

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 199)

**UPDATE OF THE DISCLOSEABLE TRANSACTION OF
THE ACQUISITION OF A 45.76% INTEREST IN
PAUL Y. ENGINEERING GROUP LIMITED**

The Board announces that due to the exercise by Wise Park of its rights under the Share Charge to sell to a third party the entire issued share capital of the Vendor charged under the Share Charge as disclosed in the inside information announcement of South Shore dated 21 May 2021, the Conditions may unlikely be fulfilled in full and it is highly probable that the Vendor as well as PYE will no longer be subsidiaries of South Shore. In this respect, the Acquisition may unlikely be proceeded in accordance with the terms and conditions of the Acquisition Agreement.

References are made to the announcements of the Company dated (i) 28 June 2017 in relation to the acquisition of a 45.76% interest in Paul Y. Engineering Group Limited by the Group and (ii) 19 December 2017, 14 March 2018, 28 September 2018, 28 March 2019, 1 August 2019, 31 March 2020, 30 September 2020 and 31 March 2021 in relation to the extension of the Long Stop Date (collectively, the “**Announcements**”). Capitalised terms used herein shall have the same meanings as defined in the Announcements unless otherwise specified.

The Board noticed from the inside information announcement of South Shore Holdings Limited (“**South Shore**”) dated 21 May 2021 that on 18 May 2021, the legal representatives of Wise Park Business Limited (“**Wise Park**”) by way of a letter to the legal representatives of The 13 Hotel (BVI) Limited (the immediate holding company of the Vendor) and South Shore gave notice that Wise Park had already exercised its rights under the Share Charge to sell to a third party the entire issued share capital of the Vendor charged under the Share Charge. Pursuant to the Acquisition Agreement (as amended by the extension letters dated 19 December 2017, 14 March 2018, 28 September 2018, 28 March 2019, 31 July 2019, 31 March 2020, 30 September 2020 and 31 March 2021) :

* *For identification purpose only*

- (1) the Initial Deposit and the Further Deposit in aggregate of HK\$159 million had been paid by the Group to the Vendor; and
- (2) Completion is conditional upon the fulfillment or waiver (as applicable) of the Conditions on or before the Long Stop Date, being 30 September 2021 or such other date as the Vendor and the Purchaser may agree in writing. One of the Conditions is that the Share Charge shall have been absolutely released and discharged. In this respect, the Conditions may unlikely be fulfilled in full and it is highly probable that the Vendor as well as PYE will no longer be subsidiaries of South Shore.

In this respect, the Acquisition may unlikely be proceeded in accordance with the terms and conditions of the Acquisition Agreement. The Company will take immediate action to discuss with South Shore and the new owner and/or management of the Vendor to uphold the Group's rights and benefits under the Acquisition Agreement. The Company will keep its shareholders and investors informed of developments in this matter by way of further announcements as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 24 May 2021

As at the date of this announcement, the Directors 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*)

Non-executive Director:

Mr. Chan Fut Yan

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.