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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 REDUCTION IN LOSS**

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 (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 2026 (the “**Year**”), the Group expected to record a net loss attributable to the owners of the Company of not more than HK\$550.0 million for the Year, as compared to that of approximately HK\$813.0 million for the year ended 31 March 2025 (“**FY2025**”).

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

- (1) As the property market remained subdued, particularly in the commercial property segment, the Group is expected to continue recording a loss in property valuation for the Year. However, such loss is expected to be lower than that recorded for FY2025, as: (i) the Group is expected to turn to a gross profit of not less than HK\$2.0 million for the Year, given that no impairment loss on stock of properties was recognised in cost of sales (FY2025: gross loss of HK\$346.3 million, mainly including an impairment loss of HK\$256.7 million); and (ii) it is offset by the share of decrease in fair value and write-down of properties held by certain joint ventures of the Group of not less than HK\$200.0 million (FY2025: HK\$64.6 million).
- (2) The aggregate loss of approximately HK\$322.0 million on disposal of interests in certain joint ventures of the Group recorded in FY2025 is not expected to recur in the Year.

\* For identification purpose only

- (3) The gain on compensation of approximately HK\$223.5 million in relation to the resumption of a parcel of land situated in Sanya, the People's Republic of China, which was recorded in FY2025, is not expected to recur in the Year.

During the Year and up to the date of this announcement, the Group has continued to optimise its asset and liability structure. The Board notes that the Group's gearing level has been substantially reduced, all matured bank borrowings as at 31 March 2026 have been settled, and the relevant impairments and fair value adjustments in respect of the Group's existing property development and investment business have been substantially recognised, which is expected to limit, to a certain extent, the impact of historical property-related adjustments on the Group's future financial performance. The Board believes that the key factors which gave rise to the uncertainties surrounding the Group's financial position in prior periods have been substantially addressed through the measures undertaken during the Year.

Meanwhile, the Group has been prudently advancing its strategic exploration in artificial intelligence infrastructure, computing power services and related digital infrastructure opportunities as part of its ongoing efforts to optimise its business portfolio and cultivate new growth drivers. Together with the successful introduction of new strategic investors and additional funding, the Group has further enhanced its capital resources and financial flexibility. The Board believes that these initiatives may broaden the Group's future sources of revenue, strengthen its business resilience, while providing a platform for the Group to explore additional growth opportunities over the longer term.

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 29 June 2026.

**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 June 2026

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*), Mr. Wu Yao, Mr. Cao Xinwei

*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, Mr. Chan Chun Hung, Vincent

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