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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)

PROFIT WARNING

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 latest review on the unaudited consolidated management accounts of the Group for the year ended 31 March 2024 (the “**Year**”), the Group expected to record a net loss attributable to the owners of the Company of not less than HK\$600.0 million for the Year, as compared to that of approximately HK\$146.9 million for the year ended 31 March 2023 (“**FY2023**”).

The expected increase in net loss for the Year is mainly attributable to the following:

- (1) The Group has 20% equity interests in Rosedale Hotel Beijing Co., Ltd. (北京珀麗酒店有限責任公司) (“**Rosedale Beijing**”), which held a piece of land located at No. 8, Jiang Tai Road West, Chaoyang District, Beijing, the People’s Republic of China. In light of (i) the effect of a prolonged property market slowdown together with the uncertainties surrounding the assets of Rosedale Beijing which may no longer be utilised efficiently or effectively and (ii) the ongoing material issues in relation to the majority shareholder and management of Rosedale Beijing, the Group expects to recognise an impairment of such investment of up to HK\$136.2 million for the Year.
- (2) Due to the adverse impacts on the property market in Hong Kong, the Group expects that for the Year, it will result in (i) a recognition of a significant decrease in fair value of the Group’s investment properties of not less than HK\$130.0 million, as compared with that of approximately HK\$24.1 million for FY2023, and (ii) impairment losses of property, plant and equipment of the Group of not less than HK\$40.0 million.
- (3) It is expected that there will be absence of (i) share of profit of approximately HK\$223.2 million derived from the disposal of a hotel and (ii) share of the reversal of impairment loss of approximately HK\$61.1 million due to an increase in the fair value of a hotel property located in Canada, both of which were recorded in FY2023.

* For identification purpose only

The Company is in the process of finalising the annual results of the Group for the Year. The information contained in this announcement is based on the information currently available to the Company and the latest assessment of the unaudited consolidated management accounts of the Group, which are subject to further review and adjustments by the auditor of the Company, the audit committee of the Company and the Board. The announcement of the annual results of the Group for the Year will be published on 28 June 2024.

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, 27 June 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.