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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

RESUMPTION OF LAND USE RIGHTS

This announcement is made by ITC Properties Group Limited (the “**Company**”) 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 Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that on 23 December 2024, 三亞創新產業開發有限公司 (Sanya Innovation Industry Development Co., Ltd.*) (“**Sanya Innovation**”), an indirect wholly-owned subsidiary of the Company, received 《公共利益收回國有建設用地使用權決定書》 (Decision Letter for Resumption of State-Owned Construction Land Use Rights in Public Interests*) dated 20 December 2024 (the “**Decision Letter**”) from 三亞市人民政府 (The People’s Government of Sanya City) (the “**Sanya Government**”) regarding resumption with compensation of the parcel of land situated inside former 三亞市創意產業園 (Sanya Creative Industrial Park, currently known as 三亞崖州灣科技城 (Sanya Yazhou Bay Science and Technology City)), Sanya City, Hainan Province, the People’s Republic of China (the “**PRC**”) with lot number CY01-06-01 (the “**Land**”).

Pursuant to the Decision Letter, the Sanya Government has resolved to resume the Land with Sanya Innovation being entitled to a compensation of RMB477,758,290 (equivalent to approximately HK\$511,201,000) for the surrender of its land use rights in respect of the Land (the “**Resumption**”). The Decision Letter does not state the payment date of such compensation. The Sanya Government currently proposed that the compensation be paid by four tranches, as to (i) the first tranche of RMB100,000,000, on or before 31 December 2024; (ii) the second tranche of RMB120,000,000, on or before 31 March 2025; (iii) the third tranche of RMB100,000,000, on or before 30 June 2025; and (iv) the remaining of RMB157,758,290, on or before 30 September 2025 or as may be extended to 31 December 2025 by the Sanya Government. The final payment terms are subject to execution of the relevant compensation agreement by the Sanya Government, which agreement has been signed and submitted by Sanya Innovation to the Sanya Government. The Company will issue update announcement(s) as and when appropriate.

* For identification purpose only

The land use rights of the Land were acquired by Sanya Innovation through listing-for-sale in December 2013. The total site area of the Land is approximately 82,423 square meters which could be developed for hotel use. As at the date of this announcement, Sanya Innovation had already paid in full the premium and fees incidental to the acquisition of the land use rights of the Land pursuant to the relevant Land Grant Contract but the Land has not yet been handed over to Sanya Innovation.

As the Resumption is government-mandated, the board of directors of the Company (the “**Board**”) considers that Sanya Innovation has no discretion to act in an opposite manner. Therefore, the Board is of the view that the Resumption does not constitute a “transaction” under Chapter 14 of the Listing Rules and the Company is not required to comply with the relevant requirements for notifiable transactions.

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

In this announcement, amount(s) denominated in RMB is(are) converted into HK\$ at the rate of RMB1 = HK\$1.07. Such conversion rate is for illustration purpose only and should not be construed as a representation that the amount(s) in question has(have) been, could have been or could be converted at any particular rate or at all.

Names of companies and entities established in the PRC have been included in this announcement in both Chinese and English languages for identification purposes only. The English names of these companies and entities are either English translation of their respective official Chinese names or English names used by them. In the event of any inconsistency between the English names and their respective official Chinese names, the Chinese names shall prevail.

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

Hong Kong, 23 December 2024

As at the date of this announcement, the directors of the Company 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.