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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)

FURTHER UPDATE ON THE MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF INTEREST IN PARAGON WINNER COMPANY LIMITED

The Board wishes to announce that on 18th January, 2012, the Vendor and the Purchaser agreed to extend the Target Date to 20th February, 2012.

The Company will make further announcement on the progress of the negotiations and comply with the relevant requirements of the Listing Rules for the Disposal if the Second Supplemental Agreement is entered into.

References are made to the announcements of the Company dated 22nd July, 2010, 16th May, 2011, 1st November, 2011, 11th November, 2011, 5th December, 2011 and 3rd January, 2012 (the “**Announcements**”) and the circular of the Company dated 10th August, 2010 (the “**Circular**”) in relation to the major transaction involving the disposal by the Vendor (an indirect wholly-owned subsidiary of the Company) of a 65% shareholding in Paragon Winner and 65% of all amounts which may be owing by the Paragon Winner Group to the Vendor as at Completion. Capitalised terms used herein have the same meanings as those defined in the Announcements and the Circular unless otherwise specified.

As disclosed in the announcement of the Company dated 3rd January, 2012, the Purchaser and the Vendor are negotiating on the detailed terms of the Second Supplemental Agreement. If the Second Supplemental Agreement cannot be entered into on or before 20th January, 2012 (the “**Target Date**”) or any later date as agreed by the Purchaser and the Vendor, the aggregate amount of the First Amount and the Second Amount of HK\$315 million shall be refunded to the Purchaser without any interest but all payments made by the Purchaser prior to the date of the MOU (i.e. approximately HK\$255.6 million, not taking into account interest paid which belongs to the Vendor in any event) shall be forfeited by the Vendor and the Disposal Agreement (as varied and amended by the Supplemental Agreement) shall be terminated. As more time is required for the negotiation of the Second Supplemental Agreement, the Vendor and the Purchaser agreed on 18th January, 2012 that the Target Date be extended to 20th February, 2012.

* For identification purpose only

The Company will make further announcement on the progress of the negotiations and comply with the relevant requirements of the Listing Rules for the Disposal if the Second Supplemental Agreement is entered into.

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

Hong Kong, 18th January, 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