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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)

**MAJOR TRANSACTION IN RELATION TO
THE ACQUISITION OF 50% EFFECTIVE INTEREST IN
A HOTEL PROJECT IN CANADA
AND
THE PROVISION OF LOAN FACILITY**

BACKGROUND

After trading hours of the Stock Exchange on 8th June, 2016, Rank Ace entered into the Subscription Agreement with the JV Co, pursuant to which Rank Ace agreed to subscribe for 86,100,000 new JV Shares at the Subscription Price of CAD86.1 million (equivalent to approximately HK\$521.8 million) upon the terms and conditions contained therein. The JV Co is currently wholly-owned by Caufield. Upon Completion, each of Rank Ace and Caufield will hold 50% of the enlarged issued share capital of the JV Co.

THE SHAREHOLDERS AGREEMENT

Upon Completion, Rank Ace, Caufield and the JV Co will enter into the Shareholders Agreement in respect of the affairs (including but not limited to the operations, management and business) of, and the rights and obligations of Rank Ace and Caufield with respect to their interests in, the JV Group after Completion.

* *For identification purpose only*

THE FACILITY

As stated in the Loan Announcement, Rank Ace as lender and Caufield as borrower entered into the Loan Agreement, pursuant to which Rank Ace agreed to grant to Caufield the Facility of up to CAD28.7 million (equivalent to approximately HK\$173.9 million). Tranche A of the Facility in the amount of CAD20.0 million (equivalent to approximately HK\$121.2 million) has been drawn by Caufield prior to the date of this announcement while the drawing of Tranche B of the Facility in the amount of CAD8.7 million (equivalent to approximately HK\$52.7 million) is subject to Completion and the passing of the requisite resolution(s) by the Shareholders either at a general meeting or by way of written resolution(s) approving the Loan Agreement and the transactions contemplated thereunder. The principal of the Facility together with all interest accrued thereon is repayable on the date falling sixty (60) months after the Completion Date which may be extended for another sixty (60) months subject to and upon the terms contained in the Loan Agreement.

LISTING RULES IMPLICATIONS

The Subscription and the provision of the Facility together constitute a major transaction for the Company under the Listing Rules and are therefore subject to the reporting, announcement and Shareholders' approval requirements.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or its/his associate(s) has a material interest in the Subscription Agreement, the Shareholders Agreement, the Loan Agreement and the respective transactions contemplated thereunder and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a Shareholders' meeting for approving these agreements and the respective transactions contemplated thereunder.

As at the date of this announcement, Selective Choice Investments Limited, an indirect wholly-owned subsidiary of ITC Corporation Limited, and Fortune Crystal Holdings Limited, which is wholly-owned by Ms. Ng Yuen Lan, Macy, hold 290,178,433 Shares and 209,757,748 Shares respectively. Dr. Chan Kwok Keung, Charles is the controlling shareholder of ITC Corporation Limited and Ms. Ng Yuen Lan, Macy is the spouse of Dr. Chan Kwok Keung, Charles. The Company intends to obtain the written Shareholders' approval from Selective Choice Investments Limited and Fortune Crystal Holdings Limited, which in aggregate hold 499,936,181 Shares representing approximately 58.12% of the existing issued share capital of the Company, in respect of the Subscription Agreement, the Shareholders Agreement, the Loan Agreement and the respective transactions contemplated thereunder prior to the despatch of the circular by the Company. Pursuant to Rule 14.44(2) of the Listing Rules, the written Shareholders' approval from Selective Choice Investments Limited and Fortune Crystal Holdings Limited will be accepted in lieu of holding a general meeting of the Shareholders. Accordingly, no physical Shareholders' meeting will be held by the Company to approve these agreements and the respective transactions contemplated thereunder if such written Shareholders' approval is obtained.

GENERAL

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, information relating to the Subscription Agreement, the Shareholders Agreement and the Loan Agreement, the financial and other information of the Group and the JV Group, the unaudited pro forma financial information of the Group assuming Completion takes place and other information as required under the Listing Rules shall be despatched to the Shareholders within fifteen (15) Business Days after publication of this announcement. As additional time is required for the Company to prepare the relevant information including the financial and other information of the JV Group and the unaudited pro forma financial information of the Group assuming Completion takes place for inclusion in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and for an extension of the deadline for the despatch of the circular of the Company to a date on or before 29th July, 2016.

BACKGROUND

References are made to the announcements of the Company dated 28th April, 2016 and 31st May, 2016 respectively in relation to the MOU in respect of the possible acquisition by ITCP Overseas of 25% effective interest in a hotel project in Canada and the payment of earnest money therefor and the extension of the expiry date of the MOU; and the Loan Announcement dated 25th May, 2016 in relation to the provision of the Facility by Rank Ace to Caufield.

The Board is pleased to announce that after trading hours of the Stock Exchange on 8th June, 2016, Rank Ace entered into the Subscription Agreement with the JV Co, pursuant to which Rank Ace agreed to subscribe for 86,100,000 new JV Shares at the Subscription Price of CAD86.1 million (equivalent to approximately HK\$521.8 million). The JV Co is currently wholly-owned by Caufield. Upon Completion, each of Rank Ace and Caufield will hold 50% of the enlarged issued share capital of the JV Co.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are set out below:

Date:

8th June, 2016

Parties:

- (a) Rank Ace as subscriber; and
- (b) the JV Co as issuer.

Subscription:

Pursuant to the Subscription Agreement, Rank Ace has conditionally agreed to subscribe for, and the JV Co has conditionally agreed to allot and issue to Rank Ace, 86,100,000 new JV Shares at the Subscription Price of CAD86.1 million (equivalent to approximately HK\$521.8 million). The 86,100,000 new JV Shares represent 50% of the enlarged issued share capital of the JV Co immediately after Completion. The JV Shares to be subscribed by Rank Ace will rank *pari passu* in all respects with the existing JV Shares in issue and free from all encumbrances.

Subscription Price:

The Subscription Price of CAD86.1 million (equivalent to approximately HK\$521.8 million) is payable by Rank Ace to the JV Co in the following manner:

- (a) the Earnest Money in the sum of approximately CAD41.6 million (equivalent to approximately HK\$256.6 million based on the exchange rate of CAD1=HK\$6.168 at the time of payment of the Earnest Money) paid by ITCP Overseas to the JV Co under the MOU has been applied as the Deposit;
- (b) the Further Deposit in the amount of CAD41.5 million (equivalent to approximately HK\$251.5 million) will be paid by Rank Ace to the JV Co within seven (7) Business Days from the date of the Subscription Agreement; and
- (c) the balance of the Subscription Price in the sum of approximately CAD3.0 million (equivalent to approximately HK\$18.2 million) will be payable by Rank Ace to the JV Co at Completion.

The Subscription Price is determined based on arm's length negotiations between Rank Ace and the JV Co with reference to the acquisition price of the Hotel by CBHL on 3rd November, 2015 and is the same amount of Caufield's cost of investment in the JV Co.

Conditions precedent:

Completion is conditional upon the satisfaction or waiver (as the case may be) of, among others, the following conditions:

- (a) the passing of the requisite resolution(s) by the Shareholders either at a general meeting or by way of written resolution(s) approving the Subscription Agreement and the transactions contemplated thereunder in compliance with the requirements of the Listing Rules;
- (b) all necessary consents, approvals (or waivers), authorisation, permission or exemption from any third parties, including but not limited to government or regulatory authorities, having been obtained by the parties thereto (including but not limited to the Lenders and the relevant counterparties to the Hotel Management Agreements) in connection with the transactions contemplated thereunder (other than the consent of the Liquor Control and Licensing Branch of British Columbia, which can only be obtained post-Completion), and such consents, approvals (or waivers), authorisation, permission or exemption remaining in full force and effect;

- (c) the compliance by the JV Co with all legal and other requirements under the laws of the BVI applicable to the transactions contemplated under the Subscription Agreement;
- (d) the representations, warranties, undertakings and indemnities given by the JV Co under the Subscription Agreement being true, accurate and correct in all respects and not misleading in any respect at, and as if made on, such date with reference to the facts and circumstances subsisting at the Completion Date;
- (e) the Commissioner of Competition under the *Competition Act* (Canada) (the “**Commissioner**”) having issued an advance ruling certificate in respect of the Subscription or a “no-action letter” indicating that the Commissioner does not at that time intend to initiate proceedings before the Competition Tribunal under Section 92 of the *Competition Act* (Canada) in respect of the Subscription and waiving the obligation under Part IX of the *Competition Act* (Canada) to notify the Commissioner of the Subscription;
- (f) Rank Ace having been satisfied with the due diligence review and investigation conducted on the JV Group and the Hotel, including but not limited to the assets, liabilities, contracts, business, financial, legal, taxation and other aspects of the JV Group;
- (g) all existing permits, licences, approvals, authorisations or consents material to the operation of the business of each member of the JV Group remaining valid and subsisting and no notice (actual or constructive) having been received by the JV Group that the same will be terminated, revoked, withdrawn or suspended; and
- (h) on or before the Completion Date, there having been delivered to Rank Ace opinions in form and substance satisfactory to Rank Ace, acting reasonably, dated the Completion Date of the legal advisers to the JV Group (such legal advisers to be selected by the JV Co and approved by Rank Ace) relating to the shareholding interests in the respective members of the JV Group, their establishment and existence, businesses, and the ownership of the Hotel.

Rank Ace may at its absolute discretion at any time waive the conditions set out in (d), (f) and (h) above by notice in writing to the JV Co. Neither Rank Ace nor the JV Co may waive any of the conditions set out in (a), (b), (c), (e) and (g) above.

If any of the conditions precedent set out in the Subscription Agreement has not been fulfilled or waived (as the case may be) on or before 31st July, 2016 or such other date as Rank Ace and the JV Co may agree in writing, the JV Co shall refund or procure the refund of the Deposit and the Further Deposit to Rank Ace without any interest whereupon all the rights and obligations of the parties under the Subscription Agreement shall lapse and be of no further force and effect and no party shall have any liability under them, except for antecedent breaches.

Completion:

Completion shall take place on the third (3rd) Business Day after all the conditions precedent set out in the Subscription Agreement having been fulfilled or waived (as the case may be) (or on such other date as Rank Ace and the JV Co may agree in writing).

THE SHAREHOLDERS AGREEMENT

Upon Completion, Rank Ace, Caufield and the JV Co will enter into the Shareholders Agreement in respect of the affairs (including but not limited to the operations, management and business) of, and the rights and obligations of Rank Ace and Caufield with respect to their interests in, the JV Group after Completion.

The principal terms of the Shareholders Agreement are set out below:

Purpose and business of the JV Group:

The sole business of the JV Group is the indirect holding and operation of the Hotel.

Pursuant to the Asset Management Agreement, CBMI shall act as Vancouver LP's representative to oversee the Operator and otherwise to manage the Hotel at a fee of about CAD0.6 million per annum for a term of fifty (50) years commencing from 3rd November, 2015. The Asset Management Agreement shall automatically be terminated upon the cessation of the business operation of the Hotel as a result of or in connection with its redevelopment. In addition, Caufield shall provide or procure its affiliate to provide development, construction, sales management and property management services to the JV Group for the development and promotion of the business of the JV Group, which detailed terms are to be agreed between the relevant parties.

Board composition:

The board of directors of the JV Co will comprise four (4) directors, of which each of Rank Ace and Caufield is entitled to appoint two (2) directors.

Transfer of shares of the JV Co:

If a shareholder of the JV Co wishes to dispose of its interest in the JV Co to a third party, the other shareholder is entitled to a right of first refusal to purchase all (but not part thereof) of the JV Shares and the loan to the JV Co which the transferring shareholder intends to dispose of on the same or more favourable terms as offered by the third party. The right of first refusal is exercisable within a period of fifteen (15) days from the receipt of the transfer notice from the transferring shareholder.

Neither of the shareholders of the JV Co shall dispose of its interest in the JV Co to a third party which is involved in any activity in Vancouver, Canada which is in competition with the business carried on by the JV Group or its affiliates without the prior written consent of the other shareholder.

Funding:

Rank Ace and Caufield shall determine and agree with each other whether additional funding for the business of the JV Group shall be provided by means of:

- (a) firstly, funding from banks or other financial institutions; or
- (b) secondly, loans from both Rank Ace and Caufield proportionate to their respective shareholdings in the JV Co on terms at least as favourable to the JV Co as those available from third party lenders; or
- (c) thirdly, subscription for further JV Shares by Rank Ace and Caufield proportionate to their respective shareholdings in the JV Co; or
- (d) any other means.

Notwithstanding the above, any financing provided by the shareholders of the JV Co or any liability incurred by the shareholders of the JV Co by virtue of a guarantee and/or security to a third party of the obligations or liabilities of the JV Co or any other members of the JV Group shall be provided or incurred (as the case may be) by the shareholders of the JV Co on a several (and not on a joint and several) basis and proportionate to their respective shareholdings in the JV Co.

Dividend policy:

Subject to making provision for the cost of the development of the Hotel, the profits of the JV Group shall be applied in the following priority:

- (a) working capital requirement of the business of the JV Group;
- (b) repayment of external borrowings and all interest accrued thereon owing by the JV Group and all fees, charges, claims, taxation and other liabilities of whatsoever nature payable by the JV Group to any third party;
- (c) repayment of shareholder loans to Rank Ace and Caufield proportionate to their respective shareholdings in the JV Co; and
- (d) payment of cash dividends to Rank Ace and Caufield proportionate to their respective shareholdings in the JV Co.

THE FACILITY

As stated in the Loan Announcement, Rank Ace as lender and Caufield as borrower entered into the Loan Agreement, pursuant to which Rank Ace agreed to grant to Caufield the Facility of up to CAD28.7 million (equivalent to approximately HK\$173.9 million). Tranche A of the Facility in the amount of CAD20.0 million (equivalent to approximately HK\$121.2 million) has been drawn by Caufield prior to the date of this announcement while the drawing of Tranche B of the Facility in the amount of CAD8.7 million (equivalent to approximately HK\$52.7 million) is subject to Completion and the passing of the requisite resolution(s) by the Shareholders either at a general meeting or by way of written resolution(s) approving the Loan Agreement and the transactions contemplated thereunder. The principal of the Facility together with all interest accrued thereon is repayable on the date falling sixty (60) months after the Completion Date which may be extended for another sixty (60) months subject to and upon the terms contained in the Loan Agreement.

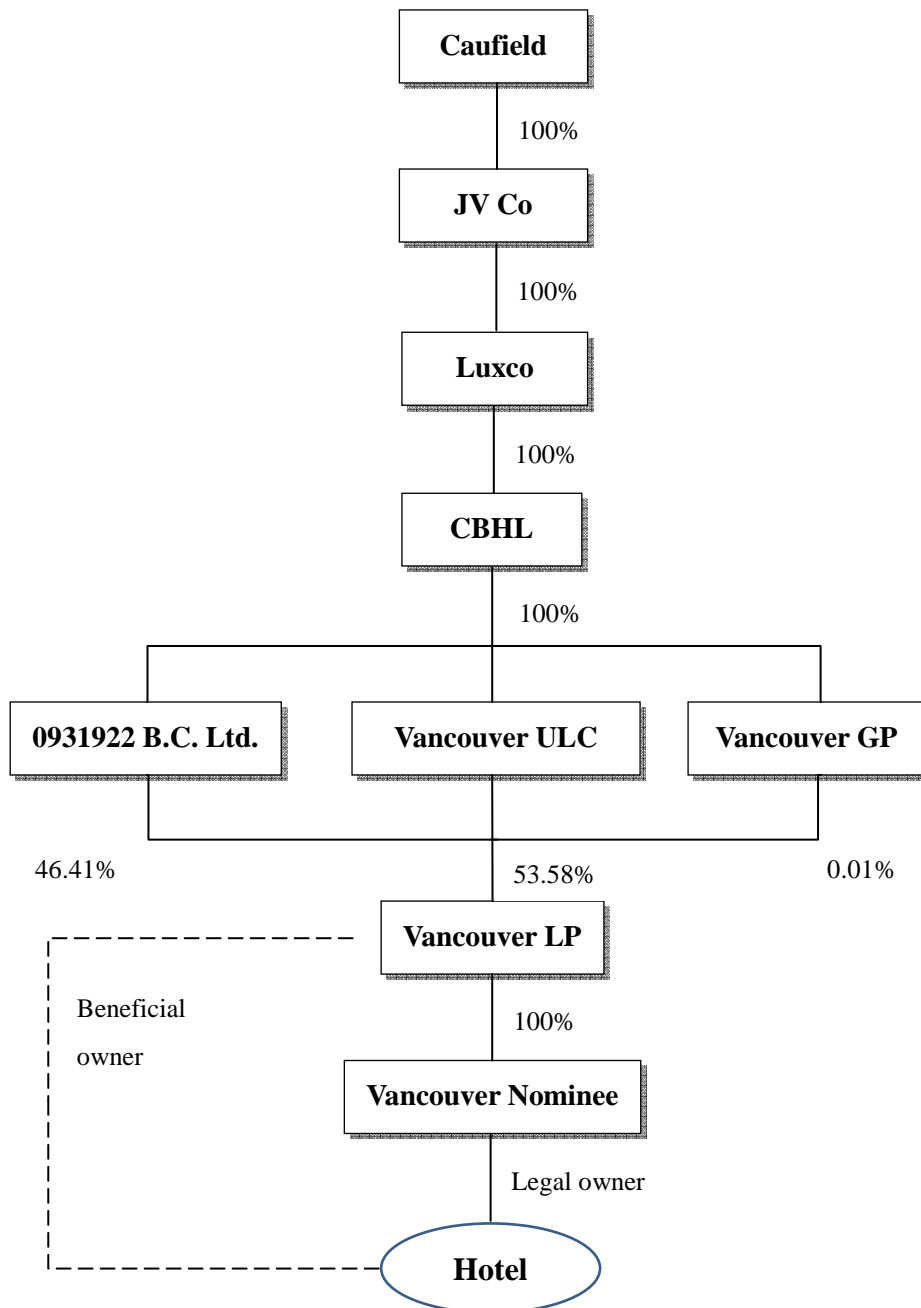
The Facility bears interest at the CAD prime rate plus 1.25% per annum. The Facility is secured by the first share mortgage in respect of the 28.7 million JV Shares owned by Caufield, representing approximately 33.3% of the entire issued share capital of the JV Co as at the date of the Loan Agreement, and the first assignment and subordination of approximately 33.3% of all existing and future shareholders' loans (plus interest) advanced to the JV Co by Caufield which amounted to CAD4,075,725 (equivalent to approximately HK\$24.6 million) as at the date of the Loan Agreement.

For further details of the Loan Agreement, please refer to the Loan Announcement.

INFORMATION ON THE JV GROUP AND THE HOTEL

Group structure:

The following diagram depicts the group structure of the JV Group immediately before Completion:



The JV Group:

Caufield is an investment holding company incorporated in the BVI with limited liability and its subsidiaries are principally engaged in estate holding and development. The JV Co, which was incorporated in the BVI with limited liability on 22nd June, 2015, is currently a wholly-owned subsidiary of Caufield. It wholly owns CBHL indirectly through Luxco.

On 3rd November, 2015, CBHL acquired 100% interest in each of Vancouver ULC and Vancouver GP from the previous owner (the “**Previous Hotel Acquisition**”) with the assistance of the Bank Loan. At that time, Vancouver ULC (as a limited partner) and Vancouver GP (as a general partner) held 99.99% and 0.01% interest in Vancouver LP respectively. After completion of the Previous Hotel Acquisition, 0931922 B.C. Ltd., another wholly-owned subsidiary of CBHL, subscribed for new units in Vancouver LP such that each of 0931922 B.C. Ltd. and Vancouver ULC owns 46.41% and 53.58% of the equity interest as limited partner of Vancouver LP respectively.

Vancouver LP is a limited partnership established in Manitoba on 31st May, 2013 and is the beneficial owner of the Hotel. The legal owner of the Hotel is Vancouver Nominee which is a wholly-owned subsidiary of Vancouver LP. Vancouver LP and Vancouver Nominee acquired the Hotel in 2013.

Apart from those mentioned above, members of the JV Group do not hold any other assets or carry on any other business since their respective dates of incorporation.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, members of the JV Group and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Hotel:

The Hotel is located at a landmark waterfront site in downtown Vancouver. It operates under the brand name of Westin and is a first class (four diamond) full-service hotel comprising a 9-storey main building completed in 1961 and a separate 18-storey tower completed in 1970 respectively with an aggregate of 511 guest rooms. In addition, there are also a six-slip marina, over 640 car parking spaces, meeting and amenity spaces in excess of 71,000 sq. ft. and retail spaces of over 3,300 sq. ft.. Based on the preliminary valuation prepared by an independent professional valuer using market approach, the Hotel is valued at approximately CAD305.0 million (equivalent to approximately HK\$1,848.3 million) as at 31st May, 2016.

The Hotel has been managed by Caufield's affiliate, CBMI under the Asset Management Agreement commencing from 29th October, 2015. Pursuant to the Asset Management Agreement, CBMI oversees the Operator under the Hotel Management Agreements. In return, Vancouver LP pays CBMI an annual management fee and the reimbursement of a reasonable allocation of overhead.

The daily operations of the Hotel is supervised, directed and controlled by the Operator on behalf of Vancouver LP under the Amended and Restated Operating Services Agreement for a term of thirty (30) years commencing from 31st May, 2013. Vancouver LP is also provided with the license of the intellectual property underlying the Westin brand under the System License Agreement for a term of thirty (30) years commencing from 31st May, 2013. The Hotel currently utilises the booking system and other control services provided by Starwood under the Centralised Services Agreement. Vancouver LP pays the operating fee and license fee to the Operator based on a certain percentage of the gross operating revenue of the Hotel. It also recovers Starwood's costs of providing booking systems and other central services and overhead.

Financial information:

The JV Co, Luxco and CBHL were incorporated in June 2015. The unaudited consolidated net loss (both before and after taxation) of the JV Group for the period from 22nd June, 2015 (date of incorporation of the JV Co) to 31st December, 2015 was approximately CAD22.1 million (equivalent to approximately HK\$133.9 million) which comprised one-off penalties of CAD21.1 million (equivalent to approximately HK\$127.9 million) for early repayment of certain loans by Vancouver ULC and Vancouver LP upon completion of the Previous Hotel Acquisition. The unaudited consolidated net liabilities of the JV Group as at 31st December, 2015 were approximately CAD2.0 million (equivalent to approximately HK\$12.1 million) before the capitalisation of the loan from Caufield in the amount of CAD86.1 million (equivalent to approximately HK\$521.8 million) in March 2016. Taking into account the capitalisation of the loan from Caufield and the preliminary valuation of the Hotel of CAD305.0 million, the adjusted unaudited consolidated net assets of the JV Group would have been approximately CAD101.1 million (equivalent to approximately HK\$612.7 million).

Since Vancouver ULC was acquired by CBHL in November 2015, the above unaudited consolidated net loss figures of the JV Group only included the results of Vancouver ULC and its subsidiaries since November 2015. Vancouver ULC and its subsidiaries recorded a consolidated loss (both before and after taxation) of approximately CAD4.6 million (equivalent to approximately HK\$27.9 million) and CAD21.6 million (equivalent to approximately HK\$130.9 million) respectively for each of the two years ended 31st December, 2014 and 2015.

Upon Completion, the JV Co will be accounted for as a joint venture whose results, assets and liabilities are to be incorporated in the consolidated financial statements of the Company using the equity method of accounting.

On 3rd November, 2015, CBHL as borrower, Vancouver LP, Vancouver Nominee and One West Holdings Ltd. (“**One West**”) as guarantors entered into a facility agreement with the Lenders in respect of the Bank Loan. One West is the beneficial owner of Caufield. Upon Completion, the Company will execute a guarantee of up to CAD60.0 million (equivalent to approximately HK\$363.6 million) in favour of the Lenders in respect of the Bank Loan such that the respective guarantees given by the Company and One West are on a several basis and proportionate to their respective interests in the JV Co.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AGREEMENT, SHAREHOLDERS AGREEMENT AND THE LOAN AGREEMENT

The Company is an investment holding company and its subsidiaries are principally engaged in property development and investment in Macau, the People’s Republic of China, Hong Kong and Canada. The Group is also engaged in the development, investment and operation of hotels and leisure business in the People’s Republic of China and Hong Kong, securities investments and the provision of loan financing services.

The Directors consider that the entering into of the Subscription Agreement, the Shareholders Agreement and the Loan Agreement enables the Group to invest in a reputable hotel located in a major city in Canada which will enlarge the Group’s hotel property portfolio and broaden its recurring income stream. The Group can also explore the redevelopment potential of the Hotel with Caufield, which is an experienced real estate developer in Canada. As mentioned in the Loan Announcement, the Loan Agreement facilitated the negotiation between the Group and Caufield in respect of the Subscription Agreement and the Shareholders Agreement.

The Directors consider that the respective terms of the Subscription Agreement, the Shareholders Agreement and the Loan Agreement are fair and reasonable and the respective transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

The Company intends to fund the Subscription Price and the provision of Tranche B of the Facility from its internal resources.

LISTING RULES IMPLICATIONS

The Subscription and the provision of the Facility together constitute a major transaction for the Company under the Listing Rules and are therefore subject to the reporting, announcement and Shareholders’ approval requirements.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholder or its/his associate(s) has a material interest in the Subscription Agreement, the Shareholders Agreement, the Loan Agreement and the respective transactions contemplated thereunder and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a Shareholders’ meeting for approving these agreements and the respective transactions contemplated thereunder.

As at the date of this announcement, Selective Choice Investments Limited, an indirect wholly-owned subsidiary of ITC Corporation Limited, and Fortune Crystal Holdings Limited, which is wholly-owned by Ms. Ng Yuen Lan, Macy, hold 290,178,433 Shares and 209,757,748 Shares respectively. Dr. Chan Kwok Keung, Charles is the controlling shareholder of ITC Corporation Limited and Ms. Ng Yuen Lan, Macy is the spouse of Dr. Chan Kwok Keung, Charles. The Company intends to obtain the written Shareholders' approval from Selective Choice Investments Limited and Fortune Crystal Holdings Limited, which in aggregate hold 499,936,181 Shares representing approximately 58.12% of the existing issued share capital of the Company, in respect of the Subscription Agreement, the Shareholders Agreement, the Loan Agreement and the respective transactions contemplated thereunder prior to the despatch of the circular by the Company. Pursuant to Rule 14.44(2) of the Listing Rules, the written Shareholders' approval from Selective Choice Investments Limited and Fortune Crystal Holdings Limited will be accepted in lieu of holding a general meeting of the Shareholders. Accordingly, no physical Shareholders' meeting will be held by the Company to approve these agreements and the respective transactions contemplated thereunder if such written Shareholders' approval is obtained.

GENERAL

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, information relating to the Subscription Agreement, the Shareholders Agreement and the Loan Agreement, the financial and other information of the Group and the JV Group, the unaudited pro forma financial information of the Group assuming Completion takes place and other information as required under the Listing Rules shall be despatched to the Shareholders within fifteen (15) Business Days after publication of this announcement. As additional time is required for the Company to prepare the relevant information including the financial and other information of the JV Group and the unaudited pro forma financial information of the Group assuming Completion takes place for inclusion in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and for an extension of the deadline for the despatch of the circular of the Company to a date on or before 29th July, 2016.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Amended and Restated Operating Services Agreement”	the amended and restated operating services agreement between the previous owner of the Hotel and Westin Hotel Management, L.P. dated 31st May, 2013 and assigned to Vancouver LP on 20th September, 2013, as may be amended or supplemented from time to time
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“Asset Management Agreement”	the agreement dated 29th October, 2015 entered into between CBMI and CBHL whereby CBMI is appointed to oversee the Operator under the Hotel Management Agreements and otherwise to manage the Hotel, which agreement has been assigned by CBHL to Vancouver LP on 21st March, 2016, and as may be amended or supplemented from time to time
“associate(s)”	has the same meaning ascribed thereto under the Listing Rules
“Bank Loan”	a loan facility of CAD120.0 million (equivalent to approximately HK\$727.2 million) provided to CBHL by the Lenders to partially finance the Previous Hotel Acquisition
“Board”	the board of the Directors
“Business Day(s)”	a day(s) (excluding Saturday, Sunday or public holiday or any day on which a typhoon signal no. 8 or above or a black rainstorm signal is issued in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed commercial banks in Hong Kong and Vancouver, British Columbia are open for general banking business for members of the public in Hong Kong and Vancouver, British Columbia
“BVI”	British Virgin Islands
“Caufield”	Caufield Investments Limited, a company incorporated in the BVI with limited liability
“CBHL”	Concord Bayshore Holdings Ltd., a company incorporated with limited liability under the laws of British Columbia
“CBMI”	Concord Bayshore Management Inc., a company incorporated with limited liability under the laws of British Columbia and an affiliate of Caufield
“Centralised Services Agreement”	the centralised services agreement between the previous owner of the Hotel and Starwood dated 31st May, 2013, and assigned to Vancouver LP on 20th September, 2013, as may be amended or supplemented from time to time

“Company”	ITC Properties Group Limited (Stock Code : 199), a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Subscription Agreement in accordance with the terms and conditions thereof
“Completion Date”	the date on which Completion takes place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Deposit”	the Earnest Money which has been applied as deposit upon signing of the Subscription Agreement
“Director(s)”	director(s) of the Company
“Earnest Money”	a refundable earnest money of approximately CAD41.6 million (equivalent to approximately HK\$256.6 million based on the exchange rate of CAD1 = HK\$6.168 at the time of payment of the earnest money) paid by ITCP Overseas to the JV Co pursuant to the MOU
“Facility”	the loan facility of up to CAD28.7 million (equivalent to approximately HK\$173.9 million) granted by Rank Ace to Caufield
“Further Deposit”	an amount of CAD41.5 million (equivalent to approximately HK\$251.5 million) payable by Rank Ace to the JV Co within seven (7) Business Days from the date of the Subscription Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel”	the land parcels together with the hotel known as “The Westin Bayshore Vancouver” erected thereon located at 1601 Bayshore Drive, Vancouver, BC V6G 2V4, Canada
“Hotel Management Agreements”	collectively, the Centralised Services Agreement, the Amended and Restated Operating Services Agreement and the System License Agreement

“ITCP Overseas”	ITC Properties (Overseas) Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“JV Co”	Bayshore Ventures JV Ltd., a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Caufield before Completion
“JV Group”	the JV Co and its subsidiaries
“JV Share(s)”	ordinary share(s) in the share capital of the JV Co
“Lenders”	collectively, HSBC Bank Canada and The Bank of Nova Scotia
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 25th May, 2016 entered into between Rank Ace as lender and Caufield as borrower in relation to the Facility
“Loan Announcement”	the announcement of the Company dated 25th May, 2016 in relation to the Loan Agreement
“Luxco”	Bayshore (Luxembourg) Sarl, a private limited liability company incorporated under the laws of Grand Duchy of Luxembourg and a wholly-owned subsidiary of the JV Co
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“MOU”	the memorandum of understanding dated 28th April, 2016 as amended by a supplemental memorandum of understanding dated 31st May, 2016 entered into between ITCP Overseas and the JV Co with respect to the possible investment by ITCP Overseas in the JV Co
“Operator”	collectively, Westin Hotel Management, L.P. and its affiliates
“Rank Ace”	Rank Ace Investments Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders Agreement”	the agreement to be entered into upon Completion among Rank Ace, Caufield and the JV Co in respect of the affairs (including but not limited to the operations, management and business) of, and the rights and obligations of Rank Ace and Caufield with respect to their interests in, the JV Group
“Starwood”	Starwood Hotels & Resorts Worldwide, Inc.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 86,100,000 new JV Shares by Rank Ace pursuant to the Subscription Agreement
“Subscription Agreement”	the agreement dated 8th June, 2016 entered into between Rank Ace as subscriber and the JV Co as issuer, pursuant to which Rank Ace has agreed to subscribe for 86,100,000 new JV Shares at the Subscription Price
“Subscription Price”	CAD86.1 million (equivalent to approximately HK\$521.8 million), being the aggregate subscription price for 86,100,000 new JV Shares payable by Rank Ace to the JV Co pursuant to the Subscription Agreement
“System License Agreement”	the system license agreement between the previous owner of the Hotel and Westin Hotel Management, L.P. dated 31st May, 2013 and assigned to Vancouver LP on 20th September, 2013, as may be amended or supplemented from time to time
“Tranche A”	CAD20.0 million (equivalent to approximately HK\$121.2 million) of the Facility drawn by Caufield on 26th May, 2016 pursuant to the Loan Agreement
“Tranche B”	CAD8.7 million (equivalent to approximately HK\$52.7 million) of the Facility to be drawn by Caufield pursuant to the Loan Agreement upon or after Completion
“Vancouver GP”	SCG Aquarius Vancouver Hotel, Inc., a limited company existing under the laws of the Province of British Columbia

“Vancouver LP”	SWA Vancouver L.P., a limited partnership existing under the laws of the Province of Manitoba
“Vancouver Nominee”	SWA Vancouver Hotel Nominee Inc., a limited company existing under the laws of the Province of British Columbia
“Vancouver ULC”	SWA Vancouver Hotel ULC, an unlimited liability company existing under the laws of the Province of British Columbia
“CAD”	Canadian dollar(s), the lawful currency of Canada
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“sq. ft.”	square feet
“%”	per cent.

In this announcement, save as otherwise provided, amounts in CAD are translated into HK\$ on the basis of CAD1 = HK\$6.06. The conversion is for illustration purpose only and should not be taken as a representation that CAD could actually be converted into HK\$ at that rate or at other rates or at all.

By order of the Board
ITC Properties Group Limited
Cheung Hon Kit
Chairman

Hong Kong, 8th June, 2016

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
Mr. Wong Lai Shun, Benny

Independent non-executive Directors:

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