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德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 199)

POSITIVE PROFIT ALERT

This announcement is made by ITC Properties Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review on the unaudited consolidated management accounts of the Group for the six months ended 30 September 2021 (the “**Period**”), the Group expected to record a marked turnaround to net profit of not less than HK\$500 million for the Period, as compared with a net loss of approximately HK\$303 million for the six months ended 30 September 2020 (“**HY2020**”).

The expected net profit for the Period is mainly attributable to the following:

- (i) Following the issuance of the occupation permit, the pre-sold units of a luxury residential project in Macau developed by an associate of the Group have gradually been handed over to the end buyers and the corresponding sales are recognised during the Period. It is expected that there is share of net profits of the Group’s associates of not less than HK\$700 million for the Period, as compared with share of net losses of associates of approximately HK\$0.1 million for HY2020; and
- (ii) As disclosed in the announcement of the Company dated 28 June 2021, the Group rescinded the agreement for the acquisition of 45.76% interests in Paul Y. Engineering Group Limited and claimed against the vendor and South Shore Holdings Limited (In Provisional Liquidation) (being the guarantor of the vendor) for the refund of deposits in aggregate of HK\$159 million (the “**Deposits**”) paid in this respect. Based on the preliminary valuation performed by an independent professional valuer, a significant loss allowance of not less than HK\$150 million for expected credit loss (the “**ECL**”) is anticipated to be recognised on the Deposits. The ECL is a non-cash item and will not affect the cash flows of the Group.

* For identification purpose only

The Company is in the process of finalising the interim results of the Group for the Period. The information contained in this announcement is based on the information currently available to the Company and the preliminary assessment of the unaudited consolidated management accounts of the Group, which are subject to further review and adjustments by the audit committee of the Company and the Board. The announcement of the interim results of the Group for the Period will be published on 26 November 2021.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 9 November 2021

As at the date of this announcement, the directors of the Company are as follows:

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*), Mr. Cheung Chi Kit (*Managing Director*), Mr. Chan Yiu Lun, Alan, Mr. Wong Lai Shun, Benny, Ms. Lam Sau Fung (*Chief Financial Officer*)

Independent Non-executive Directors:

Hon. Shek Lai Him, Abraham, *GBS, JP (Vice Chairman)*, Mr. Chan Pak Cheong Afonso, Mr. Ip Hon Wah

In case of any inconsistency, the English version of this announcement shall prevail over the Chinese version.