

海珀
HYDE PARK



德祥地產集團有限公司
ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 199

Interim Results Presentation

November 2021

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(I) Company Overview



Corporate Information

ITC Properties Group Limited is a Hong Kong-based company listed on The Stock Exchange of Hong Kong Limited (199.HK).

1 Property development and investment

- mainly comprised of residential properties targeting the middle to high-end retail users
- located in Macau, Hong Kong, the PRC, Canada and the UK, with future development planned in Vietnam
- held total GFA⁽¹⁾ of over 2,680,000 sq.ft.
- most of the profits are generated via its associates and joint ventures

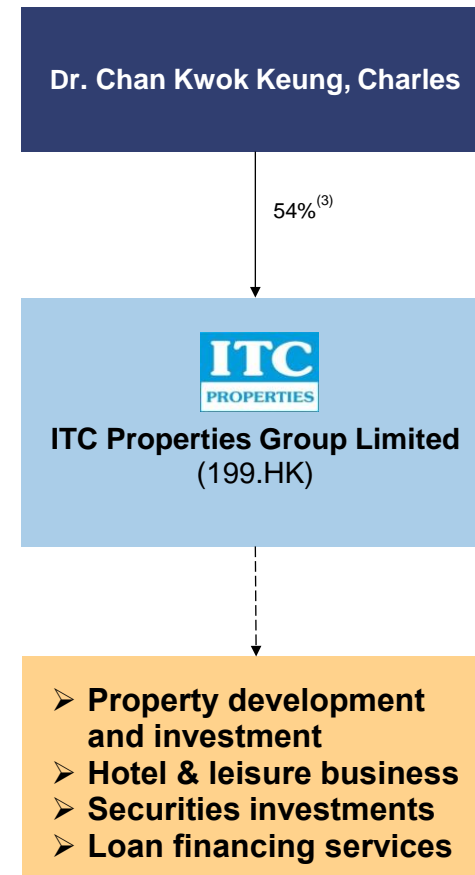
2 Hotel and leisure business

- development of, investment in and operation of hotels and resorts
- located in Hong Kong, Canada and the PRC
- a total of 1,330⁽²⁾ rooms offered in 3 hotels

3 Securities investments

4 Loan financing services

Ownership Structure



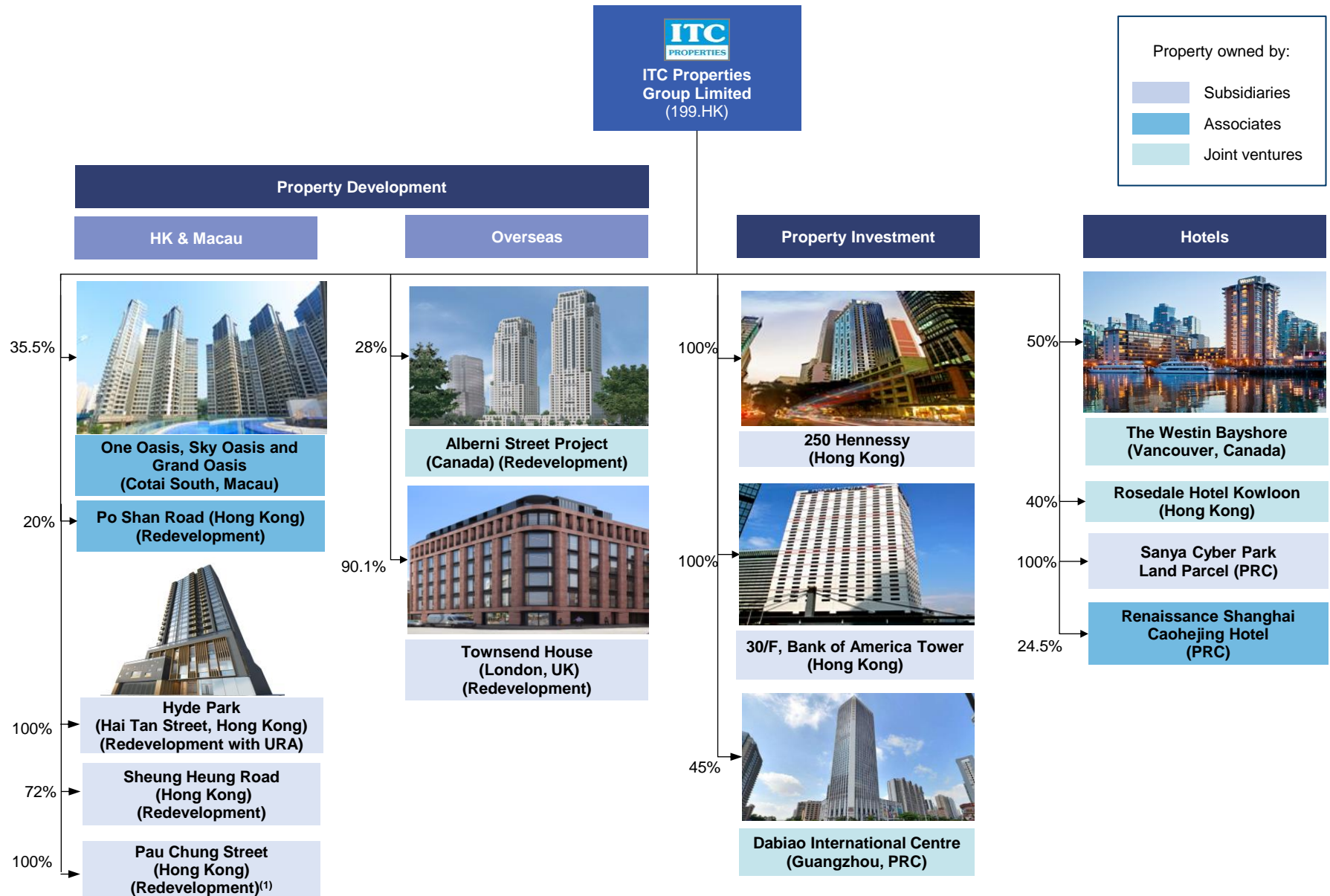
Notes: (1) Total gross floor area (GFA) of major properties for sale, under development and for investment held by the Group, together with its associates and joint ventures, as at 30 Sep 2021.

(2) 384 rooms of Renaissance Shanghai Caohejing Hotel, 435 rooms of Rosedale Hotel Kowloon and 511 rooms of The Westin Bayshore as at 30 Sep 2021.

(3) Including his interests and deemed interests.

In this presentation, the GFA numbers of property and hotel projects are approximate values only to the nearest thousand.

Interests in Major Properties / Investments



Property owned by:

- Subsidiaries
- Associates
- Joint ventures

(II) Credit Highlights



1

Diversified property portfolio supported by all-rounded property development knowledge and experience

2

Industry knowledge, business network and shareholder support expands opportunities and reduces risks

3

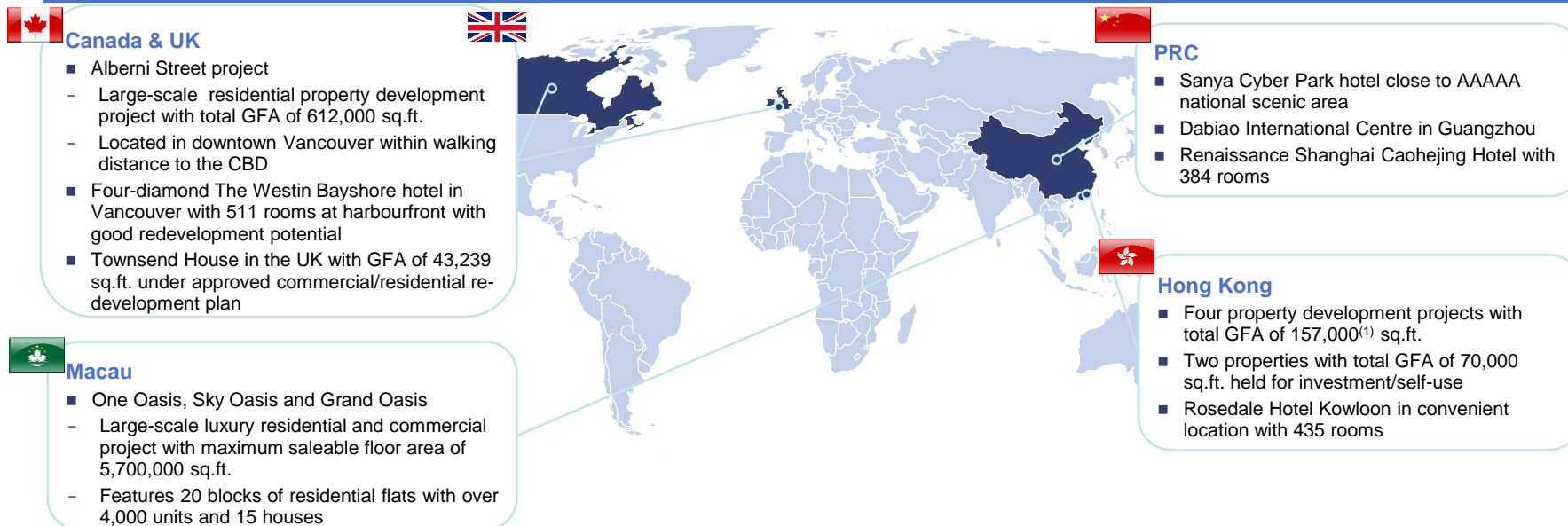
Market reputation and track record

4

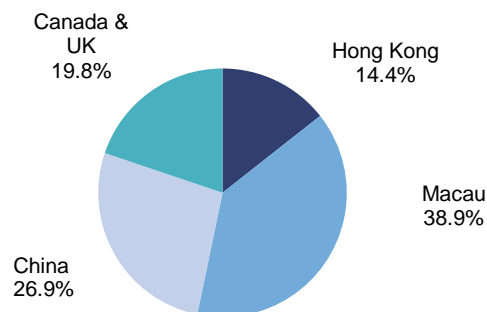
Treasury policy and capital structure

1 Diversified Property Portfolio Supported by All-rounded Property Development Knowledge and Experience

Geographically Diversified and Balanced Business Portfolio

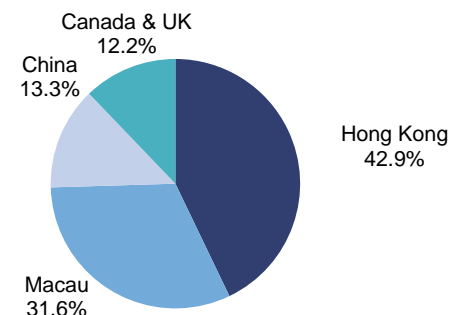


Attributable GFA⁽²⁾ Breakdown by Geography



Total attributable GFA⁽²⁾ : 1.1 million sq.ft.

Attributable Property Value⁽³⁾ Breakdown by Geography



Total attributable Value⁽³⁾ : HK\$4.9 billion

Notes: (1) Including gross floor area for projects at Po Shan Road, Hai Tan Street (Hyde Park), Pau Chung Street and Sheung Heung Road as at 30 Sep 2021 (Pau Chung Street with gross floor area of 30,000 sq.ft. was disposed of on 5 Oct 2021).
 (2) Including remaining saleable floor area for One Oasis, Sky Oasis and Grand Oasis as at 30 Sep 2021.
 (3) Property value as at 30 Sep 2021, on an attributable basis to the Group, including interests in the associates and joint ventures.

② Industry Knowledge, Business Network and Shareholders' Support Lead to More Opportunities and Reduce the Risks Involved

Stable and Experienced Team with Shareholders' Support

Top Management



**Mr. Cheung
Hon Kit,
Edwin**

Chairman

- Over 43 years of experience in real estate development and investment
- Worked in key executive positions in various leading property developing companies in Hong Kong



**Mr. Cheung
Chi Kit**

*Managing
Director*

- Over 33 years of experience in real estate development and investment as well as accounting and financial management
- Oversees the Company's property and hotel operations and strategic planning



**Mr. Wong Lai
Shun, Benny**

*Executive
Director*

- Over 28 years of management experience in the hospitality, media, construction and building management industry
- Oversees the Company's hotel operations

Controlling Shareholder



**Dr. Chan
Kwok Keung,
Charles**

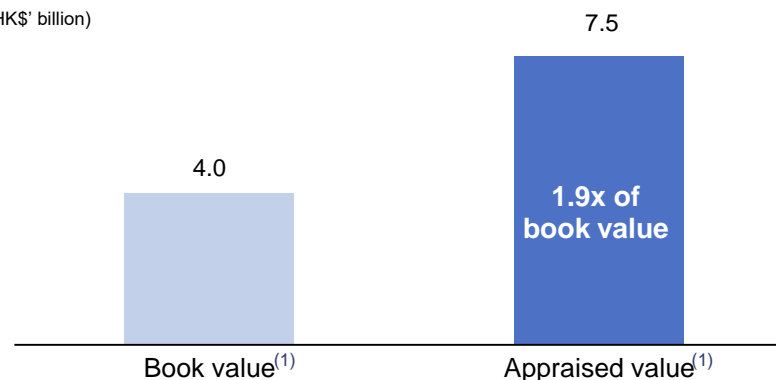
*Joint Vice
Chairman*

- Hold over 50%⁽²⁾ interests in the Company
- Over 40 years of international corporate management experience
- Extensive finance and business network support

Efficient decision making process

Net Asset Value of Property Portfolio⁽¹⁾

(HK\$' billion)



Industry Knowledge and Experience from Partnerships

Advantages to the Company:

- ✓ Accelerate cash return
- ✓ Reduce capital outlay in developments
- ✓ Benefit from expertise of partners



One Oasis, Sky Oasis
and Grand Oasis, Macau
(35.5% ownership)



Po Shan Road, HK
(20% ownership)



yoo Residence, HK
(50% ownership)

Notes: (1) Based on the Group's attributable interest as at 30 Sep 2021. Appraised value includes the fair value of the properties which is based on property valuation performed by independent professional valuers or directors.

(2) Including his interests and deemed interests.

③ Market Reputation and Track Record

Established Reputation for High-quality Properties



Residential High-rise Architecture
Macau, International Property
Awards 2014



Best Residential High-rise
Development Macau, International
Property Awards 2014



Best Residential Development
(Hong Kong) award, China
Property Awards 2014



Macau



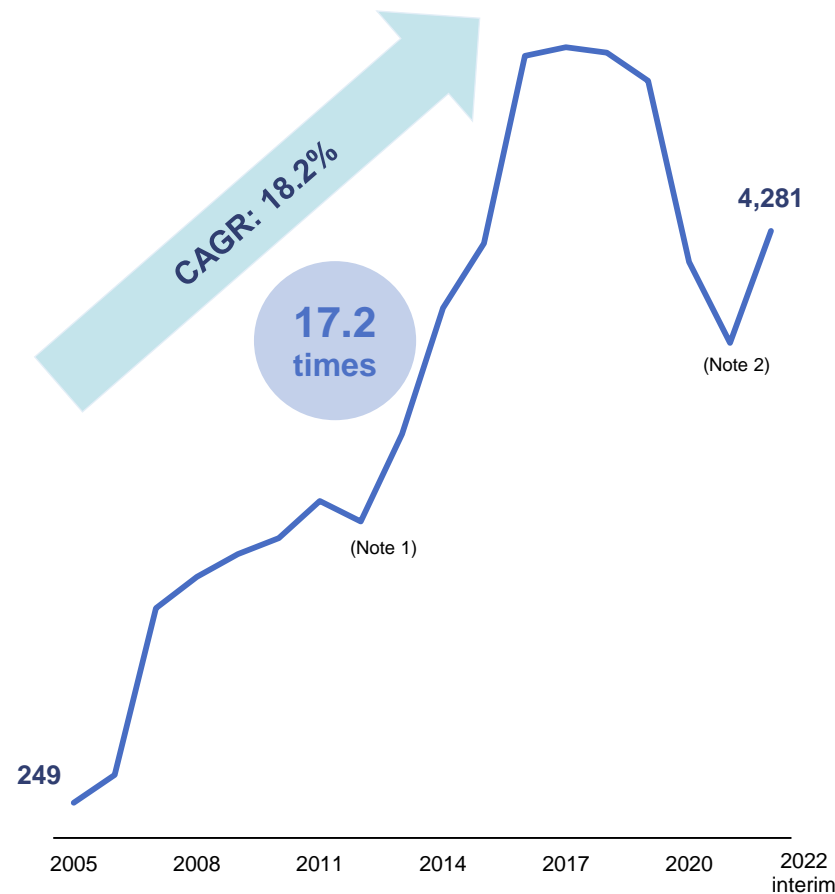
Hong Kong



Sanya, PRC

Long Term Net Asset Value Growth

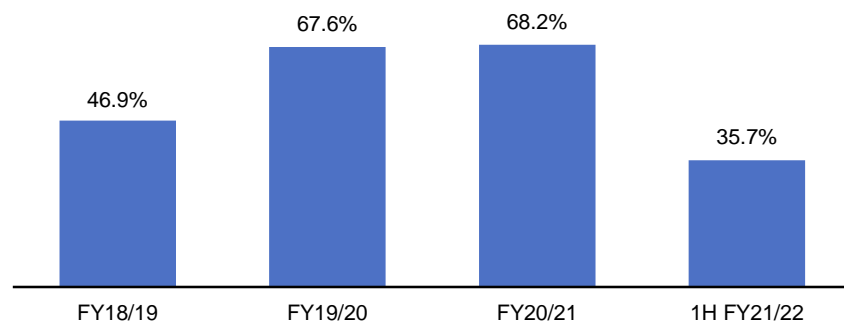
(HK\$' million)



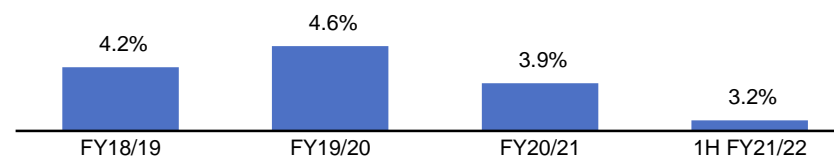
Notes: (1) Repurchase of 197 million shares, representing 35% of issued capital.
(2) Substantial assets impairment due to COVID-19 pandemic.

④ Treasury Policy and Dividend History

Net Debt / Total Shareholders' Equity⁽¹⁾

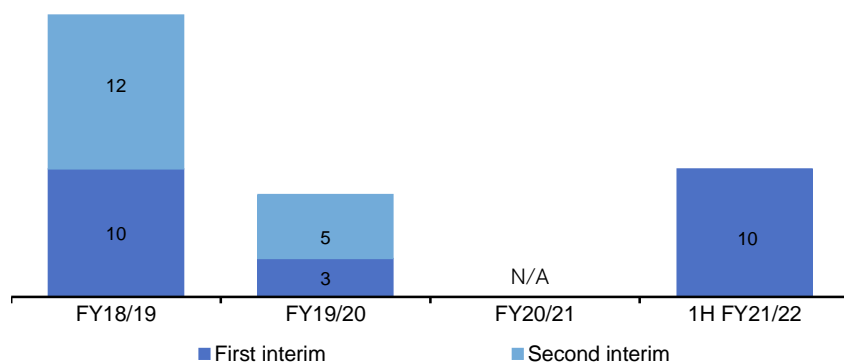


Effective Interest Rate⁽²⁾

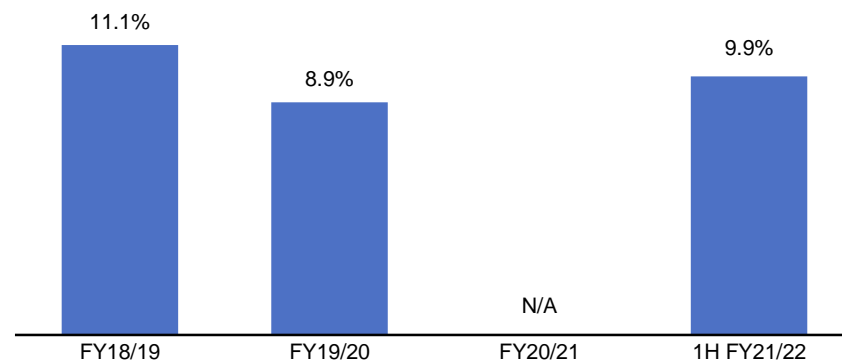


Dividend Summary

(HK\$' cent)



Dividend Yield



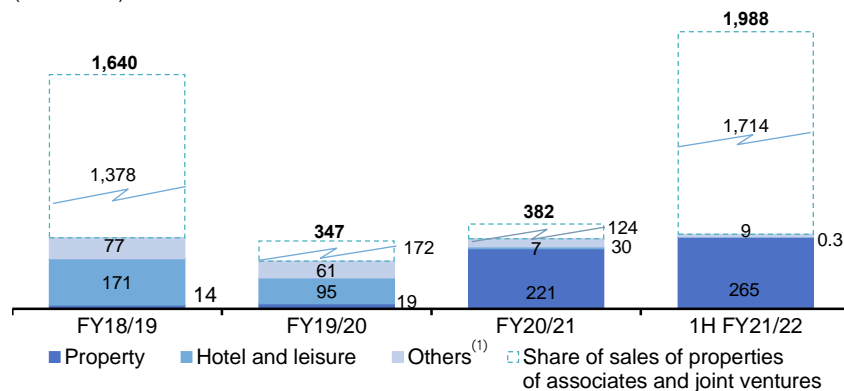
Notes: (1) Total shareholders' equity represents equity attributable to owners of the Company.
(2) Effective interest rate represents total borrowing costs divided by average of bank borrowings and loan notes.

(III) Financial Summary

Key Financial Metrics

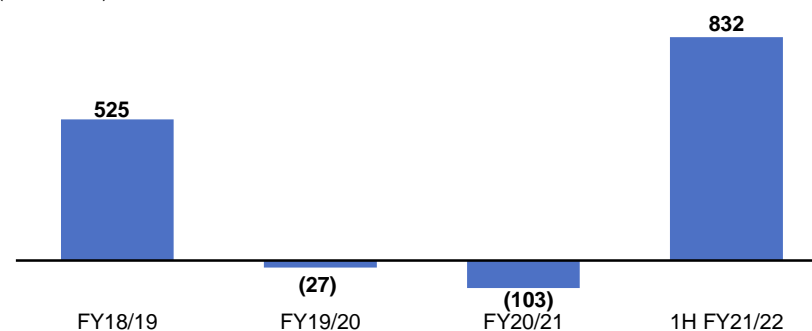
Revenue

(HK\$' million)



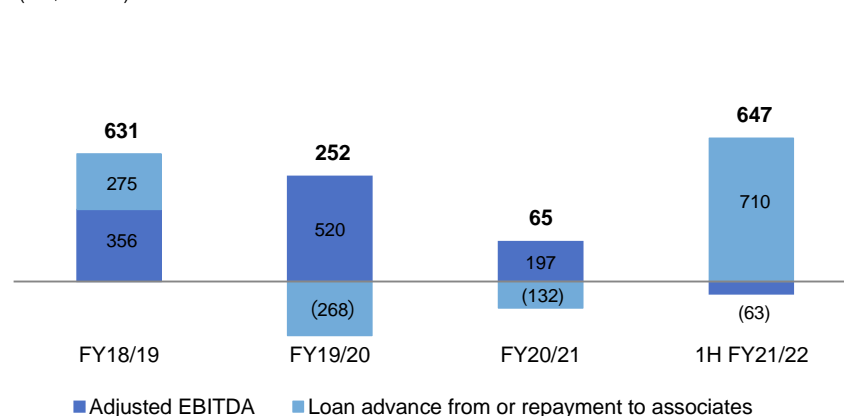
Property Segment Profit (Loss)⁽²⁾

(HK\$' million)



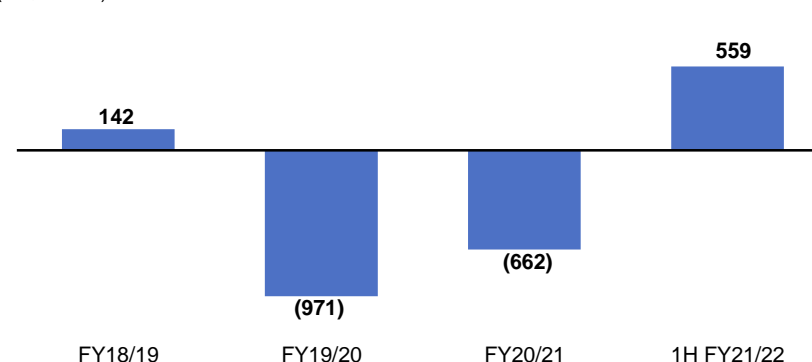
Total adjusted EBITDA⁽³⁾ and Cash Distribution⁽⁴⁾

(HK\$' million)



Total Net Profit (Loss) of the Group

(HK\$' million)



Notes: (1) Including revenue from Securities investments and Loan financing services.

(2) Exclude the fair value gain (loss) of investment properties.

(3) Adjusted EBITDA represents profit (loss) before taxation adjusted for fair value changes, net reversal of provision for or provision for impairment losses, write-off of tax indemnity receivable, loss recognised in respect of deposits paid for acquisition of an associate, gain on disposal of subsidiaries / partial disposal of interests in an associate, gain or loss on disposal of property, plant and equipment / reversal of provision on property, plant and equipment, gain on repurchase of loan notes, interest income, finance costs, depreciation of property, plant and equipment, share of results of associates and joint ventures, dividends received from associates and joint ventures and share-based payments expense.

(4) Total cash distribution represents adjusted EBITDA added total repatriation in form of loan advance from or repayment to associates. The details refer to page 11 of this presentation.

Adjusted EBITDA and Total Cash Distribution

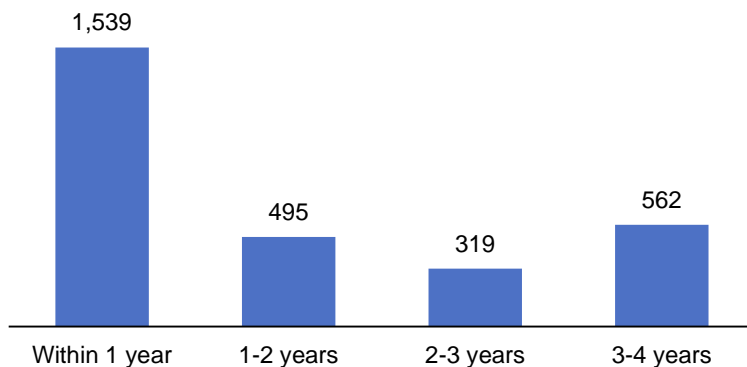
(HK\$' million)	Year ended Mar			Six months ended
	2019	2020	2021	Sep 2021
Profit (loss) before taxation	141.1	(972.0)	(692.2)	560.3
Fair value changes	206.4	216.8	124.6	1.8
(Less) add: (Reversal of) provision for impairment losses, net	(14.4)	291.8	117.5	(17.5)
Add: Write-off of tax indemnity receivable	—	—	24.6	—
Add: Loss recognised in respect of deposits paid for acquisition of an associate	—	—	—	159.0
Less: Gain on disposal of subsidiaries / partial disposal of interests in an associate	—	—	(106.5)	(70.0)
Less: (Gain) loss on disposal of property, plant and equipment / reversal of provision on property, plant and equipment	(0.1)	—	(16.5)	0.3
Less: Gain on repurchase of loan notes	—	(2.1)	(5.6)	(0.4)
Less: Interest income	(36.6)	(30.0)	(24.1)	(9.7)
Add: Finance costs	121.8	132.9	103.7	44.5
EBIT	418.2	(362.6)	(474.5)	668.3
Depreciation of property, plant and equipment	34.6	104.0	33.2	14.3
Less: Share of (profits) losses of associates	(619.4)	(23.5)	20.3	(741.1)
Add: Share of losses (profits) of joint ventures	51.9	282.7	343.6	(4.1)
Add: Dividends received from associates	256.5	518.9	274.5	—
Add: Dividends received from joint ventures	210.8	—	—	—
Add: Share-based payments expense	3.2	0.9	—	—
Adjusted EBITDA	355.8	520.4	197.1	(62.6)
Total repatriation in form of loan advance from (repayment to) associates ⁽¹⁾	275.6	(268.5)	(132.6)	709.5
Total cash distribution	631.4	251.9	64.5	646.9

Note: (1) Total repatriation in form of loan from associates, which is out of their net cash receipt from sale of properties. The loan from associates will be set off with the dividend receivable from the corresponding associates upon their declaration.

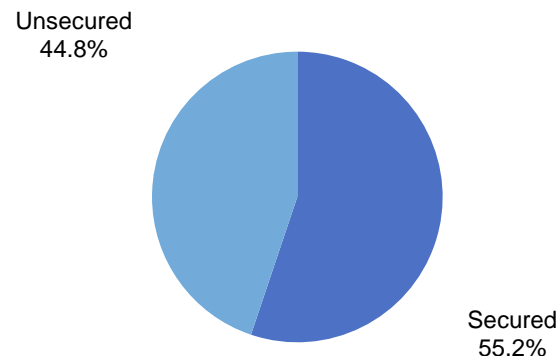
Debt Profile

Debt Maturity Profile (As at 30 Sep 2021)

(HK\$' million)



Borrowings Breakdown (As at 30 Sep 2021)



Net Gearing Ratio

(HK\$' million)

	Mar 19	Mar 20	Mar 21	Sep 21
Loan notes	1,547	1,520	1,323	1,307
Bank and other borrowings	1,480	1,738	1,357	1,608
Total debt (excluding operating lease)	3,027	3,258	2,680	2,915
Bank balances and cash	526	514	298	1,470
Liquidity position	526	514	298	1,470
Net debt	2,501	2,744	2,382	1,445
Equity attributable to owners of the Company	5,336	4,060	3,491	4,047
Net gearing ratio (net debt to adjusted equity)	46.9%	67.6%	68.2%	35.7%

(IV) Asset Portfolio Overview

No.	Description	Use	Lease	Gross floor area (sq. ft.'000)	Percentage of interest attributable to the Group	Development status	Expected year of completion
(i) Development property for sale							
1	One Oasis, Sky Oasis and Grand Oasis at Estrada de Seac Pai Van, Macau	Residential / Commercial	Medium term	1,719 ⁽¹⁾	35.5	Development by phases	2021
2	Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan, Kowloon, Hong Kong	Industrial ⁽²⁾	Long term	40 ⁽³⁾	72	100% acquisition secured	Planning
3	No. 23 Po Shan Road, Mid-levels, Hong Kong	Residential	Long term	80	20	Superstructure work in progress	2022
4	Hyde Park situated at No. 205 Hai Tan Street, Sham Shui Po, Kowloon, Hong Kong	Residential / Commercial	Long term	7 ⁽¹⁾	100	Completed	Completed
5	Nos. 41, 43 and 45 Pau Chung Street, To Kwa Wan, Kowloon, Hong Kong ⁽⁴⁾	Residential / Commercial	Long term	30	100	Pile cap work completed	2022

Notes: (1) Represented the remaining gross floor area as at 30 Sep 2021.

(2) Planned for redevelopment to residential use.

(3) Represented the existing gross floor area as at 30 Sep 2021.

(4) The property was disposed of on 5 Oct 2021.

(IV) Asset Portfolio Overview (cont'd)

No.	Description	Use	Lease	Gross floor area (sq. ft.'000)	Percentage of interest attributable to the Group	Development status	Expected year of completion
(i) Development property for sale							
6	Townsend House situated at Greycoat Place, London, United Kingdom	Residential / Commercial	Freehold	43	90.1	Superstructure work in progress	2022
7	1444 Alberni Street, 711 Broughton Street & 740 Nicola Street, Vancouver, British Columbia, Canada	Residential / Commercial	Freehold	612	28	Re-zoning approved	2027

(IV) Asset Portfolio Overview (cont'd)

No.	Description	Use	Lease	Gross floor area (sq. ft.'000)	Percentage of interest attributable to the Group	Development status
(ii) Property for rental and / or self-use						
1	30/F., Bank of America Tower, 12 Harcourt Road, Central, Hong Kong	Office	Long term	14	100	In use
2	250 Hennessy at 250 Hennessy Road, Wanchai, Hong Kong	Office / Car parks	Long term	56	100	In use / Leased
3	Portions of Dabiao International Centre situated at No. 362 Jiangnan Avenue South and No. 238 Changgang Zhong Road, Haizhu District, Guangzhou City, the PRC	Commercial / Office / Hotel / Car parks	Long term	635	45	In use / Leased

(IV) Asset Portfolio Overview (cont'd)

No.	Description	Use	Lease	Gross floor area (sq.ft.'000)	Percentage of interest attributable to the Group	Number of Rooms
(iii) Hotel and leisure developments						
1	Rosedale Hotel Kowloon situated at No. 86 Tai Kok Tsui Road, Tai Kok Tsui, Hong Kong	Hotel	Long term	110	40	435
2	The Westin Bayshore, 1601 Bayshore Drive, Vancouver, British Columbia, Canada	Hotel / Conference / Ancillary uses	Long term	449	50	511
3	Renaissance Shanghai Caohejing Hotel situated at No. 397 Tianlin Road, Caohejing Hi-Tech Park, Xuhui District, Shanghai, the PRC	Hotel	Long term	694	24.5	384
4	Land parcel at the Cyber Park, Sanya City, Hainan Province, the PRC	Hotel	Long term	886	100	Planning