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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)

**MAJOR TRANSACTION
IN RELATION TO
THE DISPOSAL OF 10% INTERESTS IN,
AND LOAN RECEIVABLES FROM,
THE LIMITED PARTNERSHIPS AND
THE DISPOSAL OF 10% INTERESTS IN ASSETS BUILDER**

THE DISPOSAL

The Board wishes to announce that the Group has entered into the following transactions to dispose of its 10% interests in the Alberni JV on 31 October 2024 (after trading hours of the Stock Exchange).

(I) disposal of limited partner units in Development LP

(i) ITCP Alberni Holdings, an indirect wholly-owned subsidiary of the Company, (ii) Landa Alberni Holdings, an existing limited partner of Development LP, and (iii) 1488 Alberni Holdings, the general partner of Development LP, entered into the Development LP Unit Purchase Agreement whereby ITCP Alberni Holdings agreed to sell and Landa Alberni Holdings agreed to purchase the Development LP Sale Units (representing 10% of all issued limited partner units in the capital of Development LP) at a consideration of CAD512,728.05 (equivalent to approximately HK\$2,922,550). Upon completion of the Development LP Unit Purchase Agreement, which took place on 31 October 2024, ITCP Alberni Holdings still retains an 18% interest in the issued limited partner units in the capital of Development LP.

The principal business of Development LP is the holding, together with Investment LP, of the beneficial interests in the Properties.

* For identification purpose only

(II) disposal of limited partner units in Investment LP

(i) ITCP Alberni Holdings, (ii) Landa Alberni Holdings, also an existing limited partner of Investment LP, and (iii) 1488 Alberni Investment, the general partner of Investment LP, entered into the Investment LP Unit Purchase Agreement whereby ITCP Alberni Holdings agreed to sell and Landa Alberni Holdings agreed to purchase the Investment LP Sale Units (representing 10% of all issued limited partner units in the capital of Investment LP) at a consideration of CAD17,453.15 (equivalent to approximately HK\$99,483). Upon completion of the Investment LP Unit Purchase Agreement, which took place on 31 October 2024, ITCP Alberni Holdings still retains an 18% interest in the issued limited partner units in the capital of Investment LP.

The principal business of Investment LP is the holding, together with Development LP, of the beneficial interests in the Properties.

(III) assignment of loan receivables from the Limited Partnerships

Solid Riches, an indirect wholly-owned subsidiary of the Company, and Xpec Investments, a shareholder of Landa Alberni Holdings, entered into the Loan Assignment Agreement whereby Solid Riches conditionally assigned to Xpec Investments the Sale Loan (being 10% of the loan and accrued interest owing by the Limited Partnerships to the limited partners and/or their affiliates) for an aggregate consideration of CAD4,829,817.80 (equivalent to approximately HK\$27,529,961).

(IV) transfer of 10% shareholding in Assets Builder

To reflect the pro-rata interest of ITCP Alberni Holdings in the Limited Partnerships, Solid Riches (being the sole shareholder of ITCP Alberni Holdings) and Landa Global Properties (being an affiliate of Landa Alberni Holdings and an existing shareholder of Assets Builder) entered into the GP Share Transfer Agreement whereby Solid Riches agreed to sell and Landa Global Properties agreed to purchase the Sale Shares, representing a 10% shareholding in Assets Builder, at the consideration of CAD1.00 (equivalent to approximately HK\$5.7).

The sole business activity of Assets Builder is the holding of the entire issued share capital of each of 1488 Alberni Holdings and 1488 Alberni Investment. The sole business activity of 1488 Alberni Holdings and 1488 Alberni Investment is acting as the general partner and holding of the sole issued general partner unit of Development LP and Investment LP respectively. Upon completion of the GP Share Transfer Agreement, which also took place on 31 October 2024, Solid Riches retains an 18% shareholding in Assets Builder.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio exceeds 25% and all applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or its/his/her associate(s) has a material interest in the Disposal Agreements and the transactions contemplated thereunder and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a Shareholders' meeting for approving the Disposal Agreements and the transactions contemplated thereunder.

As at the date of this announcement, Dr. Chan directly owns 191,588,814 Shares and through Galaxyway Investments Limited, whose entire issued share capital is indirectly owned by Dr. Chan, owns 76,186,279 Shares. Ms. Ng, through Fortune Crystal Holdings Limited, whose entire issued share capital is indirectly owned by Ms. Ng, owns 261,172,919 Shares. Ms. Ng is the spouse of Dr. Chan. The Company has obtained written Shareholders' approval in respect of the Disposal Agreements and the transactions contemplated thereunder from Dr. Chan, Galaxyway Investments Limited and Fortune Crystal Holdings Limited, which in aggregate own 528,948,012 Shares, representing approximately 58.3% of the existing issued share capital of the Company. Pursuant to Rule 14.44(2) of the Listing Rules, the written Shareholders' approval from Dr. Chan, Galaxyway Investments Limited and Fortune Crystal Holdings Limited will be accepted in lieu of holding a general meeting of the Shareholders. Accordingly, no physical Shareholders' meeting will be held by the Company to approve the Disposal Agreements and the transactions contemplated thereunder.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, information relating to the Disposal, the financial information and other information of the Group and other information as required under the Listing Rules shall be despatched to the Shareholders within fifteen (15) Business Days after the publication of this announcement. As additional time is required for the Company to prepare the relevant information including the financial information and other information of the Group for inclusion in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and for an extension of the deadline for the despatch of the circular to 13 December 2024.

THE DISPOSAL

The Board wishes to announce that, after trading hours of the Stock Exchange on 31 October 2024, the Group entered into the Disposal Agreements comprising (i) the Development LP Unit Purchase Agreement, (ii) the Investment LP Unit Purchase Agreement, (iii) the Loan Assignment Agreement, and (iv) the GP Share Transfer Agreement in order to dispose of its 10% interests in the Alberní JV. The principal terms of the Disposal Agreements are set out below.

THE DISPOSAL AGREEMENTS

(I) DEVELOPMENT LP UNIT PURCHASE AGREEMENT

(1) Date:

31 October 2024 (signed after trading hours of the Stock Exchange)

(2) Parties:

- (i) ITCP Alberni Holdings (as vendor), a company incorporated in British Columbia, Canada with limited liability and an indirect wholly-owned subsidiary of the Company, with its sole business being holding of 28% of all issued limited partner units in the capital of the Limited Partnerships;
- (ii) Landa Alberni Holdings (as purchaser), a company incorporated in British Columbia, Canada with limited liability, and a limited partner of Development LP holding, immediately before the signing of the Development LP Unit Purchase Agreement, 20% of all issued limited partner units; and
- (iii) 1488 Alberni Holdings (as general partner), a company incorporated in British Columbia, Canada with limited liability and a wholly-owned subsidiary of Assets Builder.

(3) Interests to be disposed of:

ITCP Alberni Holdings agreed to sell and Landa Alberni Holdings agreed to purchase the Development LP Sale Units, being 10 Class A Limited Partner Units, representing 10% of all issued limited partner units, in the capital of Development LP, together with all rights attached thereto.

1488 Alberni Holdings, being the general partner of Development LP, gave its unconditional consent to the said sale and purchase.

(4) Consideration and payment terms:

The consideration for the Development LP Sale Units payable by Landa Alberni Holdings is CAD512,728.05 (equivalent to approximately HK\$2,922,550), which was to be paid, and has been paid, on completion of the Development LP Unit Purchase Agreement.

(5) Completion:

Completion of the Development LP Unit Purchase Agreement was to take place, and has taken place, contemporaneously with the signing thereof.

(II) INVESTMENT LP UNIT PURCHASE AGREEMENT

(1) Date:

31 October 2024 (signed after trading hours of the Stock Exchange)

(2) Parties:

- (i) ITCP Alberni Holdings (as vendor);
- (ii) Landa Alberni Holdings (as purchaser), which is also a limited partner of Investment LP holding, immediately before the signing of the Investment LP Unit Purchase Agreement, 20% of all issued limited partner units; and
- (iii) 1488 Alberni Investment (as general partner), a company incorporated in British Columbia, Canada with limited liability and a wholly-owned subsidiary of Assets Builder.

(3) Interests to be disposed of:

ITCP Alberni Holdings agreed to sell and Landa Alberni Holdings agreed to purchase the Investment LP Sale Units, being 10 Class A Limited Partner Units, representing 10% of all issued limited partner units, in the capital of Investment LP, together with all rights attached thereto.

1488 Alberni Investment, being the general partner of Investment LP, gave its unconditional consent to the said sale and purchase.

(4) Consideration and payment terms:

The consideration for the Investment LP Sale Units payable by Landa Alberni Holdings is CAD17,453.15 (equivalent to approximately HK\$99,483), which was to be paid, and has been paid, on completion of the Investment LP Unit Purchase Agreement.

(5) Completion:

Completion of the Investment LP Unit Purchase Agreement was to take place, and has taken place, contemporaneously with the signing thereof.

(III) LOAN ASSIGNMENT AGREEMENT

(1) Date:

31 October 2024 (signed after trading hours of the Stock Exchange)

(2) Parties:

- (i) Solid Riches (as assignor), a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company, with its principal business activities being the holding of 100% interests in ITCP Alberni Holdings and, prior to completion of the GP Share Transfer Agreement, 28% interests in Assets Builder; and
- (ii) Xpec Investments (as assignee), a company incorporated in Hong Kong with limited liability and a shareholder of Landa Alberni Holdings.

(3) Interests to be disposed of:

Solid Riches has conditionally assigned to Xpec Investments the Sale Loan, being amounts owing by the Limited Partnerships to Solid Riches in the aggregate sum of CAD23,737,661.84, as to CAD22,550,777.53 owing by Development LP (CAD11,255,625.00 being principal and CAD11,295,152.53 being accrued interest) and CAD1,186,884.31 owing by Investment LP (CAD592,402.50 being principal and CAD594,481.81 being accrued interest), representing 10% of the total sum owing by the Limited Partnerships to the limited partners and/or their affiliates, together with all rights attached thereto. The assignment is conditional on, and shall become effective upon, Royal Bank of Canada, the existing financier of the Limited Partnerships, having executed a release of the Sale Loan from the Postponement and Subordination Agreement dated 4 March 2019 executed by Solid Riches as security for certain bank facilities granted to the Limited Partnerships.

(4) Consideration and payment terms:

The consideration for the Sale Loan payable by Xpec Investments is CAD4,829,817.80 (equivalent to approximately HK\$27,529,961), which was to be paid, and has been paid, on the signing of the Loan Assignment Agreement.

(IV) GP SHARE TRANSFER AGREEMENT

(1) Date:

31 October 2024 (signed after trading hours of the Stock Exchange)

(2) Parties:

- (i) Solid Riches (as vendor), a shareholder of Assets Builder holding, immediately before completion of the GP Share Transfer Agreement, 28% of the shareholding in Assets Builder; and
- (ii) Landa Global Properties (as purchaser), a company incorporated in British Columbia, Canada with limited liability and a shareholder of Assets Builder holding, immediately before completion of the GP Share Transfer Agreement, 20% of the shareholding in Assets Builder.

(3) Interests to be disposed of:

Solid Riches agreed to sell and Landa Global Properties agreed to purchase the Sale Shares (being 10 ordinary shares, representing a 10% shareholding, in Assets Builder) together with all rights attached thereto.

(4) Consideration and payment terms:

The consideration for the GP Transfer Shares payable by Landa Global Properties is CAD1.00 (equivalent to approximately HK\$5.7), which was to be paid, and has been paid, on completion of the GP Share Transfer Agreement.

(5) Completion:

Completion of the sale and purchase under the GP Share Transfer Agreement was to take place, and has taken place, immediately after the signing thereof.

BASIS OF DETERMINATION OF THE CONSIDERATION

The total amount of Consideration payable by the Landa Group to the Group for the Disposal as a whole is CAD5,360,000 (equivalent to approximately HK\$30,552,000). The Consideration was determined after arm's length negotiations between the Group and the Landa Group. The Directors were mindful of the urgency of the Group to receive cash inflow to alleviate its going concern issues and pressure to meet its immediate cash obligations, and the difficulties the Group would encounter in disposing its interest in the Alberni JV due to, amongst others, the following reasons:

- an outstanding bank loan owed by the Limited Partnerships maturing in December 2024 might fall short of being fully refinanced and hence a significant portion of the loan might be required to be repaid through a significant capital injection by the limited partners;
- the proposed redevelopment plan for the Properties which has been underway since 2016 but has remained subject to obtaining the relevant development permit(s). In addition, changes in local policies in Canada prohibiting non-Canadian residents from purchasing local residential properties came into effect in January 2023 and is expected to remain in place until at least 2027. These factors, coupled with the long horizon of the redevelopment project, have posed major obstacles for the Limited Partnerships to generate the revenue necessary to meet the Group’s urgent cash flow needs;
- a significant amount of capital investment will be required to meet future capital requirements for the redevelopment of the Properties, which may necessitate capital injection by the limited partners; and
- the lack of control associated with the 28%-interest ownership in the Alberni JV held by the Group immediately prior to the Disposal.

Having considered the above factors, the Directors consider that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE LIMITED PARTNERSHIPS, GENERAL PARTNERS AND ASSETS BUILDER

Limited Partnerships

Development LP

Development LP is a limited partnership formed under the laws of British Columbia of Canada on 29 January 2016. Its principal business is the holding of the beneficial interests in the Properties together with Investment LP.

The Properties comprise two separate legal parcels of land located at the entire south side of the 1400 block of Alberni Street, between Broughton Street and Nicola Street, Vancouver, Canada, which have a total site area of approximately 43,282 sq. ft..

The first parcel is located at the southwest corner of Alberni Street and Broughton Street and currently has built thereon a mixed use high-rise development comprising a 19-storey, 129-unit rental apartment building with a four-storey office component that fronts onto Alberni Street. The second parcel is located at the southeast corner of Alberni Street and Nicola Street, on which a three-storey office building is currently erected. There are three levels of underground parking space provided to service these buildings.

The Properties are proposed to be redeveloped into a high-density complex comprising both residential and commercial components.

As at the date of the Development LP Unit Purchase Agreement and this announcement, Development LP has one issued general partner unit and 100 Class A Limited Partner Units. The sole issued general partner unit is owned by 1488 Alberni Holdings and, immediately prior to completion of the Development LP Unit Purchase Agreement, the issued limited partner units were owned as to (i) 28% by ITCP Alberni Holdings, (ii) 20% by Landa Alberni Holdings and (iii) 40% and 12% by two other Independent Third Parties respectively.

Upon completion of the Development LP Unit Purchase Agreement which took place on 31 October 2024, the issued limited partner units became owned as to (i) 18% by ITCP Alberni Holdings, (ii) 30% by Landa Alberni Holdings and (iii) same as before completion, 40% and 12% by two other Independent Third Parties respectively.

Investment LP

Investment LP is a limited partnership formed under the laws of British Columbia of Canada on 29 January 2016. Its principal business is the holding of the beneficial interests in Properties together with Development LP.

As at the date of the Investment LP Unit Purchase Agreement and this announcement, Investment LP has one issued general partner unit and 100 Class A Limited Partner Units. The sole issued general partner unit is owned by 1488 Alberni Investment and, immediately prior to completion of the Investment LP Unit Purchase Agreement, the issued limited partner units were owned as to (i) 28% by ITCP Alberni Holdings, (ii) 20% by Landa Alberni Holdings and (iii) 40% and 12% by two other Independent Third Parties respectively.

Upon completion of the Investment LP Unit Purchase Agreement which took place on 30 October 2024, the issued limited partner units became owned as to (i) 18% by ITCP Alberni Holdings, (ii) 30% by Landa Alberni Holdings and (iii) same as before completion, 40% and 12% by two other Independent Third Parties respectively.

General Partners

1488 Alberni Holdings and 1488 Alberni Investment are companies incorporated in British Columbia, Canada with limited liability and both wholly-owned by Assets Builder. The sole business activity of 1488 Alberni Holdings and 1488 Alberni Investment is acting as the general partner and holding of the sole issued general partner unit of Development LP and Investment LP respectively.

Assets Builder

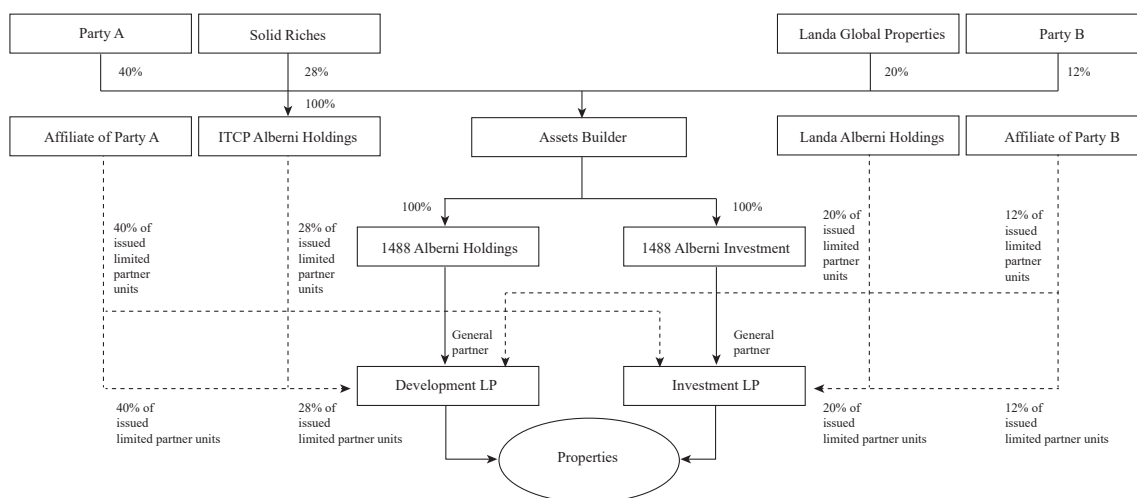
Assets Builder is a company incorporated in BVI with limited liability and its sole business activity is the holding of the entire issued share capital of each of the General Partners.

Immediately prior to completion of the GP Share Transfer Agreement, the issued share capital of Assets Builder was owned as to (i) 28% by Solid Riches, (ii) 20% by Landa Global Properties and (iii) 40% and 12% by two other Independent Third Parties respectively.

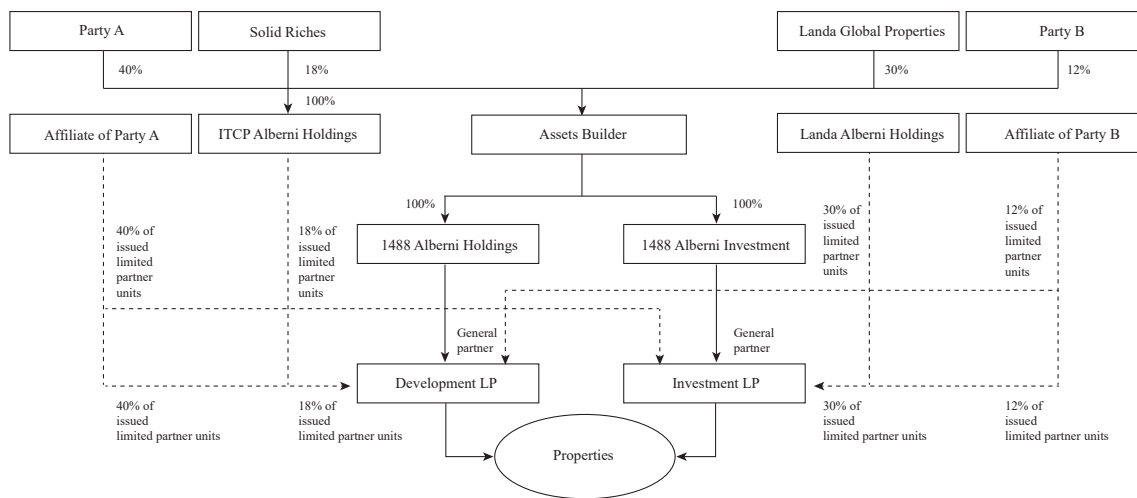
Upon completion of the GP Share Transfer Agreement which took place on 31 October 2024, Assets Builder became owned as to (i) 18% by Solid Riches, (ii) 30% by Landa Global Properties and (iii) same as before completion, 40% and 12% by two other Independent Third Parties respectively.

The following diagrams illustrate the corporate structure of Assets Builder, the General Partners and the Limited Partnerships prior to and immediately upon Completion:

(i) Prior to Completion



(ii) Immediately upon Completion



Financial information of the Limited Partnerships and Assets Builder

Development LP

Set out below is the unaudited financial information for the years ended 31 March 2023 and 2024 and the unaudited financial information for the five months ended 31 August 2024 of the Development LP prepared in accordance with International Financial Reporting Standards:

	For the five months ended 31 August 2024		For the year ended 31 March			
	<i>Equivalent to approximately</i>		<i>Equivalent to approximately</i>		<i>Equivalent to approximately</i>	
	<i>CAD'000</i>	<i>HK\$'000</i>	<i>CAD'000</i>	<i>HK\$'000</i>	<i>CAD'000</i>	<i>HK\$'000</i>
				<i>(Note 1)</i>		<i>(Note 2)</i>
Revenue	704	4,010	1,664	9,653	1,558	9,217
Loss before taxation	(159)	(904)	(1,125)	(6,526)	(261)	(1,544)
Loss after taxation	(159)	(904)	(1,125)	(6,526)	(261)	(1,544)

Notes:

- 1. The exchange rate of CAD1.00 = HK\$5.801 has been used for currency translation of the 2024 unaudited financial figures.*
- 2. The exchange rate of CAD1.00 = HK\$5.915 has been used for currency translation of the 2023 unaudited financial figures.*

As at 31 August 2024, the unaudited net assets value of Development LP amounted to approximately CAD1,284,000 (equivalent to approximately HK\$7,318,000).

Investment LP

Set out below is the unaudited financial information for the years ended 31 March 2023 and 2024 and the unaudited financial information for the five months ended 31 August 2024 of Investment LP prepared in accordance with International Financial Reporting Standards:

	For the five months ended		For the year ended 31 March			
	31 August 2024		2024		2023	
	<i>Equivalent to approximately</i>		<i>Equivalent to approximately</i>		<i>Equivalent to approximately</i>	
	<i>CAD'000</i>	<i>HK\$'000</i>	<i>CAD'000</i>	<i>HK\$'000</i>	<i>CAD'000</i>	<i>HK\$'000</i>
				<i>(Note 1)</i>		<i>(Note 2)</i>
Revenue	37	211	88	508	82	485
Loss before taxation	(8)	(48)	(85)	(494)	(23)	(138)
Loss after taxation	(8)	(48)	(85)	(494)	(23)	(138)

Notes:

- 1. The exchange rate of CAD1.00 = HK\$5.801 has been used for currency translation of the 2024 unaudited financial figures.*
- 2. The exchange rate of CAD1.00 = HK\$5.915 has been used for currency translation of the 2023 unaudited financial figures.*

As at 31 August 2024, the unaudited net liabilities value of Investment LP amounted to approximately CAD37,000 (equivalent to approximately HK\$211,000).

Assets Builder

Set out below is the unaudited financial information for the years ended 31 March 2023 and 2024 and the unaudited financial information for the five months ended 31 August 2024 of Assets Builder prepared in accordance with International Financial Reporting Standards:

	For the five months ended		For the year ended 31 March			
	31 August 2024		2024		2023	
	<i>Equivalent to approximately</i>		<i>Equivalent to approximately</i>		<i>Equivalent to approximately</i>	
	<i>CAD'000</i>	<i>HK\$'000</i>	<i>CAD'000</i>	<i>HK\$'000</i>	<i>CAD'000</i>	<i>HK\$'000</i>
				<i>(Note 1)</i>		<i>(Note 2)</i>
Revenue	–	–	–	–	–	–
Loss before taxation	(6)	(32)	(7)	(41)	(3)	(15)
Loss after taxation	(6)	(32)	(7)	(41)	(3)	(15)

Notes:

1. *The exchange rate of CAD1.00 = HK\$5.801 has been used for currency translation of the 2024 unaudited financial figures.*
2. *The exchange rate of CAD1.00 = HK\$5.915 has been used for currency translation of the 2023 unaudited financial figures.*

As at 31 August 2024, the unaudited net liabilities value of Assets Builder amounted to approximately CAD44,000 (equivalent to approximately HK\$250,000).

INFORMATION ON THE COUNTERPARTIES TO THE DISPOSAL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries,

- (i) Landa Alberni Holdings is an investment holding company;
- (ii) Xpec Investments is an investment holding company;
- (iii) Landa Global Properties is an investment holding company; and
- (iv) each of Landa Alberni Holdings, Xpec Investments, Landa Global Properties and their respective ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE COMPANY AND REASONS FOR THE DISPOSAL

The Company is an investment holding company and the Group is principally engaged in development, selling of and investment in properties in Macau, Hong Kong, the PRC, Canada and the United Kingdom; investment in hotels and leisure business in the PRC and Canada; securities investments and provision of loan financing services.

As disclosed in the annual report for the year ended 31 March 2024 of the Company, the Group has been facing significant liquidity pressure and difficulty in accessing typical financing channels amid the downturn of the real estate market in Hong Kong and in the PRC. To improve its liquidity and to obtain funds to meet its financial needs and commitments, the Group has been proactively formulating various plans and measures, including seeking potential purchasers in respect of its assets on terms which are in the best interests of the Company and the Shareholders taken as a whole.

The Group has engaged an independent professional valuer to carry out a valuation on the Properties which are held under redevelopment using the direct comparison approach. The preliminary valuation of the Properties as at 31 August 2024 was approximately CAD348,000,000 (equivalent to approximately HK\$1,983,600,000), which is higher than the net book value of the Properties of approximately CAD317,129,000 (equivalent to approximately HK\$1,807,635,000). The aggregate Consideration under the Disposal Agreements of CAD5,360,000 (equivalent to approximately HK\$30,552,000) for 10% interests in the Alberni JV represents a discount of approximately 80% to the aggregated unaudited net asset value, adjusted for the fair value of the Properties, of the Group's 10% interests in the Alberni JV.

Having considered the factors as set out in the paragraph headed "BASIS OF DETERMINATION OF THE CONSIDERATION" above in this announcement, the Directors are of the view that the Consideration, including the said discount, as agreed is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Disposal would enable the Group to realise part of its investment in the Limited Partnerships and recoup cash resources for the repayment of priority indebtedness and necessary payment obligations. Furthermore, the Disposal would reduce the Group's exposure to the anticipated capital injection required to be made to the Limited Partnerships as aforementioned, which the Group would have difficulty to meet in view of its current financial and liquidity position.

Based on the above, the Board considers that the terms of each of the Disposal Agreements (including the aggregate Consideration under the Disposal Agreements) are fair and reasonable, and the entering into of the Disposal Agreements by the Group is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

The Development LP Sale Units and the Investment LP Sale Units were classified as interests in joint ventures of the Group as at 31 August 2024. Based on the aggregate Consideration of approximately HK\$30,552,000 under the Disposal Agreements, less (i) the unaudited carrying value of the Group's 10% interests in the Alberni JV of approximately HK\$686,000 as at 31 August 2024, representing an aggregate carrying value of net assets of Development LP of approximately HK\$732,000, net liabilities of Investment LP of approximately HK\$21,000 and net liabilities of Assets Builder of approximately HK\$25,000, (ii) the limited partners' loan and interest receivables of approximately HK\$135,305,000, (iii) the reclassification of translation reserve upon the Disposal of approximately HK\$1,363,000, and (iv) the related expenses for the Disposal of approximately HK\$2,043,000, the Group currently expects to record a loss on disposal (including disposal of interests in joint ventures and derecognition of amounts due from joint venture) of approximately HK\$108,845,000. The actual loss of the Disposal for the Group as at the Completion Date is subject to audit and therefore may be different from the amount mentioned above.

The net proceeds arising from the Disposal, being the Consideration net of relevant expenses of approximately HK\$2,043,000, are estimated to be approximately HK\$28,509,000 and expected to be applied for repayment of borrowings.

Upon Completion, which has taken place, the Group retains an 18% interest in the Albarni JV and a board seat in each of Assets Builder and General Partners. As certain material decisions regarding the activities of the Limited Partnerships require unanimous consent of all the directors of the relevant General Partners according to the shareholders' agreement of Assets Builder, the Group is able to exercise joint control over the relevant activities of the Limited Partnerships. Hence, the Group is expected to classify an 18% interest in the Development LP Sale Units and the Investment LP Sale Units as interests in joint ventures of the Group.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio exceeds 25% and all applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or its/his/her associate(s) has a material interest in the Disposal Agreements and the transactions contemplated thereunder and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a Shareholders' meeting for approving the Disposal Agreements and the transactions contemplated thereunder.

As at the date of this announcement, Dr. Chan directly owns 191,588,814 Shares and through Galaxyway Investments Limited, whose entire issued share capital is indirectly owned by Dr. Chan, owns 76,186,279 Shares. Ms. Ng, through Fortune Crystal Holdings Limited, whose entire issued share capital is indirectly owned by Ms. Ng, owns 261,172,919 Shares. Ms. Ng is the spouse of Dr. Chan. The Company has obtained written Shareholders' approval in respect of the Disposal Agreements and the transactions contemplated thereunder from Dr. Chan, Galaxyway Investments Limited and Fortune Crystal Holdings Limited, which in aggregate own 528,948,012 Shares, representing approximately 58.3% of the existing issued share capital of the Company. Pursuant to Rule 14.44(2) of the Listing Rules, the written Shareholders' approval from Dr. Chan, Galaxyway Investments Limited and Fortune Crystal Holdings Limited will be accepted in lieu of holding a general meeting of the Shareholders. Accordingly, no physical Shareholders' meeting will be held by the Company to approve the Disposal Agreements and the transactions contemplated thereunder.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, information relating to the Disposal, the financial information and other information of the Group and other information as required under the Listing Rules shall be despatched to the Shareholders within fifteen (15) Business Days after the publication of this announcement. As additional time is required for the Company to prepare the relevant information including the financial information and other information of the Group for inclusion in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and for an extension of the deadline for the despatch of the circular to 13 December 2024.

DEFINITIONS

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

“1488 Alberni Holdings”	1488 Alberni Holdings Limited, a company incorporated in British Columbia, Canada with limited liability and a wholly-owned subsidiary of Assets Builder
“1488 Alberni Investment”	1488 Alberni Investment Limited, a company incorporated in British Columbia, Canada with limited liability and a wholly-owned subsidiary of Assets Builder
“Alberni JV”	collectively, Assets Builder and the Limited Partnerships
“applicable percentage ratio(s)”	has the same meaning ascribed thereto under Rule 14.07 of the Listing Rules
“Assets Builder”	Assets Builder Investments Limited, a company incorporated in BVI with limited liability
“associate(s)”	has the same meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	has the same meaning ascribed thereto in the Listing Rules
“BVI”	the British Virgin Islands
“CAD”	Canadian dollars, the lawful currency of Canada
“Company”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 199)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreements

“Completion Date”	the date on which Completion was to take place, and has taken place, which was 31 October 2024
“connected person(s)”	has the same meaning ascribed thereto in the Listing Rules
“Consideration”	the aggregate consideration for the Disposal in the sum of CAD5,360,000 (equivalent to approximately HK\$30,552,000), being (i) CAD512,728.05 for the Development LP Sale Units; (ii) CAD17,453.15 for the Investment LP Sale Units; (iii) CAD4,829,817.80 for the Sale Loan and (iv) CAD1.00 for the GP Transfer Shares
“Development LP”	1488 Alberni Development Holdings Limited Partnership, a limited partnership formed under the laws of British Columbia, Canada
“Development LP Sale Units”	ten (10) Class A Limited Partner Units in the capital of Development LP, representing 10% of all issued limited partner units in the capital of Development LP as at the date of Development LP Unit Purchase Agreement and on Completion
“Development LP Sale Units Disposal”	the disposal of the Development LP Sale Units by ITCP Alberni Holdings to Landa Alberni Holdings pursuant to the Development LP Unit Purchase Agreement
“Development LP Unit Purchase Agreement”	the agreement dated 31 October 2024 entered into between ITCP Alberni Holdings as vendor, Landa Alberni Holdings as purchaser and 1488 Alberni Holdings as general partner in relation to the sale and purchase of the Development LP Sale Units
“Director(s)”	the director(s) of the Company
“Disposal”	collectively, the Development LP Sale Units Disposal, the Investment LP Sale Units Disposal, the Sale Loan Disposal and the GP Share Transfer
“Disposal Agreements”	collectively, the Development LP Unit Purchase Agreement, the Investment LP Unit Purchase Agreement, the Loan Assignment Agreement and the GP Share Transfer Agreement
“Dr. Chan”	Dr. Chan Kwok Keung, Charles, a Director and a substantial shareholder (as defined in the Listing Rules) of the Company
“General Partners”	collectively, 1488 Alberni Holdings and 1488 Alberni Investment

“GP Share Transfer”	the disposal of the Sale Shares by Solid Riches to Landa Global Properties pursuant to the GP Share Transfer Agreement
“GP Share Transfer Agreement”	the agreement dated 31 October 2024 entered into between Solid Riches as vendor and Landa Global Properties as purchaser in relation to the sale and purchase of the Sale Shares
“GP Transfer Shares”	ten (10) ordinary shares of Assets Builder, representing 10% of all issued ordinary shares in the capital of Assets Builder as at the date of Investment GP Share Transfer Agreement and on Completion
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected person(s)
“Investment LP”	1488 Alberni Investment Limited Partnership, a limited partnership formed under the laws of British Columbia, Canada
“Investment LP Sale Units”	ten (10) Class A Limited Partner Units in the capital of Investment LP, representing 10% of all issued limited partner units in the capital of Investment LP as at the date of Investment LP Unit Purchase Agreement and on Completion
“Investment LP Sale Units Disposal”	the disposal of the Investment LP Sale Units by ITCP Alberni Holdings to Landa Alberni Holdings pursuant to the Investment LP Unit Purchase Agreement
“Investment LP Unit Purchase Agreement”	the agreement dated 31 October 2024 entered into between ITCP Alberni Holdings as vendor, Landa Alberni Holdings as purchaser and 1488 Alberni Holdings as general partner in relation to the sale and purchase of the Investment LP Sale Units
“ITCP Alberni Holdings”	ITCP Alberni Holdings Limited, a company incorporated in British Columbia, Canada with limited liability and an indirect wholly-owned subsidiary of the Company
“Landa Alberni Holdings”	Landa Alberni Holdings Limited, a company incorporated in British Columbia, Canada with limited liability

“Landa Global Properties”	Landa Global Properties Limited, a company incorporated in British Columbia, Canada with limited liability
“Landa Group”	collectively, Landa Global Properties, Landa Alberni Holdings and Xpec Investments
“Limited Partnerships”	collectively, Development LP and Investment LP
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Assignment Agreement”	the agreement dated 31 October 2024 entered into between Solid Riches as assignor and Xpec Investments as assignee in relation to the assignment of the Sale Loan
“Macau”	the Macau Special Administrative Region of the PRC
“Ms. Ng”	Ms. Ng Yuen Lan, Macy, a substantial shareholder (as defined in the Listing Rules) of the Company and the spouse of Dr. Chan
“Properties”	the properties representing two separate legal parcels of land, the first parcel of which is located at 1444 Alberni Street and 711 Broughton Street, and the second parcel is located at 740 Nicola Street, all in Vancouver, British Columbia, Canada
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Sale Loan”	amounts owing by the Limited Partnerships to Solid Riches in the aggregate amount of CAD23,737,661.84
“Sale Loan Disposal”	the disposal of the Sale Loan by Solid Riches to Xpec Investments pursuant to the Loan Assignment Agreement
“Sale Shares”	ten (10) ordinary shares in the share capital of Assets Builder, representing 10% shareholding of Assets Builder as at the date of the GP Share Transfer Agreement and on Completion
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

“Solid Riches”	Solid Riches Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xpec Investments”	Xpec Investments Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent

In this announcement, unless the context requires otherwise, amounts denominated in CAD are converted into HK\$ at the rate of CAD1 = HK\$5.7. Such conversion rate is for illustration purpose only and should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

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

Hong Kong, 31 October 2024

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.