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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)**

## **INSIDE INFORMATION**

### **UPDATES IN RELATION TO THE DISCLAIMER OF OPINION ON GOING CONCERN SET OUT IN THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024**

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 of the Laws of Hong Kong).

The board of directors of the Company would like to provide updates in relation to the disclaimer of opinion on going concern set out in the annual report of the Company for the year ended 31 March 2024 (the “**Annual Report**”) published on 25 July 2024. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Annual Report.

Since the publication of the Annual Report and up to the date of this announcement, the following plans and measures have been implemented to improve the liquidity and financial position of the Group:

- (i) On 28 August 2024, the Group disposed of its entire 50% equity interests in Bayshore for a total consideration of CAD18.5 million. Details of the transaction were disclosed in the announcement dated 26 August 2024 and the circular dated 25 September 2024 of the Company. As at the date of this announcement, the first and second tranches of the consideration in the total sum of CAD12 million (equivalent to approximately HK\$67 million) have been received by the Group and such received proceeds, net of expenses, of approximately HK\$65 million have been applied to repay the Group’s bank and other borrowings of HK\$26 million and the balance has been applied for payment of operating costs (including finance costs) of the Group.

\* *For identification purpose only*

- (ii) On 31 October 2024, the Group disposed of 10% interests in a group of joint ventures, being Assets Builder Investments Limited, 1488 Alberni LPDH and 1488 Alberni LPI, at an aggregate consideration of CAD5.36 million (equivalent to approximately HK\$30 million). The net proceeds in the sum of approximately HK\$28 million have been fully applied for repayment of loan which was due to mature on 31 October 2024. Details of the transaction were disclosed in the announcement dated 31 October 2024 and the circular dated 17 January 2025 of the Company.
- (iii) In December 2024, the Group reached an agreement with The People's Government of Sanya City regarding the compensation amount of approximately RMB477.8 million payable to the Group in relation to the resumption of a parcel of land situated inside 三亞崖州灣科技城 (Sanya Yazhou Bay Science and Technology City), Sanya City, Hainan Province, the PRC. Details were disclosed in the announcements dated 23 December 2024 and 27 December 2024 of the Company. As at the date of this announcement, approximately RMB220 million (equivalent to approximately HK\$234 million) of the agreed compensation has been received by the Group, of which approximately HK\$161 million has been applied to repay bank and other borrowings and the remaining amount has been or will be applied for the payment of operating costs (including finance costs) of the Group.
- (iv) The Group further successfully disposed of certain properties in Hong Kong and the United Kingdom for an aggregate consideration of approximately HK\$377 million. The net proceeds from such disposals received by the Group amounted to approximately HK\$370 million and have been applied to repay bank and other borrowings of HK\$239 million and the remaining amount has been or will be applied to pay operating costs (including finance costs) of the Group.
- (v) As at the date of this announcement, the Group had a bank borrowing of HK\$391 million overdue, for which the Group has continued to make interest payment and did not receive any demand for immediate payment of this borrowing.
- (vi) The Group has taken active measures to control its administrative and operating costs, such as reducing its non-core headcount and streamlining its operations, which resulted in a decrease in staff costs.
- (vii) The Group has been in active discussion with potential buyers regarding the disposal of certain properties holding in Hong Kong.

The Company will publish announcement(s) for the updates regarding the Disclaimer of Opinion as and when appropriate in accordance with the Listing Rules and/or as required by the Stock Exchange.

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

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

Hong Kong, 30 May 2025

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

*Executive Directors:*

Mr. Cheung Hon Kit (*Chairman*), Dr. Chan Kwok Keung, Charles (*Joint Vice Chairman*), Mr. Chan Yiu Lun, Alan, Mr. Law Hon Wa, William (*Chief Financial Officer*)

*Non-executive Director:*

Ms. Chau Mei Wah

*Independent Non-executive Directors:*

Hon. Shek Lai Him, Abraham, GBS, JP (*Joint Vice Chairman*), Mr. Ip Hon Wah, Mr. Pang, Anthony Ming-tung

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