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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE DISPOSAL OF THE ENTIRE EQUITY INTEREST IN
SUCCESS WELL INVESTMENT LIMITED**

THE DISPOSAL

The Board wishes to announce that on 10 March 2026 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Company as the Vendor's guarantor entered into the Agreement with the Purchaser for the disposal of the Sale Shares, being all the issued shares in Success Well, and the Sale Loan to the Purchaser for the Consideration equivalent to (i) the agreed value of the Property of HK\$410,000,000; (ii) minus the Outstanding Mortgage Loan of HK\$241,300,000 which will remain outstanding on Completion; and (iii) plus the amount of Net Asset Value (if it is a positive amount) or minus the amount of the Net Asset Value (if it is a negative amount) on Completion. Based on the unaudited financial information of Success Well as at 28 February 2026, the Consideration would be approximately HK\$164,400,000 and in any event not exceeding HK\$168,700,000.

Success Well is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. The principal asset of Success Well is the Property, namely the building now known as "250 Hennessy" in Wanchai, Hong Kong.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Disposal is conditional upon fulfillment of the Conditions, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution in dealing in the Shares.

* For identification purpose only

THE DISPOSAL

The Board wishes to announce that on 10 March 2026 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Company as the Vendor's guarantor entered into the Agreement with the Purchaser for the disposal of the Sale Shares, being all the issued shares in Success Well, and the Sale Loan to the Purchaser.

The principal terms of the Agreement are as follows:

THE AGREEMENT

(1) Date:

10 March 2026 (signed after trading hours of the Stock Exchange)

(2) Parties:

- (i) Westfountain Co. Ltd. (i.e. the Vendor), an indirect wholly-owned subsidiary of the Company;
- (ii) Fortune Premier Management Limited 吉祥尊管理有限公司 (i.e. the Purchaser); and
- (iii) the Company, as the Vendor's guarantor.

(3) Assets to be disposed of:

The assets to be disposed of by the Vendor comprise (i) the Sale Shares, being two (2) fully paid up shares of Success Well beneficially and legally owned by the Vendor, representing all the issued shares in Success Well; and (ii) the Sale Loan, being all the shareholder's loan owing by Success Well to the Vendor, which amounted to approximately HK\$534,600,000 as at the date of this announcement, as at Completion.

(4) Consideration and payment terms:

The aggregate Consideration for the Sale Shares and the Sale Loan shall be an amount equal to:

- (a) the Agreed Value of the Property of HK\$410,000,000;
- (b) minus the Outstanding Mortgage Loan of HK\$241,300,000 which will remain outstanding on Completion; and
- (c) plus the amount of the Net Asset Value (if it is a positive amount) or minus the amount of the Net Asset Value (if it is a negative amount) on Completion.

Based on the unaudited financial information of Success Well as at 28 February 2026, Success Well had negative Net Asset Value of approximately HK\$4,300,000, and therefore, the Consideration is expected to be approximately HK\$164,400,000 and in any event not exceeding HK\$168,700,000.

The Consideration shall be paid by the Purchaser to the Vendor in the following manner:

- (i) the sum of HK\$150,000,000 shall be settled by way of set-off directly against the Purchaser Loan and the balance (with the Net Asset Value to be calculated based on the unaudited pro-forma financial information of Success Well) shall be paid by the Purchaser to the Vendor upon Completion; and
- (ii) any adjustment of the Consideration based on the calculation of the Net Asset Value after the audited Completion Accounts is available shall be paid by the Purchaser or the Vendor (as the case may be) within 10 Business Days after agreement or determination of the Completion Accounts.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to the preliminary valuation of the Property in existing state as at 28 February 2026 of HK\$414,000,000 as assessed by an independent property valuer, the Outstanding Mortgage Loan of HK\$241,300,000 which will remain outstanding on Completion and the Net Asset Value on Completion. The Agreed Value of the Property of HK\$410,000,000 therefore represents a discount of approximately 1% to the said valuation of the Property.

(5) Conditions precedent:

Completion is conditional upon, among others, the following conditions (the "**Conditions**") being satisfied (or waived by the Purchaser):

- (i) Success Well being able to show and give title to Property in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong);
- (ii) the Purchaser having completed its due diligence review on the business, financial, legal and other aspects of Success Well (including the Sale Shares and Sale Loan) and reasonably satisfied with the results thereof;

- (iii) the Lender (a) having given its written consent to the sale and purchase contemplated under the Agreement; (b) having executed and delivered to the Vendor the Release(s) in escrow to become effective on Completion; (c) not having demanded repayment of any part of the Outstanding Mortgage Loan; and (d) having confirmed in writing its waiver of any default or breach by Success Well under the Amendment and Restatement Agreement and/or any of the other security documents which may have occurred prior to Completion, in each case either unconditionally or, if subject to term(s) and condition(s), such term(s) and condition(s) being acceptable to the Purchaser and the Vendor as the Purchaser and the Vendor may in their respective sole and absolute discretion determine (for the avoidance of doubt, it is expressly agreed between the parties to the Agreement that on the one hand the Purchaser has no obligation to assume the liabilities of the Vendor and/or the Company under the other security documents or provide additional security(ies) for the Outstanding Mortgage Loan, and on the other hand neither the Vendor, the Company nor any their respective affiliate has any obligation to make any payment to the Lender for the purpose of obtaining or procuring any of the aforesaid) (items (a) and (b) being the “**Mandatory Conditions**”);
- (iv) no matter, event or circumstance which has, or is reasonably likely to have, a material adverse change on the assets, position (financial or otherwise) or liabilities of Success Well and/or the Property having occurred, excluding any fluctuation to the market value of the Property or matters relating to the physical state and condition of the Property (including any building order having been issued or received on or after the date of the Agreement) or its redevelopment potential; and
- (v) the warranties given by the Vendor under the Agreement remaining true, accurate and not misleading in all material respects.

The Purchaser may at its sole and absolute discretion, to such extent as it thinks fit and is legally entitled to do so, at any time waive in writing any of the Conditions (other than the Mandatory Conditions). If any of the Conditions (which has not previously been waived by the Purchaser) has not been duly fulfilled on or before the Completion Date, then (a) where the Condition not fulfilled is any of the Mandatory Conditions, the Agreement shall automatically terminate and none of the parties to the Agreement shall have any claims or cause of action against the other parties to the Agreement under or arising from the Agreement (save for any antecedent breach prior to termination); (b) in any other cases, the Purchaser may on that date, at its option, by written notice to the Vendor: (i) (but without prejudice to any other right or remedy it may have) waive the Condition(s) which has/have not been satisfied; or (ii) terminate the Agreement.

(6) Completion:

Completion shall take place on the Completion Date.

(7) Guarantee:

Pursuant to the Agreement, the Company as the Vendor's guarantor guarantees to the Purchaser the performance of the Vendor's obligations in accordance with the Agreement and other ancillary documents.

INFORMATION ON THE VENDOR, SUCCESS WELL AND THE PROPERTY

The Vendor is a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company. The principal asset of the Vendor is its investment in Success Well. Success Well is a company incorporated in Hong Kong with limited liability, with its principal business being the holding of the Property, namely the building now known as "250 Hennessy" in Wanchai, Hong Kong, a 32-storey commercial building with 25 car parking spaces with a total gross floor area of approximately 55,678 sq. ft..

As at the date of this announcement, (i) approximately 18.3% of the gross floor area is occupied by the Group for its own use; (ii) approximately 29.1% of the gross floor area is leased to Independent Third Parties and the Group's affiliate; and (iii) the remaining gross floor area is vacant. Based on the preliminary assessment of an independent property valuer, the market value of the Property in existing state as at 28 February 2026 is estimated at HK\$414,000,000.

Set out below is the audited financial information of Success Well for each of the years ended 31 March 2024 and 2025 and unaudited financial information of Success Well for the eleven months ended 28 February 2026 prepared in accordance with Hong Kong Financial Reporting Standards and/or HKFRS Accounting Standards:

	For the year ended 31 March		For the eleven months ended
	2024	2025	28 February 2026
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)
Loss before taxation	210,900	144,343	170,541
Loss after taxation	210,900	144,343	170,541

As at 31 March 2025, the audited net liabilities of Success Well amounted to approximately HK\$189,319,000.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability, whose principal activity is investment holding. According to the information provided by the Purchaser, the Purchaser is ultimately owned as to 90% by Ms. Miao Zhengxi who is a merchant. The Purchaser is also a tenant of a portion of the Property with aggregate gross floor area of 12,396 sq. ft. and the lender of the Purchaser Loan.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

REASONS FOR THE DISPOSAL

The Company is an investment holding company and the Group is principally engaged in development of, selling of and investment in properties in Macau, Hong Kong, the PRC and Canada; securities investment and provision of loan financing services.

The Group has been experiencing difficulties in accessing typical financing channels amid the downturn of the real estate market in Hong Kong, in particular commercial properties, and in the PRC. As disclosed in the interim report of the Company for the period ended 30 September 2025, the Group reported net current liabilities of approximately HK\$294.4 million as at 30 September 2025 and had aggregate bank and other borrowings of approximately HK\$752.7 million. Among these, bank borrowings of approximately HK\$391.3 million were overdue.

Recently, the original lender of the aforesaid overdue bank borrowings has assigned the relevant loan to the Lender, which required the Group to pay down the outstanding amount. To address potential default issues and to alleviate the Group's liquidity pressure, the Group obtained financing of HK\$150.0 million from the Purchaser which enabled partial repayment of the loan. Following such repayment, the outstanding loan balance was reduced to HK\$241.3 million (i.e. the Outstanding Mortgage Loan).

The Group has been proactively formulating various plans and measures, including seeking potential purchasers in respect of its assets on terms which are in the best interests of the Company and the Shareholders taken as a whole. The Disposal will enable the Group (i) to be released from future funding obligations under the Outstanding Mortgage Loan and other outgoings in relation to the Property and (ii) to repay the Purchaser Loan, which the Group would have difficulty to meet in view of its current financial and liquidity position, and also allow the Group to recoup immediate cash resources for other necessary payment obligations.

Based on the above, the Board considers that the terms of the Agreement (including the Consideration) are fair and reasonable, and the entering into of the Agreement by the Vendor is in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, Success Well will cease to be a subsidiary of the Company and its financial results will no longer be consolidated into the financial statements of the Company.

As a result of the Disposal, the Group is expected to recognise a loss of approximately HK\$9 million which is calculated with reference to the Consideration net of estimated direct expenses and the unaudited net asset value of Success Well as at 28 February 2026 based on the preliminary valuation of the Property as at 28 February 2026 assessed by an independent property valuer, the Group will recognise additional fair value loss/impairment loss of the Property of approximately HK\$86 million for the financial year ending 31 March 2026). Shareholders should note that the exact amount of loss of the Disposal to the Group would be calculated based on the net asset value of Success Well as at the Completion Date and is subject to audit and therefore may be different from the amount mentioned above.

PROPOSED USE OF PROCEEDS

Based on the Consideration of approximately HK\$164,400,000 (assuming the Net Asset Value on Completion is approximately HK\$4,300,000) and the associated estimated direct cost of the Disposal of approximately HK\$3,500,000, the estimated net proceeds from the Disposal is approximately HK\$160,900,000. The net proceeds available to the Group is used for repayment of the Purchaser Loan of HK\$150,000,000 and other borrowings of approximately HK\$6,000,000 and the remaining of approximately HK\$4,900,000 is intended to apply as general working capital for the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the Disposal is conditional upon the fulfillment of the Conditions, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution in dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Amendment and Restatement Agreement”	the amendment and restatement agreement to the facility agreement dated 4 March 2026 entered into between the Lender (as lender), Success Well (as borrower), the Vendor (as shareholder) and the Company (as original guarantor)
“Agreement”	the agreement dated 10 March 2026 entered into between the Vendor, the Purchaser and the Company in relation to the sale and purchase of the Sale Shares and the Sale Loan
“Agreed Value of the Property”	the value of the Property as agreed under the Purchaser
“applicable percentage ratio(s)”	has the same meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day other than a Saturday or Sunday, on which banks are open in Hong Kong to the general public for business, and on which no Typhoon Signal No.8 or above or black rain storm signal is hoisted in Hong Kong at any time between the hours of 9:00 a.m. and 5:30 p.m.
“BVI”	the British Virgin Islands
“Company”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 199)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“Completion Accounts”	the audited financial statements of Success Well for the period from 1 April 2025 to the Completion Date, comprising a statement of profit or loss and other comprehensive income for the period from 1 April 2025 to the Completion Date (but immediately before Completion) and a statement of financial position as at Completion (but immediately before Completion)

“Completion Date”	31 March 2026 or such other date as the Vendor and the Purchaser may agree in writing
“Conditions”	has the same meaning defined in the section headed “The Agreement – (5) Conditions precedent” in this announcement
“connected person(s)”	has the same meaning ascribed thereto in the Listing Rules
“Consideration”	the aggregate consideration for the Sale Shares and the Sale Loan payable by the Purchaser under the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan by the Vendor to the Purchaser pursuant to the terms and conditions of the Agreement
“Group”	collectively, the Company and its subsidiaries
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected person(s)
“Lender”	Mission City Limited, a company incorporated in BVI with limited liability and an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Net Asset Value”	the net asset value (excluding the value of the Property, the Outstanding Mortgage Loan and the Sale Loan) of Success Well calculated in accordance with the provisions of the Agreement
“Outstanding Mortgage Loan”	the outstanding amount owing by Success Well to the Lender, which amounted to HK\$241,300,000 as at the date of the Agreement
“PRC”	The People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan

“Property”	All Those pieces and parcels of ground registered in the Land Registry as The Remaining Portion of Subsection 1 of Section D of Inland Lot No. 2769, The Remaining Portion of Section D of Inland Lot No. 2769 and The Remaining Portion of Inland Lot No. 2769 TOGETHER with the messuages erections and buildings thereon known at the date of this announcement as “250 Hennessy”, Nos.244, 246, 248 and 250 Hennessy Road, Hong Kong
“Purchaser”	Fortune Premier Management Limited 吉祥尊管理有限公司, a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Purchaser Loan”	the loans in the aggregate principal amount of HK\$150,000,000 provided by the Purchaser to the Vendor between 27 February 2026 to 3 March 2026
“Release(s)”	the release(s) to be executed by the Lender to release (i) among other things, the Company and the Vendor from all obligations and liabilities under the Amendment and Restatement Agreement; and (ii) all securities provided by the Company and the Vendor as security for the Outstanding Mortgage Loan and the obligations and liabilities of the Company and the Vendor thereunder
“Sale Loan”	the loan owing by Success Well to the Vendor as at Completion
“Sale Shares”	two (2) issued shares of Success Well, representing its entire issued shares as at the date of the Agreement and on Completion
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“sq. ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Success Well”	Success Well Investment Limited 成康投資有限公司, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of the Agreement

“Vendor” Westfountain Co. Ltd., a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company

“%” per cent.

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

Hong Kong, 10 March 2026

As at the date of this announcement, the Directors 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

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.