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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 GRANT OF A GUARANTEE TO A JOINT VENTURE**

The Board announces that on 19th December, 2012, the Company has given the Guarantee in respect of the Bank Loan borrowed by Land Express, a company in which the Group has 30% indirect interest. As one of the conditions of the Bank Loan, all ultimate beneficial owners of the JV Parties are required to provide guarantee in favour of ICBC in respect of the Bank Loan on a several basis in proportion to their respective shareholding interests in Land Express. In this respect, the maximum contingent liability of the Company under the Guarantee is HK\$72 million.

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the grant of the Guarantee are above 5% but less than 25%, the grant of the Guarantee by the Company 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.

## **INTRODUCTION**

On 19th December, 2012, the Company has given the Guarantee in respect of the Bank Loan borrowed by Land Express, a company in which the Group has 30% indirect interest through the Intermediate Holdco. As one of the conditions of the Bank Loan, all ultimate beneficial owners of the JV Parties are required to provide guarantee in favour of ICBC in respect of the Bank Loan on a several basis in proportion to their respective shareholding interests in Land Express. In this respect, the maximum contingent liability of the Company under the Guarantee is HK\$72 million. As at the date of this announcement, the outstanding principal amount of the Bank Loan is HK\$240 million.

\* For identification purpose only

## **INFORMATION ON LAND EXPRESS AND THE BANK LOAN**

Land Express is a special purpose vehicle incorporated solely for the acquisition and holding of the Property.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the JV Partners and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

The consideration and related expenditure for the acquisition of the Property is approximately HK\$506.9 million and the JV Parties have in aggregate contributed capital investment to the Intermediate Holdco of approximately HK\$266.9 million. The portion of such capital investment contributed by the Group was approximately HK\$80.1 million. The capital investment by the Group to the Intermediate Holdco was funded by its internal resources.

The Bank Loan is a term loan facility in the principal amount of HK\$240 million extended to Land Express to partially finance the acquisition of the Property by Land Express which final repayment date is in December 2017. In addition to the securities provided by Land Express, all ultimate beneficial owners of the JV Parties is required to provide guarantee in favour of ICBC in respect of the Bank Loan on a several basis in proportion to their respective shareholding interests in Land Express.

The maximum contingent liability of the Company under the Guarantee is HK\$72 million.

## **REASONS FOR THE GUARANTEE**

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.

R14.58(2)

The significant indirect interest in Land Express is an extension of the Group's business in property investment. The Board considers the terms of the Guarantee are fair and reasonable and are 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 grant of the Guarantee are above 5% but less than 25%, the grant of the Guarantee by the Company 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:

“Bank Loan”	the term loan facility extended by ICBC to Land Express in the principal amount of HK\$240 million pursuant to the loan documents dated 19th December, 2012
“Board”	the board of the Directors
“BVI”	the British Virgin Islands
“Cheery Paradise”	Cheery Paradise Company Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“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
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee executed by the Company in favour of ICBC dated 19th December, 2012 in respect of the indebtedness of Land Express owing to ICBC under the Bank Loan
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ICBC”	Industrial and Commercial Bank of China (Asia) Limited
“Intermediate Holdco”	a company incorporated in the BVI which holds the entire issued share capital of and in Land Express
“JV Parties”	collectively, Cheery Paradise and the JV Partners
“JV Partners”	two companies incorporated in the BVI which together hold the other 70% interest in the Intermediate Holdco

“Land Express”	Land Express Limited, a company incorporated in the BVI with limited liability
“Listing Rules”	the 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
“Property”	the basement floor, ground floor, first floor of Golden Centre, main roof, flat roof, commercial external walls and domestic external walls of Golden Court, No. 94, Yen Chow Street, Sham Shui Po, Kowloon, Hong Kong
“Share(s)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	percentage

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

Hong Kong, 19th December, 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