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If you have sold or transferred all your shares in ITC Properties Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES,
REFRESHMENT OF THE SCHEME MANDATE LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (the “Annual General Meeting”) to be held at 15/F., Cheuk Nang Plaza, 250 Hennessy Road, Wanchai, Hong Kong on Friday, 7th September, 2018 at 10:30 a.m. is set out on pages 17 to 22 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or at any adjournment thereof should you so wish.

* For identification purpose only

Hong Kong, 31st July, 2018

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 15/F., Cheuk Nang Plaza, 250 Hennessy Road, Wanchai, Hong Kong on Friday, 7th September, 2018 at 10:30 a.m., the notice of which is set out on pages 17 to 22 of this circular, or any adjournment thereof
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company as amended, supplemented or otherwise modified from time to time
“CG Code”	the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules
“close associate(s)”	shall have the meaning ascribed thereto under the Listing Rules
“Company”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange (Stock Code: 199)
“Controlling Shareholder(s)”	the controlling shareholder(s) (as defined in the Listing Rules) of the Company
“core connected person(s)”	shall have the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person(s)”	(i) any employee or proposed employee (whether full time or part time) or executive, including executive director, of any member of the Group, the Controlling Shareholder, any Invested Entity and/or their respective subsidiaries; or (ii) any non-executive director (including independent non-executive director) of any member of the Group, the Controlling Shareholder or any Invested Entity; or (iii) any consultant, adviser or agent (legal, financial or professional) engaged by any member of the Group or any Invested Entity, who, under terms of relevant engagement with the Group or the relevant Invested Entity, is eligible to participate in a share option scheme of the Company; or (iv) any vendor, supplier of goods or services or customer of or to any member of the Group or any Invested Entity, who, under the terms of relevant agreement with the Group or the relevant Invested Entity, is eligible to participate in a share option scheme of the Company

DEFINITIONS

“General Mandates”	the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which any member of the Group holds any direct or indirect equity interests, and/or any subsidiaries of such entity
“Issue Mandate”	the proposed general mandate to be granted to the Directors at the Annual General Meeting to exercise all powers of the Company to allot, issue and deal with additional Shares not exceeding 20% of the total number of issued Shares as at the date of approval of such mandate
“Latest Practicable Date”	25th July, 2018, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Option(s)”	the share option(s) granted or to be granted under the Share Option Scheme and any other share option scheme(s) of the Company (if any)
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors at the Annual General Meeting to exercise all powers of the Company to repurchase Shares up to a maximum of 10% of the total number of issued Shares as at the date of approval of such mandate
“Scheme Mandate Limit”	the maximum aggregate number of Shares which may be issued upon the exercise of all the Options to be granted under the Share Option Scheme as permitted under the Listing Rules
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the Share Capital

DEFINITIONS

“Share Capital”	the issued ordinary share capital of the Company
“Share Option Scheme”	the existing share option scheme of the Company adopted at the annual general meeting of the Company held on 17th August, 2012
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder(s)”	the substantial shareholder(s) (as defined in the Listing Rules) of the Company
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 199)

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*)
Mr. Chan Fut Yan (*Managing Director*)
Mr. Cheung Chi Kit (*Chief Financial Officer*)
Mr. Chan Yiu Lun, Alan
Mr. Wong Lai Shun, Benny

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Hon. Shek Lai Him, Abraham, *GBS, JP (Vice Chairman)*
Mr. Kwok Ka Lap, Alva
Mr. Chan Pak Cheong Afonso

*Principal place of business
in Hong Kong:*

30/F., Bank of America Tower
12 Harcourt Road
Central
Hong Kong

31st July, 2018

To the Shareholders,

Dear Sir or Madam,

**RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES,
REFRESHMENT OF THE SCHEME MANDATE LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with notice of the Annual General Meeting and information in respect of the resolutions to be proposed at the Annual General Meeting for: (a) the re-election of the retiring Directors; (b) the granting of the General Mandates to the Directors; (c) the extension of the Issue Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate; and (d) the refreshment of the Scheme Mandate Limit.

* *For identification purpose only*

LETTER FROM THE BOARD

2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to bye-laws 87(1) and 87(2) of the Bye-laws and the CG Code, Mr. Cheung Hon Kit and Mr. Chan Yiu Lun, Alan, both executive Directors, and Hon. Shek Lai Him, Abraham, *GBS, JP*, an independent non-executive Director, shall retire from office at the Annual General Meeting by rotation. All these three retiring Directors, being eligible, have offered themselves for re-election at the Annual General Meeting.

Brief biographical and other details of the said retiring Directors standing for re-election at the Annual General Meeting, as required to be disclosed under the Listing Rules, are set out in Appendix I to this circular.

3. GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 11th August, 2017, general mandates were granted to the Directors authorising them, *inter alia*, (a) to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the total number of the issued Shares as at 11th August, 2017; (b) to repurchase Shares not exceeding 10% of the total number of the issued Shares as at 11th August, 2017; and (c) to extend the general mandate to issue Shares by adding to it the aggregate number of issued Shares repurchased under the repurchase mandate mentioned in (b) above. Such general mandates will expire at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to grant to the Directors new general mandates authorising them (a) to exercise all powers of the Company to allot, issue and deal with Shares not exceeding 20% of the total number of issued Shares as at the date of the passing of such resolution; (b) to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of the passing of such resolution; and (c) subject to the passing of the ordinary resolutions to approve the General Mandates at the Annual General Meeting, to extend the Issue Mandate by adding to it the aggregate number of issued Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, there were 937,712,734 Shares in issue. Subject to the passing of the ordinary resolutions to approve the General Mandates at the Annual General Meeting and on the basis that no further Shares are issued or repurchased from the Latest Practicable Date to the date of the Annual General Meeting, the Company would be allowed to issue up to a maximum of 187,542,546 Shares under the Issue Mandate and to repurchase up to a maximum of 93,771,273 Shares under the Repurchase Mandate.

The Directors believe that it is in the interests of the Company and the Shareholders as a whole if the General Mandates are granted at the Annual General Meeting. The Issue Mandate will provide the Directors with flexibility to issue new Shares especially in the context of a fund-raising exercise in a timely manner or a transaction involving an acquisition by the Group where Shares are to be issued as consideration and which has to be completed speedily.

LETTER FROM THE BOARD

The Directors have no present intention to exercise the Issue Mandate to allot, issue and deal with Shares and to exercise the Repurchase Mandate to repurchase Shares. Repurchase of Shares will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole. Considering the rapid changes in the market conditions, the Repurchase Mandate can provide more flexibility to the Directors to enhance the net asset value of the Company and/or its earnings per Share.

The General Mandates, if approved by the Shareholders at the Annual General Meeting, will continue until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws of Bermuda to be held; and
- (c) the revocation or variation of such authority by the Shareholders in general meeting of the Company.

An explanatory statement providing all the information required under the Listing Rules regarding the Repurchase Mandate is set out in Appendix II to this circular.

4. REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Share Option Scheme was approved and adopted by the Shareholders at the annual general meeting of the Company held on 17th August, 2012 (the “**Adoption Date**”). Pursuant to the terms of the Share Option Scheme and the Listing Rules, the Scheme Mandate Limit shall not exceed 10% of the total number of issued Shares as at the Adoption Date and may be refreshed by an ordinary resolution of the Shareholders in general meeting from time to time provided that:

- (a) the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued Shares as at the date of such Shareholders’ approval of the refreshment of the Scheme Mandate Limit;
- (b) Options previously granted under the Share Option Scheme or any other share option scheme(s) of the Company (including Options outstanding, cancelled or lapsed in accordance with the relevant scheme rules or exercised Options) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed; and
- (c) the aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the total number of Shares in issue from time to time (the “**30% Overall Limit**”).

LETTER FROM THE BOARD

Save for the Share Option Scheme, there is no other share option scheme adopted by the Company as at the Latest Practicable Date. Also, the Scheme Mandate Limit under the Share Option Scheme as refreshed at the annual general meeting of the Company held on 11th August, 2017 (the “**Last Refreshment**”) was 88,730,613 Shares, being 10% of the then total number of issued Shares.

Since the Adoption Date, the Company has granted two lots of Options under the Share Option Scheme. The first lot of 20,800,000 Options (the “**First Lot Options**”) were granted on 17th October, 2013 and were exercisable during the period from 17th October, 2014 to 16th October, 2017. All the outstanding First Lot Options therefore lapsed on 17th October, 2017. On 4th April, 2018 and since the date of the Last Refreshment, the Company granted the second lot of 27,020,000 Options (the “**Second Lot Options**”), representing approximately 2.88% of the total number of issued Shares as at the Latest Practicable Date. These Second Lot Options will be exercisable during the period from 4th April, 2019 to 3rd April, 2022. Accordingly, as at the Latest Practicable Date, there were 27,020,000 Options outstanding under the Share Option Scheme and no further Options have been granted.

Since the Second Lot Options were granted after the date of the Last Refreshment, the Scheme Mandate Limit was reduced to 61,710,613 Shares, representing approximately 6.58% of the total number of issued Shares as at the Latest Practicable Date.

Since the date of the Last Refreshment and up to the Latest Practicable Date, 27,170,324 Shares and 23,236,275 Shares were issued by way of scrip dividend declared for the year ended 31st March, 2017 and for the six months ended 30th September, 2017 respectively. As a result, the total number of the issued Shares was increased from 887,306,135 Shares as at the date of the Last Refreshment to 937,712,734 Shares as at the Latest Practicable Date.

It is therefore proposed that the Scheme Mandate Limit be refreshed to a number representing 10% of the total number of the issued Shares as at the date of approval of the refreshment of the Scheme Mandate Limit. Based on the 937,712,734 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company prior to the date of the Annual General Meeting, the Scheme Mandate Limit will be refreshed to 93,771,273 Shares upon the passing of the ordinary resolution approving the said refreshment and accordingly, the Company will be allowed to grant Options entitling holders thereof to subscribe for a maximum of 93,771,273 Shares, representing 10% of the total number of issued Shares as at the Latest Practicable Date. The Directors consider that the refreshment of the Scheme Mandate Limit will enable the Company to grant further Options to the Eligible Persons as incentives or rewards for their contribution to the Group.

To the extent that there are any unutilised Options under the Scheme Mandate Limit as refreshed by the Shareholders on 11th August, 2017, all such unutilised Options will be considered as lapsed upon the approval of the refreshment of the Scheme Mandate Limit at the Annual General Meeting and the Company will not be allowed to grant any further Options pursuant thereto. No Options may be granted if it would result in the number of Shares which may be issued upon exercise of all outstanding Options under all the share option scheme(s) of the Company exceeding the 30% Overall Limit from time to time.

LETTER FROM THE BOARD

As required by the Share Option Scheme and the Listing Rules, an ordinary resolution will be proposed at the Annual General Meeting to approve the refreshment of the Scheme Mandate Limit such that the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme or any other share option scheme(s) of the Company is equivalent to 10% of the total number of Shares in issue as at the date of approval of the refreshment of the Scheme Mandate Limit by the Shareholders.

The refreshment of the Scheme Mandate Limit is conditional upon:

- (a) the passing of an ordinary resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of Options granted under the Scheme Mandate Limit as refreshed.

Application will be made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of Options to be granted under the Scheme Mandate Limit as refreshed.

5. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 17 to 22 of this circular at which resolutions will be proposed to approve, *inter alia*, the re-election of the retiring Directors, the granting of the General Mandates, the extension of the Issue Mandate by adding to it the aggregate number of issued Shares repurchased under the Repurchase Mandate and the refreshment of the Scheme Mandate Limit.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules and the Bye-laws, any vote of the Shareholders at a general meeting must be taken by poll except for purely procedural or administrative matters. The chairman of the Annual General Meeting will therefore put all resolutions to be proposed at the Annual General Meeting to be voted by way of poll. An announcement on the results of the votes by poll will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, no Shareholders are required to abstain from voting on any resolutions to be approved at the Annual General Meeting pursuant to the Listing Rules and/or the Bye-laws.

LETTER FROM THE BOARD

6. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

7. RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, the granting of the General Mandates, the extension of the Issue Mandate by adding to it the aggregate number of issued Shares repurchased under the Repurchase Mandate and the refreshment of the Scheme Mandate Limit are all in the interests of the Company and the Shareholders as a whole and accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of
ITC Properties Group Limited
Cheung Hon Kit
Chairman

The biographical and other details of retiring Directors standing for re-election at the Annual General Meeting are set out below:

EXECUTIVE DIRECTORS

Mr. Cheung Hon Kit (“**Mr. HK Cheung**”), aged 64, joined the Company as the Chairman and an executive Director in April 2005 and is also a director of various members of the Group. He is also the chairman of the Corporate Governance Committee, and a member of the Nomination Committee and the Investment Committee of the Company. Mr. HK Cheung graduated from the University of London with a bachelor of arts degree. He has over 40 years of experience in real estate development, property investment and corporate finance, holding key executive positions in various leading property development companies in Hong Kong. Mr. HK Cheung is an independent non-executive director of Future Bright Holdings Limited (00703.HK), a listed company in Hong Kong. He resigned as an independent non-executive director of International Entertainment Corporation (01009.HK), a listed company in Hong Kong, with effect from 10th June, 2017.

As at the Latest Practicable Date, Mr. HK Cheung had personal interests in 47,800,000 Shares and 7,000,000 Options entitling him to subscribe for 7,000,000 Shares, in aggregate representing approximately 5.84% of the existing issued Share Capital. Also, Mr. HK Cheung did not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders as at the Latest Practicable Date.

There is no proposed length of Mr. HK Cheung’s service of directorship, but he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Bye-laws. Mr. HK Cheung is entitled to receive an annual director’s fee of HK\$10,000, a basic salary of HK\$3,480,000 per annum and discretionary bonus, which will be reviewed by the Remuneration Committee of the Company with reference to the prevailing market conditions, his duties and responsibilities and time spent on the affairs of the Group as well as his performance.

Save as disclosed above, in connection with the re-election of Mr. HK Cheung as an executive Director, there are no other matters that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Chan Yiu Lun, Alan (“**Mr. Alan Chan**”), aged 34, joined the Company as an executive Director in March 2010 and is also a director of various members of the Group. He is also a member of the Investment Committee of the Company. He graduated from Trinity College of Arts and Sciences of Duke University, United States of America, with a bachelor of arts degree in Political Science – International Relations. Mr. Alan Chan previously worked in the investment banking division of The Goldman Sachs Group, Inc. He is a director of Burcon NutraScience Corporation whose issued shares are listed on the Toronto Stock Exchange (TSX:BU) and the Frankfurt Stock Exchange (BNE.FWB). He is also an advisor to Bisagni Environmental Enterprise (BEE Inc.). Mr. Alan Chan was re-designated from an executive director to a non-executive director of PYI Corporation Limited (00498.HK), a listed company in Hong Kong, with effect from 22nd July, 2016 and thereafter resigned as a non-executive director with effect from 25th April, 2017. Also, he resigned as an executive director of ITC Corporation Limited (now known as PT International Development Corporation Limited) (00372.HK), a listed company in Hong Kong, on 28th March, 2017. Mr. Alan Chan is the son of Dr. Chan Kwok Keung, Charles (“**Dr. Charles Chan**”) and Ms. Ng Yuen Lan, Macy, who are the Substantial Shareholders.

As at the Latest Practicable Date, Mr. Alan Chan had personal interests in 3,856,517 Shares and 1,500,000 Options entitling him to subscribe for 1,500,000 Shares, in aggregate representing approximately 0.57% of the existing issued Share Capital. Save as aforesaid, he did not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders as at the Latest Practicable Date.

There is no proposed length of Mr. Alan Chan’s service of directorship, but he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the Bye-laws. Mr. Alan Chan is entitled to receive an annual director’s fee of HK\$10,000, a basic salary of HK\$2,640,000 per annum and discretionary bonus, which will be reviewed by the Remuneration Committee of the Company with reference to the prevailing market conditions, his duties and responsibilities and time spent on the affairs of the Group as well as his performance.

Save as disclosed above, in connection with the re-election of Mr. Alan Chan as an executive Director, there are no other matters that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Hon. Shek Lai Him, Abraham, GBS, JP (“**Mr. Abraham Shek**”), aged 73, joined the Company as the Vice Chairman and an independent non-executive Director in September 2010. He is also the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee of the Company. Mr. Abraham Shek graduated from the University of Sydney, Australia with a bachelor of arts degree and a diploma in education. He has been a member of the Legislative Council of Hong Kong representing the real estate and construction functional constituency since 2000. He was appointed as a Justice of the Peace in 1995. He was awarded Silver Bauhinia Star in 2007 and was further awarded the Gold Bauhinia Star in 2013. Mr. Abraham Shek is the chairman and an independent non-executive director of Chuang’s China Investments Limited (00298.HK), a listed company in Hong Kong. He is also an independent non-executive director of China Resources Cement Holdings Limited (01313.HK), Chuang’s Consortium International Limited (00367.HK), Cosmopolitan International Holdings Limited (00120.HK), Country Garden Holdings Company Limited (02007.HK), Goldin Financial Holdings Limited (00530.HK), Hop Hing Group Holdings Limited (00047.HK), Lai Fung Holdings Limited (01125.HK), Lifestyle International Holdings Limited (01212.HK), MTR Corporation Limited (00066.HK), NWS Holdings Limited (00659.HK), Paliburg Holdings Limited (00617.HK) and SJM Holdings Limited (00880.HK), all of which are listed companies in Hong Kong. He is also an independent non-executive director of Eagle Asset Management (CP) Limited – the manager of Champion Real Estate Investment Trust (02778.HK) and an independent non-executive director of Regal Portfolio Management Limited – the manager of Regal Real Estate Investment Trust (01881.HK), both of which are listed companies in Hong Kong. He was appointed as an independent non-executive director of Everbright Grand China Assets Limited (03699.HK) and CSI Properties Limited (00497.HK), both of which are listed companies in Hong Kong, with effect from 16th January, 2018 and 20th July 2018 respectively. Mr. Abraham Shek ceased to serve as an independent non-executive director of Dorsett Hospitality International Limited (a company whose shares were withdrawn from listing on the Stock Exchange effective from 17th October, 2015) on 11th March, 2016, and resigned as an independent non-executive director of TUS International Limited (00872.HK), ITC Corporation Limited (now known as PT International Development Corporation Limited) (00372.HK) and Midas International Holdings Limited (01172.HK), listed companies in Hong Kong, on 6th January, 2017, 28th March, 2017 and 26th January, 2018 respectively. Mr. Abraham Shek is a member of the Court of The Hong Kong University of Science and Technology, a member of both of the Court and the Council of The University of Hong Kong and a non-executive director of the Mandatory Provident Fund Schemes Authority.

As at the Latest Practicable Date, Mr. Abraham Shek had personal interests in 256,274 Shares and 500,000 Options entitling him to subscribe for 500,000 Shares, in aggregate representing approximately 0.08% of the existing issued Share Capital. Also, Mr. Abraham Shek did not have any relationship with any Directors, senior management of the Company, Substantial Shareholders or Controlling Shareholders as at the Latest Practicable Date.

Mr. Abraham Shek's term of office runs for the period from 12th August, 2016, being the date of his last re-election, until the conclusion of the annual general meeting of the Company to be held in 2019, but he is subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company in accordance with the By-laws. Mr. Abraham Shek is entitled to receive an annual director's fee of HK\$300,000 as determined by the Board with regard to the prevailing market conditions, his duties and responsibilities and time spent on the affairs of the Group.

Mr. Abraham Shek was an independent non-executive director of Titan Petrochemicals Group Limited (01192.HK) ("**Titan**"), a company incorporated in Bermuda and listed in Hong Kong, from 27th February, 2006 to 26th February, 2014. According to the announcements and circulars published by Titan (together the "**Titan's Documents**"), on 9th July, 2012 (Bermuda time), Saturn Petrochemical Holdings Limited ("**SPHL**") served on Titan a petition (the "**Petition**") at the Supreme Court of Bermuda (the "**Bermuda Court**") for an order, amongst other things, to wind up and to appoint a provisional liquidator against Titan. To the best knowledge of Mr. Abraham Shek, the Petition was in relation to the redemption of all of the outstanding 555,000,000 convertible redeemable preferred shares issued by Titan held by SPHL at a redemption amount equal to the notional value of such shares (being HK\$310.8 million) together with any accrued and unpaid dividends. On 23rd July, 2013 (Bermuda time), upon the application by Titan, the Bermuda Court made the orders, amongst other things, to strike out the Petition by SPHL and to allow KTL Camden Inc. ("**Camden**") to be substituted as the petitioner in place of SPHL. Camden claimed that a subsidiary of Titan failed to pay certain hiring charges to Camden pursuant to a bareboat charter party contract and Titan was liable to Camden for such hiring charges plus interest thereon in the sum of approximately US\$6,853,032 (up to 16th April, 2013) pursuant to a deed of guarantee issued by Titan in favour of Camden. The Bermuda Court ordered to set up an informal committee of creditors to facilitate information exchange between Titan and its creditors and to appoint joint provisional liquidators. In July 2016, the Bermuda Court ordered that, amongst other things, the joint provisional liquidators were discharged and released from their office and the winding up petition was discharged. Further, according to the Titan's Documents, a scheme of arrangement between Titan and its scheme creditors (the "**Scheme**") was sanctioned by the Bermuda Court on 5th November, 2014 and became effective and binding on all Scheme Creditors (as defined in the Scheme) upon a copy of the Order of the Bermuda Court being delivered to the Bermuda Registrar of Companies in accordance with section 99 of the Companies Act of Bermuda on 5th November, 2014. Apart from the information published in Titan's Documents, Mr. Abraham Shek, being a former director of Titan, has no other knowledge relating to Titan. As disclosed in its 2011 annual report, Titan was a provider of oil logistic and marine services in the Asia Pacific region, in particular, in China and, together with its subsidiaries, operated onshore and offshore storage facilities and a multi-functional ship-repair and shipbuilding yard.

Save as disclosed above, in connection with the re-election of Mr. Abraham Shek as an independent non-executive Director, there are no other matters that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

This appendix serves as the explanatory statement, as required by Rule 10.06 of the Listing Rules, to provide requisite information to the Shareholders with regard to the Repurchase Mandate.

1. Shareholders' Approval

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange provided that the shares proposed to be repurchased must be fully paid-up and all repurchases of shares must be approved in advance by an ordinary resolution of the shareholders, either by way of a specific approval or a general mandate to the directors of the company to make such repurchase.

2. Exercise of the Repurchase Mandate

As at the Latest Practicable Date, there were 937,712,734 Shares in issue. Subject to the passing of the ordinary resolution to approve the Repurchase Mandate at the Annual General Meeting and on the basis that no further Shares are issued or repurchased from the Latest Practicable Date to the date of the Annual General Meeting, the Company would be allowed to repurchase up to a maximum of 93,771,273 Shares, representing 10% of the total number of issued Shares as at the date of the passing of such resolution, under the Repurchase Mandate.

3. Reasons for repurchases

The Directors believe that it is in the interests of the Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or the earnings per Share and will benefit the Company and the Shareholders as a whole.

4. Funding of repurchases

The repurchase of Shares shall be made out of funds legally available for such purpose in accordance with the memorandum of association of the Company, the Bye-laws, the Listing Rules and the applicable laws of Bermuda. Under Bermuda law, repurchases may only be effected out of the capital paid up on the repurchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased. It is envisaged that the funds required for any repurchase of Shares pursuant to the exercise of the Repurchase Mandate would be derived from such sources.

As compared to the financial position of the Company as at 31st March, 2018 (being the date of the Company's latest published audited accounts), the Directors consider that the repurchases of securities will have no material adverse impact on the working capital and the gearing position of the Company in the event that the Repurchase Mandate were to be exercised in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. Directors, close associates and core connected persons

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No core connected person of the Company has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. Undertaking of the Directors

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise all powers of the Company to make repurchase of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

7. Share repurchase made by the Company

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

8. Effects of the Takeovers Code

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the powers of the Company to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purpose of Rules 26 and 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Dr. Charles Chan beneficially owned and through the companies wholly owned by him, was interested in an aggregate of 254,188,771 Shares (the “**Total Interests**”), representing approximately 27.10% of the issued Share Capital. In the event that the Repurchase Mandate is exercised in full (assuming the shareholding remains the same as at the Latest Practicable Date), the Total Interests of Dr. Charles Chan in the Company would increase to approximately 30.11% of the issued Share Capital. As such, an exercise of the Repurchase Mandate in full may result in Dr. Charles Chan becoming obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in such mandatory offer obligation arising.

9. Share prices

The highest and the lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Share prices	
	Highest HK\$	Lowest HK\$
2017		
July	3.12	3.01
August	3.09	2.89
September	2.98	2.88
October	2.97	2.86
November	2.92	2.83
December	2.91	2.73
2018		
January	2.79	2.62
February	2.76	2.51
March	2.65	2.51
April	2.81	2.49
May	2.92	2.73
June	2.89	2.57
July (<i>up to and including the Latest Practicable Date</i>)	2.58	2.33

NOTICE OF ANNUAL GENERAL MEETING



德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 199)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of ITC Properties Group Limited (the “**Company**”) will be held at 15/F., Cheuk Nang Plaza, 250 Hennessy Road, Wanchai, Hong Kong^(Note 1) on Friday, 7th September, 2018 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the year ended 31st March, 2018 together with the reports of the directors and of the auditor thereon.
2. (A) To re-elect the following retiring directors of the Company:
 - (i) Mr. Cheung Hon Kit as an executive director of the Company;
 - (ii) Mr. Chan Yiu Lun, Alan as an executive director of the Company; and
 - (iii) Hon. Shek Lai Him, Abraham, *GBS, JP* as an independent non-executive director of the Company; and(B) To authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of the directors of the Company (the “**Directors**”) for the ensuing year.
3. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board to fix its remuneration.
4. As special business, to consider and, if thought fit, to pass, with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

(A) “**THAT**

- (i) subject to sub-paragraph (iii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the share capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws and the bye-laws of the Company, be and is hereby generally and unconditionally approved;

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in sub-paragraph (i) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in sub-paragraphs (i) and (ii) of this resolution, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); or (b) an issue of shares of the Company under any share option scheme of the Company or similar arrangements for the time being adopted by the Company for the grant or issue of shares or rights to acquire shares of the Company; or (c) an issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any securities which are convertible into shares of the Company; or (d) an issue of shares of the Company by way of any scrip dividend or similar arrangements pursuant to the bye-laws of the Company from time to time, shall not exceed 20 per cent. of the total number of the shares of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares of the Company open for a period fixed by the Directors to the holders of shares whose names stand on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

(B) “**THAT**

- (i) subject to sub-paragraph (iii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, the bye-laws of the Company and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the approval in sub-paragraph (i) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (iii) the aggregate number of shares of the Company which the Directors are authorised to repurchase pursuant to the approval in sub-paragraphs (i) and (ii) of this resolution shall not exceed 10 per cent. of the total number of the shares of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- (C) “**THAT** conditional upon the resolutions numbered 4(A) and 4(B) as set out in the notice convening this Meeting being passed, the number of the issued shares of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to and in accordance with the resolution numbered 4(B) above shall be added to the number of the shares that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the Directors pursuant to and in accordance with the resolution numbered 4(A) as set out in the notice convening this Meeting.”
- (D) “Subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the shares of the Company, representing 10 per cent. of the total number of the shares of the Company in issue as at the date of the passing of this resolution, which may fall to be issued pursuant to the exercise of options granted under the Company’s share option scheme adopted on 17th August, 2012 (the “**Share Option Scheme**”) and any other scheme(s) of the Company:
- (i) **THAT** approval be and is hereby granted for the refreshment of the scheme mandate limit under the Share Option Scheme and any other scheme(s) of the Company provided that the total number of shares of the Company which may be allotted and issued upon the exercise of the options granted under the Share Option Scheme and any other scheme(s) of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme and any other scheme(s) of the Company) shall not exceed 10 per cent. of the total number of shares of the Company in issue as at the date of the passing of this resolution (the “**Refreshed Mandate Limit**”); and
- (ii) **THAT** the Directors be and are hereby authorised, from time to time, to (a) grant options under the Share Option Scheme and any other scheme(s) of the Company up to the Refreshed Mandate Limit in accordance with the Share Option Scheme and the Listing Rules; (b) exercise all powers of the Company to allot, issue and deal with the shares of the Company pursuant to the exercise of such options granted under the Share Option Scheme and any other scheme(s) of the Company within the Refreshed Mandate Limit; and (c) do such acts and execute such documents for or incidental to such purpose.”

By order of the Board
ITC Properties Group Limited
Wong Siu Mun
Company Secretary

Hong Kong, 31st July, 2018

NOTICE OF ANNUAL GENERAL MEETING

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
30/F., Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Notes:

1. Due to the availability of the Meeting venue as mentioned in the announcement of the Company dated 26th June, 2018 relating to the annual results for the year ended 31st March, 2018, the Board has decided to convene the Meeting at 15/F., Cheuk Nang Plaza, 250 Hennessy Road, Wanchai, Hong Kong (instead of the 13th floor of the same building).
2. Any shareholder of the Company entitled to attend and vote at the Meeting may appoint another person as his proxy to attend and vote instead of him. A shareholder of the Company who is the holder of two or more shares of the Company (the “**Shares**”) may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy needs not be a shareholder of the Company. In addition, a proxy or proxies representing either a shareholder of the Company who is an individual or a shareholder of the Company which is a corporation shall be entitled to exercise the same power on behalf of the shareholder of the Company which he or they represent(s) as such shareholder of the Company could exercise.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof, it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
4. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Meeting or any adjourned meeting thereof at which the person named in the instrument proposes to vote and, in default, the instrument of proxy shall not be treated as valid.
5. Completion and return of an instrument appointing a proxy shall not preclude a shareholder of the Company from attending and voting in person at the Meeting or any adjournment thereof or on the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to have been revoked.
6. Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of the Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company (the “**Register of Members**”) in respect of the joint holding.
7. For the purpose of ascertaining shareholders’ entitlement to attend and vote at the Meeting, the Register of Members will be closed from Tuesday, 4th September, 2018 to Friday, 7th September, 2018, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Meeting, shareholders of the Company must lodge all transfer documents accompanied by the relevant share certificates with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at the abovementioned address for registration by no later than 4:30 p.m. on Monday, 3rd September, 2018.

NOTICE OF ANNUAL GENERAL MEETING

As at the date of this notice, the Directors are as follows:

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*)
Mr. Chan Fut Yan (*Managing Director*)
Mr. Cheung Chi Kit (*Chief Financial Officer*)
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