

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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 up to the Cut Off Date, the Purchaser has paid to the Vendor the First Amount of HK\$115 million and the Second Amount of HK\$200 million. According to the intentions of the Purchaser and the Vendor as set out in the MOU, the New Percentage is calculated at approximately 44.44%.

As at the date of this announcement, the Purchaser and the Vendor are negotiating on the detailed terms of the Second Supplemental Agreement. The MOU does not oblige either the Purchaser or the Vendor to proceed with the Amendments and does not affect any claims or rights the Vendor may have under the Disposal Agreement (as varied and amended by the Supplemental Agreement) such that the Vendor can terminate the Disposal Agreement (as varied and amended by the Supplemental Agreement) and forfeit all the payments that have been made by the Purchaser to the Vendor at any time prior to the date of the MOU notwithstanding any intervening negotiation on the Second Supplemental Agreement.

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 and 5th December, 2011 (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.

\* For identification purpose only

As disclosed in the announcement of the Company dated 5th December, 2011, the Purchaser and the Vendor entered into the MOU regarding the Proposal, which covered, among other things, the rescheduled payment dates for the outstanding balance of the Consideration and the possible Amendments if the Purchaser should make certain payments to the Vendor before the Cut Off Date. The Board wishes to announce that up to the Cut Off Date, the Purchaser has paid to the Vendor the First Amount of HK\$115 million and the Second Amount of HK\$200 million on 7th December, 2011 and 30th December, 2011 respectively.

As the Purchaser has paid in full the First Amount but the Second Amount is less than the Remaining Amount, Completion will not take place on 6th January, 2012, and the Purchaser and the Vendor are now working towards entering into the Second Supplemental Agreement. Based on the principal terms of the Amendments as set out in the announcement of the Company dated 5th December, 2011, the New Percentage, calculated in accordance with the following formula, shall be approximately 44.44%:

New Percentage = First Percentage + Second Percentage

where

First Percentage = 26%

Second Percentage =  $\frac{\text{Second Amount}}{10,845,000}$

The MOU does not oblige either the Purchaser or the Vendor to proceed with the Amendments and is not legally binding except for certain obligations regarding the refund of the First Amount and the Second Amount. In addition, the MOU does not affect any claims or rights which the Vendor may have under the Disposal Agreement (as varied and amended by the Supplemental Agreement) such that the Vendor can terminate the Disposal Agreement (as varied and amended by the Supplemental Agreement) and forfeit all the payments that have been made by the Purchaser to the Vendor at any time prior to the date of the MOU notwithstanding any intervening negotiation on the Second Supplemental Agreement. If the Second Supplemental Agreement cannot be entered into on or before 20th January, 2012 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.

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, 3rd 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