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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 RELATING TO THE PROVISION OF LOAN**

The Board announces that on 30th May, 2016, ITCP Finance, an indirect wholly-owned subsidiary of the Company, as lender and SMI as borrower entered into the Loan Agreement in respect of the provision of the Loan.

The provision of the Loan by ITCP Finance under the Loan Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

### **THE LOAN AGREEMENT**

On 30th May, 2016, ITCP Finance and the Borrower entered into the Loan Agreement on the following terms and conditions:

**Lender:** ITC Properties Finance Limited, an indirect wholly-owned subsidiary of the Company and is engaged in money lending business.

**Borrower:** SMI, the principal activities of which, through its subsidiaries, include (i) movie theater operation; (ii) new complementary business on online shopping and in-theater counter sales; and (iii) advertising and promotion business in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SMI and its substantial shareholder(s) are third parties independent of the Company and its connected persons.

**Principal:** HK\$250 million.

**Interest rate:** 12% per annum (the "**Interest Rate**").

**Default interest rate:** the Interest Rate plus 3% per annum.

\* *For identification purpose only*

Repayment date: The Loan together with all interest accrued thereon is repayable on 29th July, 2016.

The Loan has been fully drawn down by the Borrower on the date of the Loan Agreement, the advance of which was financed by the internal resources of the Group.

## **REASONS AND BENEFITS FOR THE PROVISION OF THE LOAN**

The Company is an investment holding company and its subsidiaries are principally engaged in property development and investment in Macau, the PRC, Hong Kong and Canada. The Group is also engaged in the development, investment and operation of hotels and leisure business in the PRC and Hong Kong, securities investments and the provision of loan financing services.

The provision of the Loan under the Loan Agreement falls within one of the Group's principal businesses and will generate interest income for the Group.

The terms of the Loan Agreement were arrived at after arm's length negotiation between ITCP Finance and the Borrower. The Board considers that the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **GENERAL**

The provision of the Loan by ITCP Finance under the Loan Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of the Directors
“Borrower” or “SMI”	SMI Holdings Group Limited (Stock Code : 198), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Company”	ITC Properties Group Limited (Stock Code : 199), a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules

“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“ITCP Finance”	ITC Properties Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the unsecured loan with the principal amount of HK\$250 million provided to the Borrower by ITCP Finance pursuant to the terms and conditions of the Loan Agreement
“Loan Agreement”	the loan agreement dated 30th May, 2016 entered into between ITCP Finance and the Borrower in relation to the Loan
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Share(s)”	share(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**ITC Properties Group Limited**  
Cheung Hon Kit  
*Chairman*

Hong Kong, 30th May, 2016

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

Mr. Wong Lai Shun, Benny

*Independent Non-executive Directors:*

Hon. Shek Lai Him, Abraham, *GBS, JP (Vice Chairman)*

Mr. Kwok Ka Lap, Alva

Mr. Chan Pak Cheong Afonso