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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)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO LAND ACQUISITION IN SANYA CITY**

### **LAND ACQUISITION**

The Board announces that Pioneer Future, an indirect wholly-owned subsidiary of the Company, has made a successful acquisition of the land use rights of the Land offered for sale by Sanya Land and Environmental Resources Bureau\* (三亞市國土環境資源局) on 6th December, 2013 through listing-for-sale (公開掛牌出讓) organized by the Organizer at a consideration of RMB258.8 million (equivalent to approximately HK\$332.3 million). The Land is intended to be used for hotel development.

### **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is above 5% but less than 25%, the Land Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

### **INTRODUCTION**

The Board is pleased to announced that Pioneer Future, an indirect wholly-owned subsidiary of the Company, has made a successful acquisition of the land use rights of the Land offered for sale by Sanya Land and Environmental Resources Bureau\* (三亞市國土環境資源局) on 6th December, 2013 through listing-for-sale (公開掛牌出讓) organized by the Organizer at a consideration of RMB258.8 million (equivalent to approximately HK\$332.3 million).

Sanya Land and Environmental Resources Bureau\* (三亞市國土環境資源局) is a PRC governmental bureau in charge of the management of land resources in Sanya City, Hainan Province, the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Sanya Land and Environmental Resources Bureau\* (三亞市國土環境資源局) is a third party independent of the Company and its connected persons and is not a connected person of the Company.

The Bid Confirmation has been issued by the Organizer on 6th December, 2013 and which has been signed by Pioneer Future on the same day. The Land Grant Contract will be entered into between Pioneer Future (or its wholly-owned subsidiary) and Sanya Land and Environmental Resources Bureau\* (三亞市國土環境資源局) before 26th December, 2013.

### **PRINCIPAL TERMS OF THE LISTING-FOR-SALE (公開掛牌出讓)**

Date :	6th December, 2013
Vendor:	Sanya Land and Environmental Resources Bureau* (三亞市國土環境資源局)
The Land:	a parcel of land with lot number CY01-06-01, which is situated inside the Cyber Park, Sanya City, Hainan Province, the PRC (中國海南省三亞市創意產業園 CY01-06-01 地塊)
Total site area of the Land:	approximately 82,423 m <sup>2</sup>
Plot ratio:	≤ 1.0
Term of the land use rights of the Land:	forty (40) years commencing from the date of the Land Grant Contract
Consideration:	RMB258.8 million (equivalent to approximately HK\$332.3 million), of which RMB51.1 million (equivalent to approximately HK\$65.6 million) has been paid as deposit (the “ <b>Deposit</b> ”), RMB78.3 million (equivalent to approximately HK\$100.5 million) shall be paid on or before 9th January, 2014 and the remaining balance of RMB129.4 million (equivalent to approximately HK\$166.2 million) shall be paid within one (1) year of the date of the Land Grant Contract
Use:	hotel

The Consideration was the outcome of the bidding of the Land by Pioneer Future through listing-for-sale (公開掛牌出讓) after taking into account the minimum bid price, current market conditions, location of the Land and land price in the surrounding area. The Deposit has been paid and the remaining balance of the Consideration will be paid from the Group's internal resources.

## **REASONS FOR AND BENEFITS OF THE LAND ACQUISITION**

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 the development and investments in golf resort and leisure operations in the PRC, securities investments and the provision of loan financing services.

The Land is situated at the river bank of River Ning Yuan which is about 40 kilometers from Sanya City, Hainan Province, the PRC, which is a superb location for hotel development. The Board considers that the Land Acquisition provides a good opportunity for the Group to enlarge its property portfolio. Upon completion of the development, the operation of the hotel will also broaden the recurring earnings base of the Group. The Board considers that the terms of the Land Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is above 5% but less than 25%, the Land Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Bid Confirmation”	the bid confirmation (掛牌出讓成交確認書) dated 6th December, 2013 signed by Pioneer Future with the Organizer confirming the successful acquisition of the land use rights of the Land by Pioneer Future
“Board”	the board of the 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 general open for business
“Company”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares (Stock Code : 199) of which are listed on the Main Board of the Stock Exchange

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a parcel of land with lot number CY01-06-01, which is situated inside Cyber Park, Sanya City, Hainan Province, the PRC
“Land Acquisition”	acquisition of the land use rights of the Land
“Land Grant Contract”	the contract for the sale of the land use rights of the Land to be entered into between Sanya Land and Environmental Resources Bureau* (三亞市國土環境資源局) and Pioneer Future or its wholly-owned subsidiary
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Organizer”	Hainan South Auction Market Limited* (海南南部拍賣市場有限公司)
“Pioneer Future”	Pioneer Future Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

“m<sup>2</sup>” square meters

“%” per cent.

*In this announcement, save as otherwise provided, amounts in RMB are translated into HK\$ on the basis of HK\$1 = RMB0.7789. The conversion rate is for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at that rate or at all.*

*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**  
**Wong Kim Man**  
Company Secretary

Hong Kong, 6th December, 2013

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

*Independent non-executive Directors:*

Hon. Shek Lai Him, Abraham, GBS, JP (*Vice Chairman*)  
Mr. Wong Chi Keung, Alvin  
Mr. Kwok Ka Lap, Alva

\* *For identification purpose only*