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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,
FINAL DIVIDEND,
TERMINATION OF THE EXISTING SHARE OPTION SCHEME,
ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company (the “**Annual General Meeting**”) to be held at Gemini Room, 33rd Floor, Rosedale on the Park, 8 Shelter Street, Causeway Bay, Hong Kong on Friday, 17th August, 2012 at 10:30 a.m. is set out on pages 23 to 27 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, 16th July, 2012

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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 Gemini Room, 33rd Floor, Rosedale on the Park, 8 Shelter Street, Causeway Bay, Hong Kong on Friday, 17th August, 2012 at 10:30 a.m., the notice of which is set out on pages 23 to 27 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
“Code”	the corporate governance code as set out in Appendix 14 to the Listing Rules
“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)
“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
“Director(s)”	the director(s) of the Company
“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

DEFINITIONS

“Existing Share Option Scheme”	the share option scheme of the Company adopted on 26th August, 2002 and will be expired on 25th August, 2012
“Grantee(s)”	any Eligible Person who accepts an offer of the grant of an Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person who is entitled, to exercise any Option to the extent not already exercised in consequence of the death of the original Grantee
“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”	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)
“Latest Practicable Date”	Thursday, 12th July, 2012, 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
“New Notes”	the 3.25% convertible notes due 2013 issued by the Company in 2011 in the aggregate principal amount of HK\$619,050,000
“New Share Option Scheme”	the new share option scheme of the Company proposed to be adopted at the Annual General Meeting, the principal terms of which are set out in appendix III to this circular
“Offer Date”	the date on which an offer for grant of the Options is made to an Eligible Person, which must be a Business Day
“Option(s)”	the option(s) to be granted under the New Share Option Scheme
“Repurchase Mandate”	the proposed general mandate to repurchase Shares to be granted to the Directors at the Annual General Meeting

DEFINITIONS

“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
“Share Capital”	the aggregate nominal amount of the share capital of the Company
“Shareholder(s)” or “Member(s)”	holder(s) of the Shares(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
“%”	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

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

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

16th July, 2012

*To the Shareholders and, for information only,
holders of the New 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,
FINAL DIVIDEND,
TERMINATION OF THE EXISTING SHARE OPTION SCHEME,
ADOPTION OF THE NEW SHARE OPTION SCHEME
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 Issue Mandate and the Repurchase Mandate 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 payment of the final dividend; (e) the termination of the Existing Share Option Scheme; (f) the adoption of the New Share Option Scheme; and (g) 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 the new code provision A.4.3 of the Code which took effect on 1st April, 2012, the serving of Mr. Wong Chi Keung, Alvin (“**Mr. Wong**”) and Mr. Kwok Ka Lap, Alva (“**Mr. Kwok**”), both independent non-executive Directors (being appointed on 20th May, 2003 and 29th October, 2001 respectively), on the Board for more than nine years could be relevant to the determination of a non-executive Director’s independence. As such, their further appointments shall each be subject to a separate resolution to be approved by the Shareholders. In assessing the independence of a non-executive Director, the Board has taken into account the factors as set out in Rule 3.13 of the Listing Rules and has received from each of Mr. Wong and Mr. Kwok a written letter confirming that he has met the independence criteria pursuant to Rule 3.13 of the Listing Rules. The Board (other than Mr. Wong and Mr. Kwok) believes that in addition to their confirmation of independence, both Mr. Wong and Mr. Kwok have their valuable knowledge and experience to generate their significant contributions to the Company and the Shareholders as a whole and should be re-elected.

Pursuant to Bye-law 87(1) of the Bye-laws and the Code, Mr. Chan Yiu Lun, Alan, an executive Director, Mr. Wong and Mr. Kwok 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 annual general meeting of the Company held on 18th August, 2011, 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 18th August, 2011; (b) repurchase Shares not exceeding 10% of the issued Share Capital as at 18th August, 2011; 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 Issue Mandate and the Repurchase Mandate 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 383,767,261 Shares in issue. Subject to the passing of the ordinary resolutions to approve the Issue Mandate and 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 issue up to a maximum of 76,753,452 Shares under the Issue Mandate and to repurchase up to a maximum of 38,376,726 Shares under the Repurchase Mandate.

LETTER FROM THE CHAIRMAN

The Issue Mandate provides 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.

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. FINAL DIVIDEND

The Board has resolved to recommend the payment of the final dividend of HK10 cents per Share for the year ended 31st March, 2012 (2011: Nil) subject to the Shareholders' approval at the Annual General Meeting.

The register of the members of the Company will be closed from Tuesday, 28th August, 2012 to Thursday, 30th August, 2012, both dates inclusive, during which period no transfer of the 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 Monday, 27th August, 2012 (the "**Record Date**").

5. ADJUSTMENTS TO THE CONVERSION PRICE OF THE NEW NOTES

The Company issued the New Notes in 2011 with an aggregate outstanding principal amount of HK\$584,550,000 as at the Latest Practicable Date. The current conversion price of the New Notes is HK\$2.20 per Share. In accordance with the terms and conditions of the New Notes, the payment of the proposed final dividend may result in an adjustment to the conversion price of the New Notes. The adjustment, if any, shall be effective from the commencement of the day next following the Record Date. A separate announcement will be made by the Company for the adjustment, if any, as and when appropriate.

If a holder of the New Notes intends to exercise the conversion rights of the New Notes in order to be entitled to the proposed final dividend, he/she should deliver the conversion notice to the principal place of business of the Company at Unit 3102, 31st Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong in accordance to the terms and conditions of the New Notes on or before Monday, 20th August, 2012.

6. TERMINATION OF THE EXISTING SHARE OPTION SCHEME

The Company adopted the Existing Share Option Scheme on 26th August, 2002 whereby the Directors had been authorised to invite, at their discretion, the eligible persons under the Existing Share Option Scheme to take up options to subscribe for Shares. The Existing Share Option Scheme will expire on 25th August, 2012 and therefore it is proposed that the New Share Option Scheme be adopted and the Existing Share Option Scheme be terminated at the Annual General Meeting.

LETTER FROM THE CHAIRMAN

Upon termination of the Existing Share Option Scheme, no further options would be offered under the Existing Share Option Scheme but the Existing Share Option Scheme would in other respects remain in force to the extent necessary to give effect to the exercise of the outstanding options, if any, granted thereunder prior to its termination (the “**Existing Options**”). Any Existing Options will continue to be valid and exercisable in accordance with the terms of the Existing Share Option Scheme. As at the Latest Practicable Date, the Company had a total of 18,760,000 Existing Options remained outstanding under the Existing Share Option Scheme.

Other than the Existing Share Option Scheme, the Company did not maintain any other share option scheme as at the Latest Practicable Date. At the Annual General Meeting an ordinary resolution will be proposed for the Shareholders to approve the termination of the Existing Share Option Scheme.

7. ADOPTION OF THE NEW SHARE OPTION SCHEME

As the Existing Share Option Scheme is going to expire very soon, the Directors propose to adopt the New Share Option Scheme, the principal terms of which are set out in appendix III to this circular. The adoption of the New Share Option Scheme is conditional upon (a) the approval of the adoption of the New Share Option Scheme by the Shareholders at the Annual General Meeting; and (b) the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which may be issued upon exercise of the Options to be granted under the New Share Option Scheme.

If the conditions above are not satisfied within four (4) calendar months after the Adoption Date (as defined in the New Share Option Scheme), (i) the Scheme shall forthwith determine; (ii) any Option granted or agreed to be granted under the New Share Option Scheme and any offer of such grant shall be of no effect; and (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme or any Option.

The purposes of the New Share Option Scheme are:

- (a) to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group or any Invested Entity;
- (b) to recognise the significant contributions of the Grantees to the growth of the Group or any Invested Entity by rewarding them with opportunities to obtain ownership interest in the Company; and
- (c) to further motivate and give incentives to the Grantees to continue to contribute to the long term success and prosperity of the Group or any Invested Entity.

The Directors consider that the New Share Option Scheme will provide the Grantees with the opportunity to acquire proprietary interests in the Company and will encourage the Grantees to work towards enhancing the value of the Company and the Shares for the benefits of the Company and the Shareholders as a whole.

LETTER FROM THE CHAIRMAN

As at the Latest Practicable Date, the Company had 383,767,261 Shares in issue. Assuming no further Shares will be issued or repurchased prior to the date of the Annual General Meeting, the total number of Shares which may be issued upon exercise of all options which may be granted under the New Share Option Scheme and any other share option scheme(s) of the Company would be 38,376,726 Shares, representing 10% of the total number of Shares in issue as at the date of the adoption of the New Share Option Scheme.

The New Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the rules of the New Share Option Scheme provide that the Board may determine, at its sole discretion, such terms and conditions on the grant of an Option. This determination may vary on a case by case basis but no such terms will be imposed the result of which will be to the advantage of the Grantee. The basis for the determination of the subscription price is specified in the rules of the New Share Option Scheme. The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date prior to the approval of the New Share Option Scheme given that the variables such as the subscription price, exercise period, interest rate, expected volatility and other relevant variables cannot be available for calculating the value of the Options. The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions will not be meaningful to the Shareholders in the circumstances.

An application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued upon exercise of the Options which may be granted under the New Share Option Scheme.

A copy of the New Share Option Scheme is available for inspection at 31st Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong during normal business hours from the date of this circular and up to and including the date of the Annual General Meeting. A copy of the New Share Option Scheme will also be available for inspection at the Annual General Meeting.

8. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 23 to 27 of this circular at which resolutions will be proposed to approve, *inter alia*, the re-election of the retiring Directors, the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, the payment of the final dividend, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

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.

LETTER FROM THE CHAIRMAN

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 approved at the Annual General Meeting pursuant to the Listing Rules and/or the Bye-laws.

9. 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.

10. RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, the grant of the Issue Mandate and the Repurchase Mandate, the extension of the Issue Mandate, the payment of the final dividend, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme are in the interests of the Group 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 DIRECTOR

Mr. Chan Yiu Lun, Alan, aged 28, joined the Company as an executive Director in March 2010 and is a director of various subsidiaries 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. Chan previously worked in the investment banking division of The Goldman Sachs Group, Inc. He is an executive director of ITC and PYI Corporation Limited (“**PYI**”) (00498.HK) (appointed on 23rd November, 2011); and an alternate director to Dr. Chan Kwok Keung, Charles (“**Dr. Charles Chan**”), a non-executive director of PYI. Mr. Chan is also a director of Burcon NutraScience Corporation (“**Burcon**”) whose issued shares are listed on the Toronto Stock Exchange (BU.TSX), the Frankfurt Stock Exchange (WKN 157793-FWB) and the NASDAQ Global Market (BUR.NASDAQ) (since 27th October, 2011); and an advisor of the Bisagni Environmental Enterprise (BEE Inc.). He was an alternate director to Ms. Chau Mei Wah, Rosanna (“**Ms. Rosanna Chau**”) in Burcon until 23rd April, 2010. 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. Chan held Existing Options entitling him to subscribe for 1,500,000 Shares, representing approximately 0.39% 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). Mr. Chan does not have any relationship with any Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company except that he is the son of Dr. Charles Chan who directly holds approximately 1.58% of the issued Share Capital and is the controlling shareholder of ITC, which in turn indirectly holds approximately 39.51% of the issued Share Capital as at the Latest Practicable Date.

There is no proposed length of Mr. Chan’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 and the Code. Mr. Chan is entitled to a director’s fee of HK\$10,000 per month as determined by both the remuneration committee of the Company and 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. Chan 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 DIRECTORS

Mr. Wong Chi Keung, Alvin, aged 49, joined the Company as an independent non-executive Director in May 2003. He is also the chairman of both the audit committee and the remuneration committee of the Company and a member of the nomination committee of the Company. Mr. Wong is a fellow member of The Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and an associate member of The Chartered Institute of Management Accountants. He has over 24 years of experience in accounting and corporate finance gained in property development, construction and manufacturing companies. 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. Wong held Existing Options entitling him to subscribe for 370,000 Shares, representing approximately 0.10% 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). Mr. Wong 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. Wong'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 and the Code. Mr. Wong is entitled to an annual director's fee of HK\$120,000 as determined by both the remuneration committee of the Company and 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. Wong 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.

Mr. Kwok Ka Lap, Alva, aged 64, joined the Company as an independent non-executive Director in October 2001. He is also a member of the audit committee, the remuneration committee, the nomination committee and the corporate governance committee of the Company. Mr. Kwok has been a marketing manager in an international company engaging in the design of business administration system. He has over 29 years of experience in the insurance and investment business, principally in the senior managerial position leading a sizable sales team. Mr. Kwok is an independent non-executive director, the chairman of the remuneration committee, a member of the audit committee and the nomination committee of Hanny Holdings Limited (00275.HK); and an independent non-executive director, the chairman of the remuneration committee, a member of the audit committee, the nomination committee and the corporate governance committee of Rosedale Hotel Holdings Limited (01189.HK). 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. Kwok held Existing Options entitling him to subscribe for 370,000 Shares, representing approximately 0.10% 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). Mr. Kwok 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. Kwok'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 and the Code. Mr. Kwok is entitled to an annual director's fee of HK\$120,000 as determined by both the remuneration committee of the Company and 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. Kwok 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.

APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE

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 383,767,261 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 38,376,726 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 Bye-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, 2012 (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

On 28th November, 2011, the Company proposed a conditional voluntary offer (the “Offer”) to repurchase for cancellation up to 260,000,000 Shares at a price of HK\$2.60 per Share (of which HK\$0.60 would be satisfied in cash and the balance of HK\$2.00 would be satisfied by way of the loan notes). The Offer became unconditional on 20th January, 2012 and closed on 3rd February, 2012. As such, a total of 196,918,150 Shares were repurchased and subsequently cancelled by the Company on 10th February, 2012. On 10th February, 2012, as part of the consideration of the Shares repurchased, the Company issued the loan notes in an aggregate principal amount of HK\$393,836,300, which are unsecured, bear interest at a fixed rate of 6% per annum and are due to mature and will automatically be redeemed on the day falling 36 months after the date of their issue.

Save as disclosed above, the Company had not repurchased any of its 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.

APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE

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>
ITC	151,628,928	39.51	151,628,928	43.90
PYI	6,177,000	1.61	6,177,000	1.79
Dr. Charles Chan	6,066,400	1.58	6,066,400	1.76
Ms. Rosanna Chau	3,200,000	0.83	3,200,000	0.93
 <i>ITC and parties acting in concert with it</i>				
	167,072,328	43.53	167,072,328	48.37
Mr. Cheung Hon Kit ("Mr. Cheung") (Note)	18,558,000	4.84	18,558,000	5.37
Other Shareholders	198,136,933	51.63	159,760,207	46.26
 Total	383,767,261	100.00	345,390,535	100.00

Note: Mr. Cheung, the Chairman of the Company and an executive Director.

Accordingly, in the event that the Repurchase Mandate is exercised in full, the aggregate shareholdings of ITC and parties acting in concert with it would be increased from approximately 43.53% to approximately 48.37% of the issued Share Capital and such increase would give rise to a mandatory offer obligation under Rule 26 of the Takeovers Code. 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 arise 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 on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital 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.

APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE
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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	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2011		
July	2.010	1.870
August	2.000	1.750
September	2.000	1.730
October	1.860	1.600
November	2.400	1.620
December	2.060	1.890
2012		
January	2.100	2.030
February	2.450	2.040
March	2.490	2.100
April	2.500	2.200
May	2.350	2.060
June	2.410	2.090
July (<i>up to and including the Latest Practicable Date</i>)	2.370	2.240

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved by the Shareholders at the Annual General Meeting:

1. Purpose of the New Share Option Scheme

The purposes of the New Share Option Scheme are:

- (i) to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group or any Invested Entity;
- (ii) to recognise the significant contributions of the Grantees to the growth of the Group or any Invested Entity by rewarding them with opportunities to obtain ownership interest in the Company; and
- (iii) to further motivate and give incentives to the Grantees to continue to contribute to the long term success and prosperity of the Group or any Invested Entity.

2. Who may join

The Board may in its absolute discretion grant the Options to any Eligible Person to subscribe for Shares at a price determined in accordance with paragraph 3 below.

3. Price of Shares

Options may be granted at an initial payment of HK\$1.00 for each acceptance of grant of the Option(s) and can be exercised at an exercise price determined by the Board and notified to an Eligible Person (subject to adjustments as provided in the rules of the Share Option Scheme and any amendments to the Listing Rules and shall at all times not be lower than the nominal value of a Share) and shall be at least the higher of: (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date; and (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for five (5) Business Days immediately preceding the Offer Date.

4. Maximum number of Shares available for subscription

Initially, the maximum aggregate number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme(s) of the Company shall not exceed ten (10) per cent. of the aggregate of the Shares in issue as at the Adoption Date (such 10% limit represents 38,376,726 Shares as at the Latest Practicable Date) (the "**Scheme Mandate Limit**"). Options lapsed in accordance with the terms of the relevant option scheme(s) shall not be counted for the purpose of calculating the Scheme Mandate Limit which may be refreshed by ordinary resolution of the Shareholders in general meeting, 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 New 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) a circular regarding the proposed refreshment of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.

The maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

The maximum number of Shares (issued and to be issued) upon exercise of the Options granted under the New Share Option Scheme and any other share option scheme(s) of the Company (whether exercised, cancelled or outstanding) to any Eligible Person in any 12-month period shall not exceed 1% of the total number of Shares in issue from time to time unless such grant is duly approved by an ordinary resolution of the Shareholders in general meeting at which the relevant Eligible Person and his associates shall abstain from voting and the Company shall issue a circular in accordance with the relevant provisions of Chapter 17 of the Listing Rules.

In calculating the aforesaid limit of 1%, the Options that have already lapsed shall not be counted.

5. Grant of the Options to connected persons

Any grant of the Options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a prospective Grantee of the Options).

Where the Options are proposed to be granted to a substantial shareholder or an independent non-executive Director or any of their respective associates, and the proposed grant of Options, if exercised in full, would result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such Eligible Person under the New Share Option Scheme and any other share option scheme(s) of the Company in the past 12-month period up to and including the Offer Date (i) representing in aggregate more than 0.1% of the total number of issued Shares on the Offer Date; and (ii) having an aggregate value (based on the official closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date) exceeding HK\$5,000,000, the proposed grant shall be subject to the issue of a circular and the approval of the Shareholders in general meeting (taken on a poll) in accordance with the requirements of the Listing Rules at which all connected persons must abstain from voting (but a connected person may vote against the resolution at the general meeting provided that his intention to do so has been stated in the circular).

In calculating the aforesaid limit of 0.1%, the Options that have already lapsed shall not be counted.

6. Time for exercise of the Options

The Grantee may subscribe for Shares during such period as may be determined by the Board (the period shall commence on the date on which the offer relating to such Option is duly approved by the Board in accordance with the New Share Option Scheme and expire in any event not later than the day falling ten (10) years thereafter). The New Share Option Scheme does not provide for any minimum period for which an Option must be held before it can be exercised.

7. Performance targets

The New Share Option Scheme does not provide any specific performance targets that need to be met before a Grantee is entitled to exercise an Option duly granted. The Board may in its absolute discretion specify such condition(s) as it thinks fit when making an Offer to an Eligible Person.

8. Rights are personal to Grantee

An Option shall be personal to the Grantee of the Option and shall not be assignable nor transferable.

9. Rights on ceasing to be an Eligible Person

Subject to the provisions in the paragraphs 10 and 11 below, if a Grantee ceases to be an Eligible Person for any reason, the Grantee can only exercise the Option within six (6) months after the date of such cessation, which date shall be (i) if he is an employee of the Group, his last actual working day with the Group whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of the Group, the date on which the relationship constituting him an Eligible Person ceases.

10. Rights on death or ill-health

If the Grantee of an outstanding Option (i) ceases to be an Eligible Person by reasons of ill-health, injury or disability (all evidenced to be satisfaction of the Board); or (ii) dies before exercising the Option in full or at all, the Option can only be exercised up to the entitlement of such Grantee by him or by his personal representative(s) within twelve (12) months after the date of ceasing to be an Eligible Person or death (as the case may be).

11. Rights on dismissal or breach of contract

If the Grantee (if he is also an employee of the Group) (i) is summarily dismissed for misconduct or otherwise commits a breach of any terms of his employment or other contract constituting him an employee of the Group, or (ii) appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or becomes insolvent or makes any arrangements or composition with his creditors generally; or (iii) is convicted of any criminal offence involving his integrity or honesty, his right to exercise all outstanding Options held by him shall thereupon terminate immediately. A resolution of the Board to the effect that one or more of the grounds specified in this paragraph has occurred shall be conclusive and binding on the Grantee, and where appropriate, his legal representative(s).

If the Grantee (whether he is an employee of the Group or not) or his associate (i) commits any breach of any contract entered into between the Grantee or his associate on the one part and the Group or the Controlling Shareholder or any Invested Entity any of their respective subsidiaries on the other part; or (ii) appears either to be unable to pay or to have no reasonable prospect of being able to pay his or its debts or becomes insolvent or is subject to any liquidation or analogous proceedings or makes any arrangements or composition with his or its creditors generally; or (iii) is convicted of any criminal offence involving his or its integrity or honesty, the right to exercise all outstanding Options held by him or it shall thereupon terminate immediately. A resolution of the Board or its duly authorised committee to the effect that one or more of the grounds specified in this paragraph has occurred shall be conclusive and binding on the Grantee and where appropriate, his legal representative(s).

12. Effect of alterations to capital

In the event of a capitalisation issue, rights issue, consolidation, or sub-division of Shares or reduction of the share capital of the Company, the Company shall make corresponding alterations (if any) to:

- (i) the number of Shares subject to Options already granted so far as they remain exercisable; and/or
- (ii) the subscription price,

or any combination thereof as the auditor of the Company or the independent financial adviser to the Company shall at the request of the Company certify in writing to the Board either generally or as regards any particular Grantee that the adjustments are in their opinion fair and reasonable and any adjustments so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange. Further, it is provided that:

- (i) no such alterations shall be made in respect of an issue of securities by the Company as consideration for or in connection with a transaction;
- (ii) any such alteration shall be made so that each Grantee is given the same proportion of the equity capital of the Company as that to which he was previously entitled;
- (iii) no such alterations shall be made which would result in the subscription price for a Share being less than its nominal value;
- (iv) any such alterations, save as those made on a capitalisation issue, shall be confirmed by the auditor of the Company or the independent financial adviser in writing to the Directors as satisfying the requirements of the foregoing paragraphs (ii) and (iii) above; and
- (v) any such alterations made pursuant to a sub-division or consolidation of share capital shall be made on the basis that the aggregate subscription price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event.

13. Rights on a general offer

If a general offer is made by way of takeover, share repurchase offer or otherwise in a like manner to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by offeror and/or any person acting in association or concert with the offeror), the Grantee can only, by notice in writing to the Company within fourteen (14) days after such offer becoming or being declared unconditional, exercise all or any of his Options, and to the extent that they are not so exercised, the right to exercise the Option shall upon the expiry of such period terminate immediately.

14. Rights on a scheme of arrangement

If a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Grantee can only thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the Options in full or in part.

15. Rights on winding up

If a notice of a general meeting is given by the Company for the purposes of considering and approving a resolution to voluntarily wind-up the Company, each Grantee can only exercise all or any of his Options at any time not later than two (2) Business Days prior to the proposed general meeting of the Company. The right to exercise the Options shall, to the extent that they are not so exercised, terminate immediately on the date of commencement of the voluntary winding-up of the Company.

16. Ranking of Shares

Shares allotted upon exercise of the Options shall be subject to the Bye-laws and shall rank pari passu in all respects with the other Shares in issue at the relevant date of allotment except in respect of any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore is before the relevant date of allotment.

17. Period of the New Share Option Scheme

The New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from and on its date of adoption (subject to early termination in accordance with the provisions thereof).

18. Variation and termination

The New Share Option Scheme may be altered in any respect by resolution of the Board except that certain provisions as to:

- (i) the definitions of the Grantee, Eligible Person(s) and subscription price; and
- (ii) the provisions relating to, the matters set out in Rule 17.03 of the Listing Rules including those relating to the purpose, duration and administration of the New Share Option Scheme, grant of the Options (except for the provision that an offer may be accepted in full or in part and the requirements that the offer shall be in writing and shall contain the terms of the offer), subscription price, exercise of the Options, lapse of the Options, maximum number of Shares available for subscription, reorganisation of capital structure, alteration of the New Share Option Scheme, cancellation of the Options granted and termination;

shall not be altered to the advantage of the Grantees or the prospective Grantees except with the prior approval of the Shareholders in general meeting (with such Grantees or the prospective Grantees and their respective associates abstained from voting). No such alterations shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the Grantees as would be required of the Shareholders under the Bye-laws for the time being for a variation of the rights attached to the Shares.

Any alterations to the provisions of the New Share Option Scheme which are of a material nature (except where alterations take effect automatically under the provisions of the New Share Option Scheme) or any change to the terms of Options granted must be approved by the Shareholders in general meeting. The amended terms of (i) the New Share Option Scheme, or (ii) the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules. Any change to the authority of the Board in relation to any alterations to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

The Company by an ordinary resolution in general meeting, or the Board may terminate the operation of the New Share Option Scheme at any time and in such event no further Option will be offered but the Options granted prior to such termination shall continue to be valid and exercisable in accordance with their terms of issue and the provisions of the New Share Option Scheme.

19. Lapse of Options

The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (i) the expiry of the option period as described in the paragraph 6 above;
- (ii) the expiry of any of the periods referred to in the paragraphs 9, 10, 11 and 13 above;
- (iii) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in the paragraph 14 above;
- (iv) subject to the provision in the paragraph 15 above, the date of the commencement of the voluntary winding-up of the Company; or
- (v) the date on which the Grantee commits a breach of the provisions of the New Share Option Scheme that an Option shall be personal to the Grantee and shall not be assignable nor transferable and that no Grantee shall sell, transfer, charge, mortgage or encumber or create any interest in favour of a third party over or in relation to any Option.

20. Cancellation of unexercised Options

The Company may cancel an Option granted but not exercised with the approval of the Grantee of such Option. No Options may be granted to an Eligible Person in place of his cancelled Options unless there are available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit approved by the Shareholders as mentioned in the paragraph 4 above.

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 Gemini Room, 33rd Floor, Rosedale on the Park, 8 Shelter Street, Causeway Bay, Hong Kong on Friday, 17th August, 2012 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, 2012.
2. To declare the final dividend of the Company for the year ended 31st March, 2012.
3. (i) To re-elect Mr. Chan Yiu Lun, Alan as executive director of the Company;
(ii) To re-elect Mr. Wong Chi Keung, Alvin as independent non-executive director of the Company;
(iii) To re-elect Mr. Kwok Ka Lap, Alva as independent non-executive director of the Company; and
(iv) 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 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 Rights Issue (as hereinafter defined) or an issue of shares of the Company under the share option scheme or similar arrangements for the time being adopted by the Company or an issue of shares upon exercise of subscription or conversion rights attached to warrants which may be issued by the Company or any securities convertible into shares of the Company or 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 outside Hong Kong).”

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;

NOTICE OF ANNUAL GENERAL MEETING

- (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.”

8. “**THAT**

- (i) conditional upon the Stock Exchange granting the approval of the listing of and permission to deal in the shares of the Company (the “**Shares**”) falling to be issued pursuant to the exercise of any options granted under the share option scheme (the “**New Share Option Scheme**”) as referred to in the circular despatched to the shareholders of the Company on the same day as this Notice, the rules of which are set out in the document marked “**A**” produced to the Meeting and, for purpose of identification, signed by the chairman of the Meeting, the rules of the New Share Option Scheme be and are hereby approved and adopted and that the Directors be and are hereby authorised to grant the options thereunder and to allot and issue Shares pursuant to the exercise of any options granted thereunder and take all such steps as they may consider necessary or desirable to implement the New Share Option Scheme; and

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the aggregate nominal amount of share capital to be allotted and issued pursuant to the resolution numbered 8(i) above, together with any issue of Shares upon exercise of any options granted under any other share option scheme(s) of the Company as may from time to time be adopted by the Company, shall not exceed 10 per cent. of the Shares in issue as at the date of passing of this resolution.”
9. “**THAT** with effect from the date of the New Share Option Scheme becoming unconditional and coming into effect, the existing share option scheme (the “**Existing Share Option Scheme**”) adopted by the Company pursuant to a resolution passed by the then shareholders of the Company on 26th August, 2002 be cancelled and terminated and shall cease to have any further effect save and except that the Existing Share Option Scheme will remain in force to the extent necessary to give effect to the exercise of the options granted thereunder prior to the termination thereof.”

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

Hong Kong, 16th July, 2012

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 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 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.

NOTICE OF ANNUAL GENERAL MEETING

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 Tuesday, 28th August, 2012 to Thursday, 30th August, 2012, both dates inclusive, during which period no transfer of the 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 Monday, 27th August, 2012.

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

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