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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 10th November, 2011, the Vendor received the Proposal from the Purchaser regarding certain Amendments to the terms of the Disposal Agreement (as varied and amended by the Supplemental Agreement). As at the end of the Grace Period (i.e. 11th November, 2011), no Amendments have been agreed upon between the Purchaser and the Vendor yet. The Board is considering the Proposal but has reserved the right to terminate the Disposal Agreement (as varied and amended by the Supplemental Agreement) and forfeit all the payments that have so far been made by the Purchaser to the Vendor at any time notwithstanding any intervening negotiation on the Proposal. The Company will make further announcement on the progress of the negotiation and re-comply with the relevant requirements of the Listing Rules for the Disposal if the Amendments can be agreed.

References are made to the announcements of the Company dated 22nd July, 2010, 16th May, 2011 and 1st November, 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% interest 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 1st November, 2011, the Purchaser requested and the Vendor agreed to grant the Grace Period up to and including 11th November, 2011, during which the Purchaser shall negotiate with the Vendor on the Amendments to the terms of the Disposal Agreement (as varied and amended by the Supplemental Agreement) including, among other things, a possible reduction in the percentage of the interest in Paragon Winner and the Vendor’s Loans to be acquired by the Purchaser.

* *For identification purpose only*

The Board wishes to announce that on 10th November, 2011, a proposal for the Amendments (the “**Proposal**”) has been put forward by the Purchaser to the Vendor which involves, among other things, a revised schedule for the payment of the remaining balance of the Consideration and the time of Completion, and the possible adjustment to the percentage of the interest in Paragon Winner and the Vendor’s Loans to be acquired by the Purchaser. As at the end of the Grace Period, no Amendments have been agreed upon between the Purchaser and the Vendor yet. The Board is considering the Proposal but has reserved the right to terminate the Disposal Agreement (as varied and amended by the Supplemental Agreement) and forfeit all the payments that have so far been made by the Purchaser to the Vendor at any time notwithstanding any intervening negotiation on the Proposal. The Company will make further announcement on the progress of the negotiation and re-comply with the relevant requirements of the Listing Rules for the Disposal if the Amendments can be agreed.

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

Hong Kong, 11th November, 2011

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