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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  
IN RELATION TO THE DISPOSAL OF THE  
40% EQUITY INTEREST IN AND SHAREHOLDER'S LOAN TO  
SEA ORIENT LIMITED**

The Board announces that after trading hours of the Stock Exchange on 23rd November, 2012, the Vendor entered into the Disposal Agreement with the Purchaser whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares and the Sale Loan at an aggregate consideration of HK\$210.0 million. The Sale Shares represent 40% of the issued share capital of Sea Orient which in turn holds 100% effective interest in Nation Field, the owner of the Assets.

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are above 5% but less than 25%, the Disposal 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 Board announces that the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser after trading hours of the Stock Exchange on 23rd November, 2012 in relation to the disposal by the Vendor of the Sale Shares and the Sale Loan. The principal terms of the Disposal Agreement are set out below.

\* *For identification purpose only*

## THE DISPOSAL AGREEMENT

**Date:** 23rd November, 2012 (after trading hours of the Stock Exchange)

### **Parties:**

- (i) Vendor: Oriental Mind Limited, which principal activity is investment holding; and
- (ii) Purchaser: Angel Moon Limited, which principal activity is investment holding.

Angel Moon is the holder of the other 60% shareholding in Sea Orient. Save as aforesaid and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons and are not connected persons of the Company.

### **Assets to be disposed of:**

The assets to be disposed of comprise (i) the Sale Shares, being four (4) ordinary shares of par value of US\$1 each in the issued share capital of Sea Orient, representing 40% of the issued share capital of Sea Orient as at the date of this announcement and on Completion; and (ii) the Sale Loan. The principal amount of the Sale Loan was approximately HK\$140.2 million as at the date of the Disposal Agreement.

### **Consideration:**

The aggregate consideration for the Sale Shares and the Sale Loan is HK\$210.0 million which shall be apportioned as follows:

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

The Consideration shall be paid by the Purchaser in cash in the following manner:

- (i) HK\$10.0 million (the "**Deposit**") shall be paid within seven (7) Business Days after signing of the Disposal Agreement;
- (ii) HK\$100.0 million (the "**Further Deposit**") shall be paid within three (3) months after the date of the Disposal Agreement; and
- (iii) the balance of the Consideration (the "**Remaining Balance**") shall be paid upon Completion.

If the Purchaser fails to pay the Further Deposit or the Remaining Balance in full on its due date for payment and such failure is not remedied within seven (7) Business Days of the original due date, the Vendor shall be entitled to forfeit the Deposit and any part of the Further Deposit already paid to the Vendor and by notice in writing to the Purchaser to terminate the Disposal Agreement without prejudice to any further rights and remedies the Vendor may have under the Disposal Agreement.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, the face value of the Sale Loan and the expectation of the recoverable amount of the Assets as at 30th September, 2012. The Directors consider that the Consideration is fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

### **Completion:**

Completion shall take place on 23rd May, 2013 or such other date as the Vendor and the Purchaser may mutually agree in writing.

If Completion does not take place due to the default of the Purchaser, the Vendor shall be entitled to forfeit the Deposit and if the defaulting party is the Vendor, the Vendor shall within three (3) Business Days after receiving written notice from the Purchaser refund to the Purchaser the Deposit without interest, in each case without prejudice to any further claim the innocent party may have arising from the other party's breach.

### **INFORMATION ON THE SEA ORIENT GROUP**

Sea Orient is an investment holding company which sole asset is its entire interest in Nation Field, a special purpose vehicle for the acquisition and holding of the Assets pending subsequent realisation or disposal thereof. The Assets comprise of various Renminbi-denominated creditors' claims and securities against GITIC which has been put into bankruptcy since 1999 and the bankruptcy proceeding is still in progress. Up to the date of this announcement, there is not a date or scheme fixed for the final settlement of the creditors' claims.

As at the date of this announcement, the Group's total investment in Sea Orient is approximately HK\$140.2 million, which has been utilised to finance the acquisition of the Assets by the Sea Orient Group.

### **REASONS FOR THE DISPOSAL**

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 the provision of loan financing services.

The net proceeds from the Disposal are estimated to be approximately HK\$210.0 million. The Company intends to apply such net proceeds for the Group's general working capital.

It is estimated that an unaudited gain of approximately HK\$69.8 million will arise from the Disposal, which is calculated with reference to the net proceeds from the Consideration of approximately HK\$210.0 million less the carrying value attributable to the Sale Shares and the Sale Loan as at 30th September, 2012 included in the Group's accounts of approximately HK\$140.2 million. Shareholders and investors should note that the exact amount of capital gain on the Disposal is to be determined with reference to the fair value attributable to the Sale Shares and the Sale Loan as at the date of Completion.

As disclosed in the announcement of the Company dated 28th May, 2012, Oriental Mind and Angel Moon entered into the binding memorandum of agreement for the formation of Sea Orient for the purpose of acquiring Assets through holding of Nation Field. The Directors consider that the Disposal provides the Group with a good opportunity to realise a satisfactory return, representing approximately 49.8% on the Group's relevant cost of investment in Sea Orient and which will generate cash inflow to the Group. After the Disposal, Sea Orient will cease to be an associate of the Company and the Group will cease to have any interest in the Sea Orient Group.

Based on the above, the Board considers that the entering into of the Disposal Agreement is in the interests of the Company and the Shareholders as a whole and the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal are above 5% but less than 25%, the Disposal 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 terms have the following meanings:

“Angel Moon” or “Purchaser”	Angel Moon Limited, a company incorporated in the British Virgin Islands and the holder of 60% of the entire issued shares of Sea Orient
“Assets”	various Renminbi-denominated creditors' claims and securities against GITIC
“Board”	the board of the Directors
“Business Day(s)”	any day (other than Saturday, Sunday, public holidays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong
“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 sale and purchase of the Sale Shares and the Sale Loan under the Disposal Agreement
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	the aggregate consideration for the Sale Shares and the Sale Loan pursuant to the terms and conditions of the Disposal Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan by the Vendor to the Purchaser pursuant to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the sale and purchase agreement dated 23rd November, 2012 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares and the Sale Loan
“GITIC”	Guangdong International Trust and Investment Corporation, a state-owned enterprise of the PRC
“Group”	the Company and its subsidiaries
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Nation Field”	Nation Field Limited, a company incorporated in the BVI with limited liability
“Oriental Mind” or “Vendor”	Oriental Mind Limited, a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company

“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this announcement
“Sale Loan”	all the shareholder’s loans due from Sea Orient to the Vendor as at Completion
“Sale Shares”	the four (4) ordinary shares of par value of US\$1 each in the capital of Sea Orient, representing 40% of the issued share capital of Sea Orient as at the date of this announcement and as at Completion
“Sea Orient”	Sea Orient Limited, a company incorporated in the BVI with limited liability
“Sea Orient Group”	Sea Orient and its subsidiary
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percentage

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

Hong Kong, 23rd November, 2012

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