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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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 B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Thursday, 15th August, 2013 at 10:30 a.m. is set out on pages 18 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 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, 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.

* For identification purpose only

Hong Kong, 15th July, 2013

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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 B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Thursday, 15th August, 2013 at 10:30 a.m., the notice of which is set out on pages 18 to 22 of this circular, or any adjournment thereof
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of the Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Bye-laws”	the bye-laws of the Company as amended from time to time
“Company”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange (Stock Code : 199)
“Concert Party Group”	Selective Choice, Ms. Ng and parties acting in concert with them (including ITC Corporation, Dr. Chan, PYI, Ms. Chau, Mr. FY Chan and Mr. Alan Chan)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder”	the controlling shareholder (as defined in the Listing Rules) of the Company
“Convertible Notes”	the 3.25% convertible notes due 2013 issued by the Company in 2011 with an aggregate outstanding principal amount of HK\$184,150,000 as at the Latest Practicable Date
“Director(s)”	the director(s) of the Company
“Dr. Chan”	Dr. Chan Kwok Keung, Charles, the chairman, an executive director and the controlling shareholder of ITC Corporation and a non-executive director of PYI. He is also the spouse of Ms. Ng and the father of Mr. Alan Chan

DEFINITIONS

“Eligible Person(s)”	(i) any employee or proposed employees (whether full time or part time) or executives, 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 directors) 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
“Existing Share Option Scheme”	the share option scheme of the Company adopted at the Last Annual General Meeting
“General Mandates”	the Repurchase Mandate and the Issue 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 issue Shares to be granted to the Directors at the Annual General Meeting
“ITC Corporation”	ITC Corporation Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (Stock Code : 372)
“Last Annual General Meeting”	the last annual general meeting of the Company held on 17th August, 2012
“Latest Practicable Date”	Thursday, 11th July, 2013, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Mr. Alan Chan”	Mr. Chan Yiu Lun, Alan, an executive director of ITC Corporation, the Company and PYI, an alternate director to Dr. Chan in PYI, and the son of Dr. Chan and Ms. Ng
“Mr. FY Chan”	Mr. Chan Fut Yan, an executive director of both ITC Corporation and the Company and the managing director of the Company
“Ms. Chau”	Ms. Chau Mei Wah, Rosanna, the deputy chairman, the managing director and an executive director of ITC Corporation
“Ms. Ng”	Ms. Ng Yuen Lan, Macy, the spouse of Dr. Chan, and the mother of Mr. Alan Chan
“Option(s)”	the option(s) granted or to be granted under the Existing Share Option Scheme, the Terminated Share Option Scheme and any other share option scheme(s) of the Company (if any)
“PYI”	PYI Corporation Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (Stock Code : 498), which is an associated company of ITC Corporation
“Repurchase Mandate”	the proposed general mandate to repurchase Shares to be granted to the Directors at the Annual General Meeting
“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 Existing Share Option Scheme and any other share option scheme(s) of the Company
“Selective Choice”	Selective Choice Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of ITC Corporation
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the Share Capital

DEFINITIONS

“Share Capital”	the aggregate nominal amount of the share capital of the Company
“Shareholder(s)” or “Member(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Terminated Share Option Scheme”	the share option scheme of the Company adopted on 26th August, 2002 and which was terminated pursuant to an ordinary resolution approved by the Shareholders at the Last Annual General Meeting
“%”	per cent.

LETTER FROM THE CHAIRMAN



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
Mr. Chan Yiu Lun, Alan

Registered office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

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

*Principal place of business
in Hong Kong:*

Unit 3102, 31st Floor
Bank of America Tower
12 Harcourt Road, Central
Hong Kong

15th July, 2013

*To the Shareholders and, for information only,
the holders of the convertible notes and
loan notes of the Company*

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 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; (d) the refreshment of the Scheme Mandate Limit; and (e) the giving of notice of the Annual General Meeting.

* For identification purpose only

LETTER FROM THE CHAIRMAN

2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-law 87(1) of the Bye-laws and the Corporate Governance Code and Corporate Governance Report under the Listing Rules, Mr. Cheung Hon Kit and Mr. Cheung Chi Kit, both executive Directors, and Hon. Shek Lai Him, Abraham, *SBS, JP*, an independent non-executive Director, shall retire from office at the Annual General Meeting by rotation. All retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

Brief biographical and other details of the retiring Directors offering themselves for re-election at the Annual General Meeting, which are 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 Last Annual General Meeting, general mandates were granted to the Directors authorising them, *inter alia*, to (a) exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the issued Share Capital as at 17th August, 2012; (b) repurchase Shares not exceeding 10% of the issued Share Capital as at 17th August, 2012; and (c) extend the general mandate to issue Shares by the number of Shares repurchased under the repurchase mandate mentioned in (b) above. Such general mandates will expire at the conclusion of the Annual General Meeting.

Accordingly, ordinary resolutions will be proposed at the Annual General Meeting to grant to the Directors general mandates authorising them to (a) exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the issued Share Capital as at the date of the passing of such resolution; (b) repurchase Shares not exceeding 10% of the issued Share Capital 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, extend the Issue Mandate by an amount representing the aggregate nominal amount of Shares repurchased under the Repurchase Mandate.

As at the Latest Practicable Date, there were 578,778,927 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 between the Latest Practicable Date and the date of the Annual General Meeting, the Company would be allowed to issue up to a maximum of 115,755,785 Shares under the Issue Mandate and to repurchase up to a maximum of 57,877,892 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 Shares especially in the context of a fund raising exercise or a transaction involving an acquisition by the Company where Shares are to be issued as consideration and which has to be completed speedily.

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

LETTER FROM THE CHAIRMAN

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 the earnings per Share.

The General Mandates, if approved by the Shareholders at the Annual General Meeting, will continue in force 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 Existing Share Option Scheme was approved and adopted by the Shareholders at the Last Annual General Meeting on 17th August, 2012 (the “**Adoption Date**”). Pursuant to the Existing Share Option Scheme and the ordinary resolution passed by the Shareholders on the Adoption Date, the Scheme Mandate Limit shall not in aggregate exceed 38,513,089 Shares, being 10% of the total number of issued Shares as at the Adoption Date.

Pursuant to the rules of the Existing Share Option Scheme and the Listing Rules, the Scheme Mandate Limit may be refreshed by an ordinary resolution of the Shareholders in general meeting from time to time provided that:

- (i) 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;
- (ii) Options previously granted under the Existing Share Option Scheme or any other share option scheme(s) (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
- (iii) the aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Existing 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 CHAIRMAN

Since the Adoption Date and up to the Latest Practicable Date (the “**Intervening Period**”), due to the issue of additional 189,058,031 Shares upon conversion of the Convertible Notes and the issue of additional 4,590,000 Shares upon exercise of the Options granted under the Terminated Share Option Scheme, the number of the issued Shares was significantly increased from 385,130,896 Shares as at the Adoption Date to 578,778,927 Shares as at the Latest Practicable Date. The Directors consider 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.

Therefore, it is 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 578,778,927 Shares in issue as at the Latest Practicable Date and assuming that, prior to the Annual General Meeting, no Shares are issued or repurchased by the Company, the Scheme Mandate Limit will be refreshed to 57,877,892 Shares upon the passing of the ordinary resolution approving the refreshment of the Scheme Mandate Limit at the Annual General Meeting.

During the Intervening Period, no Options had been granted by the Company under the Existing Share Option Scheme.

As at the Latest Practicable Date, there were outstanding Options in respect of 14,000,000 Shares, representing approximately 2.42% of the issued Share Capital as at the Latest Practicable Date, which were granted on 29th March, 2010 under the Terminated Share Option Scheme. The Terminated Share Option Scheme was terminated pursuant to an ordinary resolution passed by the Shareholders on the Adoption Date. Upon termination of the Terminated Share Option Scheme, no further Options would be offered under the Terminated Share Option Scheme but the Terminated Share Option Scheme would in other respects remain in force to the extent necessary to give effect to the exercise of the outstanding Options granted thereunder. Save as set out above, no Options have lapsed and no Options have been exercised or cancelled during the Intervening Period. Other than the Existing Share Option Scheme and the Terminated Share Option Scheme, there is no other share option scheme of the Company remains in force.

The aggregate number of Shares which may be issued upon exercise of (i) all outstanding Options already granted under the Terminated Share Option Scheme as at the Latest Practicable Date and (ii) the Options that may be granted under the Scheme Mandate Limit as “refreshed” will not exceed the 30% Overall Limit.

As required by the Existing 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 Existing Share Option Scheme and 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.

LETTER FROM THE CHAIRMAN

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 granted under the Scheme Mandate Limit as refreshed.

5. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 18 to 22 of this circular at which resolutions will be proposed to approve, *inter alia*, the re-election of the retiring Directors, the grant of the General Mandates, the extension of the Issue Mandate by an amount representing the aggregate nominal amount of Shares purchased 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, 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, 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 enquiries, no Shareholders is required to abstain from voting on any resolutions to be proposed at the Annual General Meeting pursuant to the Listing Rules and/or the Bye-laws.

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

LETTER FROM THE CHAIRMAN

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 grant of the General Mandates, the extension of the Issue Mandate by an amount representing the aggregate nominal amount of Shares purchased 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. Accordingly, the Directors recommend the Shareholders to vote in favour of all 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 59, joined the Company as Chairman in April 2005 and is an executive Director and a director of various subsidiaries of the Company. He is also a member of the Nomination Committee and the chairman of the Corporate Governance Committee of the Company. Mr. HK Cheung graduated from the University of London with a bachelor of arts degree. He has over 35 years of experience in real estate development, property investment and corporate finance and has worked in key executive positions in various leading property development companies in Hong Kong. Mr. HK Cheung is the chairman and an executive director of Rosedale Hotel Holdings Limited (01189.HK); and an independent non-executive director of International Entertainment Corporation (01009.HK) and Future Bright Holdings Limited (00703.HK). He was previously an executive director of ITC Corporation (retired on 19th August, 2011). Save as disclosed herein, he did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. HK Cheung was interested in 20,682,000 Shares, representing approximately 3.57% of the existing issued Share Capital, held Options entitling him to subscribe for 3,900,000 Shares, representing approximately 0.67% of the existing issued Share Capital, and was interested in 12,083,727 underlying Shares, representing approximately 2.09% of the existing issued Share Capital, in respect of the Convertible Notes in the aggregate principal amount of HK\$25,400,000 at the adjusted conversion price of HK\$2.102 per Share. Save as aforesaid, he does not have any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Save as being the Chairman and an executive Director, Mr. HK Cheung does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

There is no proposed length of Mr. HK Cheung’s service, 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 an annual remuneration of HK\$3,480,000 (excludes bonus which is payable or other benefits which may be granted at the discretion of the Company) and an annual director’s fee of HK\$10,000 as determined by the Remuneration Committee of the Company with regard to the prevailing market conditions, his relevant duties and responsibilities and time spent on the affairs of the Group.

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 and there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

Mr. Cheung Chi Kit (“**Mr. CK Cheung**”), aged 47, joined the Company in 2005 and is now an executive Director. He is responsible for the finance and accounting functions of the Group. Mr. CK Cheung is also a director of various subsidiaries and a member of the Corporate Governance Committee of the Company. He has over 25 years of experience in auditing, accounting and financial management. Mr. CK Cheung holds a bachelor’s degree in accounting. He is a member of The Hong Kong Institute of Certified Public Accountants, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. Save as disclosed herein, he did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. CK Cheung was interested in 1,000,000 Shares, representing approximately 0.17% of the existing issued Share Capital, and held Options entitling him to subscribe for 1,100,000 Shares, representing approximately 0.19% of the existing issued Share Capital. Save as aforesaid, he does not have any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Save as being an executive Director, Mr. CK Cheung does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

There is no proposed length of Mr. CK Cheung’s service, 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. CK Cheung is entitled to an annual remuneration of HK\$2,280,000 (excludes bonus which is payable or other benefits which may be granted at the discretion of the Company) and an annual director’s fee of HK\$10,000 as determined by the Remuneration Committee of the Company with regard to the prevailing market conditions, his relevant duties and responsibilities and time spent on the affairs of the Group.

Save as disclosed above, in connection with the re-election of Mr. CK Cheung as an executive Director, there are no other matters that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Hon. Shek Lai Him, Abraham (“**Mr. Shek**”), aged 68, joined the Company as Vice Chairman and an independent non-executive Director in September 2010. He is also the chairman of the Nomination Committee and a member of both the Audit Committee and the Remuneration Committee of the Company. Mr. 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 and awarded Silver Bauhinia Star in 2007. Mr. Shek is the chairman and an independent non-executive director of Chuang’s China Investments Limited (00298.HK). He is also an independent non-

executive director of ITC Corporation, NWS Holdings Limited (00659.HK), Midas International Holdings Limited (01172.HK), Paliburg Holdings Limited (00617.HK), Lifestyle International Holdings Limited (01212.HK), Chuang's Consortium International Limited (00367.HK), Titan Petrochemicals Group Limited (01192.HK), Country Garden Holdings Company Limited (02007.HK), MTR Corporation Limited (00066.HK), Hsin Chong Construction Group Ltd. (00404.HK), Hop Hing Group Holdings Limited (00047.HK), SJM Holdings Limited (00880.HK), China Resources Cement Holdings Limited (01313.HK), Dorsett Hospitality International Limited (02266.HK) and Lai Fung Holdings Limited (01125.HK). 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). Mr. Shek is also a committee member of the 5th Shenzhen Committee of Chinese People's Political Consultative Conference of the People's Republic of China, a director of The Hong Kong Mortgage Corporation Limited, a member of the Committee on Strategic Development of the Central Policy Unit of the Government of Hong Kong, the Vice-Chairman of the Independent Police Complaints Council in Hong Kong, a member of the Court of the Hong Kong University of Science and Technology and a member of both of the Court and the Council of the University of Hong Kong. Save as disclosed herein, he did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Shek did not have any interests or short positions in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO). Mr. Shek is an independent non-executive director of ITC Corporation, a substantial shareholder (within the meaning of Part XV of the SFO) of the Company. Save as disclosed herein, Mr. Shek does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

There is no proposed length of Mr. Shek's service, 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. Shek is entitled to an annual director's fee of HK\$200,000 as determined by the Board with regard to the prevailing market conditions, his relevant duties and responsibilities and time spent on the affairs of the Group.

Save as disclosed above, in connection with the re-election of Mr. Shek as an independent non-executive Director, there are no other matters that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

This appendix serves as the explanatory statement, as required by the Listing Rules, given to the Shareholders relating to a resolution authorising the Company to repurchase its own Shares which is proposed to be passed by the Shareholders by means of an ordinary resolution at the Annual General Meeting.

This explanatory statement contains a summary of the information required pursuant to Rule 10.06 of the Listing Rules which is set out as follows:

1. Share Capital

As at the Latest Practicable Date, the authorised share capital of the Company was 40,000,000,000 Shares, of which a total of 578,778,927 Shares were allotted, issued and fully paid.

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 between the Latest Practicable Date and the date of the Annual General Meeting, the Company would be allowed to repurchase up to a maximum of 57,877,892 Shares under the Repurchase Mandate.

2. 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.

3. 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 and the By-laws 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, 2013 (being the date of the Company's latest 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. 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.

4. Directors, associates and connected persons

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

No 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.

5. Undertaking of the Directors

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

6. Share repurchase made by the Company

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

7. 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 Rule 32 of the Takeovers Code.

As at the Latest Practicable Date, so far as the Company was aware, the shareholding structure of the Company as at the Latest Practicable Date and in the event that the Repurchase Mandate is exercised in full is as follows:

	As at the Latest Practicable Date		Assuming the Repurchase Mandate is exercised in full	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Selective Choice	190,191,041	32.86	190,191,041	36.51
PYI	6,177,000	1.07	6,177,000	1.19
Dr. Chan	6,066,400	1.05	6,066,400	1.17
Ms. Ng	141,294,005	24.41	141,294,005	27.12
Ms. Chau	<u>3,200,000</u>	<u>0.55</u>	<u>3,200,000</u>	<u>0.61</u>
<i>Concert Party Group</i>	346,928,446	59.94	346,928,446	66.60
Directors	21,992,000	3.80	21,992,000	4.22
Other Shareholders	<u>209,858,481</u>	<u>36.26</u>	<u>151,980,589</u>	<u>29.18</u>
Total	<u><u>578,778,927</u></u>	<u><u>100.00</u></u>	<u><u>520,901,035</u></u>	<u><u>100.00</u></u>

Accordingly, in the event that the Repurchase Mandate is exercised in full, the aggregate shareholdings of the Concert Party Group would be increased from approximately 59.94% to approximately 66.60% of the issued Share Capital. Since the Concert Party Group in aggregate held more than 50% of the issued Share Capital as at the Latest Practicable Date, such increase might not give rise to a mandatory offer obligation under Rule 26 of the Takeovers Code. However, there may be circumstances where there are changes in the make-up of the Concert Party Group and the holdings of each member in the Concert Party Group may change from time to time. That being the case, any member in the Concert Party Group holding less than 50% of the voting rights of the Company may incur an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code upon further increase in the percentage of voting rights of the Company being held by any of them. The Company has no present intention to exercise the Repurchase Mandate to such an extent that an obligation to make a general offer under the Takeovers Code will be triggered. Save as aforesaid and as at the Latest Practicable Date, the Directors were not aware of any consequence which would give rise to an obligation under Rule 26 of the Takeovers Code as a result of any repurchase of Shares to be made under the Repurchase Mandate.

The Directors are also aware that the Listing Rules prohibit a company from making repurchase of shares on the Stock Exchange if as a result of such repurchase, less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital of such company would be in the hands of the public. The

Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in the Company failing to comply with the public float requirements under Rule 8.08 of the Listing Rules.

8. Share prices

The highest and 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\$
2012		
July	2.380	2.240
August	2.440	2.250
September	2.530	2.270
October	2.550	2.410
November	2.590	2.450
December	2.630	2.510
2013		
January	3.410	2.800
February	3.510	3.230
March	3.650	3.200
April	3.400	2.990
May	3.380	3.090
June	3.280	3.090
July (<i>up to and including the Latest Practicable Date</i>)	3.270	3.120

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 B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Thursday, 15th August, 2013 at 10:30 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements and the reports of the directors and auditor of the Company for the year ended 31st March, 2013.
2. To declare the final dividend of the Company for the year ended 31st March, 2013.
3. (A) To re-elect the following retiring directors of the Company:
 - (i) Mr. Cheung Hon Kit as executive director of the Company;
 - (ii) Mr. Cheung Chi Kit as executive director of the Company; and
 - (iii) Hon. Shek Lai Him, Abraham, *SBS, JP* as independent non-executive director of the Company.
- (B) To authorise the board of the directors of the Company (the “**Board**”) to fix the remuneration of the directors of the Company (the “**Directors**”) for the ensuing year.
4. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board to fix their remuneration.

And as special business, to consider and, if thought fit, to pass, with or without amendments, the following resolutions as ordinary resolutions of the Company:

5. “**THAT**
 - (i) subject to paragraph (iii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares 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 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 nominal amount of the share capital 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 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 aggregate nominal amount of the share capital of the Company in issue on 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 open for a period fixed by the Directors to 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 (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

6. **“THAT**

- (i) subject to paragraph (iii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the securities 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 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 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 securities at a price determined by the Directors;
- (iii) the aggregate nominal amount of the share capital of the Company which the Directors are authorised to repurchase pursuant to the approval in paragraphs (i) and (ii) of this resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on 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.”

7. **“THAT** conditional upon the resolutions numbered 5 and 6 as set out in the notice convening this meeting being passed, the aggregate nominal amount of the issued shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to and in accordance with the said resolution numbered 6 above shall be added to the aggregate nominal amount of the share capital 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 5 as set out in the notice convening this meeting.”

NOTICE OF ANNUAL GENERAL MEETING

8. “**THAT** 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 shares of the Company in issue as at the date of the passing of this resolution, which may be issued pursuant to the exercise of options granted under the Company’s share option scheme adopted on 17th August, 2012 (the “**Scheme**”) and any other scheme(s) of the Company, approval be and is hereby granted for the refreshment of the scheme mandate limit under the 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 pursuant to the exercise of the options granted under the Scheme and any other scheme(s) of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Scheme and any other scheme(s) of the Company) shall not exceed 10 per cent. of the shares of the Company in issue as at the date of the passing of this resolution (the “**Refreshed Mandate Limit**”) and that the Directors be and are hereby authorised, from time to time, to (i) grant options under the Scheme and any other scheme(s) of the Company up to the Refreshed Mandate Limit in accordance with the Scheme and the Listing Rules; (ii) 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 Scheme and any other scheme(s) of the Company within the Refreshed Mandate Limit; and (iii) do such acts and execute such documents for or incidental to such purpose.”

By order of the Board
ITC Properties Group Limited
Wong Kim Man
Company Secretary

Hong Kong, 15th July, 2013

Registered office:
Clarendon House
Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*
Unit 3102, 31st Floor
Bank of America Tower
12 Harcourt Road, Central
Hong Kong

Notes:

1. 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 need 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 as such shareholder of the Company could exercise.
2. 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

NOTICE OF ANNUAL GENERAL MEETING

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 facts.

3. 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, 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.
4. 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.
5. 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 in respect of the joint holding.
6. The register of the members of the Company will be closed from Monday, 26th August, 2013 to Wednesday, 28th August, 2013, both dates inclusive, during which period no transfer of Shares will be effected. In order to be entitled for the proposed final dividend, all transfers of the Shares accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Friday, 23rd August, 2013.

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
Mr. Chan Yiu Lun, Alan

Independent non-executive Directors:

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