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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)

**MAJOR TRANSACTIONS –
(i) SECOND SUPPLEMENTAL AGREEMENT
IN RELATION TO THE DISPOSAL OF INTEREST IN
PARAGON WINNER COMPANY LIMITED;
AND
(ii) ADVANCE TO MILLION CUBE LIMITED**

THE TRANSACTIONS

The Board wishes to announce that after trading hours of the Stock Exchange on 2nd April, 2012, the Vendor and the Purchaser entered into the Second Supplemental Agreement in relation to the disposal by the Vendor (an indirect wholly-owned subsidiary of the Company) of the Sale Shares and the Sale Loan.

On condition that the Purchaser pays the April Amount, the Lender and the Purchaser shall on Completion enter into the Loan Agreement pursuant to which the Lender will provide the Loan to the Purchaser for the payment of the balance of the Consideration together with the Completion Interest to the Vendor to facilitate Completion.

If the Purchaser fails to pay the April Amount, the Sale Percentage shall be reduced to 40% at the Settled Consideration of approximately HK\$532.3 million.

* For identification purpose only

LISTING RULES IMPLICATIONS

The Company considers that there is no material variation to the terms of the disposal involving a Sale Percentage of 65% under the Disposal Agreement. On this basis, the Company considers that the Shareholders' approval obtained at the special general meeting on 26th August, 2010 for the disposal of a Sale Percentage of 65% (if the Purchaser pays the April Amount) remains valid.

The provision of the Loan and the possible reduction in the Sale Percentage to 40% pursuant to the Second Supplemental Agreement were not contemplated in the Disposal Agreement. As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the disposal involving a Sale Percentage of 40% are above 25% but less than 75%, such disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and the Shareholders' approval requirements under the Listing Rules.

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the provision of the Loan to the Purchaser are above 25% but less than 75%, the provision of the Loan also constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and the Shareholders' approval requirements under the Listing Rules.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the disposal involving a Sale Percentage of 40% (if the Purchaser fails to pay the April Amount and the Sale Percentage be reduced to 40%) and the provision of the Loan to the Purchaser (if the Purchaser pays the April Amount and the Sale Percentage remains at 65%). As the Purchaser and its ultimate beneficial shareholder(s) are third parties independent of the Company and its connected persons and no Shareholder has a material interest in the Second Supplemental Agreement which is different from the other Shareholders, no Shareholder is required to abstain from voting in respect of the proposed ordinary resolution(s) to approve the Second Supplemental Agreement and the transactions contemplated thereunder at the SGM.

A circular containing, among other things, details of the Second Supplemental Agreement and the Loan Agreement, the financial information on the Group, the notice of the SGM and other information as required under the Listing Rules will be despatched to the Shareholders on or before 26th April, 2012.

References are made to the announcements of the Company dated 22nd July, 2010, 26th August, 2010, 16th May, 2011, 1st November, 2011, 11th November, 2011, 5th December, 2011, 3rd January, 2012, 18th January, 2012, 20th February, 2012 and 20th March, 2012 and the circular of the Company dated 10th August, 2010 in relation to the major transaction involving the disposal by the Vendor (an indirect wholly-owned subsidiary of the Company) of the Sales Shares and the Sale Loan.

BACKGROUND

The Vendor, being an indirect wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser on 21st July, 2010. Pursuant to it, the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase a 65% shareholding in Paragon Winner and 65% of all amounts which are owed by the Paragon Winner Group to the Vendor as at Completion. The aggregate consideration (subject to adjustments) was RMB650.0 million which was payable in Hong Kong dollars of approximately HK\$746.3 million translated at the Exchange Rate. The transaction contemplated under the Disposal Agreement constituted a major transaction under Chapter 14 of the Listing Rules and approval of the Shareholders was obtained at a special general meeting of the Company held on 26th August, 2010.

As the Purchaser fell behind the payment schedule as stipulated in the Disposal Agreement and after negotiations between the parties, the Vendor and the Purchaser entered into the First Supplemental Agreement on 16th May, 2011 to revise certain terms in the Disposal Agreement in relation to the payment schedule and to defer the completion date of the Disposal Agreement to 30th June, 2011. A grace period up to and including 11th November, 2011 was granted by the Vendor to the Purchaser on 1st November, 2011 for the parties to negotiate on revising and amending the terms of the Disposal Agreement. The parties then entered into the MOU on 5th December, 2011 which covered, among other things, the rescheduled payment dates for the outstanding balance of the Consideration and the possible amendments to be made on the Disposal Agreement.

THE SECOND SUPPLEMENTAL AGREEMENT

The Board wishes to announce that in accordance with the intention set out in the MOU, the Vendor entered into the Second Supplemental Agreement with the Purchaser after trading hours of the Stock Exchange on 2nd April, 2012 to further amend the terms of the Disposal Agreement. The principal terms of the Second Supplemental Agreement are set out below:

Date:

2nd April, 2012

Parties:

- (i) Vendor: Everight Investment Limited
- (ii) Purchaser: Million Cube Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons. The principal activity of the Purchaser is investment holding.

Assets to be disposed of:

If the Purchaser pays the April Amount on or before 30th April, 2012, the assets to be disposed of will comprise (i) the Sale Shares, being sixty-five (65) shares of US\$1 each in the share capital of Paragon Winner, representing 65% of the entire issued share capital of Paragon Winner as at the date of this announcement and on Completion; and (ii) the Sale Loan, representing 65% of the loan due by Paragon Winner to the Vendor on Completion, which remain the same as those contemplated in the Disposal Agreement.

If the Purchaser fails to pay the April Amount on or before 30th April, 2012, the assets to be disposed of will comprise (i) the Sale Shares, being forty (40) shares of US\$1 each in the share capital of Paragon Winner, representing 40% of the entire issued share capital of Paragon Winner as at the date of this announcement and on Completion; and (ii) the Sale Loan, representing 40% of the loan due by Paragon Winner to the Vendor on Completion.

The principal amount of the Sale Loan as at the date of this announcement is approximately HK\$107.7 million if the Sale Percentage is 65% and approximately HK\$66.2 million if the Sale Percentage is 40%.

Consideration:

Pursuant to the Disposal Agreement, the Consideration for the Sale Shares and Sale Loan should be the aggregate of (i) RMB650.0 million which is payable in Hong Kong dollars of approximately HK\$746.3 million translated at the Exchange Rate; and (ii) an amount equivalent to 65% of all additional loans which were advanced by the Vendor to Paragon Winner and/or by two fellow subsidiaries of Paragon Winner to the PRC Companies from the date of the Disposal Agreement up to Completion which is approximately HK\$11.7 million as at the date of the Second Supplemental Agreement. Based on the above, and assuming the Sale Percentage remains at 65%, the total amount of the Consideration is approximately HK\$758.0 million. In addition, the Purchaser shall also pay to the Vendor the Completion Interest. Assuming that Completion will take place no later than 29th June, 2012, the Completion Interest is estimated to be approximately HK\$10.9 million.

Up to the date of the Second Supplemental Agreement, the Settled Consideration is approximately HK\$532.3 million (excluding interest paid of approximately HK\$45.1 million up to 30th December, 2011). The balance of the Consideration, less the April Amount paid, and the Completion Interest shall be financed by the Loan. Details of the Loan are set out in the paragraph headed "The Loan Agreement" below.

If the Purchaser fails to pay the April Amount and the Sale Percentage shall be reduced to 40%, the Consideration shall instead be the Settled Consideration.

The Company intends to apply the remaining balance of the Consideration including the April Amount as the Group's general working capital.

Conditions precedent:

All conditions precedent for Completion as set out in the Disposal Agreement have been fulfilled. Pursuant to the Second Supplemental Agreement, Completion is conditional upon the fulfilment of the following additional conditions:

- (i) the approval by the Shareholders (other than those who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations, if required) of the Second Supplemental Agreement including the provision of the Loan by the Lender to the Purchaser and all other transactions contemplated under the Second Supplemental Agreement at the SGM; and
- (ii) the compliance by the Vendor and/or the Company of any relevant requirements under the Listing Rules or otherwise of the Stock Exchange (if any) which require compliance in relation to the Second Supplemental Agreement.

Neither of the above conditions is capable of being waived. If the conditions are not fulfilled on or before 13th July, 2012 or if for whatever reason Completion does not take place pursuant to the Disposal Agreement (as amended by the Second Supplemental Agreement), the Vendor shall refund to the Purchaser an amount of HK\$315 million, being the payment made by the Purchaser after the date of the MOU up to the date of the Second Supplemental Agreement, together with the April Amount (if the Purchaser has paid the April Amount) without any interest but all payments made by the Purchaser towards the Consideration prior to the date of the MOU (i.e. approximately HK\$255.6 million) shall be forfeited to the Vendor (interest paid on overdue amount of the Consideration of approximately HK\$6.8 million belongs to the Vendor in any event) and the Disposal Agreement (as further amended by the Second Supplemental Agreement) shall be terminated.

Completion:

Completion shall take place on the third Business Day after the fulfilment of the above conditions or such other date as the Vendor and the Purchaser may agree in writing.

THE LOAN AGREEMENT

On condition that the Purchaser pays the April Amount, the Lender and the Purchaser will enter into the Loan Agreement upon Completion, the principal terms of which are as follows:

Lender: ITC Golf & Leisure Group Limited, an indirect wholly-owned subsidiary of the Company and an intermediate holding company of the Vendor.

Borrower: The Purchaser.

Loan amount: A sum equal to approximately HK\$225.7 million plus the Completion Interest but less the April Amount and in any event shall not be more than HK\$210 million.

- Purpose:** The Loan shall be used by the Purchaser to finance the payment of the remaining balance of the Consideration and the Completion Interest of not more than HK\$210 million.
- Interest:** 10% per annum payable on maturity, which is the same as the rate for calculating the Completion Interest and is determined after arm's length negotiations between the Lender and the Purchaser.
- Maturity:** The Loan shall be fully repaid within three (3) months from the date of the Loan Agreement and in any event on or before 31st July, 2012.
- Security:** The Purchaser shall execute in favour of the Lender on Completion a share charge deed in respect of the Pledged Shares, incorporating an assignment of the Pledged Loans as security of the Purchaser's obligations under the Loan Agreement. If the April Amount equals to HK\$30 million, the Pledged Shares shall be twenty (20) shares in Paragon Winner (representing 20% of the entire issued share capital of Paragon Winner) and the Pledged Loans shall be approximately HK\$34 million (representing approximately 20% of all the shareholders' loans due by Paragon Winner).

If the April Amount paid by the Purchaser is greater than HK\$30 million, the Pledged Shares can be reduced by one (1) share in Paragon Winner (representing 1% of the entire issued share capital of Paragon Winner) and the Pledged Loans can be reduced by HK\$1.6 million (representing approximately 1.49% of the shareholder loan due by Paragon Winner to the Purchaser and approximately 1% of all the shareholders' loans due by Paragon Winner) for every additional HK\$10 million paid in excess of HK\$30 million. However, in any event, the Pledged Shares shall be not less than sixteen (16) shares in Paragon Winner (representing 16% of the entire issued share capital of Paragon Winner) and the Pledged Loans shall not be less than HK\$27 million (representing approximately 25.1% of the shareholders' loan due by Paragon Winner to the Purchaser and approximately 16% of all the shareholders' loans due by Paragon Winner).

If the Purchaser defaults in repayment of the Loan, the Lender shall be entitled to forfeit the Pledged Shares and the Pledged Loans to the Vendor forthwith such that the Vendor shall as a result in aggregate own not less than 51% of the entire issued share capital of and the corresponding percentage of all shareholders' loans due by Paragon Winner.

In the event that any of the Pledged Shares and the Pledged Loans are transferred and assigned to the Vendor due to the Purchaser's default in repayment of the Loan, the Company will make further announcement to update the Shareholders and the public the final equity interest of Paragon Winner held by the Group.

THE SHAREHOLDERS' AGREEMENT

Immediately upon Completion, the Vendor, the Purchaser and Paragon Winner will enter into the Shareholders' Agreement to regulate the relationship among themselves in respect of the affairs of, and their dealings with, the Paragon Winner Group after Completion (including, without limitation, its operations, management and business). The Shareholders' Agreement contains provisions to cater for the different Sale Percentage and the non repayment of the Loan by the Purchaser which are summarized as below:

Sale Percentage of

	65% (in the event the Purchaser has paid the April Amount on or before 30th April, 2012) (<i>Note</i>)	40% (in the event the Purchaser has not paid the April Amount on or before 30th April, 2012)
Board composition of the Paragon Winner Group:	There shall be three (3) directors maintained in the board of Paragon Winner. Two (2) of the directors are to be designated by the Purchaser and one (1) of the directors is to be designated by the Vendor. The chairman of the board of Paragon Winner shall be designated by the Purchaser. The Vendor is also entitled to nominate one (1) director to each subsidiary of the Paragon Winner Group.	There shall be three (3) directors maintained in the board of Paragon Winner. Two (2) of the directors are to be designated by the Vendor and one (1) of the directors is to be designated by the Purchaser. The chairman of the board of Paragon Winner shall be designated by the Vendor. The Purchaser is also entitled to nominate one (1) director to each subsidiary of the Paragon Winner Group.
Put Option:	The Vendor has the right to require the Purchaser to purchase the Option Shares and the Option Loans at any time during the Exercise Period, which commences from the first anniversary to the fifth anniversary of the Shareholders' Agreement.	Not applicable.
Shareholders' further financing:	There is no obligation on either shareholder to provide further financing to the Paragon Winner Group.	If the financial resources of the Paragon Winner Group shall at any time be insufficient to satisfy its working capital requirement as determined by the board of Paragon Winner, the board of Paragon Winner may resolve to require the shareholders to provide further shareholders' loans to Paragon Winner which shall be contributed according to the respective shareholdings of the Vendor and the Purchaser in Paragon Winner.

Sale Percentage of

65%

(in the event the Purchaser has paid the April Amount on or before 30th April, 2012) (*Note*)

40%

(in the event the Purchaser has not paid the April Amount on or before 30th April, 2012)

Shareholders' further financing:

If a shareholder shall default in contributing its portion, the non-defaulting shareholder shall have the right, not an obligation, to advance to Paragon Winner the defaulted portion. In case the non-defaulting shareholder has advanced the defaulted portion then, inter alia:

- (i) the defaulting shareholder shall pay interest to the non-defaulting shareholder on the defaulted portion so advanced by the non-defaulting shareholder at Prime Rate plus 5% per annum; and
- (ii) the non-defaulting shareholder may require (a) nominees of the defaulting shareholder to resign as directors of each member of the Paragon Winner Group; and (b) Paragon Winner to issue new shares to the non-defaulting shareholder to capitalise the defaulted portion such that the defaulting shareholder's shareholding in Paragon Winner shall be reduced by a shareholding percentage calculated as follows:

$$A/B \times 100$$

where

"A" is the amount of the defaulted portion thereof advanced by the non-defaulting shareholder; and

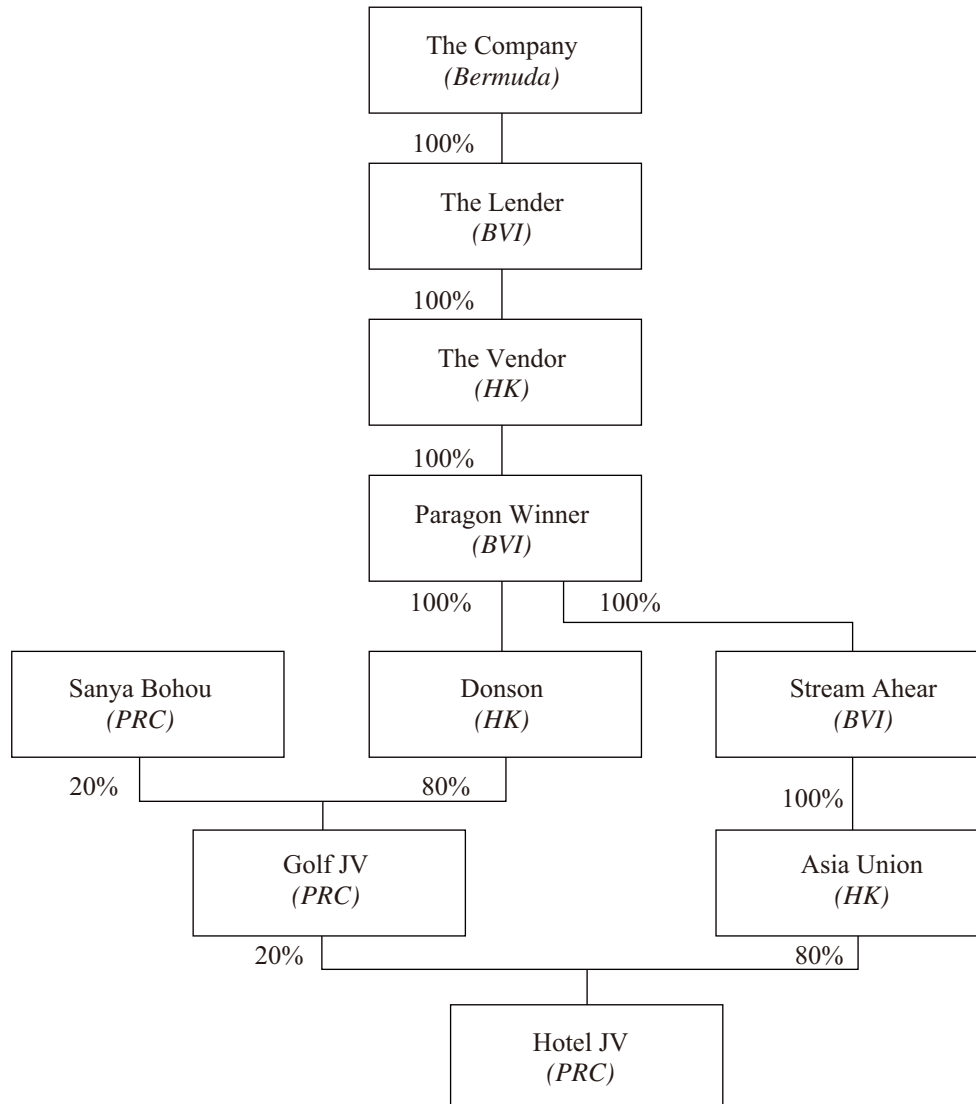
"B" is the total amount of shareholders' loans advanced by all shareholders of Paragon Winner.

Note: where the Purchaser defaults in completion of the purchase of the Option Shares and the Option Loans if the Vendor exercises the Put Option or an event of default under the Loan Agreement has occurred in which case the same provisions of the Shareholders' Agreement for a Sale Percentage of 40% shall apply.

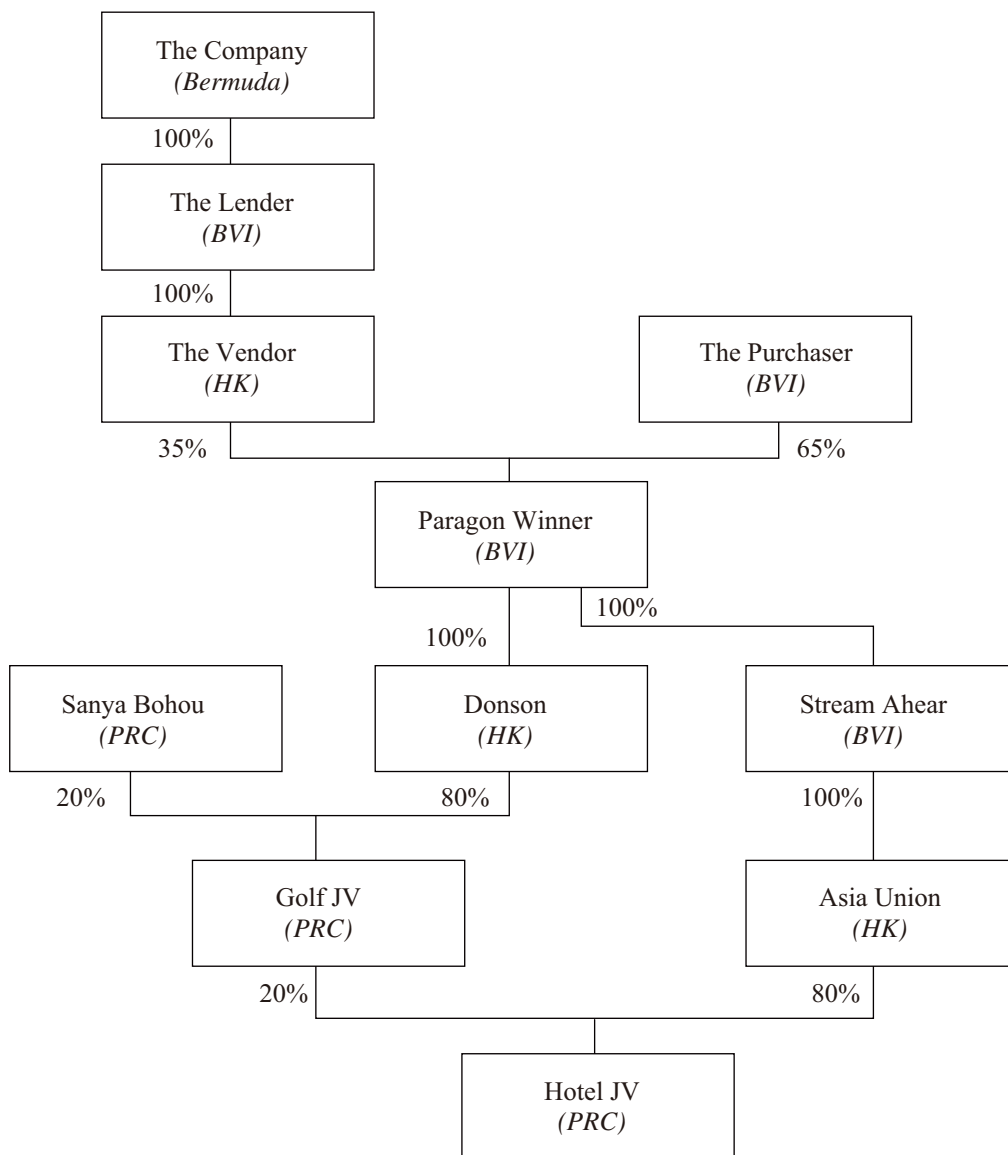
STRUCTURE OF THE PARAGON WINNER GROUP IMMEDIATELY BEFORE AND AFTER COMPLETION

The organisational charts illustrating the structure of the Paragon Winner Group immediately before and after Completion are set out below:

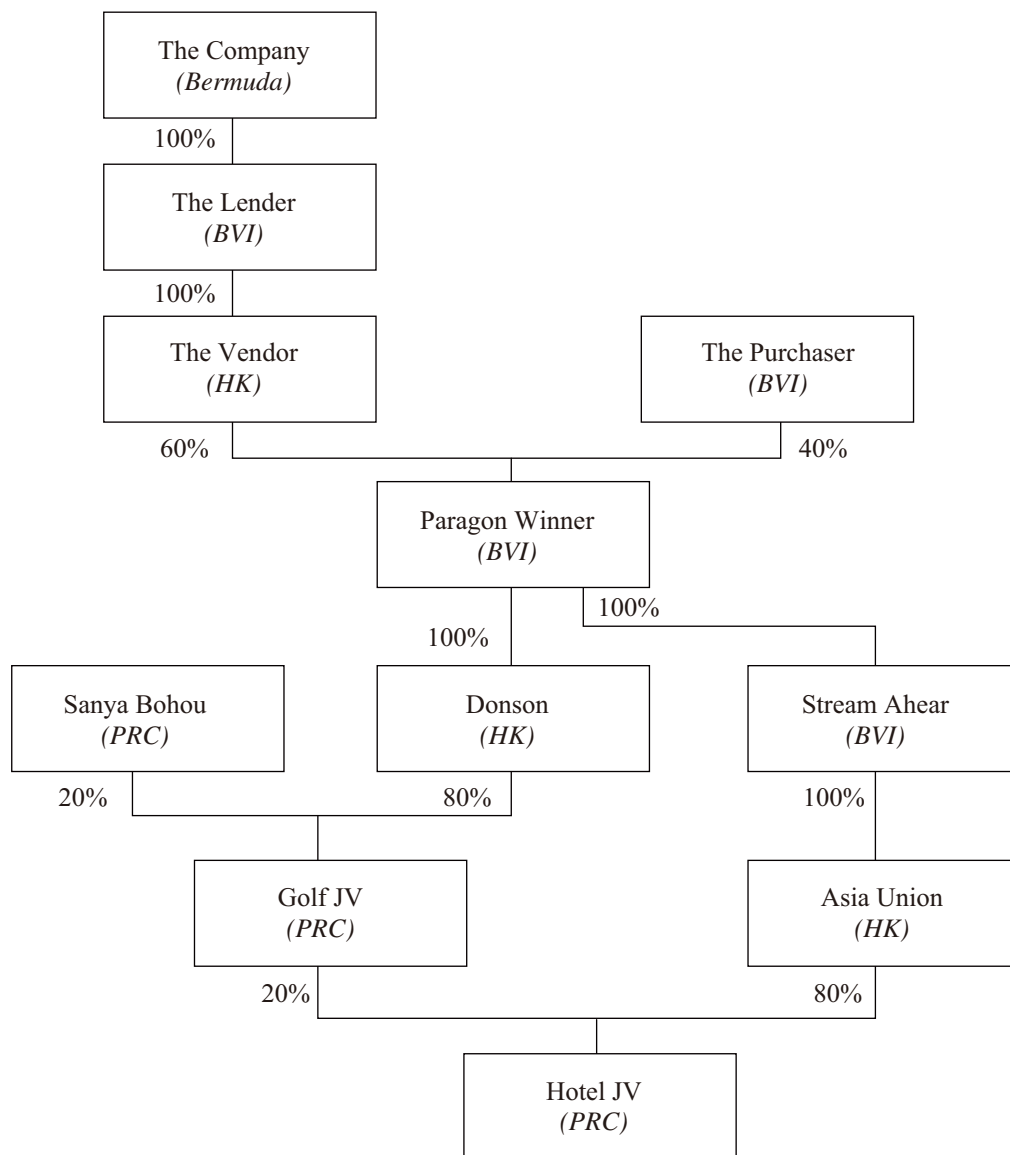
As at the date of this announcement and immediately before Completion



After Completion – Sale Percentage of 65%



After Completion – Sale Percentage of 40%



Note: Places in parentheses represent places of incorporation.

INFORMATION ON THE PARAGON WINNER GROUP

Paragon Winner, Donson, Stream Ahear and Asia Union are special purpose vehicles established for the purpose of holding the Golf JV and the Hotel JV. As at the date of this announcement, the Golf JV is owned as to 80% by Donson and 20% by Sanya Bohou, while the Hotel JV is owned as to 80% by Asia Union and 20% by the Golf JV respectively. Paragon Winner therefore holds an 80% and 96% effective interests in the Golf JV and the Hotel JV respectively through Donson, Stream Ahear and Asia Union.

The Golf JV is involved in the operation of the Golf Resort, and development and operation of golf or hotel related properties over various parcels of land with an aggregate site area of approximately 2,580,192.90 m² in Yalong Bay, Sanya, the PRC. The Hotel JV intends to develop and operate the planned hotel development over a parcel of land with a site area of approximately 192,270.45 m² in Yalong Bay, Sanya, the PRC up to 31st January, 2050 and it has not carried on any other business since its incorporation.

The Golf Resort is situated at Bohou Village, Yalong Bay, National Resort Area, Sanya City, Hainan Province, the PRC and currently operates a 27-hole golf course and a clubhouse with food and beverage outlet and gift shop.

Set out below is the unaudited consolidated financial information of the Paragon Winner Group for the two years ended 31st March, 2010 and 2011 respectively prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended 31st March,	
	2011	2010
	<i>HK\$' million</i>	<i>HK\$' million</i>
Loss before taxation	25.0	19.6
Loss after taxation	25.0	19.6
		At 31st March,
		2011
		<i>HK\$' million</i>
Net assets		12.2

If the Purchaser pays the April Amount, the Sale Percentage will be 65%. In such case, immediately after Completion, Paragon Winner will cease to be a subsidiary of the Company and become an associated company of the Company. Accordingly, the Group will equity account for the results of Paragon Winner after Completion.

If the Purchaser fails to pay the April Amount, the Sale Percentage will be reduced to 40% and Paragon Winner will become a non wholly-owned subsidiary of the Company. Accordingly, the Group will continue to consolidate the results of Paragon Winner after Completion.

REASONS FOR THE SECOND SUPPLEMENTAL AGREEMENT AND THE LOAN AGREEMENT

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.

As disclosed in the announcement of the Company dated 3rd January, 2012, in accordance with the terms of the MOU and taking into account the amount of, and/or for account of, the Consideration paid by the Purchaser to the Vendor up to 3rd January, 2012, the parties intended to revise the Sale Percentage to 44.44%. However, the Purchaser is still eager to purchase a Sale Percentage of 65% and expects to be able to obtain adequate fund to pay in full the balance of the Consideration together with the Completion Interest on or before 31st July, 2012. Acknowledging the difficulties encountered by investors in obtaining financing for property projects in the PRC, the Purchaser requested and the Lender agreed that on condition that the Purchaser will pay the April Amount on or before 30th April, 2012, the Group will provide the Loan to the Purchaser to facilitate Completion. The Company has taken the following factors into consideration on accepting the Purchaser's request:

- (i) it is the intention of the Company to realise its investment in Paragon Winner and dispose of its controlling interest in Paragon Winner, with the Put Option to further dispose of the remaining non-controlling interest if the future investment return from the remaining 35% interest in Paragon Winner is lower than expected. Up to the date of the Second Supplemental Agreement, the Purchaser has paid an aggregate amount of approximately HK\$532.3 million (excluding interest paid of approximately HK\$45.1 million up to 30th December, 2011), which represents approximately 70.2% of the total amount of the Consideration under the Disposal Agreement. The Directors acknowledge the tightening of finance available in the PRC and consider that the Purchaser has shown its sincerity to make partial payments towards the Consideration despite some delays. The terms of the Second Supplemental Agreement (including the Loan Agreement) would enable the Group to proceed with the intended disposal of a controlling interest in Paragon Winner while providing flexibility to take back control over Paragon Winner in the event the Purchaser fails to meet its payment obligations;
- (ii) as a condition to the Group's acceptance of the Purchaser's request for the Loan, the Purchaser will pay the April Amount of not less than HK\$30.0 million such that the aggregate amount paid by the Purchaser before the advance of the Loan will be not less than approximately HK\$562.3 (excluding interest paid of approximately HK\$45.1 million), which represents approximately 74.2% of the total amount of the Consideration under the Disposal Agreement. The Loan is in substance a deferral of payment of a portion of the Consideration to facilitate Completion which will not utilise additional financial resources of the Group;
- (iii) if the Purchaser shall complete the acquisition of the Sale Shares and the Sale Loan at the Sale Percentage of 65%, it will bring to the Group additional cash inflow of approximately HK\$225.7 million together with the Completion Interest and the interest income accrued on the Loan;
- (iv) if the Purchaser fails to pay the April Amount on or before 30th April, 2012, the Sale Percentage shall be 40% and the Consideration shall be approximately HK\$532.3 million, i.e. the aggregate amount paid by the Purchaser to the Vendor towards the Consideration up to the date of the Second Supplemental Agreement (excluding interest paid of approximately HK\$45.1 million). As disclosed in the announcement of the Company dated 3rd January, 2012, the Sale Percentage calculated in accordance with the

formula set out in the MOU shall be 44.44%. In accordance with the revised terms under the Disposal Agreement and the amount paid by the Purchaser to the Vendor towards the Consideration up to the date of the Second Supplemental Agreement, the Sale Percentage would be 45.34%. The reduction in the Sale Percentage to 40% as contemplated under the Second Supplemental Agreement represents the compensation to the Vendor if the Purchaser shall fail to pay the April Amount;

- (v) the Purchaser shall provide security to the Group for the Loan by way of the Pledged Shares and the Pledged Loans which, if the Purchaser shall default in repayment of the Loan and/or interest thereon, can be transferred and assigned to the Vendor such that the Vendor shall as a result in aggregate own not less than 51% of the entire issued share capital of and the corresponding percentage of all shareholders' loans due by Paragon Winner. In this respect, if the Purchaser shall fail to repay the Loan and interest thereon, the Group will take back the controlling interest in Paragon Winner. As a further protection to the Group's interest in Paragon Winner, the Shareholders' Agreement will be amended in a manner to reinforce the control of the Group in Paragon Winner; and
- (vi) the disposal of interest at the Sale Percentage of 65% is estimated to result in a gain of approximately HK\$522.5 million in the income statement of the Group upon Completion. The disposal of interest at the Sale Percentage of 40%, if the Purchaser fails to pay the April Amount, is expected to result in an estimated gain of approximately HK\$379.7 million which will not be accounted for in the income statement of the Group but will be recorded as reserve movement in the statement of financial position of the Group upon Completion. Shareholders and investors should note that the exact amount of gain on the disposal of the Sale Shares and the Sale Loan is to be determined with reference to the fair value attributable to the Sale Shares and the Sale Loan as at the Completion Date.

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

LISTING RULES IMPLICATIONS

The Company considers that there is no material variation to the terms of the disposal involving a Sale Percentage of 65% under the Disposal Agreement. On this basis, the Company considers that the Shareholders' approval obtained at the special general meeting on 26th August, 2010 for the disposal of a Sale Percentage of 65% (if the Purchaser pays the April Amount) remains valid.

The provision of the Loan and the possible reduction in the Sale Percentage to 40% pursuant to the Second Supplemental Agreement were not contemplated in the Disposal Agreement. As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the disposal involving a Sale Percentage of 40% are above 25% but less than 75%, such disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and the Shareholders' approval requirements under the Listing Rules.

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of provision of the Loan to the Purchaser are above 25% but less than 75%, the provision of the Loan also constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and the Shareholders' approval requirements under the Listing Rules.

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the disposal involving a Sale Percentage of 40% (if the Purchaser fails to pay the April Amount and the Sale Percentage be reduced to 40%) and the provision of the Loan to the Purchaser (if the Purchaser pays the April Amount and the Sale Percentage remains at 65%). As the Purchaser and its ultimate beneficial shareholder(s) are third parties independent of the Company and its connected persons and no Shareholder has a material interest in the Second Supplemental Agreement which is different from the other Shareholders, no Shareholder is required to abstain from voting in respect of the proposed ordinary resolution(s) to approve the Second Supplemental Agreement and the transactions contemplated thereunder at the SGM.

GENERAL

A circular containing, among other things, details of the Second Supplemental Agreement and the Loan Agreement, the financial information on the Group, the notice of SGM and other information as required under the Listing Rules will be despatched to the Shareholders on or before 26th April, 2012.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“April Amount”	an amount of not less than HK\$30 million to be paid by the Purchaser to the Vendor in cash on or before 30th April, 2012
“Asia Union”	Asia Union Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Stream Ahear
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday, Sunday and other general holidays in Hong Kong and/or the PRC and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m.) on which the licensed banks in Hong Kong and the PRC are generally open for business

“BVI”	the British Virgin Islands
“Company”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 199)
“Completion”	completion of the sale and purchase of the Sale Shares and the Sale Loan in accordance with the terms and conditions of the Disposal Agreement (as further amended by the Second Supplemental Agreement)
“Completion Date”	the date on which Completion takes place
“Completion Interest”	the outstanding interest on the April Amount from 5th December, 2011 to the date of payment and the outstanding interest on the remaining sum of the Consideration (i.e. HK\$225.7 million less the April Amount) from 5th December, 2011 to the Completion Date, all at the rate of 10% per annum
“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
“Director(s)”	the director(s) of the Company
“Disposal Agreement”	the sale and purchase agreement dated 21st July, 2010 (as amended by the First Supplemental Agreement) entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Sale Shares and the Sale Loan
“Donson”	Donson (International) Development Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Paragon Winner
“Exchange Rate”	the fixed exchange rate of HK\$1 to RMB0.871 as agreed in the Disposal Agreement for payment of the Consideration
“Exercise Period”	the period commencing from the first anniversary date of the Shareholders’ Agreement and ending on the fifth anniversary date of the Shareholders’ Agreement
“First Supplemental Agreement”	the supplemental agreement to the Disposal Agreement dated 16th May, 2011 entered into between the Vendor and the Purchaser

“Golf JV”	Sanya Yalong Bayview Golf Garden Co., Ltd. (三亞亞龍灣風景高爾夫文化公園有限公司), a company incorporated in the PRC which is owned as to 80% by Donson
“Golf Resort”	Sanya Sun Valley Golf Resort at Bohou Village, Yalong Bay, National Resort Area, Sanya City, Hainan Province, the PRC
“Group”	the Company and its subsidiaries
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hotel JV”	Sanya Yalong Bay Sun Valley Hotel Co., Ltd. (三亞亞龍灣紅峽谷度假酒店有限公司), a company incorporated in the PRC which is owned as to 80% and 20% by Asia Union and the Golf JV respectively
“Lender”	ITC Golf & Leisure Group Limited, a company incorporated in the BVI, an indirect wholly-owned subsidiary of the Company and an intermediate holding company of the Vendor
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan to be advanced by the Lender to the Purchaser for settlement of the remaining balance of the Consideration and the Completion Interest of not more than HK\$210 million in aggregate
“Loan Agreement”	the loan agreement to be entered into between the Lender and the Purchaser in respect of the Loan on Completion
“Macau”	the Macau Special Administrative Region of the PRC
“MOU”	the memorandum of understanding dated 5th December, 2011 entered into between the Vendor and Purchaser
“Option Loans”	all of the loans owing by the Paragon Winner Group to the Vendor, its subsidiaries and affiliates at the time of the exercise of the Put Option
“Options Shares”	all of the shares in Paragon Winner held by the Vendor at the time of the exercise of the Put Option

“Paragon Winner”	Paragon Winner Company Limited, a company incorporated in the BVI and currently a wholly-owned subsidiary of the Vendor
“Paragon Winner Group”	Paragon Winner and its subsidiaries
“Pledged Loans”	the amount of the shareholders’ loan due by Paragon Winner to the Purchaser to be pledged as security for the Purchaser’s obligation under the Loan Agreement, details of which are set out in the paragraph headed “The Loan Agreement” above
“Pledged Shares”	the shares of Paragon Winner to be pledged as security for the Purchaser’s obligation under the Loan Agreement, details of which are set out in the paragraph headed “The Loan Agreement” above
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purpose of this announcement
“PRC Companies”	together, the Golf JV and the Hotel JV
“Prime Rate”	the rate of interest per annum from time to time quoted by The Hongkong and Shanghai Banking Corporation Limited as its prime or best lending rate for Hong Kong dollars
“Purchaser”	Million Cube Limited, a company incorporated in the BVI with limited liability
“Put Option”	the put option to be granted under the Shareholders’ Agreement by the Purchaser to the Vendor and exercisable by the Vendor at any time during the Exercise Period to require the Purchaser to purchase all of the Option Shares and the Option Loans according to the terms set out in the Shareholders’ Agreement
“Sale Loan”	shareholder’s loan to Paragon Winner to be transferred/assigned to the Purchaser together with all unpaid interests accrued thereon as at Completion
“Sale Percentage”	the percentage of shareholding in and shareholder’s loan due by Paragon Winner to be transferred/assigned to the Purchaser on Completion
“Sale Shares”	the shares of US\$1 each in the capital of Paragon Winner to be acquired by the Purchaser as at Completion

“Sanya Bohou”	三亞博后經濟開發有限公司 (Sanya Bohou Economic Development Co., Ltd.)
“Second Supplemental Agreement”	the supplemental agreement dated 2nd April, 2012 entered into between the Vendor and the Purchaser in relation to the amended terms of the Disposal Agreement
“Settled Consideration”	the aggregate amount already paid by the Purchaser to the Vendor, which is approximately HK\$532.3 million (excluding interest paid of approximately HK\$45.1 million up to 30th December, 2011) at the date of the Second Supplemental Agreement
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Second Supplemental Agreement, the Loan Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of the Company of HK\$0.01 each
“Shareholder(s)”	holder(s) of Shares
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among the Vendor, the Purchaser and Paragon Winner on Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stream Ahear”	Stream Ahear International Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Paragon Winner
“Vendor”	Everight Investment Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“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
“%”	percentage
“m ² ”	square metre(s)

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, 2nd April, 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