Business Action in relation to the subscription of the Subscription Shares
“Subscription Shares”	an aggregate of 999 shares of US\$1 each in the share capital of Business Action subscribed as to 449 shares by ITC Golf, 450 shares by Ocean Growth and 100 shares by 宏能投資 respectively

“Wing On”	Wing On Travel (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued shares (Stock Code: 1189) of which are listed on the Main Board of the Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percentage

In this announcement, amounts in US\$ are converted into HK\$ on the basis of US\$1 = HK\$7.8. The conversion rate is for indication purpose only and should not be taken as a representation that the relevant currency could actually be converted into HK\$ at that rate or at all.

For ease of reference, the names of companies and entities established in or project development 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, 5th February, 2010

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

Non-executive Director:

Mr. Ma Chi Kong, Karl

Independent non-executive Directors:

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