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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 DISCLOSEABLE TRANSACTION
IN RELATION TO THE DISPOSAL OF THE ENTIRE EQUITY
INTEREST IN AND SHAREHOLDER'S LOAN TO
LINKTOP LIMITED**

The Board wishes to announce that on 13th June, 2012, the Vendor and the Purchaser have entered into the Second Supplemental Agreement to extend the date of Completion to 13th September, 2012.

References are made to the announcements of the Company dated 13th December, 2011 and 14th March, 2012 respectively (the “**Announcements**”) in relation to the discloseable transaction involving the disposal by the Vendor, an indirect wholly-owned subsidiary of the Company, of the entire issued share capital of Linktop which indirectly holds 45% effective interest in the Guizhou JV and all the shareholder’s loan due from Linktop to the Vendor as at Completion. Capitalised terms used herein have the same meanings as those defined in the Announcements unless otherwise specified.

As stated in the Announcements, at the request of the Purchaser, the date of Completion was extended to 13th June, 2012. The Purchaser has requested the Vendor to further extend the date of Completion to 13th September, 2012. In the circumstances and after negotiations between the parties, the Vendor and the Purchaser have on 13th June, 2012 entered into a second supplemental agreement (the “**Second Supplemental Agreement**”) whereby it is agreed that:

* *For identification purpose only*

- (i) the Purchaser shall pay to the Vendor before 28th June, 2012 a further amount of approximately HK\$26.4 million of which approximately HK\$6.4 million is applied for the payment of interest calculated up to and including 12th June, 2012 in accordance with the Supplemental Agreement. The remaining balance of HK\$20.0 million, equivalent to approximately RMB16.3 million, represents the payment of a further deposit (the “**Second Further Deposit**”);
- (ii) the date of Completion shall be deferred to 13th September, 2012;
- (iii) the Purchaser shall pay interest on the unpaid balance of the Consideration of approximately RMB120.6 million, calculated from 13th June, 2012 up to and including the new completion date of 13th September, 2012 at the interest rate of 18% per annum to the Vendor on Completion; and
- (iv) if the Purchaser fails to make the payment of the Second Further Deposit and/or complete the Disposal Agreement, the Vendor shall be entitled to terminate the Disposal Agreement (as varied and amended by the Supplemental Agreement and the Second Supplemental Agreement) and forfeit HK\$50.0 million of the Deposit without prejudice to its right to claim against the Purchaser for any further loss and damages and the balance of the Deposit, the Further Deposit and the Second Further Deposit shall be retained by the Vendor on account of such loss and damages.

Save as amended above, all the terms and conditions of the Disposal Agreement (as varied and amended by the Supplemental Agreement and the Second Supplemental Agreement) remain unchanged and continue in full force and effect. The Board considers that the terms of the Second Supplemental Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

By order of the Board
ITC Properties Group Limited
Cheung Chi Kit
Executive Director

Hong Kong, 13th June, 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