

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 199)

**(i) RESULTS OF THE REPURCHASE OFFER;
AND
(ii) DELAY IN DESPATCH OF CIRCULAR**

RESULTS OF ACCEPTANCE OF THE REPURCHASE OFFER

At 4:00 p.m. on 31st March, 2011, being the latest time for acceptance of the Repurchase Offer, Noteholders of the Notes with principal amount of HK\$265,500,000 have tendered acceptances to the Repurchase Offer, while Noteholders of the Notes with principal amount of HK\$370,500,000 have not accepted or been extended the Repurchase Offer. Loyal Concept, a holder of the Notes with principal amount of HK\$270,000,000, has conditionally accepted the Repurchase Offer subject to the fulfillment of the Hanny Conditions.

In light of the acceptances above, the Board has resolved to issue the New Notes in the Redemption Amount of HK\$292,050,000 to those Noteholders who have unconditionally accepted the Repurchase Offer in accordance with the terms and conditions of the Repurchase Offer. The conditional acceptance of Loyal Concept shall be treated as valid if the Hanny Conditions are fulfilled on or before 31st May, 2011 (being the same date by when the conditions of the Repurchase Offer are to be fulfilled). In such event, the New Notes in the Redemption Amount of HK\$297,000,000 will also be issued to Loyal Concept in accordance with the terms and conditions of the Repurchase Offer, and the aggregate principal amount of the New Notes to be issued would be HK\$589,050,000.

The Notes for which the Repurchase Offer has not been accepted or extended will be redeemed by the Company in cash using its internal resources. The Company is in discussions with third parties on the possibility of issuing convertible notes on substantially the same terms of the New Notes to replenish the internal resources that will be utilised to redeem the Notes which are not repurchased under the Repurchase Offer. Further announcement relating to this possible fund raising exercise will be made by the Company as and when appropriate.

* For identification purpose only

EXPECTED DESPATCH DATE OF THE CIRCULAR

In order to allow additional time for the Company to finalise the aforesaid possible fund raising exercise and, if applicable, include the relevant information in the Circular, the despatch date of the Circular is postponed to a date on or before 21st April, 2011.

Reference is made to the announcement of the Company dated 21st February, 2011 (the “**Announcement**”) in relation to the Repurchase Offer. Capitalised terms used herein have the same meanings as those defined in the Announcement unless otherwise specified.

RESULTS OF ACCEPTANCE OF THE REPURCHASE OFFER

As disclosed in the Announcement, the Repurchase Offer is subject to the fulfillment of a number of conditions and is open for acceptance until 4:00 p.m. on 31st March, 2011. If the conditions of the Repurchase Offer have not been fulfilled by 4:00 p.m. on 31st May, 2011, the Repurchase Offer will not proceed.

At 4:00 p.m. on 31st March, 2011, being the latest time for acceptance of the Repurchase Offer, the responses to the Repurchase Offer received by the Company are summarised as follows:

	Principal amount HK\$'000	Redemption Amount HK\$'000
Unconditional acceptances (<i>Note 1</i>)	265,500	292,050
Conditional acceptance by Loyal Concept Limited	270,000	297,000
Total unconditional and conditional acceptances	535,500	589,050
Non-acceptances (<i>Note 2</i>)	370,500	407,550
TOTAL	906,000	996,600

Notes :

1. Selective Choice has accepted the Repurchase Offer in respect of the Notes held by it in the principal amount of HK\$64,000,000.
2. Based on the legal advices obtained by the Company, the Directors considered that it is necessary or expedient not to make the Repurchase Offer to the Noteholder whose address is in the United States, on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place. The non-acceptances included the amount of the Notes held by such overseas Noteholder and those Noteholders to which the Repurchase Offer has been extended but have not been accepted.

On 31st March, 2011, Loyal Concept Limited (“**Loyal Concept**”), being one of the Noteholders and an indirect wholly-owned subsidiary of Hanny Holdings Limited (“**Hanny**”) (a company whose issued shares are listed on the Main Board of the Stock Exchange (Stock Code : 275)), tendered a conditional acceptance to the Repurchase Offer in respect of the Notes held by it in an aggregate principal amount of HK\$270,000,000. Loyal Concept informed the Company that the acceptance of the Repurchase Offer by Loyal Concept is subject to the approval of the shareholders of Hanny and the compliance of other requirements under the Listing Rules and the Hong Kong Codes on Takeovers and Mergers and Shares Repurchases (the “**Hanny Conditions**”). Loyal Concept expects to fulfill these conditions and requirements by 4:00 p.m. on 31st May, 2011.

In light of the acceptances above, the Board has resolved to issue the New Notes in the Redemption Amount of HK\$292,050,000 to those Noteholders who have unconditionally accepted the Repurchase Offer in accordance with the terms and conditions of the Repurchase Offer. The conditional acceptance of Loyal Concept shall be treated as valid if the Hanny Conditions are fulfilled by 31st May, 2011 (being the same date by when the conditions of the Repurchase Offer are to be fulfilled). In such event, the New Notes in the Redemption Amount of HK\$297,000,000 will also be issued to Loyal Concept in accordance with the terms and conditions of the Repurchase Offer, and the aggregate principal amount of the New Notes to be issued would be HK\$589,050,000.

The Notes for which the Repurchase Offer has not been extended or accepted will be redeemed by the Company in accordance with the terms of the Notes. Based on the results of the Repurchase Offer as disclosed above, the Redemption Amount of HK\$407,550,000 together with the 1% interest per annum accrued on the Notes will be paid to the Noteholders who have not accepted or been extended the Repurchase Offer in cash by the Company using its internal resources on 15th June, 2011. If the Hanny Conditions are not fulfilled by 31st May, 2011, the Company will also redeem the Notes held by Loyal Concept and pay the Redemption Amount of HK\$297,000,000 together with the 1% interest accrued on the Notes in cash utilising its internal resources and/or bank financing on 15th June, 2011.

In light of the acceptance level of the Repurchase Offer as disclosed above, the Directors are in discussion with third parties on the possibility of issuing convertible notes on substantially the same terms of the New Notes to replenish the internal resources of the Group that will be utilised for the redemption of the Notes which are not repurchased under the Repurchase Offer. Further announcement relating to this possible fund raising exercise will be made by the Company as and when appropriate.

SHAREHOLDING STRUCTURE

Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the issue and the full conversion of the New Notes at the initial conversion price of HK\$2.20 per Conversion Share assuming the Hanny Conditions are fulfilled; and (iii) immediately after the issue and the full conversion of the New Notes at the initial conversion price of HK\$2.20 per Conversion Share assuming the Hanny Conditions are not fulfilled. The table below assumes there is no other change in the issued share capital and the shareholding structure of the Company after the date of this announcement and has not taken into account the possible fund raising exercise as described above:

Shareholders	(i) As at the date of this announcement		(ii) Immediately after the issue and the full conversion of the New Notes at the initial conversion price of HK\$2.20 per Conversion Share assuming the Hanny Conditions are fulfilled		(iii) Immediately after the issue and the full conversion of the New Notes at the initial conversion price of HK\$2.20 per Conversion Share assuming the Hanny Conditions are not fulfilled	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Selective Choice (Note 1)	139,583,474	24.71	171,583,474	20.61	171,583,474	24.59
Dr. Chan Kwok Keung, Charles (Note 2)	6,066,400	1.07	6,066,400	0.73	6,066,400	0.87
Mr. Cheung Hon Kit (Note 3)	14,202,000	2.51	14,202,000	1.71	14,202,000	2.04
Ms. Chau Mei Wah, Rosanna (“Ms. Chau”) (Note 2)	3,200,000	0.57	8,200,000	0.98	8,200,000	1.17
Loyal Concept	–	–	135,000,000	16.21	–	–
Other public Shareholders	401,867,723	71.14	497,617,723	59.76	497,617,723	71.33
Total	<u>564,919,597</u>	<u>100.00</u>	<u>832,669,597</u>	<u>100.00</u>	<u>697,669,597</u>	<u>100.00</u>

Notes:

- As at the date of this announcement, Selective Choice, an indirect wholly-owned subsidiary of ITC, holds 139,583,474 Shares. Selective Choice has accepted the Repurchase Offer in respect of the Notes held by it in the principal amount of HK\$64,000,000. Accordingly, the New Notes with principal amount of HK\$70,400,000 will be issued to Selective Choice which are convertible into 32,000,000 Conversion Shares upon conversion in full at the initial conversion price of HK\$2.20 per Conversion Share.
- Dr. Chan Kwok Keung, Charles is the controlling shareholder of ITC. Ms. Chau is the deputy chairman and the managing director of ITC. Ms. Chau has accepted the Repurchase Offer for her holding of the Notes in the principal amount of HK\$10,000,000. Accordingly, the New Notes with principal amount of HK\$11,000,000 will be issued to Ms. Chau which are convertible into 5,000,000 Conversion Shares upon conversion in full at the initial conversion price of HK\$2.20 per Conversion Share.
- Mr. Cheung Hon Kit is the Chairman of the Company and an executive Director, and an executive director of ITC.

EXPECTED DESPATCH DATE OF THE CIRCULAR

As disclosed in the Announcement, the Company initially expected to despatch the circular of the Company in connection with the Repurchase Offer (the “**Circular**”) to the Shareholders on or before 11th April, 2011. In order to allow additional time for the Company to finalise the aforesaid possible fund raising exercise and, if applicable, include the relevant information in the Circular, the despatch date of the Circular is postponed to a date on or before 21st April, 2011.

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

Hong Kong, 1st April, 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. Lai Tsan Tung, David
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