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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)**

**TERMINATION OF MAJOR AND CONNECTED TRANSACTION  
IN RELATION TO THE DISPOSAL OF 50% INTEREST IN  
ITC PROPERTIES (CHINA) LIMITED  
AND  
DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO THE PROVISION OF SHAREHOLDER'S LOAN**

The Board announces that at the close of business on 30th May, 2014, as certain Conditions have not been fulfilled, the Agreement has lapsed on 30th May, 2014 in accordance to its terms and conditions. The Board considers that the Termination has no material adverse impact on the interests of the Company and the Shareholders as well as the existing business and financial positions of the Group.

The Board also wishes to announce that the Company has received a letter from the legal representative of and on behalf of Kang Cheng, expressing interest in the Possible Disposal.

**As the Possible Disposal may or may not proceed, Shareholder and/or potential investors should therefore exercise caution when dealing in the securities of the Company.**

References are made to the announcements of ITC Properties Group Limited (the "**Company**") dated 6th October, 2010, 31st March, 2011, 5th July, 2012, 28th September, 2012, 30th November, 2012, 28th February, 2013, 30th April, 2013, 28th June, 2013, 30th August, 2013, 29th November, 2013, 28th February, 2014 and 30th April, 2014 (collectively, the "**Announcements**") and the circular of the Company dated 27th October, 2010 (the "**Circular**") in relation to the disposal of 50% interest in ITC Properties (China) Limited and the provision of the Shareholder's Loan. Capitalised terms used herein shall have the same meanings as defined in the Announcements and the Circular unless otherwise specified.

\* For identification purpose only

Pursuant to the Agreement, Completion is conditional upon the fulfillment or, where applicable, waiver of certain conditions (the “**Conditions**”). One of the Conditions is that the Purchaser shall obtain the approval by the shareholders of Hanny of the Agreement, the Shareholders’ Agreement and the transactions contemplated respectively thereunder at a general meeting of Hanny in compliance with the requirements of the Listing Rules (the “**Outstanding Condition**”). As stated in the announcement of the Company dated 30th April, 2014, the Vendor was approached by the Purchaser for a further extension of the Long Stop Date (which shall expire on 30th May, 2014 unless the parties to the Agreement otherwise agree in writing). Since the Purchaser is not able to confirm to the Vendor a reasonable date for the completion of the Outstanding Condition, no further extension of the Long Stop Date has been agreed. Pursuant to the terms and conditions of the Agreement, the rights and obligations of the parties to the Agreement thereunder lapsed on 30th May, 2014 and be of no further effect accordingly, except for antecedent breach (the “**Termination**”).

As at the date of this announcement, the Purchaser has paid to the Vendor the Deposit of HK\$350.0 million. The Vendor shall refund to the Purchaser the Deposit in accordance with the terms of the Agreement. The refund of the Deposit will be paid from the internal resources of the Group and the Board considers that the Termination has no material adverse impact on the interests of the Company and the Shareholders as well as the existing business and financial positions of the Group.

The Board also wishes to announce that the Company has received a letter from the legal representative of and on behalf of Kang Cheng Holdings Limited (“**Kang Cheng**”), an independent third party which acquired from the Group 80% interest in ITC Golf & Leisure Group Limited for an aggregate consideration of HK\$450.0 million (details of which have been set out in the announcements of the Company dated 18th February, 2014 and 29th April, 2014 respectively), expressing interest of Kang Cheng to acquire the entire interest in ITC Properties (China) Limited (the “**Possible Disposal**”). As at the date of this announcement, negotiation of the Possible Disposal is at a preliminary stage and no agreement in relation thereto has been entered into by the Group. Further announcement in respect of the Possible Disposal will be made by the Company in accordance with the requirements of the Listing Rules as and when appropriate.

**As the Possible Disposal may or may not proceed, Shareholders and/or potential investors should therefore exercise caution when dealing in the securities of the Company.**

By order of the Board  
**ITC Properties Group Limited**  
**Chan Siu Mei**  
*Company Secretary*

Hong Kong, 30th May, 2014

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