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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 six months ended 30 September 2024 (the “**Period**”), the Group expected to record a net loss attributable to the owners of the Company of not less than HK\$500.0 million for the Period, as compared to that of approximately HK\$161.0 million for the six months ended 30 September 2023 (“**HY2023**”).

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

- (1) In August 2024, the Group disposed of all its 50% equity interests in Bayshore Ventures JV Ltd., which indirectly held and operated a hotel, The Westin Bayshore, in Canada. Details of such disposal were disclosed in the announcement and the circular of the Company dated 26 August 2024 and 25 September 2024 respectively. The loss on disposal of interest in a joint venture is expected to be not less than HK\$220.0 million for the Period.
- (2) Due to the slowdown and uncertainties in global investment market, coupled with fundamental challenges in commercial building sector, the Group expected a decrease in the value of the Group’s properties for the Period, which will result in (i) impairment losses on stock of commercial properties, which consisted of Hong Kong and overseas properties, recognised in cost of sales of not less than HK\$80.0 million (HY2023: nil); (ii) the recognition of a decrease in fair value of an investment commercial property of the Group of not less than HK\$40.0 million (HY2023: HK\$35.0 million); (iii) impairment losses of property, plant and equipment of the Group of not less than HK\$10.0 million (HY2023: nil) and (iv) a share of decrease in fair value of a commercial property in the People’s Republic of China, which is held by a joint venture of the Group, of not less than HK\$40.0 million (HY2023: HK\$60.8 million) (together, the “**Decreases/Losses**”).

** For identification purpose only*

The Decreases/Losses is a non-cash item and will not affect the cash flows of the Group.

The Company is in the process of finalising the interim results of the Group for the Period. 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 audit committee of the Company and the Board. The announcement of the interim results of the Group for the Period will be published on 27 November 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, 22 November 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.