IMPORTANT

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If you have sold or transferred all your securities in **ITC Properties Group Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

ITC PROPERTIES

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

* *For identification purpose only*

Hong Kong, 23rd November, 2016

CONTENTS

In this circular, unless the context otherwise requires, the following terms have the following meanings:

"Amended and Restated Operating Services Agreement"	the amended and restated operating services agreement entered into 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
"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, 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 term loan facility of CAD120.0 million (equivalent to approximately HK$727.2 million) provided to CBHL by the Lenders to partially finance the acquisition of 100% interest in each of Vancouver ULC and Vancouver GP by CBHL in 2015
"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 the Province of British Columbia and a wholly-owned subsidiary of the JV Co
"CBMI"	Concord Bayshore Management Inc., a company incorporated with limited liability under the laws of the Province of British Columbia and an affiliate of Caufield

"Centralised Services Agreement"	the centralised services agreement entered into 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
"close associate(s)"	has the same meaning ascribed thereto under the Listing Rules
"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 (as amended by the First Supplemental Agreement and the Second Supplemental Agreement) in accordance with the terms and conditions thereof
"Completion Date"	the date on which Completion takes place
"connected person(s)"	has the same meaning ascribed thereto 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 pursuant to the Loan Agreement
"First Supplemental Agreement"	the supplemental agreement dated 29th July, 2016 entered into between Rank Ace and the JV Co in relation to the extension of the long stop date of the Subscription Agreement from 31st July, 2016 to 31st October, 2016 or such other date as Rank Ace and the JV Co may agree in writing

"Further Deposit"	an amount of CAD41.5 million (equivalent to approximately HK$251.5 million) paid by Rank Ace to the JV Co as further deposit pursuant to the terms 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, B.C., 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, an indirect wholly-owned subsidiary of the Company and the immediate holding company of Rank Ace
"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
"Latest Practicable Date"	21st November, 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"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"	the principal amount drawn under the Facility and for the time being outstanding
"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
"PRC"	the People's Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau and Taiwan
"Rank Ace"	Rank Ace Investments Limited, a company incorporated in the BVI with limited liability, an indirect wholly-owned subsidiary of the Company and a direct wholly-owned subsidiary of ITCP Overseas
"Second Supplemental Agreement"	the second supplemental agreement dated 31st October, 2016 entered into between Rank Ace and the JV Co in relation to the further extension of the long stop date of the Subscription Agreement (as amended by the First Supplemental Agreement) from 31st October, 2016 to 30th November, 2016 or such other date as Rank Ace and the JV Co may agree in writing
"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 (as amended by the First Supplemental Agreement and the Second Supplemental 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 in cash to the JV Co pursuant to the Subscription Agreement
"System License Agreement"	the system license agreement entered into 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
"US"	the United States of America
"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
"Vancouver ULC Group"	Vancouver ULC and its subsidiaries

"CAD"	Canadian dollar(s), the lawful currency of Canada
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"US$"	United States dollar(s), the lawful currency of US
"sq. ft."	square feet
"%"	per cent.

In this circular, 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.

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
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

Registered office:
Clarendon House
2 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

23rd November, 2016

To the Shareholders

Dear Sir or Madam,

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

BACKGROUND

References are made to the Loan Announcement, the announcement of the Company dated 8th June, 2016 in relation to the acquisition of 50% effective interest in a hotel project in Canada and the provision of the Facility, and the announcements of the Company dated 29th July, 2016 and 31st October, 2016 respectively in relation to the First Supplemental Agreement and the Second Supplemental Agreement for the extensions of long stop date of the Subscription Agreement.

The Company announced 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) upon the terms and

* *For identification purpose only*

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.

On 25th May, 2016, 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).

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.

The purpose of this circular is to provide you with, among other things, information relating to the Subscription Agreement (as amended by the First Supplemental Agreement and the Second Supplemental 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, the valuation report of the Hotel and other information as required under the Listing Rules.

THE SUBSCRIPTION AGREEMENT (AS AMENDED BY THE FIRST SUPPLEMENTAL AGREEMENT AND THE SECOND SUPPLEMENTAL 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 based on the exchange rate of CAD1 = HK$6.06 at the time of payment of the Further Deposit) was paid by Rank Ace to the JV Co as further deposit pursuant to the terms 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 which amounted to approximately CAD290.0 million (equivalent to approximately HK$1,757.4 million). The Subscription Price is the same as 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 (as amended by the First Supplemental Agreement and the Second Supplemental 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 (as amended by the First Supplemental Agreement and the Second Supplemental 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 (as amended by the First Supplemental Agreement and the Second Supplemental Agreement) has not been fulfilled or waived (as the case may be) on or before 30th November, 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 (as amended by the First Supplemental Agreement and the Second Supplemental Agreement) shall lapse and be of no further force and effect and no party shall have any liability under them, except for antecedent breaches.

As at the Latest Practicable Date, Rank Ace had not waived any of the conditions set out in the Subscription Agreement and save for conditions set out in (a), (e) and (f) above, none of the conditions set out in the Subscription Agreement had been fulfilled.

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.

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, the detailed terms of which 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.

In the event that the other shareholder of the JV Co wishes to dispose of its interests in the JV Co and the Company exercises its right of first refusal to purchase all (but not part thereof) of the JV Shares and the loan to the JV Co, the Company will comply with the relevant Listing Rules requirements, including shareholders' approval if applicable.

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 on 25th May, 2016, 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 Latest Practicable Date 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. As at the Latest Practicable Date, written Shareholders' approval in respect of the Loan Agreement and the transactions contemplated thereunder had been obtained. 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. Notwithstanding the aforesaid, Caufield shall repay the Loan together with all interest accrued thereon and other sums due and payable in full on the earlier of (i) the date on which the Subscription Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement) is terminated as may be agreed between the parties thereto prior to Completion; and (ii) the long stop date as agreed under the Second Supplemental Agreement (i.e. 30th November, 2016 or such other date as Rank Ace and the JV Co may agree in writing) if Completion does not take place.

The Facility bears interest at the CAD prime rate plus 1.25% per annum (the "**Interest Rate**"). The default rate will be the Interest Rate plus 3% per annum. Caufield may, by giving Rank Ace not less than one (1) Business Day's prior written notice, prepay the whole or any part of the Loan together with all interest accrued on the amount of the Loan to be prepaid at any time prior to the date of maturity. The amount of any partial prepayment shall be at least CAD100,000 and in an integral multiple of CAD100,000. Any amount prepaid cannot be reborrowed.

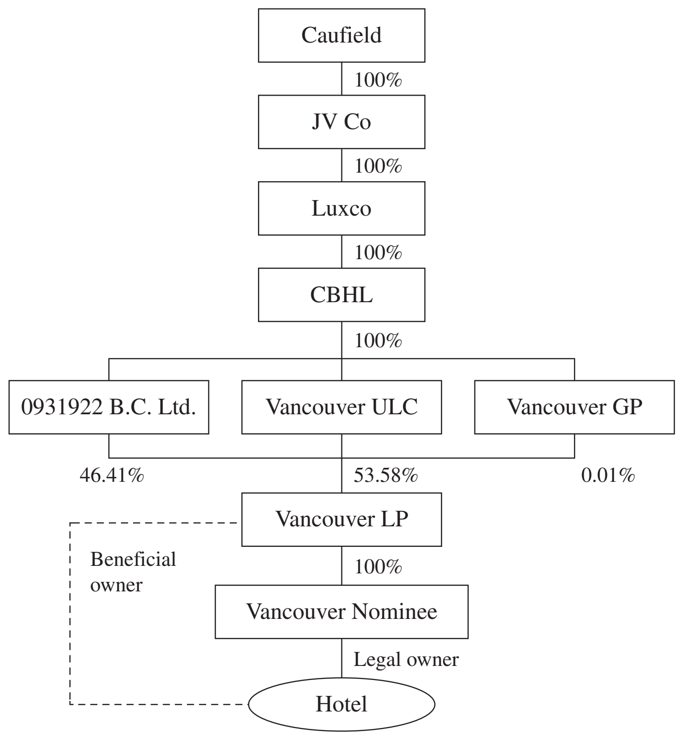
The Loan is secured by the first share mortgage in respect of the 28.7 million JV Shares owned by Caufield, representing approximately 33.3% of the entire issued share capital of the JV Co as at the date of the Loan Agreement, and the first assignment and subordination of approximately 33.3% of all existing and future shareholder's 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 and 30th June, 2016.

The entire proceeds of the Facility shall be used exclusively in or towards the acquisition, holding and development of the Hotel owned by the JV Group and the general working capital of the JV Group.

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**") at an aggregate consideration of approximately CAD290.0 million (equivalent to approximately HK$1,757.4 million) which was partially funded by 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., which is another wholly-owned subsidiary of CBHL and a limited company existing under the laws of the Province of British Columbia, subscribed for 75,612,843.50 new limited partnership units of CAD1 each of 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.

0931922 B.C. Ltd. was a shelf company acquired by CBHL on 2nd November, 2015 for the sole purpose of holding interest in Vancouver LP. Prior to such date, 0931922 B.C. Ltd. was dormant.

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 have not held any other assets or carried 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, Canada. 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 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 which remained unchanged as at 30th September, 2016 as stated in the valuation report set out in Appendix IV to this circular.

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 acts as Vancouver LP's representative to oversee the Operator under the Hotel Management Agreements including but not limited to budgets, capital improvements, financing, insurance and fee charged by the Operator in relation to the Hotel. In return, Vancouver LP pays CBMI an annual management fee of approximately CAD0.6 million (equivalent to approximately HK$3.64 million) which is calculated at 0.2% of the purchase price of the Hotel paid by CBHL under the Previous Hotel Acquisition and the reimbursement of overhead at a cost basis incurred by CBMI in the performance of its duties and within the framework of the Asset Management Agreement. As the parties agreed that the subject matter of the Asset Management Agreement is the Hotel, the purchase price of the Hotel under the Previous Hotel Acquisition which was considered to be a good indicator of the then fair value of the Hotel was used as the basis for determining the management fee under the Asset Management Agreement.

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 or gross operating profit of the Hotel which in aggregate amounted to approximately CAD2.1 million and CAD1.8 million for each of the two years ended 31st December, 2014 and 2015 respectively. 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 audited consolidated net loss (both before and after taxation) of the JV Group for the period from 22nd June, 2015 (the date of incorporation of the JV Co) to 31st December, 2015 was approximately CAD2.5 million (equivalent to approximately HK$15.2 million). The audited consolidated net liabilities of the JV Group as at 31st December, 2015 were approximately CAD2.3 million (equivalent to approximately HK$13.9 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 of the capitalisation of the loan from Caufield and the preliminary valuation of the Hotel of CAD305.0 million (equivalent to approximately HK$1,848.3 million), the adjusted unaudited consolidated net assets of the JV Group would have been approximately CAD101.6 million (equivalent to approximately HK$615.7 million). As at 30th June, 2016, the audited consolidated net assets of the JV Group were approximately CAD83.0 million (equivalent to approximately HK$503.0 million).

Since Vancouver ULC was acquired by CBHL in November 2015, the above audited consolidated net loss figures of the JV Group only included the results of Vancouver ULC and its subsidiaries since November 2015. The Vancouver ULC Group recorded audited consolidated loss (both before and after taxation) of approximately CAD7.8 million (equivalent to approximately HK$47.3 million) and CAD24.2 million (equivalent to approximately HK$146.7 million) respectively for each of the two years ended 31st December, 2014 and 2015. The consolidated loss for the year ended 31st December, 2015 comprised one-off penalties of CAD20.7 million (equivalent to approximately HK$125.4 million) for early repayment of certain loans by Vancouver ULC and Vancouver LP upon completion of the Previous Hotel Acquisition.

Vancouver LP and Vancouver Nominee acquired the Hotel on 20th September, 2013. Since the Hotel is the subject business being acquired pursuant to the Subscription and the accountants' reports on the Vancouver ULC Group do not cover the financial information of the Hotel before 20th September, 2013, a separate accountants' report on the Hotel for the three years ended 31st December, 2013, 2014 and 2015, and the six months ended 30th June, 2016 should be prepared in compliance with Rule 14.67(6)(a)(i) of the Listing Rules. As confirmed with Caufield, the Hotel was acquired by Vancouver LP and Vancouver Nominee through direct property title transfer. As such, the accounting records in relation to the Hotel were not passed to Vancouver LP and Vancouver Nominee by the then owner in that acquisition and the accounting books and records of the Hotel were only available since 20th

September, 2013. As a result, Caufield had genuine difficulties in obtaining those historical underlying financial information for the Company to prepare a separate accountants' report on the Hotel in compliance with the requirements under the Listing Rules.

The Company has applied and the Stock Exchange has granted a waiver from strict compliance with Rule 14.67(6)(a)(i) of the Listing Rules in relation to the Subscription such that a separate accountants' report on the Hotel would not be prepared for the three years ended 31st December, 2013, 2014 and 2015, and the six months ended 30th June, 2016.

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 (AS AMENDED BY THE FIRST SUPPLEMENTAL AGREEMENT AND THE SECOND SUPPLEMENTAL AGREEMENT), THE 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 PRC, Hong Kong and Canada. The Group is also engaged in the development, investment and operation of hotels and leisure business in the PRC and Hong Kong, securities investments and the provision of loan financing services.

The Directors consider that the entering into of the Subscription Agreement (as amended by the First Supplemental Agreement and the Second Supplemental 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 (as amended by the First Supplemental Agreement and the Second Supplemental 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 other than the net proceeds of approximately US$194.7 million from the issue of notes by a direct wholly-owned subsidiary of the Company, details of which are set out in the announcement of the Company dated 6th October, 2016.

FINANCIAL EFFECTS ON THE GROUP

Assets and liabilities

Based on the unaudited pro forma financial information of the Group as set out in Appendix III to this circular, assuming Completion had taken place on 31st March, 2016, (i) the consolidated total assets of the Group would be decreased from approximately HK$7,679.1 million to approximately HK$7,672.1 million, as a result of the payment of the Subscription Price and the transaction costs which would be incurred in relation to the Subscription; and the provision of Loan to Caufield; (ii) the consolidated total liabilities of the Group would remain unchanged at approximately HK$2,164.2 million; and (iii) the consolidated net assets of the Group would be decreased from approximately HK$5,514.9 million to approximately HK$5,507.9 million.

Earnings

Based on the unaudited consolidated profit and loss statement of the Vancouver ULC Group for the period from 8th May, 2013 (the date of incorporation of Vancouver ULC) to 31st December, 2013, the two years ended 31st December, 2014 and 2015 and the six months ended 30th June, 2016 as set out in Appendix IIB to this circular, the consolidated revenue of the Vancouver ULC Group for the corresponding period/year was approximately CAD12.2 million, CAD47.2 million, CAD51.6 million and CAD27.0 million respectively. The net loss after tax of the Vancouver ULC Group was approximately CAD2.6 million, CAD7.8 million and CAD24.2 million respectively, for each of the period from 8th May, 2013 (the date of incorporation of Vancouver ULC) to 31st December, 2013 and the two years ended 31st December, 2014 and 2015; and the profit after tax of the Vancouver ULC Group was approximately CAD1.4 million for the six months ended 30th June, 2016. After Completion, results of the Vancouver ULC Group would be equity accounted for by the Group.

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 and its/his associate(s) has a material interest in the Subscription Agreement (as amended by the First Supplemental Agreement and the Second Supplemental 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 Latest Practicable Date, Selective Choice Investments Limited, an indirect wholly-owned subsidiary of ITC Corporation Limited ("**ITC Corporation**"), and Fortune Crystal Holdings Limited, which is wholly-owned by Ms. Ng Yuen Lan, Macy, held 306,180,916 Shares and 209,757,748 Shares respectively. Dr. Chan Kwok Keung, Charles is the controlling shareholder of ITC Corporation and Ms. Ng Yuen Lan, Macy is the spouse of Dr. Chan Kwok Keung, Charles. Pursuant to Rule 14.44(2) of the Listing Rules, the Company has obtained written Shareholders' approval from Selective Choice Investments Limited and Fortune Crystal Holdings Limited, which in aggregate held 515,938,664 Shares representing approximately 58.31% of the entire issued share capital of the Company as at the Latest Practicable Date, in respect of the Subscription Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement), the Shareholders Agreement, the Loan Agreement and the respective transactions contemplated thereunder. Such written Shareholders' approval is accepted in lieu of holding a general meeting of the Shareholders pursuant to Rule 14.44 of the Listing Rules. Accordingly, no physical Shareholders' meeting will be held by the Company for approving the Subscription Agreement (as amended by the First Supplemental Agreement and the Second Supplemental Agreement), the Shareholders Agreement, the Loan Agreement and the respective transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the financial information of the Group and the JV Group, the unaudited pro forma financial information of the Group, the valuation report of the Hotel and other general information as set out in the appendices to this circular.

Yours faithfully,
For and on behalf of
ITC Properties Group Limited
Cheung Hon Kit
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial information of the Company for each of the three years ended 31st March, 2014, 2015 and 2016 respectively are disclosed in the following documents and have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.itcproperties.com) respectively:

— annual report of the Company for the year ended 31st March, 2014 published on 15th July, 2014 (pages 57 to 208) (http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0715/LTN20140715347.pdf);

— annual report of the Company for the year ended 31st March, 2015 published on 15th July, 2015 (pages 60 to 188) (http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0715/LTN20150715378.pdf); and

— annual report of the Company for the year ended 31st March, 2016 published on 13th July, 2016 (pages 62 to 193) (http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0713/LTN20160713295.pdf).

2. INDEBTEDNESS STATEMENT

(a) Borrowings

At the close of business on 30th September, 2016, being the latest practicable date for the purpose of preparing this indebtedness statement, the Group had secured and guaranteed bank and other borrowings of approximately HK$1,156.1 million, unsecured and unguaranteed bank borrowings of approximately HK$199.8 million and unsecured and unguaranteed amount due to an associate of approximately HK$1,110.6 million. In addition, the Group had outstanding secured and unguaranteed obligations under finance leases of approximately HK$0.3 million as at that date.

The Group's secured bank and other borrowings and obligations under finance leases were secured by legal charges over the following assets of the Group:

(i) property, plant and equipment with a carrying value of approximately HK$576.4 million;

(ii) investment properties with a carrying value of approximately HK$934.0 million;

(iii) interest in a joint venture of approximately HK$46.3 million; and

(iv) stock of properties with a carrying value of approximately HK$570.4 million.

(b) Contingent liabilities and guarantees

As at 30th September, 2016, the Company had provided a corporate guarantee to the extent of HK$21.0 million in respect of banking facilities granted to a joint venture, in which the Group owned 50% equity interest. In addition, the Company had provided corporate guarantee on a several basis to the extent of HK$140.3 million in respect of banking facilities granted to another joint venture, in which the Group owned 28% equity interest and to the extent of HK$525.8 million in respect of banking facilities granted to an associate, in which the Group owned 40% equity interest.

Save as disclosed above and otherwise in this circular, and apart from intra-group liabilities, as at 30th September, 2016, the Group did not have any outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans, debt instruments, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 30th September, 2016.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account of its presently available financial resources, including funds internally generated from operations, available banking facilities and the cash flow impact of the Subscription and the provision of the Facility, the Group will have sufficient working capital for its business for the next twelve (12) months from the date of this circular in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial and trading position of the Group since 31st March, 2016, being the date to which the latest published audited accounts of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS

At the Latest Practicable Date, the Group is engaged in (i) property development and investment; (ii) development, investment and operations of hotels and leisure business; (iii) securities investments; and (iv) the provision of loan financing services. Upon Completion, it is anticipated that the Group will continue to be engaged in the same businesses.

The Group recorded a revenue and a profit for the year ended 31st March, 2016 amounting to HK$143.4 million and HK$1,460.1 million respectively, achieving a significant growth as compared to HK$59.6 million and HK$803.6 million respectively recorded in the preceding year.

Set out below is latest financial and trading condition of the Group:

Property development and investment

Macau

The Group continued to recognise significant profit from its 35.5% effective interest in Empresa De Fomento Industrial E Comercial Concórdia, S.A. ("**Concordia**"), the developer of a residential and commercial project named "One Oasis" in Cotai South, Macau.

The handover of all the units and ancillary car parks of blocks 6 to 9 and most of the units of blocks 10 to 12 was completed during the year ended 31st March, 2016. There are special units with aggregate saleable area of 160,000 sq. ft. and 600 car parking spaces retained in stock, which sale will instantly make profit contribution to the Group. In addition, there is saleable residential area of 2,000,000 sq. ft. under development not yet marketed for pre-sale. In view of the current market slowdown in Macau economy affecting both the property price and demand, marketing for these stocks and pre-sale of future phases will be launched at opportune time to match the demand.

On top of the remarkable sales performance having achieved and the acclaimed quality of our delivered products, Concordia strives to put more effort to its pursuit of excellence in design and standard for the remaining phases of One Oasis to enhance the sale value. Concordia is confident that it can achieve good market response on residential units at One Oasis which will significantly surpass the average selling price from blocks 1 to 12.

Hong Kong

The local property market remains stagnant. There are some reductions in the property price in anticipation of interest rate rise but the supply remains inadequate, and both sellers and buyers in general take a wait-and-see attitude. Furthermore, in light of the comparatively high construction cost, most developers adopt a conservative approach in committing development projects.

The handover of most of the units of "yoo Residence", a residential development situated at No. 33 Tung Lo Wan Road, to buyers has been completed during the year. The Group has recognised a considerable profit through its 50% interest in this project.

In April 2015, the Group, through a 40%-owned associate, acquired all units at No. 23 Po Shan Road in Mid-levels. The building on the site was demolished and the redevelopment plans have been approved by the relevant government authority for developing a super luxury residential mid-rise building.

In October 2015, the Group has completed the acquisition of the entire interest in Cheuk Nang Plaza, a 31-storey commercial building with 25 car parks situated at the heart of Wanchai district along Hennessy Road. The building will be renamed as "ITC Building". Major renovation works are in progress to improve the value. Part of the premises is planned for self-use and the remaining floor area will continue to be held for leasing.

In December 2015, the Group was awarded the contract from Urban Renewal Authority for the development of Nos. 205-211A Hai Tan Street demand-led redevelopment project in Sham Shui Po through tender. Upon completion, this project will provide a total gross floor area of 38,000 sq. ft. mainly for residential purpose.

The Group had proceeded with the compulsory acquisition under the Land (Compulsory Sale for Redevelopment) Ordinance for the remaining 1 shop unit on the ground floor at Nos. 41, 43 and 45, Pau Chung Street, To Kwa Wan. Upon completion of the compulsory acquisition, the Group will own the entire property interest on the site which offers convenient accessibility to the new Ma Tau Wai MTR Station. The Group plans to redevelop the site into a residential tower with lower-level shops.

PRC

In April 2016, the Group and Cisco Systems International B.V. ("**CISCO**") entered into a cooperation framework agreement pursuant to which CISCO (a Fortune 500 company and the global leader in development and supply of internet and intelligent community solutions) designated the Group as its exclusive partner for the development of phase one of the Cisco (Guangzhou) Smart City (the "**Smart City**") and the Group was also granted the first right of refusal as developer for phases two and three. The development of the Smart City has been approved and is fully supported by the Guangzhou Government under a framework agreement between the Guangzhou Government and CISCO. The site of the Smart City will neighbor with the university zone in Panyu, Guangzhou, and is situated on parcels of land of over 300 hectares with development by phases. Upon completion, the Smart City will become an excellent hub for technology, education, research, commerce and residency. This provides a good land bank for the Group in the up and coming area of Guangzhou for the next decade though the land parcels would still have to be acquired through government-prescribed procedures.

Canada

In April 2016, the Group through a 28%-owned associate acquired a parcel of land together with buildings erected thereon along Alberni Street in the West End area of Vancouver within walking distance to the Central Business District, main retail arterials in Downtown Vancouver as well as the main retail arterials of the West End. The existing buildings on the site will be demolished and the site is planned to be redeveloped into mixed residential and commercial towers of about 648,000 sq. ft. for sale.

Hotel and leisure

Drop of visitor arrivals to Hong Kong lowered both the occupancy and average room rates of hotels. In general, speedy recovery in the tourism industry is not anticipated.

The Group owned a 40% interest in Rosedale Hotel Kowloon which is situated in Tai Kok Tsui, Hong Kong ("**Rosedale Hotel Kowloon**"). The Group also through a lease with the hotel joint venture acts as the operator of this hotel.

Le Petit Rosedale Hotel, a 90-room hotel situated in Causeway Bay, Hong Kong, is wholly-owned and operated by the Group. It has commenced business since October 2016 immediately after obtaining the hotel licence.

In light of the market sentiment of the hotel industry, the Group recognised an aggregate loss in fair value change of its interests in these two hotels of HK$212.2 million for the year ended 31st March, 2016.

Securities investments

During the year ended 31st March, 2016, a redemption loss of HK$29.8 million was incurred in the prepayment of loan notes of principal amount of HK$300.0 million since their carrying value was lower than the face value. Such redemption loss however can be compensated by the savings in future interest expenses. In addition, a loss was incurred in the disposals of listed securities. There was another HK$72.9 million net loss on fair value changes of equity investments charged as other comprehensive expense during the year due to the share price fluctuation of The 13 Holdings Limited, in which the Group owns a 10.2% interest.

Finance

During the year ended 31st March, 2016, the Group had interest income from other loan receivables of HK$18.2 million (2015: HK$17.7 million).

Prospects

The external conditions remain uncertain with macro-economic policies that vary in scale and intensity across countries including but not limited to speculation on the US interest rate hike and the volatility in Renminbi. The economic outlook in the PRC, Hong Kong and Macau becomes less promising and some downturns were seen during the past year which inevitably affected the Group's businesses. Nevertheless, the huge success in the residential development project named One Oasis in Macau has already provided and will continue to contribute to the Group substantial financial return and valuable experience for carrying out its mission and dealing with challenges ahead. In addition to stepping its businesses further to Canada including the transactions contemplated under the Subscription Agreement, the Group will keep improving earnings and enhancing the Shareholders' value by participating in the projects on hand and will be selective and cautious on replenishing its portfolio when suitable opportunity arises.

1. ACCOUNTANTS' REPORT

The following is the text of a report on the JV Group, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.

Deloitte. 德勤

35/F, One Pacific Place
88 Queensway
Hong Kong

23rd November, 2016

The Board of Directors
ITC Properties Group Limited

Dear Sirs,

We set out below our report on the consolidated financial information relating to Bayshore Ventures JV Ltd. (the "**JV Co**") and its subsidiaries (hereinafter collectively referred to as the "**JV Group**") for the period from 22nd June, 2015 (the date of incorporation) to 31st December, 2015 and the six months ended 30th June, 2016 (the "**Relevant Periods**") (the "**Financial Information**") for inclusion in the circular of ITC Properties Group Limited ("**ITCP**") dated 23rd November, 2016 in relation to the acquisition of 50% effective interest in the JV Co which holds a hotel in Canada and the provision of a loan facility to Caufield Investments Limited (the "**Circular**").

The JV Co was incorporated with limited liability in the British Virgin Islands (the "**BVI**") on 22nd June, 2015. As at the date of this report, the issued share capital of the JV Co is CAD86,100,000. The JV Co is an investment holding company. As at the date of this report, the JV Co has interests in the following subsidiaries:

			Attributable equity interest held by the JV Co				
Name of subsidiaries	**Place of incorporation**	**Issued and fully paid share capital/units**	**As at 22nd June, 2015 (date of incorporation)**	**As at 31st December, 2015**	**As at 30th June, 2016**	**As at the date of this report**	**Principal activity**
Directly owned							
Bayshore (Luxembourg) Sarl ("**Luxco**")	Luxembourg	Canadian dollars ("**CAD**") 80,027,000	100%	100%	100%	100%	Investment holding
Indirectly owned							
Concord Bayshore Holdings Ltd. ("**CBHL**")	British Columbia, Canada	CAD80,000,001	100%	100%	100%	100%	Investment holding
SCG Aquarius Vancouver Hotel, Inc. ("**Vancouver GP**")	British Columbia, Canada	CAD1	—	100%	100%	100%	Investment holding

			Attributable equity interest held by the JV Co				
Name of subsidiaries	Place of incorporation	Issued and fully paid share capital/units	As at 22nd June, 2015 (date of incorporation)	As at 31st December, 2015	As at 30th June, 2016	As at the date of this report	Principal activity
0931922 B.C. Ltd.	British Columbia, Canada	CAD75,612,844.50	—	100%	100%	100%	Investment holding
SWA Vancouver Hotel ULC ("**Vancouver ULC**")	British Columbia, Canada	CAD103,109,249	—	100%	100%	100%	Investment holding
SWA Vancouver L.P. ("**Vancouver LP**")	Manitoba, Canada	CAD162,894,528.50	—	100%	100%	100%	Investment holding
SWA Vancouver Hotel Nominee Inc. ("**Vancouver Nominee**")	British Columbia, Canada	CAD1	—	100%	100%	100%	Hotel operation

All companies comprising the JV Group have adopted 31st December as the financial year end date.

No statutory financial statements have been prepared for the JV Co, Luxco, CBHL, Vancouver GP, 0931922 B.C. Ltd., Vancouver ULC, Vancouver LP and Vancouver Nominee since their dates of incorporation as there are no statutory requirements for the audited financial statements in the BVI, Luxembourg and Canada.

For the purpose of this report, the directors of the JV Co have prepared the consolidated financial statements of the JV Group for the Relevant Periods in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") (the "**Underlying Financial Statements**"). We have performed an independent audit on the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

We have examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The Financial Information for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements. No adjustments are deemed necessary to the Underlying Financial Statements in preparing our report for inclusion in the Circular.

The preparation of the Underlying Financial Statements is the responsibility of the directors of the JV Co who approved their issue. The directors of ITCP are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the financial position of the JV Group as at 31st December, 2015 and 30th June, 2016 and of the financial performance and consolidated cash flows for the Relevant Periods.

The comparative consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the JV Group for the period from 22nd June, 2015 (the date of incorporation) to 30th June, 2015 together with the notes thereon have been extracted from the JV Group's unaudited consolidated financial information for the same period (the "**June 2015 Financial Information**") which was prepared by the directors of the JV Co solely for the purpose of this report. We conducted our review of the June 2015 Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. Our review of the June 2015 Financial Information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the June 2015 Financial Information. Based on our review, nothing has come to our attention that causes us to believe that the June 2015 Financial Information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the Financial Information which conform with HKFRSs.

(A) FINANCIAL INFORMATION OF THE JV GROUP

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	NOTES	From 22nd June, 2015 (date of incorporation) to 31st December, 2015 CAD'000	From 22nd June, 2015 (date of incorporation) to 30th June, 2015 CAD'000 (Unaudited)	For the six months ended 30th June, 2016 CAD'000
Revenue	7	7,935	—	26,986
Cost of sales		(4,668)	—	(12,905)
Gross profit		3,267	—	14,081
Other income		154	—	23
Distribution and selling expenses		(751)	—	(2,210)
Administrative expenses		(4,323)	—	(10,312)
Finance costs	8	(840)	—	(2,466)
Loss before tax		(2,493)	—	(884)
Income tax expense		—	—	—
Loss and total comprehensive expense for the period	9	(2,493)	—	(884)

Consolidated Statements of Financial Position

	NOTES	As at 31st December, 2015 CAD'000	As at 30th June, 2016 CAD'000
Non-current asset			
Property and equipment	14	287,181	284,800
Current assets			
Inventories	15	145	147
Trade and other receivables	16	3,480	4,394
Restricted cash	17	1,447	2,357
Bank balances and cash	17	5,536	6,210
		10,608	13,108
Current liabilities			
Trade and other payables	18	8,248	9,036
Amount due to a controlling shareholder	19	72	91
Amount due to immediate holding company	19	118,176	4,076
Amounts due to related companies	19	54,024	82,092
		180,520	95,295
Net current liabilities		(169,912)	(82,187)
Total assets less current liabilities		117,269	202,613
Non-current liabilities			
Bank borrowing	20	118,602	118,747
Deferred income	24	925	908
		119,527	119,655
Net (liabilities) assets		(2,258)	82,958
Capital and reserves			
Share capital	21	—	86,100
Reserves		(2,258)	(3,142)
Total equity		(2,258)	82,958

Consolidated Statements of Changes in Equity

	Share capital	Capital contribution	Accumulated losses	Total
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*
Issue of share capital	—	—	—	—
Capital contribution from shareholders	—	235	—	235
Loss and total comprehensive expense for the period	—	—	(2,493)	(2,493)
As at 31st December, 2015	—	235	(2,493)	(2,258)
Issue of share capital	86,100	—	—	86,100
Loss and total comprehensive expense for the period	—	—	(884)	(884)
As at 30th June, 2016	86,100	235	(3,377)	82,958
As at 22nd June, 2015 (the date of incorporation) and 30th June, 2015 (unaudited)	—	—	—	—

Consolidated Statements of Cash Flows

	NOTE	From 22nd June, 2015 (date of incorporation) to 31st December, 2015 CAD'000	From 22nd June, 2015 (date of incorporation) to 30th June, 2015 CAD'000 (Unaudited)	For the six months ended 30th June, 2016 CAD'000
OPERATING ACTIVITIES				
Loss for the period		(2,493)	—	(884)
Adjustments for:				
Finance costs		840	—	2,466
Interest income		(148)	—	(6)
Amortisation of deferred income		(6)	—	(17)
Depreciation of property and equipment		819	—	2,569
Operating cash flows before movements in working capital		(988)	—	4,128
Increase in inventories		(27)	—	(2)
Increase in trade and other receivables		(65)	—	(914)
Increase in trade and other payables		2,271	—	788
Cash generated from operations		1,191	—	4,000
Interest received		148	—	6
NET CASH FROM OPERATING ACTIVITIES		1,339	—	4,006
INVESTING ACTIVITIES				
Net cash outflow for acquisition of subsidiaries	23	(285,653)	—	—
Placement of restricted cash		(419)	—	(910)
Purchase of property and equipment		—	—	(188)
NET CASH USED IN INVESTING ACTIVITIES		(286,072)	—	(1,098)

	From 22nd June, 2015 (date of incorporation) to 31st December, 2015	From 22nd June, 2015 (date of incorporation) to 30th June, 2015	For the six months ended 30th June, 2016
	CAD'000	*CAD'000* (Unaudited)	*CAD'000*
FINANCING ACTIVITIES			
New borrowing raised	120,000	—	—
Advance from (repayment to) immediate holding company	118,176	—	(28,000)
Advance from related companies	54,024	—	28,068
Capital contribution	235	—	—
Advance from a controlling shareholder	72	—	19
Deferred finance cost paid	(1,446)	—	—
Interest paid	(792)	—	(2,321)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	290,269	—	(2,234)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,536	—	674
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	—	—	5,536
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,536	—	6,210
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and cash equivalents	5,536	—	6,210

Notes to the Financial Information

1. GENERAL

The JV Co was incorporated as a limited liability company in the BVI on 22nd June, 2015. Its immediate and ultimate holding company is Caufield Investments Limited incorporated in the BVI and its ultimate controlling shareholder is Mr. Hui Kau Mo. The address of its registered office and principal place of business is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, BVI.

The JV Co is principally engaged in investment holding. During the period from 22nd June, 2015 (the date of incorporation) to 31st December, 2015 and the six months ended 30th June, 2016, its principal subsidiaries, Luxco and CBHL, were also engaged in investment holding and Vancouver Nominee was engaged in hotel operation.

The Financial Information is presented in CAD, which is also the functional currency of the JV Co.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

As at 30th June, 2016, the JV Group's current liabilities exceeded its current assets by approximately CAD82,187,000, of which the amount due to immediate holding company and the amounts due to related companies were approximately CAD4,076,000 and CAD82,092,000 respectively. The Financial Information has been prepared on a going concern basis because immediate holding company and the related companies have agreed not to demand repayment of amount due to immediate holding company/related companies and immediate holding company has agreed to provide adequate fund for the JV Group until the JV Group has financial ability to do so. In the opinions of the directors of the JV Co, the JV Group will be able to meet in full its financial obligations as and when they fall due for the foreseeable future.

3. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, the JV Group has consistently adopted all HKFRSs which are effective for the accounting period beginning on or after 1st January, 2016.

The JV Group has not early applied the following new and revised HKFRSs issued by the HKICPA that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[3]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transaction[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[1]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]

1 Effective for annual periods beginning on or after 1st January, 2018.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after 1st January, 2019.
4 Effective for annual periods beginning on or after 1st January, 2017.

HKFRS 15 "Revenue from Contracts with Customers"

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specially, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added to HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the JV Co anticipate that the application of HKFRS 15 in the future may have impact on the amounts reported and disclosures made in the Financial Information. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until a detailed review has been completed.

HKFRS 9 "Financial Instruments"

In September 2014, the HKICPA issued the final version of HKFRS 9, which replaces HKAS 39 "Financial Instruments: Recognition and Measurement". This final version of HKFRS 9 represents the completion of this project and it includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. This new standard supersedes all prior versions of HKFRS 9 and is mandatorily effective for annual periods beginning on or after 1st January, 2018, with early application permitted. The directors of the JV Co are currently evaluating the impact of the new standard on future consolidated financial statements.

Other than the above, the directors of the JV Co anticipate that the application of the other new and revised HKFRSs will have no material impact on future consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the JV Group takes into account of the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

The principal accounting policies adopted are set out below.

Basis of consolidation

The Financial Information incorporates the financial information of the companies now comprising the JV Group.

Subsidiaries are entities controlled by the JV Co. Control is achieved when the JV Co:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The JV Co reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the JV Co obtains control over the subsidiary and ceases when the JV Co loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the JV Co gains control until the date when the JV Co ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the JV Co and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the JV Co and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with the JV Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the JV Group are eliminated in full on consolidation.

Business combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the JV Group, liabilities incurred by the JV Group to the former owners of the acquiree and the equity interests issued by the JV Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

As at the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the JV Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based Payment" as at the acquisition date (see the accounting policy below); and

- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

Property and equipment

Property and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Inventories

Inventories are valued at the lower of cost, as determined on a first-in, first-out basis, and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statements of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The JV Group's recognised financial assets are subsequently measured in their entirety at amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at amortised cost

Debt instruments and hybrid contracts that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation.

The amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial assets is reduced by the impairment loss directly with the exception of accounts receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When an accounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the JV Group after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities, including trade and other payables, amount due to a controlling shareholder, amount due to immediate holding company, amounts due to related companies and bank borrowing, are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The JV Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The JV Group derecognises financial liabilities when, and only when, the JV Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment losses on tangible assets

At the end of the reporting period, the JV Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the JV Group estimates the recoverable amount of the cash-generating unit ("**CGU**") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised as income immediately.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from hotel accommodation, food and banquet operations are recognised when services are rendered.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the JV Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The JV Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the JV Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the JV Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Deferred income

The deferred income is amortised on a straight line basis over the terms of hotel operating service agreement in profit or loss.

5. CAPITAL RISK MANAGEMENT

The JV Group manages its capital to ensure that entities in the JV Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The JV Group's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of the JV Group consists of debt, which include amount due to immediate holding company, amounts due to related companies and bank borrowing and equity attributable to owner of the JV Co, comprising share capital and reserves.

The directors of the JV Co review the capital structure on a regular basis. As part of this review, the directors of the JV Co consider the cost and the risks associated with each class of capital. Based on the recommendations of the directors of the JV Co, the JV Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at 31st December, 2015	As at 30th June, 2016
	CAD'000	*CAD'000*
Financial assets		
Amortised cost (including bank balances and cash)	9,389	11,158
Financial liabilities		
Amortised cost	293,823	208,733

Financial risk management objectives and policies

The JV Group's major financial instruments include bank balances and cash, restricted cash, trade and other receivables, trade and other payables, amount due to a controlling shareholder, amount due to immediate holding company, amounts due to related companies and bank borrowing. Details of these financial instruments are disclosed in the respective notes. The risks associated with certain of these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

The JV Group is exposed to fair value interest rate risk in relation to the fixed-rate amounts due to related companies.

The JV Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowing and bank balances.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank balances and variable-rate bank borrowing. The analysis is prepared assuming that the amount of assets and liabilities outstanding at the end of the reporting period were outstanding for the whole period. 50 basis point increase or decrease represent the management's assessment of the reasonable possible change in interest rates of bank deposits and bank borrowings respectively. If the interest rates had been 50 basis points higher/lower and all other variables were held constant, the potential effect on the JV Group's post-tax loss for the period from 22nd June, 2015 (the date of incorporation) to 31st December, 2015 and the six months ended 30th June, 2016 would increase/ decrease by approximately CAD565,000 and CAD282,000 respectively.

Foreign currency risk

The JV Group has no significant foreign currency risk as the activities of the JV Group entities are denominated in CAD which is also the functional currency of the relevant group entities.

Credit risk

The JV Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of these assets as stated in the consolidated statements of financial position of the JV Group.

In order to minimise the credit risk, the management of the JV Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the JV Group reviews the recoverable amount of each individual trade debts at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the JV Co consider that the JV Group's credit risk is significantly reduced.

Bank balances are normally placed in financial institutions that have sound credit rating and the JV Group considers the credit risk to be insignificant.

Liquidity risk

The JV Group's objective is to maintain a balance between continuity of funding from its group companies and flexibility through the funds generated from its operations.

The following table details the JV Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms or the earliest date on which the JV Group can be required to pay. The table has been drawn up based on the undiscounted cash flows of financial liabilities.

Liquidity tables

As at 31st December, 2015

	Weighted average effective interest rate	On demand or less than 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount as at 31st December, 2015
	%	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
Non-interest bearing financial liabilities	—	161,697	—	—	—	161,697	161,697
Amounts due to related companies — fixed rate	1.00	13,524	—	—	—	13,524	13,524
Bank borrowing — variable rate	3.55	1,053	3,158	4,210	131,232	139,653	118,602
		176,274	3,158	4,210	131,232	314,874	293,823

As at 30th June, 2016

	Weighted average effective interest rate	On demand or less than 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	Total undiscounted cash flows	Carrying amount as at 30th June, 2016
	%	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
Non-interest bearing financial liabilities	—	76,462	—	—	—	76,462	76,462
Amounts due to related companies — fixed rate	1.00	13,524	—	—	—	13,524	13,524
Bank borrowing — variable rate	3.79	1,125	3,375	4,501	132,250	141,251	118,747
		91,111	3,375	4,501	132,250	231,237	208,733

Fair value measurements of financial instruments

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the JV Co consider that the carrying amounts of financial assets and financial liabilities recognised in the Financial Information of the JV Group approximate their fair values.

7. SEGMENT INFORMATION

Whilst the chief operating decision maker, the JV Co's executive directors, regularly reviews revenue by departments, information about profit or loss by departments is not separately provided to the executive directors for their review. Financial information reported to the executive directors for the purposes of resource allocation and performance assessment is aggregated and focuses on the consolidated gross profit analysis of the business of hotel operation of the JV Group as a whole.

As a result, there is only one operating segment for the JV Group, which is hotel operations. Financial information regarding this segment can be made by reference to the consolidated statements of profit or loss and other comprehensive income.

The JV Group's revenue is arising from the business of hotel operations.

	From 22nd June, 2015 (date of incorporation) to 31st December, 2015	From 22nd June, 2015 (date of incorporation) to 30th June, 2015	For the six months ended 30th June, 2016
	CAD'000	*CAD'000* (Unaudited)	*CAD'000*
Rooms	3,588	—	14,533
Food and beverage	3,118	—	11,268
Other operating department revenue	1,229	—	1,185
	7,935	—	26,986

All the revenue and non-current assets of the JV Group are situated in Canada during the Relevant Periods.

Information about major customers

There is no revenue from any single external customer that contributed over 10% on the total sales of the JV Group during the period from 22nd June, 2015 (the date of incorporation) to 31st December, 2015 and the six months ended 30th June, 2016.

8. FINANCE COSTS

	From 22nd June, 2015 (date of incorporation) to 31st December, 2015 *CAD'000*	From 22nd June, 2015 (date of incorporation) to 30th June, 2015 *CAD'000* (Unaudited)	For the six months ended 30th June, 2016 *CAD'000*
Interest on bank borrowing	840	—	2,399
Interest on amounts due to related companies	—	—	67
	840	—	2,466

9. LOSS FOR THE PERIOD

	From 22nd June, 2015 (date of incorporation) to 31st December, 2015 *CAD'000*	From 22nd June, 2015 (date of incorporation) to 30th June, 2015 *CAD'000* (Unaudited)	For the six months ended 30th June, 2016 *CAD'000*
Loss for the period has been arrived at after charging:			
Directors' remuneration	—	—	—
Auditor's remuneration	—	—	—
Depreciation of property and equipment	819	—	2,569
Interest income	148	—	6

10. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to the director and the chief executive were as follows:

(a) Director's emoluments

	Fees *CAD'000*	Salaries and other benefits *CAD'000*	Retirement benefit scheme contributions *CAD'000*	Discretionary bonus *CAD'000*	Total *CAD'000*
From 22nd June, 2015 (date of incorporation) to 31st December, 2015					
Clifford Ng Sau Man	—	—	—	—	—

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
From 22nd June, 2015 (date of incorporation) to 30th June, 2015 (unaudited)					
Clifford Ng Sau Man	—	—	—	—	—
For the six months ended 30th June, 2016					
Clifford Ng Sau Man	—	—	—	—	—

Mr. Clifford Ng Sau Man is also the chief executive of the JV Co and his emoluments disclosed above include those for the services rendered by him as the chief executive.

(b) Employees' emoluments

There was no employee's emoluments paid during the Relevant Periods.

During the Relevant Periods, no emoluments were paid by the JV Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the JV Group or as compensation for loss of office. In addition, neither the chief executive nor any of the directors has waived any emoluments during the Relevant Periods.

11. TAXATION

No provision for the Canadian Corporate Tax and the Luxembourg Corporate Income Tax is required since the JV Group has no assessable profits for the period from 22nd June, 2015 (the date of its incorporation) to 31st December, 2015 and the period from 22nd June, 2015 (the date of its incorporation) to 30th June, 2015 and certain assessable profit has offset by its tax losses previously not recognised for the six months ended 30th June, 2016.

The taxation for the Relevant Periods can be reconciled to the loss for the period per the consolidated statements of profit or loss and other comprehensive income as follows:

	From 22nd June, 2015 (date of incorporation) to 31st December, 2015	From 22nd June, 2015 (date of incorporation) to 30th June, 2015	For the six months ended 30th June, 2016
	CAD'000	*CAD'000* (Unaudited)	*CAD'000*
Loss for the period	(2,493)	—	(884)
Tax at Canadian Corporate Tax rate of 26%	(648)	—	(230)
Tax effect of expenses not deductible for tax purposes	138	—	213
Tax effect of tax losses not recognised	510	—	376
Utilisation of tax losses previously not recognised	—	—	(359)
Taxation for the period	—	—	—

As at 31st December, 2015 and 30th June, 2016, the JV Group has unused tax losses of approximately CAD34,631,000 and CAD34,696,000 available to offset against future profits respectively. No deferred tax asset has been recognised in respect of these unused tax losses due to the unpredictability of future profit streams.

There was no other significant unrecognised deferred taxation for the Relevant Periods or at 31st December, 2015 and 30th June, 2016.

12. DIVIDENDS

No dividends have been paid or declared by the JV Co during the Relevant Periods.

13. LOSS PER SHARE

Loss per share information not presented as its inclusion, for the purpose of this report, is not considered meaningful.

14. PROPERTY AND EQUIPMENT

	Hotel properties	Building finishes	Electrical and mechanical works	Furniture, fixtures and equipment	Total
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
COST					
As at 22nd June, 2015 (date of incorporation)	—	—	—	—	—
Acquisition of a subsidiary *(note 23)*	257,567	12,803	10,113	7,517	288,000
As at 31st December, 2015	257,567	12,803	10,113	7,517	288,000
Additions	—	63	—	125	188
As at 30th June, 2016	257,567	12,866	10,113	7,642	288,188
ACCUMULATED DEPRECIATION					
As at 22nd June, 2015	—	—	—	—	—
Provided for the period	290	213	56	260	819
As at 31st December, 2015	290	213	56	260	819
Provided for the period	935	639	169	826	2,569
As at 30th June, 2016	1,225	852	225	1,086	3,388
CARRYING VALUE					
As at 30th June, 2016	256,342	12,014	9,888	6,556	284,800
As at 31st December, 2015	257,277	12,590	10,057	7,257	287,181

Depreciation of property and equipment is provided on the straight line method over the assets' estimated useful lives as follows:

Hotel properties (excluding the freehold land on which the hotel properties are situated)	40 years
Building finishes	5–15 years
Electrical and mechanical works	30 years
Furniture, fixtures and equipment	7 years

The hotel properties are situated on the freehold land in Canada during the Relevant Periods.

As at 31st December, 2015 and 30th June, 2016, the hotel properties of the JV Group have been pledged to secure the bank borrowing of the JV Group.

15. INVENTORIES

Inventories consist of food, beverages and supplies.

16. TRADE AND OTHER RECEIVABLES

	As at 31st December, 2015 CAD'000	As at 30th June, 2016 CAD'000
Trade debtors	2,240	2,551
Other debtors, deposits and prepayments	1,240	1,843
	3,480	4,394

The JV Group allows an average credit period of 0 to 60 days to its trade debtors.

The following is an aged analysis of trade debtors presented based on the invoice date at the end of the Relevant Periods:

	As at 31st December, 2015 CAD'000	As at 30th June, 2016 CAD'000
Trade debtors		
0–30 days	1,717	2,106
31–60 days	523	445
61–90 days	—	—
91–180 days	—	—
	2,240	2,551

Before accepting any new debtor, the JV Group will assess the potential debtor's credit quality and defines credit limits by debtor. The directors of the JV Co will continuously assess the recoverability of the receivables.

The trade debtors balance as at 31st December, 2015 and 30th June, 2016 were neither past due nor impaired. In the opinion of the directors of the JV Co, all trade receivables that are neither past due nor impaired have good credit quality at the end of the reporting period with reference to past settlement history.

17. BANK BALANCES AND CASH/RESTRICTED CASH

Bank balances carried interest at prevailing market rates over the Relevant Periods.

Restricted cash represents the cash accounts that are restricted as to withdrawal or use for specifically-defined purposes including the lender cash management accounts and reserves to fund capital expenditures.

18. TRADE AND OTHER PAYABLES

Included in trade and other payable are trade creditors of CAD788,000 and CAD1,006,000 as at 31st December, 2015 and 30th June, 2016 respectively, and their aged analysis presented based on the invoice date at the end of the reporting period is as follows:

	As at 31st December, 2015	**As at 30th June, 2016**
	CAD'000	*CAD'000*
Trade creditors		
0–30 days	784	1,002
31–60 days	2	1
61–90 days	2	3
	788	1,006

The average credit period on purchases of goods is 60 days. The JV Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

19. AMOUNT(S) DUE TO A CONTROLLING SHAREHOLDER/IMMEDIATE HOLDING COMPANY/RELATED COMPANIES

Included in the amounts due to related companies, an amount of approximately CAD13,524,000 as at 31st December, 2015 and 30th June, 2016 is non-trading in nature, unsecured, carrying interest at 1% per annum and repayable on demand. The related companies and the JV Co are under the common control of the ultimate controlling shareholder.

The remaining balance of the amounts due to related companies, amount due to a controlling shareholder and amount due to immediate holding company is non-trading in nature, unsecured, interest-free and repayable on demand.

20. BANK BORROWING

	As at 31st December, 2015	**As at 30th June, 2016**
	CAD'000	*CAD'000*
Secured bank loan	118,602	118,747

The JV Group's bank borrowing represents a variable-rate borrowing with a principal amount of approximately CAD120,000,000 which carries interest at prime rate announced by HSBC Bank Canada plus 1.25% per annum and is repayable within a period of more than two years but not exceeding five years and is secured by the hotel properties of the JV Group and the entire interests in Vancouver GP, Vancouver ULC and Vancouver LP.

The effective interest rate of the JV Group's variable-rate borrowing for the period from 22nd June, 2015 (the date of incorporation) to 31st December, 2015 is 3.55% per annum and for the six months ended 30th June, 2016 is 3.79% per annum.

21. SHARE CAPITAL

	Number of shares	Amount
		CAD
Shares with no par value		
Issued and fully paid:		
Share of CAD1 each:		
As at 22nd June, 2015 (date of incorporation) and 31st December, 2015	1	1
Issue of shares	86,099,999	86,099,999
As at 30th June, 2016	86,100,000	86,100,000

	CAD'000
Shown in the Financial Information:	
As at 31st December, 2015	—
As at 30th June, 2016	86,100

For the six months ended 30th June, 2016, the JV Co has issued 86,099,999 shares of CAD1 each to its immediate holding company and was settled through the amount due to immediate holding company.

22. RELATED PARTY DISCLOSURES

(a) Related parties balances

Details of the balances with related parties are set out in the consolidated statements of financial position and in note 19 to the Financial Information.

(b) Compensation of key management personnel

The directors of the JV Co are considered to be key management personnel of the JV Group. There was no compensation paid to the directors of the JV Co in the Relevant Periods.

(c) Transactions with a related party

During the period, the JV Group entered into the following transaction with a related party:

Related party	Nature of transaction	From 22nd June, 2015 (date of incorporation) to 31st December, 2015	From 22nd June, 2015 (date of incorporation) to 30th June, 2015	For the six months ended 30th June, 2016
		CAD'000	*CAD'000* (Unaudited)	*CAD'000*
A fellow subsidiary of the JV Group	Interest expense	—	—	67

(d) In addition to the pledge of the JV Group's hotel properties as set out in Notes 14 and 20 respectively, the JV Group's bank borrowing as at 31st December, 2015 and 30th June, 2016 was secured by a corporate guarantee provided by One West Holdings Ltd., a fellow subsidiary of the JV Co amounting to CAD120,000,000 plus interest and costs.

23. ACQUISITION OF SUBSIDIARIES

On 2nd July, 2015, CBHL entered into a share purchase agreement to acquire the entire equity interest in Vancouver GP, Vancouver ULC and its subsidiaries at a total consideration of approximately CAD290,003,000.

The acquisition has been completed on 3rd November, 2015 and accounted for using the acquisition method. The assets acquired and liabilities recognised at the date of acquisitions were summarised as follows:

	CAD'000
Property and equipment	288,000
Deferred tax assets	5,069
Inventories	118
Trade and other receivables	3,415
Restricted cash	1,028
Bank balances and cash	4,350
Trade payable and other payables	(5,977)
Deferred income	(931)
Deferred tax liabilities	(5,069)
	290,003
Total consideration satisfied by:	
Cash	290,003
Net cash outflow used in the acquisition	
Cash consideration paid	290,003
Less: bank balances and cash acquired	(4,350)
	285,653

The fair value of trade and other receivables as at the date of the acquisition amounted to approximately CAD3,415,000. The gross contractual amounts of those trade and other receivables acquired amounted to approximately CAD3,415,000 as at the date of the acquisition. The best estimate as at the acquisition date of the contractual cash flows not expected to be collected amounted to nil.

Acquisition-related costs amounting to approximately CAD204,000 have been excluded from the consideration transferred and have been recognised as an expense in the current period.

Included in the loss for the period from 22nd June, 2015 (the date of incorporation) to 31st December, 2015 is CAD723,000 attributable to the additional business generated by the subsidiaries acquired. Revenue for the period included approximately CAD7,935,000 generated by the subsidiaries acquired.

Had the acquisition been completed on 22nd June, 2015, total group revenue and loss for the period from 22nd June, 2015 to 31st December, 2015 would have been approximately CAD28,205,000 and CAD24,697,000 respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the JV Group that actually would have been achieved had the acquisition been completed on 22nd June, 2015, nor is it intended to be a projection of future results.

24. DEFERRED INCOME/MANAGEMENT AGREEMENTS

Vancouver ULC, as part of the purchase of the hotel properties assumed an operating service agreement (the "**Agreement**") with Westin Hotel Management, L.P. ("**Westin**") for hotel management, marketing and customer reservation services. The Agreement with Westin which expires on 31st December, 2043, requires that management fees be paid to Westin based primarily on a percentage of the hotel's gross operating revenue or gross operating profits as specifically defined in the Agreement.

Total fees incurred related to the Agreement amounted to approximately CAD93,000 and CAD957,000 for the period from 22nd June, 2015 (the date of incorporation) to 31st December, 2015 and the six months ended 30th June, 2016 respectively and are included in administrative expenses.

In conjunction with the Agreement, an amount of CAD1,000,000 was paid to the previous owners of the hotel in the form of "key money" by Westin for the rights to operate the hotel. The key money is being amortised on a straight line basis over 30 years and any unamortised balance is refundable to Westin upon early termination of the Agreement. There is an unamortised balance of approximately CAD925,000 and CAD908,000, as at 31st December, 2015 and 30th June, 2016 respectively. An amount of CAD6,000 and CAD17,000 for the period from 22nd June, 2015 (the date of incorporation) to 31st December, 2015 and the six months ended 30th June, 2016 respectively was amortised and has been included as a reduction of management fee expense included in administrative expenses.

25. MAJOR NON-CASH TRANSACTION

During the six months ended 30th June, 2016, the JV Co has issued 86,099,999 shares of CAD1 each to its immediate holding company and was settled through the amount due to immediate holding company.

26. DEFERRED TAXATION

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of deferred tax balances for financial reporting purposes:

	As at 31st December, 2015	**As at 30th June, 2016**
	CAD'000	*CAD'000*
Deferred tax assets	5,069	5,069
Deferred tax liabilities	(5,069)	(5,069)
	—	—

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the current and prior periods:

	Accelerated tax depreciation	**Fair value adjustments on business combination**	**Total**
	CAD'000	*CAD'000*	*CAD'000*
As at 22nd June, 2015 (date of incorporation)	—	—	—
Acquisition of a subsidiary *(note 23)*	5,069	(5,069)	—
As at 31st December, 2015 and 30th June, 2016	5,069	(5,069)	—

(B) DIRECTORS' REMUNERATION

No remuneration has been paid or is payable to the directors of the JV Co by the JV Group during the Relevant Periods.

Under the arrangement currently in force, the aggregate amount of remuneration payable to the directors of the JV Co for the year ending 31st December, 2016 is estimated to be nil.

(C) SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the JV Co or any of the companies of the JV Group have been prepared in respect of any period subsequent to 30th June, 2016.

(D) SUBSEQUENT EVENT

The JV Group has no significant event subsequent to 30th June, 2016.

Yours faithfully,

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

2. MANAGEMENT DISCUSSION AND ANALYSIS OF THE JV GROUP

Set out below is the management discussion and analysis of the JV Group for the period from 22nd June, 2015 (the date of incorporation of the JV Co) to 31st December, 2015 ("**Period 1**") and the six months ended 30th June, 2016 ("**Period 2**") (collectively, the "**Relevant Periods**"):

Business review

On 3rd November, 2015, an indirect wholly-owned subsidiary of the JV Co acquired the entire interests in both Vancouver ULC and Vancouver GP and became the indirect beneficial owner of the Hotel, namely "The Westin Bayshore Vancouver", comprising 511 guest rooms, 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.

Financial results

The revenue of the JV Group for Period 1 was approximately CAD7.9 million, representing the revenue from the hotel operation for about two (2) months since completion of the Previous Hotel Acquisition on 3rd November, 2015 while that for Period 2 was approximately CAD27.0 million, showing the same trend as that of Period 1.

The loss for Period 1 was approximately CAD2.5 million. As the Hotel was acquired by the JV Group on 3rd November, 2015, the operating loss for about two (2) months was consolidated. The management of the JV Group has spent effort to improve the hotel operation since its acquisition, as a result, the loss for Period 2 was reduced to CAD0.9 million.

Liquidity and capital resources

Financial position

As at 31st December, 2015 and 30th June, 2016, the JV Group had property, plant and equipment, mainly comprising the Hotel of approximately CAD287.2 million and CAD284.8 million respectively. The Hotel was stated at cost less depreciation instead of its valuation.

The Previous Hotel Acquisition was financed by the Bank Loan of CAD120.0 million, advances from a shareholder and related companies of approximately CAD118.2 million and CAD54.0 million respectively. The Bank Loan is secured by a mortgage on the Hotel with interest charging at floating rate and is repayable in one lump sum in 2020. The amount due to shareholder is unsecured, interest-free and repayable on demand and of which, an amount of CAD86.1 million due to shareholder was capitalised as capital of the JV Co by issuing new JV Shares to Caufield, the existing shareholder of the JV Co, in March 2016. The amounts due to related companies are also unsecured, repayable on demand and interest-free except that an amount of approximately CAD13.5 million carries interest at 1% per annum.

Gearing ratio

As at 31st December, 2015 and 30th June, 2016, the gearing ratio of the JV Group, calculated as a percentage of its total liabilities to total assets, was approximately 100.8% and 72.2% respectively.

Securities and guarantee

Apart from the mortgage of the Hotel and the related assets therein of carrying values of approximately CAD287.2 million and CAD284.8 million respectively as securities for the Bank Loan as at 31st December, 2015 and 30th June, 2016 respectively, the JV Group had not made any pledge of or created any security over its assets and had not provided any corporate guarantee as at 31st December, 2015 and 30th June, 2016.

Contingent liabilities

As at 31st December, 2015 and 30th June, 2016, the JV Group did not have any significant contingent liability.

Exchange rate risk

The majority of the assets and liabilities of the JV Group, including the Hotel and the borrowings, were denominated in CAD. During the Relevant Periods, the JV Group had not entered into any hedging arrangements.

Credit risk

As at 31st December, 2015 and 30th June, 2016, the JV Group did not have any significant concentration of credit risk.

Material acquisition and disposal

Save for the Previous Hotel Acquisition, there was no material acquisition and/or disposal by the JV Group during the Relevant Periods.

Future plan for capital assets or material investments

As at 30th June, 2016, the JV Group had no future plan for capital assets or material investments.

Staff and remuneration policy

The JV Group had no employee during the Relevant Periods.

1. ACCOUNTANTS' REPORT

The following is the text of a report on the Vancouver ULC Group, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.

Deloitte. 德勤

35/F, One Pacific Place
88 Queensway
Hong Kong

23rd November, 2016

The Board of Directors
ITC Properties Group Limited

Dear Sirs,

We set out below our report on the consolidated financial information relating to SWA Vancouver Hotel ULC ("**Vancouver ULC**") and its subsidiaries (hereinafter collectively referred to as the "**Vancouver ULC Group**") for the period from 8th May, 2013 (the date of incorporation of Vancouver ULC) to 31st December, 2013, each of the two years ended 31st December, 2014 and 2015 and the six months ended 30th June, 2016 (the "**Relevant Periods**") (the "**Financial Information**") for inclusion in the circular of ITC Properties Group Limited ("**ITCP**") dated 23rd November, 2016 in relation to the acquisition of 50% effective interest in Bayshore Ventures JV Ltd. which holds a hotel in Canada and the provision of a loan facility to Caufield Investments Limited (the "**Circular**").

Vancouver ULC was incorporated with unlimited liability under the laws of the Province of British Columbia in Canada on 8th May, 2013. As at the date of this report, the issued share capital of Vancouver ULC is Canadian dollars ("**CAD**") 103,109,249. Vancouver ULC is engaged in hotel operation in Canada.

As at the date of this report, Vancouver ULC has the following subsidiaries and their particulars are as follows:

			Attributable proportion of issued capital held by Vancouver ULC						
Name of subsidiaries	Place of incorporation/ operation	Issued and fully paid share capital/units	As at 8th May, 2013 (date of incorporation)	As at 31st December, 2013	As at 31st December, 2014	As at 31st December, 2015	As at 30th June, 2016	As at the date of this report	Principal activity
SWA Vancouver L.P. ("**Vancouver LP**")	Manitoba, Canada	CAD162,894,528.50	99.99%	99.99%	99.99%	53.58%	53.58%	53.58%	Investment holding
SWA Vancouver Hotel Nominee Inc. ("**Vancouver Nominee**")	British Columbia, Canada	CAD1	99.99%	99.99%	99.99%	53.58%	53.58%	53.58%	Hotel operation

All companies comprising the Vancouver ULC Group have adopted 31st December as their financial year end date.

No statutory audited financial statements have been prepared for Vancouver ULC, Vancouver LP and Vancouver Nominee since their dates of incorporation as there is no statutory requirement for the audited financial statements in Canada.

For the purpose of this report, the directors of Vancouver ULC have prepared the consolidated financial statements of the Vancouver ULC Group for the Relevant Periods in accordance with International Financial Reporting Standards ("**IFRSs**") (the "**Underlying Financial Statements**"). Deloitte LLP has performed an independent audit on the Underlying Financial Statements in accordance with the Canadian generally accepted auditing standards issued by the Canadian Auditing and Assurance Standards Board.

We have examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the Hong Kong Institute Certified Public Accountants (the "**HKICPA**").

The Financial Information under Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements. No adjustments are deemed necessary to the Underlying Financial Statements in preparing our report for inclusion in the Circular.

The preparation of the Underlying Financial Statements is the responsibility of the directors of Vancouver ULC who approved their issue. The directors of ITCP are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the financial position of the Vancouver ULC Group as at 31st December, 2013, 2014 and 2015 and 30th June, 2016 and of the financial performance and consolidated cash flows for the Relevant Periods.

The comparative consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Vancouver ULC Group for the six months ended 30th June, 2015 together with the notes thereon have been extracted from the Vancouver ULC Group's unaudited consolidated financial information for the same period (the "**June 2015 Financial Information**") which was prepared by the directors of Vancouver ULC solely for the purpose of this report. We conducted our review of the June 2015 Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. Our review of the June 2015 Financial Information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the June 2015 Financial Information. Based on our review, nothing has come to our attention that causes us to believe that the June 2015 Financial Information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the Financial Information which conform with HKFRSs.

(A) FINANCIAL INFORMATION OF THE VANCOUVER ULC GROUP

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	NOTES	From 8th May, 2013 (date of incorporation) to 31st December, 2013 CAD'000	For the year ended 31st December, 2014 CAD'000	For the year ended 31st December, 2015 CAD'000	For the six months ended 30th June, 2015 CAD'000 (Unaudited)	For the six months ended 30th June, 2016 CAD'000
Revenue	6	12,174	47,208	51,589	23,311	26,986
Cost of sales		(6,350)	(23,943)	(23,490)	(11,362)	(12,905)
Gross profit		5,824	23,265	28,099	11,949	14,081
Distribution and selling expenses		(1,091)	(3,884)	(4,683)	(2,299)	(2,210)
Administrative expenses		(5,329)	(19,942)	(19,888)	(9,246)	(10,492)
Finance costs	8	(2,000)	(7,277)	(7,045)	(3,848)	—
Penalty on early termination of term loan payable, mezzanine loan payable and promissory note payable	19, 20 and 21	—	—	(20,680)	—	—
(Loss) profit before tax		(2,596)	(7,838)	(24,197)	(3,444)	1,379
Taxation		—	—	—	—	—
(Loss) profit and total comprehensive (expense) income for the period/year	9	(2,596)	(7,838)	(24,197)	(3,444)	1,379
(Loss) profit and total comprehensive (expense) income for the period/year attributable to:						
Owners of Vancouver ULC		(2,596)	(7,838)	(23,515)	(3,444)	739
Non-controlling interests		—	—	(682)	—	640
		(2,596)	(7,838)	(24,197)	(3,444)	1,379

Consolidated Statements of Financial Position

	NOTES	As at 31st December, 2013 CAD'000	As at 31st December, 2014 CAD'000	As at 31st December, 2015 CAD'000	As at 30th June, 2016 CAD'000
Non-current assets					
Property and equipment	13	148,953	143,367	138,224	134,457
Current assets					
Inventories	14	137	135	145	147
Trade and other receivables	15	2,050	1,454	3,280	4,354
Amount due from immediate holding company	16	—	—	2,603	3,818
Restricted cash	17	2,935	2,206	1,447	2,357
Cash and cash equivalents	17	2,930	5,357	2,355	5,556
		8,052	9,152	9,830	16,232
Current liabilities					
Accounts and other payables	18	5,193	7,484	6,618	7,891
Current portion of term loan payable	19	1,109	1,162	—	—
		6,302	8,646	6,618	7,891
Net current assets		1,750	506	3,212	8,341
Total assets less current liabilities		150,703	143,873	141,436	142,798
Non-current liabilities					
Term loan payable	19	68,453	67,353	—	—
Mezzanine loan payable	20	13,904	13,924	—	—
Promissory note payable	21	40,000	40,000	—	—
Deferred income	22	992	958	925	908
		123,349	122,235	925	908
Net assets		27,354	21,638	140,511	141,890
Capital and reserves					
Share capital	23	31,165	33,287	103,109	103,109
Reserves		(3,811)	(11,649)	(27,809)	(27,070)
Equity attributable to owners of Vancouver ULC		27,354	21,638	75,300	76,039
Non-controlling interests		—	—	65,211	65,851
Total equity		27,354	21,638	140,511	141,890

Consolidated Statements of Changes in Equity

	Attributable to owners of Vancouver ULC					
	Share capital CAD'000	Other reserve CAD'000	Accumulated losses CAD'000	Total CAD'000	Non-controlling interests CAD'000	Total CAD'000
Issue of share capital	31,165	—	—	31,165	—	31,165
Dividend paid *(note 11)*	—	—	(1,215)	(1,215)	—	(1,215)
Loss and total comprehensive expense for the period	—	—	(2,596)	(2,596)	—	(2,596)
As at 31st December, 2013	31,165	—	(3,811)	27,354	—	27,354
Issue of share capital	2,122	—	—	2,122	—	2,122
Loss and total comprehensive expense for the year	—	—	(7,838)	(7,838)	—	(7,838)
As at 31st December, 2014	33,287	—	(11,649)	21,638	—	21,638
Issue of share capital	69,822	—	—	69,822	—	69,822
Dividend paid *(note 11)*	—	—	(2,365)	(2,365)	—	(2,365)
Capital contribution by non-controlling interest of a subsidiary *(Note)*	—	9,720	—	9,720	65,893	75,613
Loss and total comprehensive expense for the year	—	—	(23,515)	(23,515)	(682)	(24,197)
As at 31st December, 2015	103,109	9,720	(37,529)	75,300	65,211	140,511
Profit and total comprehensive income for the period	—	—	739	739	640	1,379
As at 30th June, 2016	103,109	9,720	(36,790)	76,039	65,851	141,890
As at 1st January, 2015	33,287	—	(11,649)	21,638	—	21,638
Issue of share capital	1,873	—	—	1,873	—	1,873
Dividend paid *(note 11)*	—	—	(312)	(312)	—	(312)
Loss and total comprehensive expense for the period	—	—	(3,444)	(3,444)	—	(3,444)
As at 30th June, 2015 (unaudited)	35,160	—	(15,405)	19,755	—	19,755

Note: During the year ended 31st December, 2015, a subsidiary of Vancouver ULC allotted 75,612,843.50 shares at CAD1 each to a fellow subsidiary of Vancouver ULC. This resulted a deemed disposal of a subsidiary without losing control and a gain on deemed disposal of approximately CAD9,720,000 was recognised in other reserve.

Consolidated Statements of Cash Flows

	From 8th May, 2013 (date of incorporation) to 31st December, 2013	For the year ended 31st December, 2014	For the year ended 31st December, 2015	For the six months ended 30th June, 2015	For the six months ended 30th June, 2016
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000* (Unaudited)	*CAD'000*
OPERATING ACTIVITIES					
(Loss) profit for the period/year	(2,596)	(7,838)	(24,197)	(3,444)	1,379
Adjustments for:					
Depreciation of property and equipment	2,113	7,570	7,736	3,836	3,955
Finance costs	2,000	7,277	7,045	3,848	—
Penalty on early repayment of term loan payable, mezzanine loan payable and promissory note payable	—	—	20,680	—	—
Amortisation of deferred income	(8)	(34)	(33)	(17)	(17)
Operating cash flows before movements in working capital	1,509	6,975	11,231	4,223	5,317
(Increase) decrease in inventories	(137)	2	(10)	12	(2)
(Increase) decrease in trade and other receivable	(2,050)	596	(1,826)	(3,464)	(1,074)
Increase (decrease) in accounts and other payable	5,193	2,291	(866)	2,701	1,273
Increase in deferred income	1,000	—	—	—	—
NET CASH FROM OPERATING ACTIVITIES	5,515	9,864	8,529	3,472	5,514
INVESTING ACTIVITIES					
Purchase of property and equipment	(151,066)	(1,984)	(2,593)	(2,150)	(188)
(Placement) withdrawal of restricted cash	(2,935)	729	759	558	(910)
Advance to immediate holding company	—	—	(2,603)	—	(1,215)
NET CASH USED IN INVESTING ACTIVITIES	(154,001)	(1,255)	(4,437)	(1,592)	(2,313)

	From 8th May, 2013 (date of incorporation) to 31st December, 2013	For the year ended 31st December, 2014	For the year ended 31st December, 2015	For the six months ended 30th June, 2015	For the six months ended 30th June, 2016
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000* (Unaudited)	*CAD'000*
FINANCING ACTIVITIES					
Proceeds from issue of shares	31,165	2,122	69,822	1,873	—
Contributions from non-controlling interests	—	—	75,613	—	—
Dividend paid	(1,215)	—	(2,365)	(312)	—
Proceeds from new term loan	71,067	—	—	—	—
Proceeds from new promissory note payable	40,000	—	—	—	—
Proceeds from new mezzanine loan payable	14,000	—	—	—	—
Repayments of term loan	(181)	(1,072)	(68,747)	(728)	—
Repayment of promissory note payable	—	—	(40,000)	—	—
Repayment of mezzanine loan payable	—	—	(14,000)	—	—
Interest paid	(1,983)	(7,232)	(6,737)	(3,663)	—
Cost on mezzanine loan payable and term loan payable	(1,437)	—	—	—	—
Penalty paid on early repayment of term loan payable, mezzanine loan payable and promissory note payable	—	—	(20,680)	—	—
NET CASH FROM (USED IN) FINANCING ACTIVITIES	151,416	(6,182)	(7,094)	(2,830)	—
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,930	2,427	(3,002)	(950)	3,201
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	—	2,930	5,357	5,357	2,355
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR	2,930	5,357	2,355	4,407	5,556
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and cash equivalents	2,930	5,357	2,355	4,407	5,556

Notes to the Financial Information

1. GENERAL

Vancouver ULC was incorporated as an unlimited liability corporation under the laws of the Province of British Columbia in Canada on 8th May, 2013. Its immediate holding company is Concord Bayshore Holdings Ltd. ("**CBHL**") which was incorporated in Canada. Its ultimate holding company is Caufield Investments Limited which was incorporated in the British Virgin Islands and its ultimate controlling shareholder is Mr. Hui Kau Mo. The address of its registered office and principal place of business is 1601 Bayshore Drive, Vancouver, British Columbia, Canada.

The Financial Information is presented in CAD, which is also the functional currency of Vancouver ULC.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, the Vancouver ULC Group has consistently adopted all HKFRSs which are effective for the accounting period beginning on or after 1st January, 2016.

The Vancouver ULC Group has not early applied the following new and revised HKFRSs issued by the HKICPA that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[3]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[1]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]

1 Effective for annual periods beginning on or after 1st January, 2018.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after 1st January, 2019.
4 Effective for annual periods beginning on or after 1st January, 2017.

HKFRS 15 "Revenue from Contracts with Customers"

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specially, HKFRS 15 introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added to HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of Vancouver ULC anticipate that the application of HKFRS 15 in the future may have impact on the amounts reported and disclosures made in the Financial Information. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until a detailed review has been completed.

HKFRS 9 "Financial Instruments"

In September 2014, the HKICPA issued the final version of HKFRS 9, which replaces HKAS 39 "Financial Instruments: Recognition and Measurement". This final version of HKFRS 9 represents the completion of this project and it includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. This new standard supersedes all prior versions of HKFRS 9 and is mandatorily effective for annual periods beginning on or after 1st January, 2018, with early application permitted. The directors of Vancouver ULC are currently evaluating the impact of the new standard on future consolidated financial statements.

Other than the above, the directors of Vancouver ULC anticipate that the application of the other new and revised HKFRSs will have no material impact on future consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Vancouver ULC Group takes into account of the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

The principal accounting policies adopted are set out below.

Basis of consolidation

The Financial Information incorporates the financial statements of Vancouver ULC and entities controlled by Vancouver ULC and its subsidiaries. Control is achieved when Vancouver ULC:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Vancouver ULC reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when Vancouver ULC obtains control over the subsidiary and ceases when Vancouver ULC loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date Vancouver ULC gains control until the date when Vancouver ULC ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of Vancouver ULC and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of Vancouver ULC and to the non-controlling interests even if the results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Vancouver ULC Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Vancouver ULC Group are eliminated in full on consolidation.

Changes in the Vancouver ULC Group's ownership interests in existing subsidiaries

Changes in the Vancouver ULC Group's ownership interests in existing subsidiaries that do not result in the Vancouver ULC Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Vancouver ULC Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of Vancouver ULC.

Property and equipment

Property and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight line method. The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Inventories

Inventories are valued at the lower of cost, as determined on a first-in, first-out basis, and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statements of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Vancouver ULC Group's recognised financial assets are subsequently measured in their entirety at amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at amortised cost

Debt instruments and hybrid contracts that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade debtors, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Vancouver ULC Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period, observable changes in national or local economic condition that correlate with default on receivables.

The amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial assets is reduced by the impairment loss directly with the exception of accounts receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When an accounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Vancouver ULC Group after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities, including accounts and other payables, term loan payable, promissory note payable and mezzanine loan payable, are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Vancouver ULC Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Vancouver ULC Group derecognises financial liabilities when, and only when, the Vancouver ULC Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment losses on tangible assets

At the end of the reporting period, the Vancouver ULC Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Vancouver ULC Group estimates the recoverable amount of the cash-generating unit ("**CGU**") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a CGU) in prior years. A reversal of an impairment loss is recognised as income immediately.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from hotels accommodation, food and banquet operations are recognised when services are rendered.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Vancouver ULC Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from "profit before taxation" as reported in the consolidated statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Vancouver ULC Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Vancouver ULC Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Vancouver ULC Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Deferred income

The deferred income is amortised on a straight line basis over the terms of hotel operating service agreement in profit or loss.

4. CAPITAL RISK MANAGEMENT

The Vancouver ULC Group manages its capital to ensure that entities in the Vancouver ULC Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Vancouver ULC Group's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of the Vancouver ULC Group consists of debts and equity attributable to owner of Vancouver ULC, comprising share capital and accumulated losses.

The directors of Vancouver ULC review the capital structure on a regular basis. As part of this review, the directors of Vancouver ULC consider the cost and the risks associated with each class of capital. Based on recommendations of the directors of Vancouver ULC, the Vancouver ULC Group will balance its overall capital structure through the capital distributions, new capital contribution calls to the shareholder, new debt issues or by undertaking other activities as deemed appropriate under specific circumstances.

5. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at 31st December, 2013	As at 31st December, 2014	As at 31st December, 2015	As at 30th June, 2016
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*
Financial assets				
Amortised cost (including cash and cash equivalents)	7,619	8,606	8,645	14,280
Financial liabilities				
Amortised cost	128,659	129,923	6,618	7,891

Financial risk management objectives and policies

The Vancouver ULC Group's major financial instruments include cash and cash equivalents, restricted cash, trade debtors, amount due from immediate holding company, term loan payable, promissory note payable, mezzanine loan payable and accounts and other payables. Details of these financial instruments are disclosed in the respective notes. The risks associated with certain of these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

The Vancouver ULC Group is exposed to fair value interest rate risk in relation to its fixed rate long-term debts. It is the Vancouver ULC Group's policy to keep its debt at fixed rate of interests so as to minimise the cash flow interest rate risk.

No sensitivity analysis is presented as the directors of Vancouver ULC determined that the cash flow interest rate risk is insignificant.

Foreign currency risk

The Vancouver ULC Group has no significant foreign currency risk as the activities of the group entities are denominated in CAD which is also the functional currency of the relevant group entities.

Credit risk

The Vancouver ULC Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of these assets as stated in the consolidated statements of financial position of the Vancouver ULC Group.

In order to minimise the credit risk, the management of the Vancouver ULC Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Vancouver ULC Group reviews the recoverable amount of each individual trade debts at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of Vancouver ULC consider that the Vancouver ULC Group's credit risk is significantly reduced.

The credit risk on amount due from immediate holding company is limited because the immediate holding company has a strong net asset position.

Bank balances are normally placed in financial institutions that have sound credit rating and the directors of Vancouver ULC consider the credit risk to be insignificant.

Liquidity risk

The Vancouver ULC Group's objective is to maintain a balance between continuity of funding from its group companies and flexibility through the funds generated from its operations.

The following table details the Vancouver ULC Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms or the earliest date on which the Vancouver ULC Group can be required to pay. The table has been drawn up based on the undiscounted cash flows of financial liabilities.

Liquidity tables

	Weighted average effective interest rate	On demand or less than 1 month	1–3 months	3 months to 1 year	1–5 years	More than 5 years	Total undiscounted cash flows	Total carrying amount
	%	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
As at 31st December, 2013								
Trade and other payables	—	5,193	—	—	—	—	5,193	5,193
Term loan payable	4.77	—	830	2,489	79,516	—	82,835	69,562
Mezzanine loan payable	7.34	—	255	765	16,967	—	17,987	13,904
Promissory note payable	8.00	—	800	2,400	12,800	46,400	62,400	40,000
		5,193	1,885	5,654	109,283	46,400	168,415	128,659

	Weighted average effective interest rate	On demand or less than 1 month	1–3 months	3 months to 1 year	1–5 years	More than 5 years	Total undiscounted cash flows	Total carrying amount
	%	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
As at 31st December, 2014								
Trade and other payables	—	7,484	—	—	—	—	7,484	7,484
Term loan payable	4.77	—	817	2,451	75,051	—	78,319	68,515
Mezzanine loan payable	7.34	—	256	767	15,968	—	16,991	13,924
Promissory note payable	8.00	—	800	2,400	12,800	43,200	59,200	40,000
		7,484	1,873	5,618	103,819	43,200	161,994	129,923

	Weighted average effective interest rate	On demand or less than 1 month	1–3 months	3 months to 1 year	1–5 years	More than 5 years	Total undiscounted cash flows	Total carrying amount
	%	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
As at 31st December, 2015								
Trade and other payables	—	6,618	—	—	—	—	6,618	6,618

	Weighted average effective interest rate	On demand or less than 1 month	1–3 months	3 months to 1 year	1–5 years	More than 5 years	Total undiscounted cash flows	Total carrying amount
	%	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
As at 30th June, 2016								
Trade and other payables	—	7,891	—	—	—	—	7,891	7,891

Fair value measurements of financial instruments

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of Vancouver ULC consider that the carrying amounts of financial assets and financial liabilities recognised in the Financial Information approximate their fair values.

6. SEGMENT INFORMATION

Whilst the chief operating decision maker, Vancouver ULC's executive directors, regularly reviews revenue by departments, information about profit or loss by departments is not separately provided to the executive directors for their review. Financial information reported to the executive directors for the purposes of resource allocation and performance assessment is aggregated and focuses on the consolidated gross profit analysis of the business of hotel operation of the Vancouver ULC Group as a whole.

As a result, there is only one operating segment for the Vancouver ULC Group, which is hotel operations. Financial information regarding this segment can be made by reference to the consolidated statements of profit or loss and other comprehensive income.

The Vancouver ULC Group's revenue is arising from the business of hotel operations.

	From 8th May, 2013 (date of incorporation) to 31st December, 2013	For the year ended 31st December, 2014	For the year ended 31st December, 2015	For the six months ended 30th June, 2015	For the six months ended 30th June, 2016
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000* (Unaudited)	*CAD'000*
Rooms	5,987	25,961	29,964	12,836	14,533
Food and beverage	5,541	18,837	18,928	9,287	11,268
Other operating department revenue	646	2,410	2,697	1,188	1,185
	12,174	47,208	51,589	23,311	26,986

All the revenue and non-current assets of the Vancouver ULC Group are situated in Canada during the Relevant Periods.

Information about major customers

There is no revenue from any single external customer that contributed over 10% on the total sales of the Vancouver ULC Group during the period from 8th May, 2013 (the date of incorporation of Vancouver ULC) to 31st December, 2013, each of the two years ended 31st December, 2014 and 2015 and each of the six months ended 30th June, 2015 and 2016.

7. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the directors and the chief executive were as follows:

(a) Directors' emoluments

	Fees *CAD'000*	Salaries and other benefits *CAD'000*	Retirement benefit scheme contributions *CAD'000*	Discretionary bonus *CAD'000*	Total *CAD'000*
From 8th May, 2013 (date of incorporation) to 31st December, 2013					
Robert Geimer	—	—	—	—	—
Candace R. Corra	—	—	—	—	—
C. Anthony Shippam	—	—	—	—	—
For the year ended 31st December, 2014					
Robert Geimer	—	—	—	—	—
Candace R. Corra	—	—	—	—	—
C. Anthony Shippam	—	—	—	—	—
For the year ended 31st December, 2015					
Robert Geimer (resigned on 3rd November, 2015)	—	—	—	—	—
Candace R. Corra (resigned on 3rd November, 2015)	—	—	—	—	—
C. Anthony Shippam (resigned on 3rd November, 2015)	—	—	—	—	—
Dennis Au-Yeung (appointed on 3rd November, 2015)	—	—	—	—	—
For the six months ended 30th June, 2015 (unaudited)					
Robert Geimer	—	—	—	—	—
Candace R. Corra	—	—	—	—	—
C. Anthony Shippam	—	—	—	—	—
For the six months ended 30th June, 2016					
Dennis Au-Yeung	—	—	—	—	—

Mr. Robert Geimer/Mr. Dennis Au-Yeung is also the chief executive of Vancouver ULC and his emoluments disclosed above include those for the services rendered by him as the chief executive.

(b) Employees' emoluments

During the Relevant Periods, no emoluments were paid by the Vancouver ULC Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Vancouver ULC Group or as compensation for loss of office. In addition, neither the chief executive nor any of the directors has waived any emoluments during the Relevant Periods.

8. FINANCE COSTS

	From 8th May, 2013 (date of incorporation) to 31st December, 2013	For the year ended 31st December, 2014	For the year ended 31st December, 2015	For the six months ended 30th June, 2015	For the six months ended 30th June, 2016
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000* (Unaudited)	*CAD'000*
Interest on term loan payable	912	3,084	3,284	1,661	—
Interest on mezzanine loan payable	194	928	998	476	—
Interest on promissory note payable	894	3,265	2,763	1,711	—
	2,000	7,277	7,045	3,848	—

9. (LOSS) PROFIT FOR THE PERIOD/YEAR

	From 8th May, 2013 (date of incorporation) to 31st December, 2013	For the year ended 31st December, 2014	For the year ended 31st December, 2015	For the six months ended 30th June, 2015	For the six months ended 30th June, 2016
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000* (Unaudited)	*CAD'000*
(Loss) profit for the period/year has been arrived at after charging:					
Staff costs, including directors' emoluments:					
Salaries and other benefits	—	—	—	—	—
Retirement benefit scheme contributions	—	—	—	—	—
	—	—	—	—	—
Depreciation of plant and equipment	2,113	7,570	7,736	3,836	3,955
Auditor's remuneration	—	—	—	—	—

10. TAXATION

No provision for Canadian Corporate Tax is required since the Vancouver ULC Group has no assessable profits for the period from 8th May, 2013 (the date of its incorporation) to 31st December, 2013, each of the two years ended 31st December, 2014 and 2015 and for the six months ended 30th June, 2015 and its assessable profit has offset by its tax losses previously not recognised for the six months ended 30th June, 2016.

The taxation for the Relevant Periods can be reconciled to the (loss) profit for the period/year per the consolidated statements of profit or loss and other comprehensive income as follows:

	From 8th May, 2013 (date of incorporation) to 31st December, 2013	For the year ended 31st December, 2014	For the year ended 31st December, 2015	For the six months ended 30th June, 2015	For the six months ended 30th June, 2016
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000* (Unaudited)	*CAD'000*
(Loss) profit for the period/year	(2,596)	(7,838)	(24,197)	(3,444)	1,379
Tax at applicable income tax rate of 26%	(675)	(2,038)	(6,291)	(895)	359
Tax effect of tax losses not recognised	675	2,038	6,291	895	—
Utilisation of tax losses previously not recognised	—	—	—	—	(359)
Taxation for the period/year	—	—	—	—	—

The Vancouver ULC Group has unutilised tax losses of approximately CAD2,596,000, CAD10,434,000, CAD34,631,000, CAD13,878,000 (unaudited) and CAD33,252,000 as at 31st December, 2013, 31st December, 2014, 31st December, 2015, 30th June, 2015 and 30th June, 2016 respectively. No deferred tax asset has been recognised in respect of such unutilised tax losses due to the unpredictability of future profit streams.

There was no other significant unrecognised deferred taxation for the Relevant Periods or at the end of the reporting periods.

11. DIVIDENDS

Dividends amounted to approximately CAD1,215,000, nil, CAD2,365,000, CAD312,000 (unaudited) and nil have been declared and paid by Vancouver ULC for the period from 8th May, 2013 (the date of its incorporation) to 31st December, 2013, each of the two years ended 31st December, 2014 and 2015 and each of the six months ended 30th June, 2015 and 2016 respectively.

12. (LOSS) EARNINGS PER SHARE

(Loss) earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful.

13. PROPERTY AND EQUIPMENT

	Hotel properties *CAD'000*	Building finishes *CAD'000*	Electrical and mechanical works *CAD'000*	Furniture, fixtures and equipment *CAD'000*	Total *CAD'000*
COST					
As at 8th May, 2013 (date of incorporation)	—	—	—	—	—
Additions	99,894	23,417	17,551	10,204	151,066
As at 31st December, 2013	99,894	23,417	17,551	10,204	151,066
Additions	43	1,248	111	582	1,984
As at 31st December, 2014	99,937	24,665	17,662	10,786	153,050
Additions	—	1,835	8	750	2,593
As at 31st December, 2015	99,937	26,500	17,670	11,536	155,643
Additions	—	63	—	125	188
As at 30th June, 2016	99,937	26,563	17,670	11,661	155,831
ACCUMULATED DEPRECIATION					
As at 8th May, 2013	—	—	—	—	—
Provided for the period	562	694	260	597	2,113
As at 31st December, 2013	562	694	260	597	2,113
Provided for the year	1,983	2,499	919	2,169	7,570
As at 31st December, 2014	2,545	3,193	1,179	2,766	9,683
Provided for the year	1,898	3,655	589	1,594	7,736
As at 31st December, 2015	4,443	6,848	1,768	4,360	17,419
Provided for the period	947	1,888	294	826	3,955
As at 30th June, 2016	5,390	8,736	2,062	5,186	21,374
CARRYING VALUE					
At 30th June, 2016	94,547	17,827	15,608	6,475	134,457
As at 31st December, 2015	95,494	19,652	15,902	7,176	138,224
As at 31st December, 2014	97,392	21,472	16,483	8,020	143,367
As at 31st December, 2013	99,332	22,723	17,291	9,607	148,953

Depreciation of property and equipment is provided on the straight line method over the assets' estimated useful lives as follows:

Hotel properties (excluding the freehold land on which the hotel properties are situated)	40 years
Building finishes	5–15 years
Electrical and mechanical works	30 years
Furniture, fixtures and equipment	7 years

The hotel properties are situated on the freehold land in Canada during the Relevant Periods.

As at 31st December, 2013 and 2014, the hotel properties of the Vancouver ULC Group have been pledged to secure the term loan payable and mezzanine loan payable of the Vancouver ULC Group.

At 31st December, 2015 and 30th June, 2016, the hotel properties of the Vancouver ULC Group have been pledged to secure the bank borrowing of its immediate holding company, CBHL.

14. INVENTORIES

Inventories consist of food, beverages and supplies.

15. TRADE AND OTHER RECEIVABLES

	As at 31st December, 2013	**As at 31st December, 2014**	**As at 31st December, 2015**	**As at 30th June, 2016**
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*
Trade debtors	1,754	1,043	2,240	2,551
Other debtors, deposits and prepayments	296	411	1,040	1,803
	2,050	1,454	3,280	4,354

The Vancouver ULC Group allows an average credit period of 0 to 60 days to its trade debtors.

The following is an aged analysis of trade debtors presented based on the invoice date at the end of the Relevant Periods:

	As at 31st December, 2013	**As at 31st December, 2014**	**As at 31st December, 2015**	**As at 30th June, 2016**
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*
Trade debtors				
0–30 days	934	974	1,717	2,106
31–60 days	820	69	523	445
61–90 days	—	—	—	—
91–180 days	—	—	—	—
	1,754	1,043	2,240	2,551

Before accepting any new debtor, the Vancouver ULC Group will assess the potential debtor's credit quality and defines credit limits by debtor. The directors of Vancouver ULC will continuously assess the recoverability of the receivables.

The trade debtors balance as at 31st December, 2013, 2014 and 2015 and 30th June, 2016 was neither past due nor impaired. In the opinion of the directors of Vancouver ULC, all trade receivables that are neither past due nor impaired have good credit quality at the end of the reporting period with reference to past settlement history.

16. AMOUNT DUE FROM IMMEDIATE HOLDING COMPANY

The amount is unsecured, non-interest bearing and repayable on demand.

17. CASH AND CASH EQUIVALENTS/RESTRICTED CASH

Bank balances carried interest at prevailing market rates over the Relevant Periods.

Restricted cash represents the cash accounts that are restricted as to withdrawal or use for specifically-defined purposes including the lender cash management accounts and reserves to fund capital expenditures.

18. ACCOUNTS AND OTHER PAYABLES

Included in accounts and other payable are trade creditors of CAD970,000, CAD2,724,000, CAD788,000 and CAD1,006,000 as at 31st December, 2013, 31st December, 2014, 31st December, 2015 and 30th June, 2016 respectively, and their aged analysis presented based on the invoice date at the end of the reporting period is as follows:

	As at 31st December, 2013	**As at 31st December, 2014**	**As at 31st December, 2015**	**As at 30th June, 2016**
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*
Trade creditors				
0–30 days	970	2,723	784	1,002
31–60 days	—	—	2	1
61–90 days	—	—	2	3
Over 90 days	—	1	—	—
	970	2,724	788	1,006

The average credit period on purchases of goods is 60 days. The Vancouver ULC Group has financial risk management policies in place to ensure that all payables are within the credit timeframe.

19. TERM LOAN PAYABLE

The term loan payable, which is secured by the hotel properties, bears interest at a rate of 4.69% per annum and an effective rate of 4.77% per annum and matures on 1st October, 2018.

	As at 31st December, 2013 *CAD'000*	As at 31st December, 2014 *CAD'000*	As at 31st December, 2015 *CAD'000*	As at 30th June, 2016 *CAD'000*
Secured	69,562	68,515	—	—
The carrying amounts of the above term loan payable are repayable:				
Within one year	1,109	1,162	—	—
Within a period of more than one year but not exceeding two years	1,234	1,189	—	—
Within a period of more than two years but not exceeding five years	67,219	66,164	—	—
	69,562	68,515	—	—
Less: Amounts due within one year shown under current liabilities	(1,109)	(1,162)	—	—
Amounts shown under non-current liabilities	68,453	67,353	—	—

The term loan payable was early settled during the year ended 31st December, 2015 and a penalty on early termination of term loan payable amounting to approximately CAD7,703,000 was recognised in profit or loss during the year ended 31st December, 2015.

20. MEZZANINE LOAN PAYABLE

The mezzanine loan payable, which is secured by the hotel properties, bears interest at the rate of 7% per annum and an effective rate of 7.34% per annum. Interest is paid monthly and the loan will mature on 1st October, 2018. The mezzanine loan payable was early settled during the year ended 31st December, 2015 and a penalty on early termination of mezzanine loan payable amounting to approximately CAD2,519,000 was recognised in profit or loss during the year ended 31st December, 2015.

21. PROMISSORY NOTE PAYABLE

The promissory note payable, which is payable to SCG Aquarius BV, a Dutch private company with limited liability, bears interest at the rate of 8% per annum and is secured by the hotel properties, requires monthly interest payments and will mature on 20th September, 2023. The principal amount of the promissory note is CAD40,000,000. The promissory note payable was early settled during the year ended 31st December, 2015 and a penalty on early termination of promissory note payable amounting to approximately CAD10,458,000 was recognised in profit or loss during the year ended 31st December, 2015.

22. DEFERRED INCOME/MANAGEMENT AGREEMENTS

Vancouver ULC, as part of the purchase of the hotel properties assumed an operating service agreement (the "**Agreement**") with Westin Hotel Management, L.P. ("**Westin**") for hotel management, marketing and customer reservation services. The Agreement with Westin which expires on 31st December, 2043, requires that management fees be paid to Westin based primarily on a percentage of the hotel's gross operating revenue or gross operating profits as specifically defined in the Agreement.

Total fees incurred related to the Agreement amounted to approximately CAD502,000, CAD2,104,000, CAD1,834,000 and CAD664,000 for the period from 8th May, 2013 (the date of incorporation of Vancouver ULC) to 31st December, 2013, each of the two years ended 31st December, 2014 and 2015 and the six months ended 30th June, 2016 respectively and are included in administrative expenses.

In conjunction with the Agreement, an amount of CAD1,000,000 was paid to the previous owners of the hotel in the form of "key money" by Westin for the rights to operate the hotel. The key money is being amortised on a straight line basis over 30 years and any unamortised balance is refundable to Westin upon early termination of the Agreement. There is an unamortised balance of approximately CAD992,000, CAD958,000, CAD925,000 and CAD908,000, as at 31st December, 2013, 31st December, 2014, 31st December, 2015 and 30th June, 2016 respectively. An amount of CAD8,000, CAD34,000, CAD33,000 and CAD17,000 for the period from 8th May, 2013 (the date of incorporation of Vancouver ULC) to 31st December, 2013, the two years ended 31st December, 2014 and 2015 and the six months ended 30th June, 2016 respectively was amortised and has been included as a reduction of management fee expense included in administrative expenses.

23. SHARE CAPITAL

	NOTES	**Number of shares**	**Amount** *CAD*
Shares with no par value			
Issued and fully paid:			
As at 8th May, 2013 (date of incorporation)		100	1
Issue of shares	*(a)*	31,165,000	31,165,000
As at 31st December, 2013		31,165,100	31,165,001
Issue of shares	*(b)*	2,121,684	2,121,684
As at 31st December, 2014		33,286,784	33,286,685
Issue of shares	*(c)*	69,822,465	69,822,465
As at 31st December, 2015 and 30th June, 2016		103,109,249	103,109,150

	Amount *CAD'000*
Shown in the Financial Information of Vancouver ULC:	
As at 31st December, 2013	31,165
As at 31st December, 2014	33,287
As at 31st December, 2015 and 30th June, 2016	103,109

Vancouver ULC was incorporated on 8th May, 2013 with unlimited number of authorised shares with no par value. On the date of incorporation, 100 shares of CAD1 were issued at CAD0.01 each to the subscriber to provide the initial capital of Vancouver ULC.

Notes:

(a) During the period from 8th May, 2013 (the date of its incorporation) to 31st December, 2013, Vancouver ULC issued 31,165,000 shares of CAD1 each.

(b) During the year ended 31st December, 2014, Vancouver ULC issued 2,121,684 shares of CAD1 each.

(c) During the year ended 31st December, 2015, Vancouver ULC issued 69,822,464.65 shares of CAD1 each.

24. RELATED PARTY DISCLOSURE

The directors are considered to be key management personnel of Vancouver ULC. There was no compensation paid to the directors in the Relevant Periods.

25. DETAILS OF NON WHOLLY-OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

Summarised financial information in respect of Vancouver ULC's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Vancouver LP	**As at 31st December, 2015** *CAD'000*	**As at 30th June, 2016** *CAD'000*
Current assets	9,830	16,232
Non-current assets	138,224	134,457
Current liabilities	6,618	7,891
Non-current liabilities	925	908
Equity attributable to owners of Vancouver ULC	75,300	76,039
Non-controlling interests	65,211	65,851

	For the year ended 31st December, 2015	For the six months ended 30th June, 2016
	CAD'000	*CAD'000*
Revenue	51,589	26,986
Expenses	(75,786)	(25,607)
(Loss) profit and other comprehensive expense (income) for the year/period	(24,197)	1,379
(Loss) profit and other comprehensive expense (income) attributable to owners of Vancouver ULC	(23,515)	739
(Loss) profit and other comprehensive expense (income) attributable to the non-controlling interests	(682)	640
(Loss) profit and other comprehensive (expense) income for the year/period	(24,197)	1,379
Net cash inflow from operating activities	8,529	5,514
Net cash outflow from investing activities	(4,437)	(2,313)
Net cash outflow from financing activities	(7,094)	—
Net cash (outflow) inflow	(3,002)	3,201

(B) DIRECTORS' REMUNERATION

No remuneration has been paid or is payable to the directors of Vancouver ULC by the Vancouver ULC Group during the Relevant Periods.

Under the arrangement currently in force, the aggregate amount of remunerations payable to the directors of Vancouver ULC for the year ending 31st December, 2016 is estimated to be nil.

(C) SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of Vancouver ULC or any of the companies comprising the Vancouver ULC Group have been prepared in respect of any period subsequent to 30th June, 2016.

(D) SUBSEQUENT EVENT

The Vancouver ULC Group has no significant event subsequent to 30th June, 2016.

Yours faithfully,

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

2. MANAGEMENT DISCUSSION AND ANALYSIS OF THE VANCOUVER ULC GROUP

Set out below is the management discussion and analysis of the Vancouver ULC Group for the period from 8th May, 2013 (the date of incorporation of Vancouver ULC) to 31st December, 2013 ("**Period 1**"), each of the years ended 31st December, 2014 ("**Period 2**") and 2015 ("**Period 3**") respectively and the six months ended 30th June, 2016 ("**Period 4**") (collectively, the "**Relevant Periods**"):

Business review

The principal asset of the Vancouver ULC Group is the Hotel, namely "The Westin Bayshore Vancouver", comprising 511 guest rooms, 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. The Hotel was acquired by Vancouver LP and its subsidiary on 20th September, 2013 (the "**Acquisition Date**"). At that time, Vancouver ULC as a limited partner owned 99.99% interest in Vancouver LP and Vancouver GP as a general partner owned 0.01% therein. On 3rd November, 2015, Vancouver ULC's interest in Vancouver LP was diluted to 53.60% as a result of subscription of new units in Vancouver LP by 0931922 B.C. Ltd. (the "**0931922 Subscription**").

Financial results

The revenue for each of Period 1, Period 2, Period 3 and Period 4 was approximately CAD12.2 million, CAD47.2 million, CAD51.6 million and CAD27.0 million respectively. The revenue for Period 1 represented the revenue from the hotel operation for about three (3) months since the Acquisition Date. After acquiring the Hotel, the Vancouver ULC Group spent effort to improve revenue by pushing up the average room rates which was reflected in the growth of revenue recorded in Period 3 as compared with Period 2. The revenue for Period 4 also showed an increase of CAD3.7 million (15.9%) as compared to the amount of the corresponding period in Period 3.

The Hotel generated profits before owner's expenses (including depreciation and interest expenses) for each of Period 1, Period 2, Period 3 and Period 4 of approximately CAD1.5 million, CAD7.0 million, CAD11.2 million and CAD5.3 million respectively. The depreciation charge for each of Period 1, Period 2, Period 3 and Period 4 was approximately CAD2.1 million, CAD7.6 million, CAD7.7 million and CAD4.0 million respectively while the finance cost for each of Period 1, Period 2, Period 3 and Period 4 were approximately CAD2.0 million, CAD7.3 million, CAD7.0 million and nil respectively. In addition, penalty on early repayment of loans of approximately CAD20.7 million was incurred in Period 3 incidental to the Previous Hotel Acquisition. Therefore, the net loss after amounts attributable to non-controlling interest for each of Period 1, Period 2 and Period 3 was approximately CAD2.6 million, CAD7.8 million and CAD23.5 million respectively, and the net profit after amounts attributable to non-controlling interest for Period 4 was approximately CAD0.7 million.

Liquidity and capital resources

Financial position

As at 31st December, 2013, 2014 and 2015, and 30th June, 2016, the Vancouver ULC Group had property, plant and equipment, mainly comprising the Hotel, of approximately CAD149.0 million, CAD143.4 million, CAD138.2 million and CAD134.5 million respectively. The Hotel was stated at cost less depreciation instead of its valuation.

Before the Previous Hotel Acquisition, the Vancouver ULC Group financed the acquisition of the Hotel by various loans comprising a term loan of initial principal of CAD70.0 million due in 2018, a mezzanine loan of initial principal of CAD14.0 million due in 2018 and a promissory note payable to the then immediate holding company of initial principal of CAD40.0 million due in 2023. The aggregate amounts of these loans outstanding as at 31st December, 2013 and 31st December, 2014 were approximately CAD123.5 million and CAD122.4 million respectively. All these loans were interest bearing at fixed rates of which approximately CAD1.1 million and CAD1.2 million were repayable in Period 2 and Period 3 respectively. Upon completion of the Previous Hotel Acquisition, all such loans were early repaid which was financed by the additional capital contribution from its new shareholders and the 0931922 Subscription.

Gearing ratio

As at 31st December, 2013, 2014 and 2015, and 30th June, 2016, the gearing ratio of the Vancouver ULC Group, calculated as a percentage of its total liabilities to total assets, was approximately 82.6%, 85.8%, 5.1% and 5.8% respectively.

Securities and guarantee

Apart from the mortgage of the Hotel and the related assets therein of carrying values of approximately CAD149.0 million, CAD143.4 million, CAD138.2 million and CAD134.5 million respectively as securities for the term loan, mezzanine loan and promissory note payable (before completion of the Previous Hotel Acquisition) granted to it and the bank borrowing granted to its immediate holding company (after completion of the Previous Hotel Acquisition) as at 31st December, 2013, 2014 and 2015, and 30th June, 2016 respectively, the Vancouver ULC Group had not made any pledge of or created any security over its assets and had not provided any corporate guarantee as at 31st December, 2013, 2014 and 2015, and 30th June, 2016.

Contingent liabilities

As at 31st December, 2013, 2014 and 2015, and 30th June, 2016, the Vancouver ULC Group did not have any significant contingent liability.

Exchange rate risk

The majority of the assets and liabilities of the Vancouver ULC Group, including the Hotel and the borrowings, were denominated in CAD. During the Relevant Periods, the Vancouver ULC Group had not entered into any hedging arrangements.

Credit risk

As at 31st December, 2013, 2014 and 2015, and 30th June, 2016, the Vancouver ULC Group did not have any significant concentration of credit risk.

Material acquisition and disposal

Except for the acquisition of the Hotel on 20th September, 2013 and the 0931922 Subscription on 3rd November, 2015, there was no material acquisition and/or disposal by the Vancouver ULC Group during the Relevant Periods.

Future plan for capital assets or material investments

As at 30th June, 2016, the Vancouver ULC Group had no future plan for capital assets or material investments.

Staff and remuneration policy

The Vancouver ULC Group had no employee during the Relevant Periods.

1. ACCOUNTANTS' REPORT

The following is the text of a report on Vancouver GP, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.

Deloitte. 德勤

35/F, One Pacific Place
88 Queensway
Hong Kong

23rd November, 2016

The Board of Directors
ITC Properties Group Limited

Dear Sirs,

We set out below our report on the financial information relating to SCG Aquarius Vancouver Hotel, Inc. ("**Vancouver GP**") for the period from 8th May, 2013 (the date of its incorporation) to 31st December, 2013, each of the two years ended 31st December, 2014 and 2015 and the six months ended 30th June, 2016 (the "**Relevant Periods**") (the "**Financial Information**") for inclusion in the circular of ITC Properties Group Limited ("**ITCP**") dated 23rd November, 2016 in relation to the acquisition of 50% effective interest in Bayshore Ventures JV Ltd. which holds a hotel in Canada and the provision of a loan facility to Caufield Investments Limited (the "**Circular**").

Vancouver GP was incorporated with limited liability under the laws of the Province of British Columbia in Canada on 8th May, 2013. As at the date of this report, the issued share capital of Vancouver GP is Canadian dollar ("**CAD**") 1. Vancouver GP is an investment holding company.

Vancouver GP has adopted 31st December as its financial year end date.

No statutory financial statements have been prepared for Vancouver GP, since its date of incorporation as there is no statutory requirement for the audited financial statements in Canada.

For the purpose of this report, the directors of Vancouver GP have prepared the financial statements of Vancouver GP for the Relevant Periods in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (the "**Underlying Financial Statements**"). Deloitte LLP have performed an independent audit on the Underlying Financial Statements in accordance with Canadian generally accepted auditing standards issued by the Canadian Auditing and Assurance Standards Board.

We have examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

The Financial Information under Hong Kong Financial Reporting Standards ("**HKFRSs**") for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements. No adjustments are deemed necessary to the Underlying Financial Statements in preparing our report for inclusion in the Circular.

The preparation of the Underlying Financial Statements is the responsibility of the directors of Vancouver GP who approved their issue. The directors of ITCP are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the financial position of Vancouver GP as at 31st December, 2013, 2014 and 2015 and 30th June, 2016 and of the financial performance and cash flows for the Relevant Periods.

The comparative statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of Vancouver GP for the six months ended 30th June, 2015 together with the notes thereon have been extracted from Vancouver GP's unaudited financial information for the same period (the "**June 2015 Financial Information**") which was prepared by the directors of Vancouver GP solely for the purpose of this report. We conducted our review of the June 2015 Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. Our review of the June 2015 Financial Information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the June 2015 Financial Information. Based on our review, nothing has come to our attention that causes us to believe that the June 2015 Financial Information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the Financial Information which conform with HKFRSs.

(A) FINANCIAL INFORMATION OF VANCOUVER GP

Statements of Profit or Loss and Other Comprehensive Income

	NOTE	From 8th May, 2013 (date of incorporation) to 31st December, 2013	For the year ended 31st December, 2014	For the year ended 31st December, 2015	For the six months ended 30th June, 2015	For the six months ended 30th June, 2016
		CAD	*CAD*	*CAD*	*CAD* (Unaudited)	*CAD*
Share of loss of SWA Vancouver L.P. ("**Vancouver LP**")		(1)	—	—	—	—
Dividend income		212	322	32	32	—
Administrative expenses		(60)	(60)	(44)	(22)	—
Profit (loss) and total comprehensive income (expense) for the period/year	*8*	151	262	(12)	10	—

Statements of Financial Position

	NOTES	As at 31st December, 2013 *CAD*	As at 31st December, 2014 *CAD*	As at 31st December, 2015 *CAD*	As at 30th June, 2016 *CAD*
Non-current asset					
Investment in Vancouver LP	*12*	—	—	—	—
Current asset					
Cash and cash equivalents	*14*	212	474	—	—
Current liability					
Amount due to an affiliate	*13*	60	60	—	—
Net current assets		152	414	—	—
Net assets		152	414	—	—
Capital and reserve					
Share capital	*15*	1	1	1	1
Retained profits (losses)		151	413	(1)	(1)
Total equity		152	414	—	—

Statements of Changes in Equity

	Share capital	Retained profits (losses)	Total
	CAD	*CAD*	*CAD*
Issue of share capital	1	—	1
Profit and total comprehensive income for the period	—	151	151
As at 31st December, 2013	1	151	152
Profit and total comprehensive income for the year	—	262	262
As at 31st December, 2014	1	413	414
Loss and total comprehensive expense for the year	—	(12)	(12)
Dividends recognised as distributions *(note 10)*	—	(402)	(402)
As at 31st December, 2015	1	(1)	—
Profit and total comprehensive income for the period	—	—	—
As at 30th June, 2016	1	(1)	—
As at 1st January, 2015	1	413	414
Profit and total comprehensive income for the period	—	10	10
As at 30th June, 2015 (unaudited)	1	423	424

Statements of Cash Flows

	From 8th May, 2013 (date of incorporation) to 31st December, 2013 *CAD*	For the year ended 31st December, 2014 *CAD*	For the year ended 31st December, 2015 *CAD*	For the six months ended 30th June, 2015 *CAD* (Unaudited)	For the six months ended 30th June, 2016 *CAD*
OPERATING ACTIVITIES					
Profit (loss) for the period/year	151	262	(12)	10	—
Adjustments for:					
Dividend income	(212)	(322)	(32)	(32)	—
Share of loss of Vancouver LP	1	—	—	—	—
NET CASH USED IN OPERATING ACTIVITIES	(60)	(60)	(44)	(22)	—
INVESTING ACTIVITIES					
Investment in Vancouver LP	(1)	—	—	—	—
Dividends received from Vancouver LP	212	322	32	32	—
NET CASH FROM INVESTING ACTIVITIES	211	322	32	32	—
FINANCING ACTIVITIES					
Issue of shares	1	—	—	—	—
Advance from (repayment to) an affiliate	60	—	(60)	—	—
Dividends paid	—	—	(402)	—	—
NET CASH FROM (USED IN) FINANCING ACTIVITIES	61	—	(462)	—	—
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	212	262	(474)	10	—
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD/YEAR	—	212	474	474	—
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/ YEAR	212	474	—	484	—
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS					
Cash and cash equivalents	212	474	—	484	—

Notes to the Financial Information

1. GENERAL

Vancouver GP was incorporated as a limited liability corporation under the laws of the Province of British Columbia in Canada on 8th May, 2013. Its immediate holding company is Concord Bayshore Holdings Ltd. which was incorporated in Canada. Its ultimate holding company is Caufield Investments Limited which was incorporated in the British Virgin Islands and its ultimate controlling shareholder is Mr. Hui Kau Mo. The address of its registered office and principal place of business is 1601 Bayshore Drive, Vancouver, British Columbia, Canada.

The Financial Information is presented in CAD, which is also the functional currency of Vancouver GP.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, Vancouver GP has consistently adopted all HKFRSs which are effective for the accounting periods beginning on or after 1st January, 2016.

Vancouver GP has not early applied the following new and revised HKFRSs issued by the HKICPA that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[3]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[1]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]

1 Effective for annual periods beginning on or after 1st January, 2018.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after 1st January, 2019.
4 Effective for annual periods beginning on or after 1st January, 2017.

HKFRS 9 "Financial Instruments"

In September 2014, the HKICPA issued the final version of HKFRS 9, which replaces HKAS 39 "Financial Instruments: Recognition and Measurement". This final version of HKFRS 9 represents the completion of this project and it includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. This new standard supersedes all prior versions of HKFRS 9 and is mandatorily effective for annual periods beginning on or after 1st January, 2018, with early application permitted. The directors of Vancouver GP are currently evaluating the impact of the new standard on future financial statements.

Other than the above, the directors of Vancouver GP anticipate that the application of the new and revised HKFRSs will have no material impact on future financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, Vancouver GP takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

The principal accounting policies adopted are set out below.

Investment in an associate

An associate is an entity over which Vancouver GP has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in the Financial Information using the equity method of accounting. The financial statements of an associate used for equity accounting purposes are prepared using uniform accounting policies as those of Vancouver GP for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise Vancouver GP's share of profit or loss and other comprehensive income of the associate. When Vancouver GP's share of losses of an associate exceeds Vancouver GP's interest in that associate (which includes any long-term interests that, in substance, form part of Vancouver GP's net investment in an associate), Vancouver GP discontinues recognising its share of further losses. Additional losses are recognised only to the extent that Vancouver GP has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over Vancouver GP's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of Vancouver GP's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 "Financial Instruments: Recognition and Measurement" are applied to determine whether it is necessary to recognise any impairment loss with respect to Vancouver GP's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Vancouver GP discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment (or a portion thereof) is classified as held for sale. When Vancouver GP retains an interest in the former associate and the retained interest is a financial asset, Vancouver GP measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in an associate is included in the determination of the gain or loss on disposal of an associate. In addition, Vancouver GP accounts for all amounts previously recognised in other comprehensive income in relation to an associate on the same basis as would be required if an associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by an associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, Vancouver GP reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

Vancouver GP continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When Vancouver GP reduces its ownership interest in an associate but Vancouver GP continues to use the equity method, Vancouver GP reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Financial instruments

Financial assets and financial liabilities are recognised in the statements of financial position when Vancouver GP becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Vancouver GP's recognised financial assets are subsequently measured in their entirety at amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Financial assets at amortised cost

Debt instruments and hybrid contracts that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter into bankruptcy or financial re-organisation.

The amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial assets is reduced by the impairment loss directly with the exception of accounts receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When an accounts receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses were recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by Vancouver GP are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of Vancouver GP after deducting all of its liabilities. Equity instruments issued by Vancouver GP are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities, including amount due to an affiliate, are subsequently measured at amortised cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

Vancouver GP derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Vancouver GP derecognises financial liabilities when, and only when, Vancouver GP's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from "profit before taxation" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Vancouver GP's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where Vancouver GP is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Vancouver GP expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss.

4. CAPITAL RISK MANAGEMENT

Vancouver GP manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. Vancouver GP's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of Vancouver GP consists of debt, which include amount due to an affiliate and equity attributable to owner of Vancouver GP, comprising share capital and accumulated profits.

The directors of Vancouver GP review the capital structure on a regular basis. As part of this review, the directors of Vancouver GP consider the cost and the risks associated with each class of capital. Based on recommendations of the directors of Vancouver GP, Vancouver GP will balance its overall capital structure through the capital distributions, new capital contribution calls to the shareholders, new debt issues or by undertaking other activities as deemed appropriate under specific circumstances.

5. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at 31st December, 2013 *CAD*	As at 31st December, 2014 *CAD*	As at 31st December, 2015 *CAD*	As at 30th June, 2016 *CAD*
Financial assets				
Amortised cost (including cash and cash equivalents)	212	474	—	—
Financial liabilities				
Amortised cost	60	60	—	—

Financial risk management objectives and policies

Vancouver GP's major financial instruments include cash and cash equivalents and amount due to an affiliate. Details of these financial instruments are disclosed in the respective notes. The risks associated with certain of these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

Vancouver GP is exposed to cash flow interest rate risk in relation to bank balances.

No sensitivity analysis is presented as the directors of Vancouver GP determined that the cash flow interest rate risk is insignificant.

Foreign currency risk

Vancouver GP has no significant foreign currency risk as the activities of Vancouver GP are denominated in CAD which is also its functional currency.

Credit risk

Vancouver GP's exposure to credit risk mainly arises from bank balances.

Bank balances are normally placed in financial institutions that have sound credit rating and the directors of Vancouver GP consider the credit risk to be insignificant.

Liquidity risk

Vancouver GP's financial liabilities (representing amount due to an affiliate) are repayable on demand. The undiscounted cash flows of the financial liabilities based on the earliest date on which Vancouver GP can be required to pay approximate their carrying amounts at the end of the reporting period.

Fair value measurements of financial instruments

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of Vancouver GP consider that the carrying amounts of financial assets and financial liabilities recognised in the Financial Information approximate their fair values.

6. SEGMENT INFORMATION

Financial information reported to the executive directors of Vancouver GP, being the chief operating decision maker of Vancouver GP, for the purposes of resource allocation and performance assessment is aggregated and focuses on the consolidated gross profit analysis of Vancouver GP as a whole.

As a result, there is only one operating segment for Vancouver GP, which is investment holding. Financial information regarding this segment can be made by reference to the statements of profit or loss and other comprehensive income.

7. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the directors and the chief executive were as follows:

(a) Directors' emoluments

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	CAD	*CAD*	*CAD*	*CAD*	*CAD*
From 8th May, 2013 (date of incorporation) to 31st December, 2013					
Robert Geimer	—	—	—	—	—
Joan L. Yori	—	—	—	—	—
Michael Collins Doyle	—	—	—	—	—

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	CAD	*CAD*	*CAD*	*CAD*	*CAD*
For the year ended 31st December, 2014					
Robert Geimer	—	—	—	—	—
Joan L. Yori	—	—	—	—	—
Michael Collins Doyle	—	—	—	—	—

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	CAD	*CAD*	*CAD*	*CAD*	*CAD*
For the year ended 31st December, 2015					
Robert Geimer (resigned on 3rd November, 2015)	—	—	—	—	—
Joan L. Yori (resigned on 3rd November, 2015)	—	—	—	—	—
Michael Collins Doyle (resigned on 3rd November, 2015)	—	—	—	—	—
Dennis Au-Yeung (appointed on 3rd November, 2015)	—	—	—	—	—

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	CAD	*CAD*	*CAD*	*CAD*	*CAD*
For the six months ended 30th June, 2015 (unaudited)					
Robert Geimer	—	—	—	—	—
Joan L. Yori	—	—	—	—	—
Michael Collins Doyle	—	—	—	—	—

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	CAD	*CAD*	*CAD*	*CAD*	*CAD*
For the six months ended 30th June, 2016					
Dennis Au-Yeung	—	—	—	—	—

Mr. Robert Geimer/Mr. Dennis Au-Yeung is also the chief executive of Vancouver GP and his emoluments disclosed above include those for the services rendered by him as the chief executive.

(b) Employees' emoluments

There was no employee's emoluments paid during the Relevant Periods.

During the Relevant Periods, no emoluments were paid by Vancouver GP to the five highest paid individuals, including directors, as an inducement to join or upon joining Vancouver GP or as compensation for loss of office. In addition, neither the chief executive nor any of the directors has waived any emoluments during the Relevant Periods.

8. PROFIT (LOSS) FOR THE PERIOD/YEAR

	From 8th May, 2013 (date of incorporation) to 31st December, 2013	For the year ended 31st December, 2014	For the year ended 31st December, 2015	For the six months ended 30th June, 2015	For the six months ended 30th June, 2016
	CAD	*CAD*	*CAD*	*CAD* (Unaudited)	*CAD*
Profit (loss) for the period/year has been arrived at after charging:					
Staff costs, including directors' emoluments:					
Salaries and other benefits	—	—	—	—	—
Retirement benefit scheme contributions	—	—	—	—	—
	—	—	—	—	—
Auditor's remuneration	—	—	—	—	—

9. TAXATION

The taxation for the Relevant Periods can be reconciled to the profit (loss) for the period/year per the statements of profit or loss and other comprehensive income as follows:

	From 8th May, 2013 (date of incorporation) to 31st December, 2013	For the year ended 31st December, 2014	For the year ended 31st December, 2015	For the six months ended 30th June, 2015	For the six months ended 30th June, 2016
	CAD	*CAD*	*CAD*	*CAD* (Unaudited)	*CAD*
Profit (loss) for the period/year	151	262	(12)	10	—
Tax at applicable income tax rate of 26%	39	68	(3)	3	—
Tax effect of income not taxable for tax purposes	(55)	(84)	(8)	(8)	—
Tax effect of expenses not deductible for tax purposes	16	16	11	5	—
Taxation for the period/year	—	—	—	—	—

There was no significant unrecognised deferred taxation for the Relevant Periods or at the end of the reporting periods.

10. DIVIDENDS

Except for CAD4.02 per share of a total amount of CAD402 paid to shareholder of Vancouver GP during the year ended 31st December, 2015, no dividends have been paid or declared by Vancouver GP during the Relevant Periods.

11. PROFIT (LOSS) PER SHARE

Profit (loss) per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful.

12. INVESTMENT IN VANCOUVER LP

	As at 31st December, 2013	As at 31st December, 2014	As at 31st December, 2015	As at 30th June, 2016
	CAD	*CAD*	*CAD*	*CAD*
Cost of investment in Vancouver LP	1	1	1	1
Share of post-acquisition losses	(1)	(1)	(1)	(1)
	—	—	—	—

During the period from 8th May, 2013 (the date of its incorporation) to 31st December, 2013, Vancouver GP subscribed 1 limited partnership unit of CAD1 each of Vancouver LP representing 0.01% ownership interest in Vancouver LP.

As at 31st December, 2013, 2014 and 2015 and 30th June, 2016, Vancouver GP held 0.01% ownership interest in Vancouver LP which is engaged in hotel operation with its country of incorporation and the principal place of business in Canada. Vancouver GP is able to exercise significant influence by virtue of its contractual rights to direct the operations and have representation on the board of directors in the associate.

Summarised financial information in respect of the investment in Vancouver LP is set out below. The summarised financial information below represents amounts shown in the Vancouver LP's financial statements prepared in accordance with HKFRSs.

	As at 31st December, 2013	**As at 31st December, 2014**	**As at 31st December, 2015**	**As at 30th June, 2016**
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*
Current assets	8,052	9,152	9,830	16,232
Non-current assets	148,953	143,367	138,224	134,457
Current liabilities	6,302	8,646	6,618	7,891
Non-current liabilities	123,349	122,235	925	908

	For the period from 8th May, 2013 (date of incorporation) to 31st December, 2013	**For the year ended 31st December, 2014**	**For the year ended 31st December, 2015**	**For the six months ended 30th June, 2016**
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*
Revenue	12,174	47,208	51,589	26,986
(Loss) profit and total comprehensive (expense) income for the period/year	(2,596)	(7,838)	(24,197)	1,379

13. AMOUNT DUE TO AN AFFILIATE

The amount due to an affiliate (representing a fellow subsidiary of Vancouver GP) is non-trade in nature, unsecured, interest-free and repayable on demand.

14. CASH AND CASH EQUIVALENTS

Bank balances carried interest at prevailing market rates over the Relevant Periods.

15. SHARE CAPITAL

	Number of shares	Amount
		CAD
Shares with no par value		
Issued and fully paid:		
As at 8th May, 2013 (date of incorporation) and 31st December, 2013, 2014 and 2015 and 30th June, 2016	100	1

	CAD
Shown in the Financial Information:	
As at 31st December, 2013, 2014 and 2015 and 30th June, 2016	1

Vancouver GP was incorporated on 8th May, 2013 with unlimited number of authorised shares with no par value each. On the date of its incorporation, 100 shares of CAD0.01 each were issued to the subscriber to provide the initial capital of Vancouver GP.

16. RELATED PARTY DISCLOSURES

(a) Related parties balances

Details of the balances with related parties are set out in the statements of financial position and in note 13 to the Financial Information.

(b) Compensation of key management personnel

The directors are considered to be key management personnel of Vancouver GP. There was no compensation paid to the directors of Vancouver GP in the Relevant Periods.

(B) DIRECTORS' REMUNERATION

No remuneration has been paid or is payable to the directors of Vancouver GP by Vancouver GP during the Relevant Periods.

Under the arrangement currently in force, the aggregate amount of remuneration payable to the directors of Vancouver GP for the year ending 31st December, 2016 is estimated to be nil.

(C) SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of Vancouver GP have been prepared in respect of any period subsequent to 30th June, 2016.

(D) SUBSEQUENT EVENT

Vancouver GP has no significant event subsequent to 30th June, 2016.

Yours faithfully,

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

2. MANAGEMENT DISCUSSION AND ANALYSIS OF VANCOUVER GP

Set out below is the management discussion and analysis of Vancouver GP for the period from 8th May, 2013 (the date of incorporation of Vancouver GP) to 31st December, 2013 ("**Period 1**"), each of the year ended 31st December, 2014 ("**Period 2**") and 2015 ("**Period 3**") respectively and the six months ended 30th June, 2016 ("**Period 4**") (collectively, the "**Relevant Periods**"):

Business review

Vancouver GP is the general partner holding 0.01% interest in Vancouver LP which is in turn the beneficial owner of the Hotel, namely "The Westin Bayshore Vancouver", comprising 511 guest rooms, 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. The Hotel was acquired by Vancouver LP and its subsidiary on 20th September, 2013.

Financial results

There had been dividend income from Vancouver LP of CAD212.0, CAD322.0, CAD32.0 and nil for Period 1, Period 2, Period 3 and Period 4 respectively. Vancouver GP reported a net profit of CAD151.0 and CAD262.0 for Period 1 and Period 2 respectively, and a net loss of CAD12.0 for Period 3 and nil for Period 4 respectively.

Liquidity and capital resources

Financial position

As at 31st December, 2013, 2014 and 2015, and 30th June, 2016, the net assets value of Vancouver GP was CAD152.0, CAD414.0, nil and nil respectively.

Gearing ratio

As at 31st December, 2013 and 2014, the gearing ratio of Vancouver GP, calculated as a percentage of its total liabilities to total assets, was approximately 28.3% and 12.7% respectively while there was no gearing as at 31st December, 2015 and 30th June, 2016.

Securities and guarantee

Vancouver GP had not made any pledge of or created any security over its assets and had not provided any corporate guarantee as at 31st December, 2013, 2014 and 2015, and 30th June, 2016.

Contingent liabilities

As at 31st December, 2013, 2014 and 2015, and 30th June, 2016, Vancouver GP did not have any significant contingent liability.

Exchange rate risk

All the assets and liabilities of Vancouver GP were denominated in CAD. During the Relevant Periods, Vancouver GP had not entered into any hedging arrangements.

Credit risk

As at 31st December, 2013, 2014 and 2015, and 30th June, 2016, Vancouver GP did not have any significant concentration of credit risk.

Material acquisition and disposal

There was no material acquisition and/or disposal by Vancouver GP during the Relevant Periods.

Future plan for capital assets or material investments

As at 30th June, 2016, Vancouver GP had no future plan for capital assets or material investments.

Staff and remuneration policy

Vancouver GP had no employee during the Relevant Periods.

1. ACCOUNTANTS' REPORT

The following is the text of a report on 0931922 B.C. Ltd., prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.

Deloitte. 德勤

35/F, One Pacific Place
88 Queensway
Hong Kong

23rd November, 2016

The Board of Directors
ITC Properties Group Limited

Dear Sirs,

We set out below our report on the financial information relating to 0931922 B.C. Ltd. for each of the three years ended 31st December, 2013, 2014 and 2015 and the six months ended 30th June, 2016 (the "**Relevant Periods**") (the "**Financial Information**") for inclusion in the circular of ITC Properties Group Limited ("**ITCP**") dated 23rd November, 2016 in relation to the acquisition of 50% effective interest in Bayshore Ventures JV Ltd. which holds a hotel in Canada and the provision of a loan facility to Caufield Investments Limited (the "**Circular**").

0931922 B.C. Ltd. was incorporated with limited liability under the laws of the province of British Columbia in Canada on 3rd February, 2012. As at the date of this report, the issued share capital of 0931922 B.C. Ltd. is Canadian dollars ("**CAD**") 75,612,844.50. 0931922 B.C. Ltd. is an investment holding company.

0931922 B.C. Ltd. has adopted 31st December as its financial year end date.

No statutory financial statements have been prepared for 0931922 B.C. Ltd. since its date of incorporation as there is no statutory requirement for the audited financial statements in Canada.

For the purpose of this report, the directors of 0931922 B.C. Ltd. have prepared the financial statements of 0931922 B.C. Ltd. for the Relevant Periods in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (the "**Underlying Financial Statements**"). Deloitte LLP have performed an independent audit on the Underlying Financial Statements in accordance with Canadian generally accepted auditing standards issued by the Canadian Auditing and Assurance Standards Board.

We have examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

The Financial Information under Hong Kong Financial Reporting Standards ("**HKFRSs**") for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements. No adjustments are deemed necessary to the Underlying Financial Statements in preparing our report for inclusion in the Circular.

The preparation of the Underlying Financial Statements is the responsibility of the directors of 0931922 B.C. Ltd. who approved their issue. The directors of ITCP are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the financial position of 0931922 B.C. Ltd. as at 31st December, 2013, 2014 and 2015 and 30th June, 2016 and of the financial performance for the Relevant Periods.

The comparative statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of 0931922 B.C. Ltd. for the six months ended 30th June, 2015 together with the notes thereon have been extracted from 0931922 B.C. Ltd.'s unaudited financial information for the same period (the "**June 2015 Financial Information**") which was prepared by the directors of 0931922 B.C. Ltd. solely for the purpose of this report. We conducted our review of the June 2015 Financial Information in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. Our review of the June 2015 Financial Information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the June 2015 Financial Information. Based on our review, nothing has come to our attention that causes us to believe that the June 2015 Financial Information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the Financial Information of 0931922 B.C. Ltd. which conform with HKFRSs.

(A) FINANCIAL INFORMATION OF 0931922 B.C. LTD.

Statements of Profit or Loss and Other Comprehensive Income

	NOTE	For the year ended 31st December, 2013 CAD'000	For the year ended 31st December, 2014 CAD'000	For the year ended 31st December, 2015 CAD'000	For the six months ended 30th June, 2015 CAD'000 (Unaudited)	For the six months ended 30th June, 2016 CAD'000
Revenue		—	—	—	—	—
Administrative expenses		—	—	(101)	—	—
Share of results of SWA Vancouver L.P. ("**Vancouver LP**")		—	—	(682)	—	640
(Loss) profit and total comprehensive (expense) income for the year/period	*8*	—	—	(783)	—	640

Statements of Financial Position

	NOTES	As at 31st December, 2013 CAD'000	As at 31st December, 2014 CAD'000	As at 31st December, 2015 CAD'000	As at 30th June, 2016 CAD'000
Non-current asset					
Investment in Vancouver LP	12	—	—	74,931	75,571
Current liability					
Other payables		—	—	101	101
Net current liabilities		—	—	(101)	(101)
Net assets		—	—	74,830	75,470
Capital and reserve					
Share capital	13	—	—	75,613	75,613
Accumulated losses		—	—	(783)	(143)
Total equity		—	—	74,830	75,470

Statements of Changes in Equity

	Share capital	Accumulated losses	Total
	CAD'000	*CAD'000*	*CAD'000*
As at 1st January, 2013, 31st December, 2013 and 31st December, 2014	—	—	—
Issue of shares	75,613	—	75,613
Loss and total comprehensive expense for the year	—	(783)	(783)
As at 31st December, 2015	75,613	(783)	74,830
Profit and total comprehensive income for the period	—	640	640
As at 30th June, 2016	75,613	(143)	75,470
As at 1st January, 2015 and 30th June, 2015 (unaudited)	—	—	—

Notes to the Financial Information

1. GENERAL AND BASIS OF PREPARATION

0931922 B.C. Ltd. was incorporated as a limited liability corporation under the laws of the Province of British Columbia in Canada on 3rd February, 2012. Its immediate holding company is Concord Bayshore Holdings Ltd. ("**CBHL**") which was incorporated in Canada. Its ultimate holding company is Caufield Investments Limited which was incorporated in the British Virgin Islands and its ultimate controlling shareholder is Mr. Hui Kau Mo. The address of its registered office and principal place of business is 1601 Bayshore Drive, Vancouver, British Columbia, Canada.

No statement of cash flows has been presented as 0931922 B.C. Ltd. has no cash transaction during the Relevant Periods.

The Financial Information is presented in Canadian dollars ("**CAD**"), which is also the functional currency of 0931922 B.C. Ltd..

The Financial Information has been prepared on a going concern basis because the immediate holding company of 0931922 B.C. Ltd. has agreed to provide adequate funds for 0931922 B.C. Ltd. to meet in full its financial obligations as they fall due in the foreseeable future.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, 0931922 B.C. Ltd. has consistently adopted all HKFRSs which are effective for the accounting periods beginning on or after 1st January, 2016.

0931922 B.C. Ltd. has not early applied the following new and revised HKFRSs issued by the HKICPA that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[3]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[1]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]

1 Effective for annual periods beginning on or after 1st January, 2018.
2 Effective for annual periods beginning on or after a date to be determined.
3 Effective for annual periods beginning on or after 1st January, 2019.
4 Effective for annual periods beginning on or after 1st January, 2017.

The directors of 0931922 B.C. Ltd. anticipate that the application of the new and revised HKFRSs will have no material impact on future financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, 0931922 B.C. Ltd. takes into account of the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

The principal accounting policies adopted are set out below.

Investment in an associate

An associate is an entity over which 0931922 B.C. Ltd. has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of an associate are incorporated in the Financial Information using the equity method of accounting. The financial statements of an associate used for equity accounting purposes are prepared using uniform accounting policies as those of 0931922 B.C. Ltd. for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise 0931922 B.C. Ltd.'s share of the profit or loss and other comprehensive income of the associate. When 0931922 B.C. Ltd.'s share of losses of an associate exceeds 0931922 B.C. Ltd.'s interest in that associate (which includes any long-term interests that, in substance, form part of 0931922 B.C. Ltd.'s net investment in an associate), 0931922 B.C. Ltd. discontinues recognising its share of further losses. Additional losses are recognised only to the extent that 0931922 B.C. Ltd. has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over 0931922 B.C. Ltd.'s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of 0931922 B.C. Ltd.'s share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 "Financial Instruments: Recognition and Measurement" are applied to determine whether it is necessary to recognise any impairment loss with respect to 0931922 B.C. Ltd.'s investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

0931922 B.C. Ltd. discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment (or a portion thereof) is classified as held for sale. When 0931922 B.C. Ltd. retains an interest in the former associate and the retained interest is a financial asset, 0931922 B.C. Ltd. measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in an associate is included in the determination of the gain or loss on disposal of an associate. In addition, 0931922 B.C. Ltd. accounts for all amounts previously recognised in other comprehensive income in relation to an associate on the same basis as would be required if an associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by an associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, 0931922 B.C. Ltd. reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

0931922 B.C. Ltd. continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When 0931922 B.C. Ltd. reduces its ownership interest in an associate but 0931922 B.C. Ltd. continues to use the equity method, 0931922 B.C. Ltd. reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Financial instruments

Financial liabilities are recognised in the statements of financial position when 0931922 B.C. Ltd. becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by 0931922 B.C. Ltd. are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of 0931922 B.C. Ltd. after deducting all of its liabilities. Equity instruments issued by 0931922 B.C. Ltd. are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities, including other payables, are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

0931922 B.C. Ltd. derecognises financial liabilities when, and only when, 0931922 B.C. Ltd.'s obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from "profit before taxation" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. 0931922 B.C. Ltd.'s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where 0931922 B.C. Ltd. is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which 0931922 B.C. Ltd. expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss.

4. CAPITAL RISK MANAGEMENT

0931922 B.C. Ltd. manages its capital to ensure that it will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. 0931922 B.C. Ltd.'s overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of 0931922 B.C. Ltd. consists of equity attributable to owner of 0931922 B.C. Ltd., comprising share capital and reserves.

The directors of 0931922 B.C. Ltd. review the capital structure on a regular basis. As part of this review, the directors of 0931922 B.C. Ltd. consider the cost and the risks associated with each class of capital. Based on the recommendations of the directors of 0931922 B.C. Ltd., 0931922 B.C. Ltd. will balance its overall capital structure through the capital distributions, new capital contribution calls to the shareholders, new debt issues or by undertaking other activities as deemed appropriate under specific circumstances.

5. FINANCIAL INSTRUMENTS

Categories of financial instruments

	As at 31st December, 2013	As at 31st December, 2014	As at 31st December, 2015	As at 30th June, 2016
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*
Financial liabilities				
Amortised cost	—	—	101	101

Financial risk management objectives and policies

0931922 B.C. Ltd.'s major financial instruments include other payables. Details of these financial instruments are disclosed in the respective notes. The risks associated with certain of these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Credit risk

0931922 B.C. Ltd. has no significant credit risk.

Market risk

Foreign currency risk

0931922 B.C. Ltd. has no significant foreign currency risk as the activities of 0931922 B.C. Ltd. are denominated in CAD which is also its functional currency.

Liquidity risk

0931922 B.C. Ltd.'s financial liabilities (representing other payables) are repayable on demand. The undiscounted cash flows of the financial liabilities based on the earliest date on which 0931922 B.C. Ltd. can be required to pay approximate their carrying amounts at the end of the reporting period.

Fair value measurements of financial instruments

The fair values of financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of 0931922 B.C. Ltd. consider that the carrying amounts of financial liabilities recognised in the Financial Information approximate their fair values.

6. SEGMENT INFORMATION

Financial information reported to the executive directors of 0931922 B.C. Ltd., being the chief operating decision maker of 0931922 B.C. Ltd., for the purposes of resource allocation and performance assessment is aggregated and focuses on the consolidated gross profit analysis of 0931922 B.C. Ltd. as a whole.

As a result, there is only one operating segment for 0931922 B.C. Ltd., which is investment holding. Financial information regarding this segment can be made by reference to the statements of profit or loss and other comprehensive income.

7. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

The emoluments paid or payable to each of the directors and the chief executive were as follows:

(a) Directors' emoluments

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
For the year ended 31st December, 2013					
Richard J. Jackson	—	—	—	—	—

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
For the year ended 31st December, 2014					
Richard J. Jackson	—	—	—	—	—

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
For the year ended 31st December, 2015					
Richard J. Jackson (resigned on 2nd November, 2015)	—	—	—	—	—
Dennis Au-Yeung (appointed on 2nd November, 2015)	—	—	—	—	—
	—	—	—	—	—

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
For the six months ended 30th June, 2015 (unaudited)					
Richard J. Jackson	—	—	—	—	—

	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary bonus	Total
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*	*CAD'000*
For the six months ended 30th June, 2016					
Dennis Au-Yeung	—	—	—	—	—

Mr. Richard J. Jackson/Mr. Dennis Au-Yeung is also the chief executive of 0931922 B.C. Ltd. and his emoluments disclosed above include those for the services rendered by him as the chief executive.

(b) Employees' emoluments

There was no employee's emoluments paid during the Relevant Periods.

During the Relevant Periods, no emoluments were paid by 0931922 B.C. Ltd. to the five highest paid individuals, including directors, as an inducement to join or upon joining 0931922 B.C. Ltd. or as compensation for loss of office. In addition, neither the chief executive nor any of the directors has waived any emoluments during the Relevant Periods.

8. (LOSS) PROFIT FOR THE YEAR/PERIOD

	For the year ended 31st December, 2013	For the year ended 31st December, 2014	For the year ended 31st December, 2015	For the six months ended 30th June, 2015	For the six months ended 30th June, 2016
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000* (Unaudited)	*CAD'000*
(Loss) profit for the year/period has been arrived at after charging:					
Staff costs, including directors' emoluments:					
Salaries and other benefits	—	—	—	—	—
Retirement benefit scheme contributions	—	—	—	—	—
	—	—	—	—	—
Auditor's remuneration	—	—	—	—	—

9. TAXATION

No provision for the Canadian Corporate Tax is required since 0931922 B.C. Ltd. has no assessable profits for the Relevant Periods.

The taxation for the Relevant Periods can be reconciled to the (loss) profit for the year/period per the statements of profit or loss and other comprehensive income as follows:

	For the year ended 31st December, 2013	For the year ended 31st December, 2014	For the year ended 31st December, 2015	For the six months ended 30th June, 2015	For the six months ended 30th June, 2016
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000* (Unaudited)	*CAD'000*
(Loss) profit for the year/period	—	—	(783)	—	640
Tax at applicable income tax rate of 26%	—	—	(204)	—	166
Tax effect of expenses not deductible for tax purposes	—	—	26	—	—
Tax effect of share of results of Vancouver LP	—	—	178	—	(166)
Taxation for the year/period	—	—	—	—	—

There was no significant unrecognised deferred taxation for the Relevant Periods or at the end of the reporting periods.

10. DIVIDENDS

No dividends have been paid or declared by 0931922 B.C. Ltd. during the Relevant Periods.

11. (LOSS) EARNINGS PER SHARE

(Loss) earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful.

12. INVESTMENT IN VANCOUVER LP

	As at 31st December, 2013	As at 31st December, 2014	As at 31st December, 2015	As at 30th June, 2016
	CAD'000	*CAD'000*	*CAD'000*	*CAD'000*
Cost of investment in Vancouver LP	—	—	75,613	75,613
Share of post-acquisition results	—	—	(682)	(42)
	—	—	74,931	75,571

In November 2015, 0931922 B.C. Ltd. subscribed 75,612,843.50 limited partnership units of CAD1 each of Vancouver LP representing 46.41% ownership interest in Vancouver LP which was settled by issuing 1,000 limited partnership units of 0931922 B.C. Ltd. of CAD75,612.84 each to its immediate holding company, CBHL.

As at 31st December, 2015 and 30th June, 2016, 0931922 B.C. Ltd. held 46.41% ownership interest in Vancouver LP which is engaged in hotel operation with its country of incorporation and the principal place of business in Canada.

Summarised financial information in respect of the investment in Vancouver LP is set out below. The summarised financial information below represents amounts shown in the Vancouver LP's financial statements prepared in accordance with HKFRSs.

	As at 31st December, 2015	**As at 30th June, 2016**
	CAD'000	*CAD'000*
Current assets	9,830	16,232
Non-current assets	138,224	134,457
Current liabilities	6,618	7,891
Non-current liabilities	925	908

	From 3rd November, 2015 (date of acquisition) to 31st December, 2015	**For the six months ended 30th June, 2016**
	CAD'000	*CAD'000*
Revenue	7,935	26,986
(Loss) profit and total comprehensive (expense) income for the period	(1,470)	1,379

13. SHARE CAPITAL

Shares with no par value	**Number of shares**	**Amount**
		CAD
Issued and fully paid:		
As at 1st January, 2013 and 31st December, 2013 and 2014	1	1
Issue of shares of CAD75,612.84 each *(Note)*	1,000	75,612,843
As at 31st December, 2015 and 30th June, 2016	1,001	75,612,844

	CAD'000
Shown in the Financial Information:	
As at 31st December, 2013 and 2014	—
As at 31st December, 2015 and 30th June, 2016	75,613

Note: In November 2015, 0931922 B.C. Ltd. subscribed 75,612,843.50 shares of CAD1 each of Vancouver LP representing 46.41% ownership interest in Vancouver LP which was settled by issuing 1,000 shares of 0931922 B.C. Ltd. of CAD75,612.84 each to its immediate holding company, CBHL.

14. RELATED PARTY DISCLOSURES

(a) Compensation of key management personnel

The directors are considered to be key management personnel of 0931922 B.C. Ltd.. There was no compensation paid to the directors of 0931922 B.C. Ltd. in the Relevant Periods.

(b) Transaction with a related party

During the year ended 31st December, 2015, 0931922 B.C. Ltd. received management services from its immediate holding company, CBHL and a total amount of CAD90,000 management fee payable to CBHL was recognised in profit or loss.

Other than above, there was no related party transaction in the Relevant Periods.

(B) DIRECTORS' REMUNERATION

No remuneration has been paid or is payable to the directors of 0931922 B.C. Ltd. by 0931922 B.C. Ltd. during the Relevant Periods.

Under the arrangement currently in force, the aggregate amount of remuneration payable to the directors of 0931922 B.C. Ltd. for the year ending 31st December, 2016 is estimated to be nil.

(C) SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of 0931922 B.C. Ltd. has been prepared in respect of any period subsequent to 30th June, 2016.

(D) SUBSEQUENT EVENT

0931922 B.C. Ltd. has no significant event subsequent to 30th June, 2016.

Yours faithfully,

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

2. MANAGEMENT DISCUSSION AND ANALYSIS OF 0931922 B.C. LTD.

Set out below is the management discussion and analysis of 0931922 B.C. Ltd. for the three years ended 31st December, 2013, 2014 and 2015 and the six months ended 30th June, 2016 respectively (the "**Relevant Periods**"):

Business review

0931922 B.C. Ltd. was dormant until 3rd November, 2015 (the "**Subscription Date**") when it subscribed new units in Vancouver LP as a limited partner holding 46.41% interests on an enlarged basis. Vancouver LP is the beneficial owner of the Hotel, namely "The Westin Bayshore Vancouver", comprising 511 guest rooms, 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..

Financial results

Vancouver LP incurred a net loss of approximately CAD1.5 million for the period from the Subscription Date to 31st December, 2015 mainly due to depreciation charge of the Hotel. By virtue of its 46.41% investment in Vancouver LP, 0931922 B.C. Ltd. shared a loss of approximately CAD0.7 million and resulted in a loss of CAD0.8 million for the year ended 31st December, 2015.

For the six months ended 30th June, 2016, there was operating profit from the Hotel of approximately CAD5.3 million. After deduction of the owner's expenses representing mainly depreciation charges, Vancouver LP recorded a net profit of approximately CAD1.4 million. By virtue of its 46.41% investment in Vancouver LP, 0931922 B.C. Ltd. shared a net profit of CAD0.6 million.

Liquidity and capital resources

Financial position

During the year ended 31st December, 2015, 0931922 B.C. Ltd. issued new shares to its existing shareholder to substantially increase its issued share capital from CAD1 to approximately CAD75.6 million, which proceeds were utilised to finance the 0931922 Subscription.

Gearing ratio

As at 31st December, 2013 and 2014, 0931922 B.C. Ltd. had no gearing. Its gearing ratio, calculated as a percentage of its total liabilities to total assets, was approximately 0.1% and 0.1% as at 31st December, 2015 and 30th June, 2016 respectively.

Securities and guarantee

As at 31st December, 2013, 2014 and 2015, and 30th June, 2016, 0931922 B.C. Ltd. had not made any pledge of or created any security over its assets and had not provided any corporate guarantee.

Contingent liabilities

As at 31st December, 2013, 2014 and 2015, and 30th June, 2016, 0931922 B.C. Ltd. did not have any significant contingent liability.

Exchange rate risk

All the assets and liabilities of 0931922 B.C. Ltd. were denominated in CAD. During the Relevant Periods, 0931922 B.C. Ltd. had not entered into any hedging arrangements.

Credit risk

As at 31st December, 2013, 2014 and 2015, and 30th June, 2016, 0931922 B.C. Ltd. did not have any significant concentration of credit risk.

Material acquisition and disposal

Except for the 0931922 Subscription, there was no material acquisition and/or disposal by 0931922 B.C. Ltd. during the Relevant Periods.

Future plan for capital assets or material investments

As at 30th June, 2016, 0931922 B.C. Ltd. had no future plan for capital assets or material investments.

Staff and remuneration policy

0931922 B.C. Ltd. had no employee during the Relevant Periods.

The following is the text of the assurance report in respect of the Group's unaudited pro forma financial information, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.

Deloitte. 德勤

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of ITC Properties Group Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of ITC Properties Group Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 31st March, 2016 and related notes as set out on pages III-4 to III-7 of Appendix III to the circular issued by the Company dated 23rd November, 2016 (the "**Circular**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-4 to III-7 of Appendix III to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed acquisition of 50% effective interest in Bayshore Ventures JV Ltd. (the "**JV Co**") which holds a hotel in Canada and the provision of a loan facility to Caufield Investments Limited ("**Caufield**") on the Group's financial position as at 31st March, 2016 as if the transaction had taken place at 31st March, 2016. As part of this process, information about the Group's financial position as at 31st March, 2016 has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31st March, 2016, on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of the unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31st March, 2016 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong, 23rd November, 2016

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

A. Basis of Preparation

The following is an unaudited pro forma consolidated statement of assets and liabilities of the Group immediately upon Completion (the "**Unaudited Pro Forma Consolidated Statement of Assets and Liabilities**") which has been prepared in accordance with paragraph 4.29 of the Listing Rules for the purpose of illustrating the effect of the proposed acquisition of 50% effective interest in the JV Co which holds a hotel in Canada and the provision of a loan facility to Caufield (the "**Transactions**") as if the Transactions had been completed on 31st March, 2016.

The Unaudited Pro Forma Consolidated Statement of Assets and Liabilities is prepared based on the audited consolidated statement of financial position of the Group as at 31st March, 2016 which has been extracted from the published annual report of the Company for the year ended 31st March, 2016, after making unaudited pro forma adjustments relating to the Transactions that are (i) directly attributable; and (ii) factually supportable as if the Transactions had been undertaken as at 31st March, 2016.

The Unaudited Pro Forma Consolidated Statement of Assets and Liabilities has been prepared by the Directors based on a number of assumptions, estimates and uncertainties for illustrative purposes only and because of its nature, it may not give a true picture of the consolidated assets and liabilities of the Group upon completion of the Transactions as at 31st March, 2016 or any future date.

B. Unaudited Pro Forma Consolidated Statement of Assets and Liabilities

	The Group 31/03/2016	Unaudited pro forma adjustments			The Group upon Completion 31/03/2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Notes 2, 5 & 6*	*Notes 3, 5 & 6*	*Notes 4 & 5*	
Non-current assets					
Property, plant and equipment	215,212				215,212
Investment properties	1,254,000				1,254,000
Equity investments	233,414				233,414
Debt investment	7,924				7,924
Interests in joint ventures	644,193	521,800			1,165,993
Amounts due from joint ventures	512,578				512,578
Interests in associates	2,361,800				2,361,800
Other loan receivables	—		173,900		173,900
Other non-current assets	126,030				126,030
	5,355,151				**6,050,851**
Current assets					
Inventories – food, beverages and general stores	575				575
Deposits paid for acquisition of leasehold land	353,486				353,486
Stock of properties	400,256				400,256
Other loan receivables	421,289				421,289
Debtors, deposits and prepayments	520,342				520,342
Equity investments	12,674				12,674
Bank balances and cash	615,357	(521,800)	(173,900)	(7,000)	(87,343)
	2,323,979				**1,621,279**

	The Group 31/03/2016	Unaudited pro forma adjustments			The Group upon Completion 31/03/2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Notes 2, 5 & 6*	*Notes 3, 5 & 6*	*Notes 4 & 5*	
Current liabilities					
Creditors, deposits and accrued charges	133,704				133,704
Amounts due to associates	602,994				602,994
Tax payables	179,108				179,108
Loan notes – due within one year	190,544				190,544
Obligations under finance leases – due within one year	113				113
Bank and other borrowings – due within one year	807,535				807,535
	1,913,998				**1,913,998**
Net current assets (liabilities)	**409,981**				**(292,719)**
Total assets less current liabilities	**5,765,132**				**5,758,132**
Non-current liabilities					
Obligations under finance leases – due after one year	234				234
Bank and other borrowings – due after one year	250,000				250,000
	250,234				**250,234**
Net assets	**5,514,898**				**5,507,898**

Notes to the Unaudited Pro Forma Financial Information of the Group

1. The figures are extracted from the audited consolidated statement of financial position of the Group as at 31st March, 2016 as set out in the published annual report of the Company for the year ended 31st March, 2016.

2. Pursuant to the Subscription Agreement, Rank Ace, a wholly-owned subsidiary of the Company, agreed to subscribe for 86,100,000 new JV Shares of the JV Co at the Subscription Price of CAD86,100,000 (equivalent to approximately HK$521,800,000). Upon Completion, the JV Co is effectively owned as to 50% by Rank Ace and 50% by Caufield. The adjustment of approximately HK$521,800,000 represents the Group's interest in the JV Co which is assumed to be financed by the Group's internal cash resources.

3. Pursuant to the Loan Agreement dated 25th May, 2016, Rank Ace agreed to grant the Facility of up to CAD28,700,000 (equivalent to approximately HK$173,900,000) to Caufield, out of which CAD20,000,000 (equivalent to approximately HK$121,200,000) has been drawn by Caufield prior to the Latest Practicable Date while the remaining CAD8,700,000 (equivalent to approximately HK$52,700,000) is to be drawn upon Completion. The adjustment of approximately HK$173,900,000 represents the recognition of other loan receivables included as non-current assets, in accordance with the repayment terms of the Loan Agreement. The Facility is assumed to be financed by the Group's internal cash resources.

4. The adjustment represents the estimated acquisition-related costs, including legal and professional fees and transaction costs of approximately HK$7,000,000 to be paid out by the Group's internal cash resources, which will be recognised in profit or loss upon Completion.

5. The Subscription Price of approximately HK$521,800,000, the Facility of approximately HK$173,900,000 and professional fees and transaction costs of approximately HK$7,000,000 as mentioned in Notes 2, 3 and 4 respectively, are assumed to be settled in cash. The bank balances and cash as at 31st March, 2016 were not sufficient for the settlement in full amount and therefore, negative bank balances and cash is presented for illustrative purpose. In the opinion of the Directors, having considered the current cash on hand and the estimated future cash flows arising from the business operations prior to the Completion Date, the Group will have sufficient bank balances and cash for the payment of the Subscription Price, the drawdown of the Facility and the payment of related professional fees and transaction costs and for the Group's business for the next twelve (12) months from the date of this circular in the absence of unforeseen circumstances as stated in section headed "Working Capital" in Appendix I to this circular.

6. The unaudited pro forma adjustments for the Subscription and the Facility are converted from Canadian dollars into Hong Kong dollars at the rate of CAD1 to HK$6.06. No representation is made that Canadian dollars have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.

7. No adjustment has been made to reflect any operating results or other transactions of the Group entered into subsequent to 31st March, 2016.

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from RHL Appraisal Limited, an independent valuer, in connection with its valuation as at 30th September, 2016 of the Hotel to be acquired by the Company.

永利行評值顧問有限公司
RHL Appraisal Limited
Corporate Valuation & Advisory

T +852 2730 6212
F +852 2736 9284

Room 1010, 10/F, Star House
Tsimshatsui, Hong Kong

Licence No.: C-015672

23rd November, 2016

The Board of Directors
ITC Properties Group Limited
Unit 3102, 31st Floor,
Bank of America Tower,
12 Harcourt Road,
Central,
Hong Kong

Dear Sirs,

INSTRUCTIONS

We refer to the instruction of ITC Properties Group Limited (the "**Company**") for us to value the property interests (the "**Property**") held by SWA Vancouver Hotel Nominee Inc. ("**Vancouver Nominee**") located in Canada to be acquired by the Company. We confirm that we have carried out property inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 30th September, 2016 (the "**Valuation Date**").

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigations and limiting conditions of this valuation.

BASIS OF VALUATION

The valuation is our opinion of the market value (the "**Market Value**") which we would define as intended to mean the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and prudently and without compulsion.

The Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase and without offsetting for any associated taxes or potential taxes.

The Market Value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

We have valued the Property by using the Direct Comparison Method by making reference to the comparable market transactions/asking cases as available. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of the Market Value.

VALUATION CONSIDERATIONS

In valuing the Property, we have complied with all the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards 2012 Edition.

VALUATION ASSUMPTIONS

In our valuation, unless otherwise stated, we have assumed that:

i. all necessary statutory approvals for the Property or the subject building of which the Property forms part of their use have been obtained;

ii. transferable land use rights in respect of the Property for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid;

iii. the owner of the Property has enforceable title to the Property and has free and uninterrupted rights to use, occupy or assign the Property for the whole of the respective unexpired terms as granted;

iv. no deleterious or hazardous materials or techniques have been used in the construction of the Property;

v. the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown; and

vi. the Property is connected to main services and sewers which are available on normal terms.

TITLE INVESTIGATION

We have conducted title search to the Property. We have not, however, searched the original documents to verify ownership or existence of any amendment which does not appear on the copies handed to us. We are not in the position to provide you comments on the title of the Property and we advise you to seek legal opinion regarding the same from your Canadian legal advisers.

LIMITING CONDITIONS

We have conducted on-site inspections to the Property located in Canada in January 2016 by Mr. Ian D. Steward (AACI) and Mr. Jason David Walter Upton (CRA) from Aedis Appraisals Ltd. and in July 2016 by Ms. Serena S. W. Lau (FHKIS, MRICS). During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the Property is free from rot infestation or any other defects. No tests were carried out on any of the services.

Our valuation has been made on the basis that there is no substantial change in the physical conditions of the Property between the Valuation Date and the last date of our inspection.

No allowance has been made in our report for any charges, mortgages or amounts owing neither on the Property valued nor for any expenses or taxation which may be incurred in effecting a sale.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate.

We have relied to a considerable extent on the information provided by the Company and Aedis Appraisals Ltd. and accepted advices given to us on such matters, in particular, including but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, size and floor areas and all other relevant matters in the identification of the Property. We assume no responsibility for their accuracy.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company and Aedis Appraisals Ltd.. We have also been advised by the Company that no material fact has been omitted from the information supplied by it. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We do not accept liability for any interpretation which we have placed on such information which is more properly the sphere of the legal advisers of instructing party. Neither have we verified the correctness of any information supplied to us concerning the Property.

This report is for the exclusive use of the addressee stated herein and for that particular purpose only. Save for the publication of this report in the circular of the Company relating to, inter alia, the acquisition of interest in the Property dated 23rd November, 2016, the contents of this report either in whole or in part shall not be disclosed to any other parties and we accept no responsibility if it is used or relied upon by any others or for purposes other than that stated herein. Neither the whole nor any part of this report or any reference thereto may be included in any published documents, circular or statement nor published in any way without our written approval or the form and context in which it may appear.

REMARKS

We have valued the Property in Canadian dollars (CAD).

We enclose herewith the valuation certificate.

Yours faithfully,
For and on behalf of
RHL Appraisal Limited

Serena S. W. Lau	**Jessie X. Chen**
FHKIS, AAPI, MRICS, RPS(GP), MBA(HKU)	*MRICS, MSc (Real Estate), BEcon*
Managing Director	*Associate Director*

Ms. Serena S. W. Lau is a Registered Professional Surveyor (GP) with over 20 years of experience in valuation of properties in Hong Kong, Macau, the PRC and overseas including US, Canada, the United Kingdom, Australia and the Asia Pacific Region. Ms. Lau is a Professional Member of The Royal Institution of Chartered Surveyors, an Associate of Australian Property Institute, a Fellow of The Hong Kong Institute of Surveyors as well as a registered real estate appraiser in the PRC.

Ms. Jessie X. Chen is a Registered Professional Surveyor (GP) with over 5 years of experience in valuation of properties in Hong Kong, Macau, the PRC and overseas including US, Canada, the United Kingdom, Australia and the Asia Pacific Region. Ms. Chen is a Professional Member of The Royal Institution of Chartered Surveyors.

The market research and analysis is in collaboration with Mr. Ian D. Steward and Mr. Jason David Walter Upton from Aedis Appraisals Ltd.. Mr. Ian D. Steward is a Professional Appraiser of Accredited Appraiser Canadian Institute (AACI, P. App) with over 25 years of valuation experience in Canada. Mr. Jason David Walter Upton is a Canadian Residential Appraiser (CRA) of Appraisal Institute of Canada with over 10 years of valuation experience in Canada.

VALUATION CERTIFICATE

Property interests to be acquired by the Group for investment purpose

Property	Description and tenure	Particulars of occupancy	Market value (CAD) as at 30th September, 2016
1601 Bayshore Drive, Vancouver, B.C., V6G 2V4, Canada Lot J of the Public Harbour of Burrard Inlet Plan LMP12980; Air Space Parcel 1 of the Public Harbour of Burrard Inlet Air Space Plan BCP5714; Air Space Parcel 2 of the Public Harbour of Burrard Inlet Air Space Plan BCP5715.	The Property comprises a hotel complex, known as The Westin Bayshore Vancouver, including a 9-storey mid-rise hotel building completed in 1961, a 18-storey high-rise hotel building completed in 1970, a convention center completed in about 2001 and two airspace parcels which are an underground parking garage containing approximately 230 parking stalls. Associated renovations were completed between 2009 to 2011. According to the Bayshore Property Survey provided by the Company, the total site area of Lot J is 275,040 sq. ft. (6.33 acres). Details are as follows: **Site Area** / **Acres** / **Sq. ft.** Land Lot / 5.54 / 240,788 Marina Water Lot / 0.79 / 34,252 **Total** / 6.33 / 275,040 The existing building and structure of the Property has a floor area of approximately 449,123 sq. ft. comprising 511 guest rooms, of which 319 rooms and 192 rooms in the 9-storey and the 18-storey hotel towers respectively. The Property also comprises a marina, two restaurants, a retail mall, fitness facilities and large conference facilities. The land use right of the Property is held in Fee Simple. (see Note 4 in details)	The Property is currently operated as a hotel by Westin Hotel Management, L.P. (the "**Operator**") for a term of thirty (30) years commencing from 31st May, 2013. The retail and office spaces and the marina of the Property are leased under various tenancies with the last term expiring on 31st December, 2022, yielding a total monthly rental of CAD48,845.87 exclusive of management fees.	305,000,000 (CANADIAN DOLLARS THREE HUNDRED AND FIVE MILLION ONLY)

Notes:

1. Pursuant to three title documents registered as CA3357712, CA3357711 and CA3357710, the registered owner of the Property is Vancouver Nominee.

2. The Property is governed by a site specific CD-1 zoning and falls within Zone CD-1 (321). CD-1 is designated for comprehensive development, which permits a mix of residential and commercial usage.

3. The Property is located at the northern end of Downtown Peninsula of Vancouver. Northeastern side of the subject is situated along coal harbour. Downtown Vancouver houses a thriving business community that is centralised around the north end of Downtown with high-density office towers, floor-level commercial units all-around and high-rise residential buildings.

4. Pursuant to Appraisal Institute, The Dictionary of Real Estate Appraisal, 4th ed. (Chicago: Appraisal Institute, 2002) and Canadian Uniform Standards of Professional Appraisal Practice, a Fee Simple interest is defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.

5. In the course of our valuation, we have valued the Property based on the following assumptions:

   i. the Property is legally held by Vancouver Nominee;

   ii. Vancouver Nominee is entitled to transfer, lease, mortgage or dispose of the Property freely in the market; and

   iii. the Property is free from any mortgage or third parties' encumbrance.

1. 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.

2. DISCLOSURE OF INTERESTS

(a) Interests of the Directors or chief executive of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company and/or their respective close associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Interests in the Shares

Name of Director	Long position/ Short position	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company *(%)*
Mr. Cheung Hon Kit ("**Mr. HK Cheung**")	Long position	Beneficial owner	46,000,000	5.20
Mr. Chan Fut Yan ("**Mr. FY Chan**")	Long position	Beneficial owner	3,285,267	0.37
Mr. Cheung Chi Kit	Long position	Beneficial owner	2,850,000	0.32
Mr. Chan Yiu Lun, Alan ("**Mr. Alan Chan**")	Long position	Beneficial owner	3,600,390	0.41
Mr. Wong Lai Shun, Benny ("**Mr. Benny Wong**")	Long position	Beneficial owner	230,000	0.03

Name of Director	Long position/ Short position	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company (%)
Hon. Shek Lai Him, Abraham, *GBS, JP* ("**Mr. Abraham Shek**")	Long position	Beneficial owner	229,346	0.03
Mr. Kwok Ka Lap, Alva ("**Mr. Alva Kwok**")	Long position	Beneficial owner	543,453	0.06

(ii) Interests in the share options of the Company

Name of Director	Date of grant	Option period	Exercise price per Share *HK$*	Number of share options held	Approximate percentage of the issued share capital of the Company *(%)*
Mr. HK Cheung	17th October, 2013	17th October, 2013 – 16th October, 2017	3.00	1,400,000	0.16
Mr. FY Chan	17th October, 2013	17th October, 2013 – 16th October, 2017	3.00	1,050,000	0.12
Mr. Abraham Shek	17th October, 2013	17th October, 2013 – 16th October, 2017	3.00	185,000	0.02
Mr. Alva Kwok	17th October, 2013	17th October, 2013 – 16th October, 2017	3.00	80,000	0.01
				2,715,000	

(iii) Interests in the debt securities of a subsidiary of the Company

Name of Director	Name of company	Nature of interest	Type of debt securities	Principal amount held
Mr. HK Cheung	Treasure Generator Limited, a direct wholly-owned subsidiary of the Company ("**Treasure Generator**")	Personal	US$200.0 million (equivalent to approximately HK$1,551.0 million based on the exchange rate of US$1 = HK$7.755) 4.75% guaranteed notes due 2021 (the "**Notes**")	US$1.0 million (long position)

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or their respective close associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Interests of Shareholders discloseable pursuant to the SFO

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, the following persons (other than a Director or chief executive of the Company) had, or were deemed or taken to have, interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or had any option in respect of such capital:

(i) Interests in the Shares

Name of Shareholder	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company *(%)*
Selective Choice Investments Limited ("**Selective Choice**")	Beneficial owner	306,180,916 *(Note 3)*	34.61
ITC Investment Holdings Limited ("**ITC Investment**")	Interest of controlled corporation	306,180,916 *(Note 3)*	34.61
ITC Corporation *(Notes 6 and 7)*	Interest of controlled corporation	306,180,916 *(Note 3)*	34.61
Dr. Chan Kwok Keung, Charles ("**Dr. Charles Chan**") *(Note 7)*	Beneficial owner	15,885,570 *(Note 5)*	1.79
	Interest of controlled corporation	306,180,916 *(Note 5)*	34.61
	Interest of spouse	209,757,748 *(Note 5)*	23.71
		531,824,234	60.11

Name of Shareholder	Capacity	Number of issued Shares held	Approximate percentage of the issued share capital of the Company *(%)*
Fortune Crystal Holdings Limited ("**Fortune Crystal**")	Beneficial owner	209,757,748 *(Note 4)*	23.71
Record High Enterprises Limited ("**Record High**")	Interest of controlled corporation	209,757,748 *(Note 4)*	23.71
Ms. Ng Yuen Lan, Macy ("**Ms. Macy Ng**") *(Note 7)*	Interest of controlled corporation	209,757,748 *(Note 4)*	23.71
	Interest of spouse	322,066,486 *(Note 5)*	36.40
		531,824,234	60.11

Notes:

1. All the interests in the Shares as disclosed above were long positions.

2. No underlying Shares were held by the Shareholders stated above.

3. Selective Choice owned 306,180,916 Shares and was a wholly-owned subsidiary of ITC Investment which in turn was a wholly-owned subsidiary of ITC Corporation. As such, ITC Investment and ITC Corporation were deemed to be interested in the 306,180,916 Shares held by Selective Choice.

4. Fortune Crystal owned 209,757,748 Shares and was a wholly-owned subsidiary of Record High which in turn was wholly-owned by Ms. Macy Ng. As such, Record High and Ms. Macy Ng were deemed to be interested in the 209,757,748 Shares held by Fortune Crystal.

5. Dr. Charles Chan, the chairman of ITC Corporation, was also its controlling shareholder. Ms. Macy Ng is the spouse of Dr. Charles Chan. Dr. Charles Chan beneficially owned 15,885,570 Shares and was deemed to be interested in the 306,180,916 Shares held by Selective Choice and the 209,757,748 Shares held by Fortune Crystal. Ms. Macy Ng was also deemed to be interested in the 15,885,570 Shares beneficially held by Dr. Charles Chan and the 306,180,916 Shares held by Selective Choice.

6. Mr. FY Chan, the managing Director and an executive Director, is an executive director of ITC Corporation.

7. Mr. Alan Chan, an executive Director, is an executive director of ITC Corporation and the son of Dr. Charles Chan and Ms. Macy Ng; and Mr. Abraham Shek, the vice chairman of the Company and an independent non-executive Director, is also an independent non-executive director of ITC Corporation.

(ii) Other members of the Group

As at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the other members of the Group:

Name of subsidiary	Name of shareholder	Approximate percentage of the existing issued share capital *(%)*
Fame State Investment Limited	Le Truong Hien Hoa	20
	Chan Siu Chi	10
Forever Fame Corporation Limited	Le Truong Hien Hoa	20
	Chan Siu Chi	10

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company based on the register maintained by the Company pursuant to Part XV of the SFO, no other persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have, any interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, nor were there any persons, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group or held any option in respect of such capital.

3. COMPETING INTERESTS

As at the Latest Practicable Date, interests of the Directors and their respective close associates in competing businesses of the Group were as follows:

Name of Director	Name of company	Nature of competing business	Nature of interest
Mr. HK Cheung	China Development Limited	Property investment in Hong Kong	As a director and shareholder
	Artnos Limited	Property investment in Hong Kong	As a director and shareholder
	Co-Forward Development Limited	Property investment in Hong Kong	As a director and shareholder
	Orient Centre Limited	Property investment in Hong Kong	As a director and shareholder
	Asia City Holdings Limited	Property investment in Hong Kong	As a shareholder
	Supreme Best Ltd.	Property investment in Hong Kong	As a director and shareholder
	Orient Holdings Limited	Property investment in Hong Kong	As a director and shareholder
	Cosmo Luck Limited	Property investment in Hong Kong	As a beneficial shareholder
	Ocean Region Limited	Property investment in Hong Kong	As a beneficial shareholder
	Treasure Avenue Limited	Property investment in Hong Kong	As a beneficial shareholder
	Kun Hang Construction Limited	Property investment in Macau	As a director and shareholder
	City Corporation Ltd.	Property investment in Hong Kong	As a beneficial shareholder
	Ready Access Limited	Property investment in Hong Kong	As a beneficial shareholder
	Big Gold Limited	Property investment in Hong Kong	As a director and beneficial shareholder
	Clever Eagle Limited	Property investment in Hong Kong	As a director and beneficial shareholder

Name of Director	Name of company	Nature of competing business	Nature of interest
Mr. HK Cheung *(continued)*	Big Idea Holdings Limited	Property investment in Macau	As a non-voting shareholder
	Harvest Easy Limited	Property investment in Hong Kong	As a director and beneficial shareholder
	Strong Prosper Limited	Property investment in Hong Kong	As a director and shareholder
	Richfield Pacific Limited	Property investment in Hong Kong	As a director and shareholder
	Success Seeker Limited	Property investment in Hong Kong	As a beneficial shareholder
	Super Domain Holdings Limited	Property investment in Hong Kong	As a beneficial shareholder
	Big Country Limited	Property investment in Hong Kong	As a beneficial shareholder
	Hi Park Limited	Property investment in Hong Kong	As a beneficial shareholder
	Red Seal Investments Ltd	Property investment in Hong Kong	As a beneficial shareholder
	Fortune Invest Group Limited	Property investment in Hong Kong	As a director and shareholder
	Winner Year Limited	Property investment in Hong Kong	As a beneficial shareholder
	Cyber Trooper Limited	Property investment in Hong Kong	As a director and shareholder
	Cyber Unity International Limited	Property investment in Hong Kong	As a beneficial shareholder
	Vinny Investments Limited	Property investment in Hong Kong	As a beneficial shareholder
	Mint Spirit Limited	Property investment in Hong Kong	As a beneficial shareholder
	Wise Merchant Limited	Property investment in Hong Kong	As a beneficial shareholder

Name of Director	Name of company	Nature of competing business	Nature of interest
Mr. HK Cheung *(continued)*	Export Success Investment Ltd	Property investment in Hong Kong	As a beneficial shareholder
	Ever Rise Properties Limited	Property investment in Hong Kong	As a beneficial shareholder
	Sino Energy Investments Limited	Property investment in Hong Kong	As a beneficial shareholder
	Rosedale Hotel Guangzhou Co., Ltd.	Hotel ownership and operation in the PRC	As a director
	Rosedale Hotel Management Limited	Hotel management	As a director and managing director
	Rosedale Hotel Properties Management (Guangzhou) Limited	Hotel and properties management in the PRC	As a director
	Rosedale Park Limited	Hotel operation in Hong Kong	As a director
	Rosedale Hotel Shenyang Company Limited	Hotel ownership and operation in the PRC	As a director
Mr. Benny Wong	Rosedale Hotel Guangzhou Co., Ltd.	Hotel ownership and operation in the PRC	As a director
	Rosedale Hotel Management Limited	Hotel management	As a director and deputy managing director
	Rosedale Hotel Properties Management (Guangzhou) Limited	Hotel and properties management in the PRC	As a director
	Rosedale Park Limited	Hotel operation in Hong Kong	As a director
	Rosedale Hotel Shenyang Company Limited	Hotel ownership and operation in the PRC	As a director

Mr. HK Cheung, the chairman of the Company and an executive Director, is principally responsible for the Group's overall strategic planning and management of the operations of the Board. His role is clearly separated from that of the Managing Director, Mr. FY Chan, who is principally responsible for the Group's overall operations and business development.

Mr. Benny Wong, an executive Director, is also the managing director of the Group's Rosedale hotel division and is responsible for the overall hotel development, operation and management functions of the Group.

In addition, any significant business decision of the Group is to be determined by the Board and a Director who has interest in any subject matter being resolved will abstain from voting. In view of the above, the Board considers that the interests of each of Mr. HK Cheung and Mr. Benny Wong in other companies will not prejudice his capacity as a Director or compromise the interests of the Group and the Shareholders.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

4. INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have, since 31st March, 2016 (being the date to which the latest published audited accounts of the Company were made up), been (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. MATERIAL CONTRACTS

The following are contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) entered into by the members of the Group within the two (2) years immediately preceding the Latest Practicable Date and which are or may be material:

(a) (A) the settlement deed dated 19th June, 2015 entered into among ITC Properties (China) Limited (the former name of ITCP Overseas) ("**ITCP (China)**"), Bright Sino Profits Limited ("**Bright Sino**"), the Company and Mr. Tang Chi Ming in relation to (i) the release of ITCP (China) from the payment obligation of the retention moneys of approximately HK$324.4 million under the agreement dated 15th December, 2009 entered into between the parties relating to the sale and purchase of 92% of the issued share capital of Newskill Investments Limited ("**Newskill**"); and (ii) the "purchase-back" of the entire issued share capital in Newskill from ITCP (China) by Bright Sino; and (B) the agreement dated 19th June, 2015 (the "**Disposal Agreement**") (as supplemented by the supplemental agreement dated 30th October, 2015 and the letter dated 1st April, 2016) entered into between ITCP (China) and Bright Sino in relation to the disposal by ITCP (China) of the entire issued share capital in Newskill and all the amounts owing by Newskill to ITCP (China) at completion, at an aggregate consideration of HK$595.0 million;

(b) the sale and purchase agreement dated 27th July, 2015 entered into between ITC Properties (Hong Kong) Limited (an indirect wholly-owned subsidiary of the Company) as purchaser and Cheuk Nang (Holdings) Limited ("**Cheuk Nang**") as vendor in relation to the sale and purchase of the entire issued share capital of Westfountain Co. Ltd. ("**Westfountain**") and all the amounts due from Success Well Investment Limited (a direct wholly-owned subsidiary of Westfountain) to Cheuk Nang for a consideration of not more than HK$800.0 million;

(c) the supplemental agreement dated 30th October, 2015 entered into between ITCP Overseas and Bright Sino in relation to the extension of the payment date of the remaining balance of the consideration in the sum of HK$345.0 million under the Disposal Agreement to 31st March, 2016;

(d) the letter dated 1st April, 2016 entered into between ITCP Overseas and Bright Sino in relation to the further extension of the payment date of the remaining balance of the consideration in the sum of HK$295.0 million under the Disposal Agreement to 29th April, 2016;

(e) the MOU;

(f) the Loan Agreement;

(g) the share mortgage dated 25th May, 2016 entered into among Rank Ace as lender, Caufield as chargor and the JV Co in relation to 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 shareholder's 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;

(h) the loan agreement dated 30th May, 2016 entered into between ITC Properties Finance Limited (an indirect wholly-owned subsidiary of the Company) ("**ITCP Finance**") as lender and SMI Holdings Group Limited ("**SMI**") as borrower in relation to the provision of an unsecured loan of HK$250.0 million by ITCP Finance to SMI pursuant to the terms and conditions contained therein;

(i) the Subscription Agreement;

(j) the loan agreement dated 13th June, 2016 entered into between ITCP Finance as lender and Dr. Allan Yap ("**Dr. Yap**") as borrower in relation to the provision of an unsecured loan of HK$250.0 million by ITCP Finance to Dr. Yap pursuant to the terms and conditions contained therein;

(k) the First Supplemental Agreement;

(l) the subscription agreement dated 6th October, 2016 entered into among Treasure Generator as issuer, the Company as guarantor, and Credit Suisse Securities (Europe) Limited and Sun Hung Kai Investment Services Limited as joint lead managers in relation to the issue of the Notes;

(m) the trust deed dated 14th October, 2016 entered into among Treasure Generator as issuer, the Company as guarantor and The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") as trustee in relation to the provision of unconditional and irrevocable guarantee by the Company to HSBC for the due and punctual payment in respect of the Notes by Treasure Generator;

(n) the agency agreement dated 14th October, 2016 entered into among Treasure Generator as issuer, the Company as guarantor, and HSBC as registrar, principal paying agent, other agents named therein and trustee in relation to the issue of the Notes; and

(o) the Second Supplemental Agreement.

7. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

8. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have been named in this circular or have given opinions or advice which are contained in this circular:

Name	Qualification
RHL Appraisal Limited	Professional valuer
Deloitte Touche Tohmatsu	Certified Public Accountants

The experts listed above have given and have not withdrawn their written consents to the issue of this circular with the inclusion herein of their letters and references to their names in the form and context in which they respectively appear.

As at the Latest Practicable Date, neither of the experts listed above have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, neither of the experts listed above have any direct or indirect interests in any assets which had been, since 31st March, 2016 (being the date to which the latest published audited accounts of the Company were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at 31st Floor, Paul Y. Centre, 51 Hung To Road, Kwun Tong, Kowloon, Hong Kong during normal business hours from 9:30 a.m. to 12:30 p.m. and 2:00 p.m. to 5:00 p.m. on any weekdays other than public holidays, for a period of fourteen (14) days from the date of this circular:

— the memorandum of association and the bye-laws of the Company;

— the annual reports of the Company for each of the two financial years ended 31st March, 2015 and 2016;

— the accountants' reports on (a) the JV Group; (b) the Vancouver ULC Group; (c) Vancouver GP; and (d) 0931922 B.C. Ltd. for the relevant periods as specified in each of the accountants' reports, the texts of which are set out in Appendices IIA, IIB, IIC and IID to this circular respectively;

- the report from Deloitte Touche Tohmatsu on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix III to this circular;
- the valuation report of the Hotel, the text of which is set out in Appendix IV to this circular;
- the material contracts referred to in the paragraph headed "Material contracts" in this appendix;
- the letters of consent referred to in the paragraph headed "Experts and consents" in this appendix; and
- this circular.

10. GENERAL

- The company secretary of the Company is Ms. Tam Lai Kwan Terry. She graduated from The University of Hong Kong with a bachelor of arts degree and is an associate member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators of the United Kingdom.
- The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda.
- The Company's principal place of business in Hong Kong is situated at Unit 3102, 31st Floor, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.
- The branch share registrar and transfer office of the Company in Hong Kong is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- The English text of this circular prevails over the Chinese text.