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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 ACQUISITION OF SHARES IN PAUL Y. ENGINEERING GROUP LIMITED**

The Board announces that during the Relevant Period, the Purchaser, an indirect wholly-owned subsidiary of the Company, has acquired an aggregate of 152,996,000 PYE Shares on the open market for an aggregate cash consideration of approximately HK\$99.6 million (equivalent to an average price of approximately HK\$0.651 per Acquired Share).

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

### **THE ACQUISITION**

The Board announces that the Purchaser, an indirect wholly-owned subsidiary of the Company, has acquired an aggregate of 152,996,000 PYE Shares, representing approximately 4.32% of the total issued PYE Shares as at 5th February, 2013 as disclosed in the announcement of PYE dated 5th February, 2013, on the open market for an aggregate cash consideration of approximately HK\$99.6 million (equivalent to an average price of approximately HK\$0.651 per Acquired Share) during the Relevant Period. Taking into account the holding of PYE Shares prior to and the disposal of PYE Shares for short-term trading purpose during the Relevant Period, the Group is interested in an aggregate of 145,700,000 PYE Shares, representing approximately 4.11% of the issued share capital of PYE as at 5th February, 2013, as at the date of this announcement.

The acquisition prices of the Acquired Shares were determined according to the bid and ask prices of the PYE Shares as quoted on the Stock Exchange during the Relevant Period. The total acquisition costs of the Acquired Shares under the Acquisition were financed by the Group's internal resources.

\* For identification purpose only

The average acquisition price of approximately HK\$0.651 per Acquired Share represents:

- (i) a premium of approximately 20.56% over the closing price of HK\$0.540 per PYE Share as quoted on the Stock Exchange on 6th February, 2013;
- (ii) a discount of approximately 9.33% to the average of the closing prices of the PYE Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including 6th February, 2013 of approximately HK\$0.718 per PYE Share; and
- (iii) a discount of approximately 29.01% to the average of the closing prices of the PYE Shares as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 6th February, 2013 of approximately HK\$0.917 per PYE Share.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the seller(s) of the Acquired Shares and its (their) respective ultimate beneficial owner(s) is(are) third party(ies) independent of the Company and its connected persons.

### **INFORMATION ON PYE**

PYE is an investment holding company and its subsidiaries are principally engaged in engineering services including management contracting, property development management and property investment. As disclosed in the announcement of PYE dated 5th February, 2013, following the completion of a series of proposed transactions including allotment and issue of shares and issue of convertible bonds and acquisition of interest in a parcel of land in Macau in February 2013, PYE and its subsidiaries will also be involved in the hotel and gaming (subject to the approval of the government of Macau) industries.

According to the 2012 annual report of PYE, the audited consolidated net profit before tax and extraordinary items of PYE for the two years ended 31st March, 2011 and 2012 were approximately HK\$41.7 million and HK\$34.5 million respectively; and the audited consolidated net profit after tax and extraordinary items of PYE for the two years ended 31st March, 2011 and 2012 were approximately HK\$33.8 million and HK\$33.0 million respectively. As at 30th September, 2012, the unaudited equity attributable to owners of PYE amounted to approximately HK\$654.4 million according to the interim report of PYE for the six months ended 30th September, 2012.

### **REASONS FOR THE ACQUISITION**

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 investments and the provision of loan financing services.

The Group has been engaging in property development and investment in Macau for over 6 years and is optimistic towards the prospects and development of properties, hotel and gaming business in Macau. The Group has also been investing in listed securities including PYE Shares for short-term trading purposes. In view of the recent development of PYE as described above, the Directors consider that the Acquisition enables the Group to have a strategic investment in hotel and gaming business in Macau through PYE and intend to account for the Acquired Shares as long-term investments of the Group. If suitable

opportunity arises, the Group may consider acquiring more PYE Shares either for short-term trading or long-term investment purposes. The Board considers that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

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

“Acquired Share(s)”	a total of 152,996,000 PYE Shares acquired by the Purchaser on the open market during the Relevant Period
“Acquisition”	the acquisition of the Acquired Shares by the Purchaser
“Board”	the board of the Directors
“Company”	ITC Properties Group Limited (Stock Code : 199), a company incorporated in Bermuda with limited liability and whose issued shares are listed on the Main Board of the Stock Exchange
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	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, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Purchaser”	Advance Tech Limited, an indirect wholly-owned subsidiary of the Company, which is engaged in securities trading and investment holding

“PYE”	Paul Y. Engineering Group Limited (Stock Code : 577), a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange
“PYE Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of PYE
“Relevant Period”	the period from 25th January, 2013 to 6th February, 2013 (both dates inclusive)
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**ITC Properties Group Limited**  
**Cheung Hon Kit**  
*Chairman*

Hong Kong, 6th February, 2013

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. Chan Yiu Lun, Alan

*Non-executive Director:*

Mr. Ma Chi Kong, Karl

*Independent non-executive Directors:*

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