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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)

**DISCLOSEABLE TRANSACTION
RELATING TO DISPOSAL OF SHARES IN
THE 13 HOLDINGS LIMITED**

The Board announces that the Vendor, an indirect wholly-owned subsidiary of the Company, disposed of an aggregate of 6,073,900 Disposed Long Term Shares on the open market for an aggregate cash consideration of approximately HK\$6.6 million (equivalent to an average price of approximately HK\$1.080 per Disposed Long Term Share) during the Relevant Period.

The Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE DISPOSAL

The Board announces that the Vendor, an indirect wholly-owned subsidiary of the Company, during the Relevant Period, disposed of an aggregate of 6,073,900 Disposed Long Term Shares, representing approximately 6.60% of the total 92,086,701 The 13 Shares in issue as at the date of this announcement, on the open market for an aggregate cash consideration of approximately HK\$6.6 million (equivalent to an average price of approximately HK\$1.080 per Disposed Long Term Share).

During the Relevant Period, the Vendor also acquired and then disposed of all the Trading Shares on the open market which resulted in a loss of approximately HK\$2.0 million to be accounted for in the Group's statement of profit and loss for the financial year ending 31st March, 2018.

* *For identification purpose only*

Pursuant to the subscription of its entitlement under the Rights Issue in full, the Group will receive 101,985,600 The 13 Shares on 20th March, 2018. Assuming there is no further acquisition or disposal of The 13 Shares on or before 20th March, 2018, the movement of the Group's interest in The 13 Shares will be as follows:

	Number of Long Term Shares	Number of Trading Shares	Total number of The 13 Shares	Approximate % of the Group's interest in The 13 Shares
Immediately prior to the Relevant Period	10,198,560	-	10,198,560	11.08%
During the Relevant Period				
- purchase	-	2,774,100	2,774,100	
- disposal	(6,073,900)	(2,774,100)	(8,848,000)	
At the date of this Announcement	4,124,660	-	4,124,660	4.48%
The 13 Shares to be received on 20th March, 2018 pursuant to the Rights Issue	101,985,600	-	101,985,600	
At 20th March, 2018	<u>106,110,260</u>	<u>-</u>	<u>106,110,260</u>	10.48% (note)

note : based on the total The 13 Shares in issue to be enlarged by the issue of shares under the Rights Issue

The selling prices of the Disposed Long Term Shares were determined according to the bid and ask prices of The 13 Shares as quoted on the Stock Exchange during the Relevant Period. The total sale consideration for the Disposed Long Term Shares were and will be settled in cash on the second trading day after the relevant dates of disposal of the relevant Disposed Long Term Shares. The loss of the Disposal of approximately HK\$6.5 million will be accounted for as a movement in the Group's investment revaluation reserve for the financial year ending 31st March, 2018.

The average sale price of approximately HK\$1.080 per Disposed Long Term Share represented:

- (i) a premium of approximately 6.93% to the closing price of HK\$1.010 per The 13 Share as quoted on the Stock Exchange on 19th March, 2018;
- (ii) a discount of approximately 35.41% to the average of the closing prices of The 13 Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including 19th March, 2018 of approximately HK\$1.672 per The 13 Share; and

- (iii) a discount of approximately 51.76% to the average of the closing prices of The 13 Shares as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 19th March, 2018 of approximately HK\$2.239 per The 13 Share.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the purchasers of the Disposed Long Term Shares and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

INFORMATION ON THE 13

The 13 is an investment holding company and The 13 Group is principally engaged in hotel development, management contracting, property development management and property investment.

According to the 2017 annual report of The 13, the audited consolidated net losses before tax of The 13 Group for the two years ended 31st March, 2016 and 31st March, 2017 were approximately HK\$210.3 million and HK\$32.5 million respectively; and the audited consolidated net losses after tax of The 13 Group for the two years ended 31st March, 2016 and 31st March, 2017 were approximately HK\$232.8 million and HK\$40.2 million respectively. According to the interim report of The 13 for the six months ended 30th September, 2017, the unaudited consolidated equity attributable to owners of The 13 as at 30th September, 2017 amounted to approximately HK\$5,683.2 million.

REASONS FOR THE DISPOSAL

The Company is an investment holding company and its subsidiaries are principally engaged in property development and investment in Macau, the PRC, Hong Kong, Canada and the United Kingdom. The Group is also engaged in the development of, investment in and operation of hotels and leisure business in the PRC, Hong Kong and Canada, securities investment and the provision of loan financing services.

The Group has been engaging in property development and investment in Macau for over 10 years and is optimistic towards the prospects and development of properties, hotel and entertainment business in Macau. As disclosed in the circular dated 24th January, 2018 issued by The 13, the proceeds from the Rights Issue are expected to be used substantially to fund the pre-opening expenses of its hotel project in Macau which is expected to be opened for business in the near future subject to certain conditions. The Directors consider that the investment in The 13 Group will enable the Group to have a strategic investment in hotel and entertainment business in Macau through The 13. In view of the recent and expected fluctuation in the market price of The 13 Shares and expected receipt of 101,985,600 The 13 Shares under the Rights Issue shortly, the Group strategically engages in the trading of The 13 Shares during the Relevant Period with a view to lower its average investment cost of The 13 Shares in the long run. The Group intends to hold the remaining 4,124,660 The 13 Shares and the 101,985,600 The 13 Shares subscribed by the Group pursuant to the Right Issue as long term investments. If suitable opportunity arises, the Group may consider acquiring or disposing more The

13 Shares either for short term trading or long term investment purposes. The Board considers that the Disposal is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The proceeds from the Disposal, net of expenses incidental thereto, are estimated to be approximately HK\$6.5 million and are intended to be used as general working capital of the Group.

LISTING RULES IMPLICATIONS

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Company”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability and whose issued shares are listed on the main board of the Stock Exchange (Stock Code : 199)
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Disposed Long Term Shares by the Vendor on the open market during the Relevant Period
“Disposed Long Term Shares”	a total of 6,073,900 Long Term Shares disposed by the Vendor on the open market during the Relevant Period
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Term Shares”	a total of 10,198,560 The 13 Shares held by the Vendor for long term purpose immediately prior to the Relevant Period

“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	The People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Relevant Period”	the period from 14th February, 2018 to 19th March, 2018 (both dates inclusive)
“Rights Issue”	the issue by way of rights on the basis of ten (10) The 13 Shares for every one (1) The 13 Share at the subscription price of HK\$1.1 per The 13 Share on the terms set out in the prospectus dated 26th February, 2018 issued by The 13 in connection with the Rights Issue
“Shareholder(s)”	holder(s) of the issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“The 13”	The 13 Holdings Limited, a company incorporated in Bermuda with limited liability and whose issued shares are listed on the main board of the Stock Exchange (Stock Code : 577)
“The 13 Group”	The 13 and its subsidiaries
“The 13 Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of The 13
“Trading Shares”	a total of 2,774,100 The 13 Shares held by the Vendor for trading purpose, which were acquired and then sold by the Vendor on the open market during the Relevant Period
“Vendor”	Advance Tech Limited, an indirect wholly-owned subsidiary of the Company, which is engaged in securities trading and investment holding
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 19th March, 2018

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 (*Chief Financial Officer*)

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