

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



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\$2.102 per Share to HK\$1.970 per Share as a result of the Final Dividend and the Interim Dividend. Such adjustment shall become effective retrospectively from the commencement of the day next following the record date for determining the entitlement to the Final Dividend, i.e. 29th August, 2013.

References are made to the announcements of ITC Properties Group Limited (the “**Company**”) dated 21st February, 2011, 1st April, 2011, 15th April, 2011 and 17th August, 2012 (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**”), the announcement of the Company dated 25th June, 2013 on the final results of the Company for the year ended 31st March, 2013 (the “**Results Announcement**”) and the circular of the Company dated 29th August, 2013 in relation to the scrip dividend scheme of the Final Dividend (as defined below) (the “**Scrip Dividend Scheme Circular**”). Unless the context otherwise requires, capitalised terms and expressions used herein shall have the same meanings as those used in the Notes Announcements, the Notes Circular and the Scrip Dividend Scheme 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 HK\$0.15 per Share for the year ended 31st March, 2013 (the “**Final Dividend**”). The Final Dividend was approved by the Shareholders at the annual general meeting of the Company held on 15th August, 2013. Pursuant to the terms and conditions of the Notes, having considered the effects of the Final Dividend, which was either paid in cash, or by allotment of Scrip Shares, to the Shareholders on 26th September, 2013, and the interim dividend of HK\$0.05 per Share for the six months ended 30th September, 2012 which was paid in cash to the Shareholders on 22nd January, 2013 (the “**Interim Dividend**”), the conversion price of the Notes shall be retrospectively adjusted from HK\$2.102 per Share to HK\$1.970 per Share with effect from 29th August, 2013 (the “**Effective Date**”) (being the day immediately after the record date for the purpose of determining the entitlement to the Final Dividend on 28th August, 2013).

Since the Effective Date and up to the date of this announcement, the Company has not issued and allotted any Shares pursuant to the exercise of the conversion rights by the holders of the Notes. As at the date of this announcement, the aggregate outstanding principal amount of the Notes is HK\$86,400,000. Upon full conversion of the Notes at the adjusted conversion price of HK\$1.970 per Share, 43,857,860 new Shares will fall to be issued, representing approximately 6.82% 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
Wong Kim Man
Company Secretary

Hong Kong, 27th September, 2013

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

Independent non-executive Directors:

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