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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 “**Stock Exchange**”) (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 preliminary review on the unaudited consolidated management accounts of the Group for the six months ended 30 September 2019 (the “**Period**”), the Group is expected to record a significant net loss for the Period as compared with a net profit reported for the six months ended 30 September 2018.

The expected net loss for the Period is mainly attributable to (i) the decreases in the fair value of investment properties held by the Group and a joint venture of the Group (the “**Fair Value Decreases**”), which will result in the recognition of a significant decrease in fair value of the Group’s investment properties and the share of a significant net loss in the Group’s joint venture respectively for the Period; and (ii) a significant loss allowance for expected credit loss (the “**ECL**”) recognised on the HK\$500 million unsecured loan notes (the “**Loan Notes**”), together with the outstanding interest accrued thereon, held by the Group. The Loan Notes were issued by a company, whose shares are listed on the Main Board of the Stock Exchange. The Fair Value Decreases are estimated based on preliminary valuations performed by an independent professional valuer. Both the Fair Value Decreases and ECL are non-cash items and will not affect the cash flow of the Group.

* For identification purpose only

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 preliminary assessment of the unaudited consolidated management accounts of the Group, which are subject to possible adjustment upon further review. Shareholders and potential investors are advised to read carefully the announcement of the interim results of the Group for the Period which will be published on 29 November 2019.

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, 8 November 2019

As at the date of this announcement, the directors of the Company are as follows:

Executive Directors:

Mr. Cheung Hon Kit (*Chairman*)
Mr. Chan Fut Yan (*Managing Director*)
Mr. Cheung Chi Kit (*Chief Financial Officer*)
Mr. Chan Yiu Lun, Alan
Mr. Wong Lai Shun, Benny

Independent non-executive Directors:

Hon. Shek Lai Him, Abraham, *GBS, JP (Vice Chairman)*
Mr. Kwok Ka Lap, Alva
Mr. Chan Pak Cheong Afonso

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