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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)**

## **ADJUSTMENT TO THE CONVERSION PRICE OF THE 3.25% CONVERTIBLE NOTES DUE 2013**

The Board announces that pursuant to the terms and conditions of the Notes, the conversion price of the Notes shall be adjusted from HK\$2.200 per Share to HK\$2.102 per Share as a result of the payment of the Final Dividend which was approved by the Shareholders at the Annual General Meeting. Such adjustment shall become effective from the commencement of the day next following the record date for determining the entitlement to the Final Dividend, i.e. 28th August, 2012.

References are made to the announcements of ITC Properties Group Limited (the “**Company**”) dated 21st February, 2011, 1st April, 2011 and 15th April, 2011 (collectively, the “**Notes Announcements**”) and the circular of the Company dated 21st April, 2011 (the “**Notes Circular**”) in relation to the issue of the 3.25% convertible notes of the Company due 2013 (the “**Notes**”), and the announcement of the Company dated 20th June, 2012 on the final results of the Company for the year ended 31st March, 2012 (the “**Results Announcement**”). Unless the context otherwise requires, capitalised terms and expressions used herein shall have the same meanings as those used in the Notes Announcements and the Notes Circular.

The terms and conditions of the Notes provide, among other things, that if the Company pays or makes any capital distribution, which includes any cash dividend, to the Shareholders (the “**Capital Distribution**”), the conversion price of the Notes in force shall be adjusted in accordance with the adjustment formula contained therein from the commencement of the day next following the record date for the Capital Distribution.

\* *For identification purpose only*

As announced in the Results Announcement, the Board recommended the payment of a final dividend of HK10 cents per Share for the year ended 31st March, 2012 (the “**Final Dividend**”). The Final Dividend was approved by the Shareholders at the annual general meeting of the Company held on 17th August, 2012 (the “**Annual General Meeting**”). Pursuant to the terms and conditions of the Notes, the conversion price of the Notes shall therefore be adjusted from HK\$2.200 per Share to HK\$2.102 per Share with effect from 28th August, 2012 (being the day immediately after the record date for the purpose of determining the entitlement to the Final Dividend on 27th August, 2012). As at the date of this announcement, the aggregate outstanding principal amount of the Notes is HK\$581,550,000. Upon full conversion of the Notes at the adjusted conversion price of HK\$2.102 per Share, 276,665,071 new Shares will fall to be issued, representing approximately 71.84% of the share capital of the Company in issue as at the date of this announcement.

Save for the above adjustment, all other terms and conditions of the Notes remain unchanged. The above adjustment was computed in accordance with the terms and conditions of the Notes and certified by Optima Capital Limited, the financial adviser engaged by the Company for the purpose of providing an opinion on the adjustment to the conversion price of the Notes.

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

Hong Kong, 17th August, 2012

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

*Executive Directors:*

Mr. Cheung Hon Kit (*Chairman*)  
Mr. Chan Fut Yan (*Managing Director*)  
Mr. Cheung Chi Kit  
Mr. Chan Yiu Lun, Alan

*Non-executive Director:*

Mr. Ma Chi Kong, Karl

*Independent non-executive Directors:*

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