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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)

**ANNUAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2021**

	Year ended 31 March	
	2021	2020
FINANCIAL HIGHLIGHTS		
<i>(All in Hong Kong dollar)</i>		
Revenue		
Per consolidated statement of profit or loss	\$258 million	\$175 million
Property income and hotel revenue		
– share of associates and joint ventures	\$184 million	\$332 million
– by way of disposal of interest in a joint venture	–	\$167 million
	<u>\$442 million</u>	<u>\$674 million</u>
Net loss	<u>\$(664) million</u>	<u>\$(972) million</u>
Basic loss per share	\$(0.69)	\$(1.00)
Net assets value per share	\$3.6	\$4.2

* For identification purpose only

The board of directors (the “**Directors**”) (the “**Board**”) of ITC Properties Group Limited (the “**Company**”) is pleased to present the annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2021 (the “**Year**”).

BUSINESS REVIEW

Throughout the Year, the global economy and business activities continued to be adversely affected by the COVID-19 pandemic, and the Group has inevitably faced unprecedented challenges. However, with the local housing demand remaining stable under the combination of stringent regulations on land development and low interest rates environment, the Group received positive responses from the sale of units of Hyde Park which enhanced the Group’s revenue for the Year. Following the expiry of the hotel lease agreement on 31 March 2020, the Group ceased to be the sole operator of its 40%-owned Rosedale Hotel Kowloon. As a result, there were savings in lease payment while revenue and operating loss from Rosedale Hotel Kowloon were no longer included in the Group’s revenue and gross profit, but recognised in the share of results of joint ventures for the Year. Due to the net effect of these changes, the Group’s revenue substantially increased by 47.3% to HK\$258.4 million (2020: HK\$175.4 million) while gross profit of HK\$38.1 million (2020: gross loss of HK\$17.4 million) was recorded.

In addition, the local commercial property market, and both the local and overseas operations of the Group’s joint ventures continued to be adversely affected by the COVID-19 pandemic and the corresponding control measures adopted by the governments. As a result, the Group recorded decreases in fair values of the Group’s investment properties of HK\$77.0 million (2020: HK\$176.9 million), share of net losses of the Group’s joint ventures of HK\$201.6 million (2020: HK\$282.7 million) and decrease in fair value of an amount due from a joint venture of HK\$142.0 million (2020: Nil) for the Year.

On the other hand, a significant loss allowance of HK\$117.5 million (2020: HK\$291.8 million) for expected credit loss (the “**ECL**”) was recognised on the loan receivables (together with the outstanding interest accrued thereon) held by the Group, including the unsecured loan notes issued by Master Glory Group Limited (“**Master Glory**”) which is in liquidation and its shares were delisted from The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 8 February 2021.

Though some cost saving measures, including reduction of bonus payment to executive Directors and staff, were implemented during the Year and hence the administrative and other expenses decreased by HK\$31.1 million to HK\$195.1 million (2020: HK\$226.2 million), the Group still recorded a net loss attributable to owners of the Company of HK\$662.2 million for the Year (2020: HK\$971.0 million), representing a reduction of 31.8% in loss.

The Board has resolved not to recommend the payment of a final dividend for the Year. Also, no interim dividend was declared during the Year (2020: HK8 cents per share of the Company (the “**Share**”), comprising the first interim dividend of HK3 cents and the second interim dividend of HK5 cents).

Property

Segment loss for the Year reduced to HK\$179.9 million, as compared to that of HK\$203.9 million for the last financial year.

Macau

Grand Oasis in Cotai South is a luxury residential project developed by an associate of the Group. Presale of certain units in blocks 16 to 20 was well received, and secured over HK\$6.9 billion revenue to the associate. However, the construction works of Grand Oasis were delayed due to the border control measures restricting workers entering from mainland China in response to the COVID-19 pandemic. Following the issuance of the occupation permit in April 2021, the completed units were gradually handed over to the end buyers thereafter. As share of profits from these sold units will only be recognised upon hand-over, contribution from this project to the Group for the Year substantially decreased and a loss of HK\$9.5 million (2020: profit of HK\$33.6 million) was recorded. Share of profits from the sold units is expected to be recognised after the end of the Year.

Hong Kong

Hyde Park is a project with the Urban Renewal Authority, consisting of 76 residential flats and a commercial podium. The Group received positive responses from the sale of units and handed over 34 units to end buyers during the Year. Accordingly, revenue of HK\$205.3 million was contributed to the Group for the Year. Subsequent to the end of the Year, 37 units were sold and will be handed over to end buyers in due course, and additional revenue of HK\$279.1 million will be contributed in the coming year.

The project at No. 23 Po Shan Road, Mid-levels is a deluxe residential project for sale, and the superstructure work of a 10-storey mid-rise building commenced in October 2020. Subsequent to the end of the Year, the Group has disposed of 20% effective interests in this project to retain more cash for repayment of loans which are due in the coming year.

The project at Nos. 41, 43 and 45 Pau Chung Street, To Kwa Wan is a redevelopment project comprising a residential tower with retail shops at lower levels. Its superstructure work for a new composite building is targeted to commence in July 2021. Presale of units will be launched in due course.

The Group will complete the consolidation of the undivided shares of Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan, after completion of the acquisition of the last unit scheduled in November 2021. The property is planned for residential redevelopment upon compliance with town planning issues.

PRC

Dabiao International Centre is a composite tower comprising a commercial podium, offices and a hotel, which is situated in Guangzhou City and conveniently connected to the Changgang Metro Station. Its leasing rate was inauspiciously affected by the COVID-19 pandemic during the Year. With the effective prevention and control measures implemented in the PRC, in spite of the disturbances caused by intermittent recurrence of the COVID-19 local cases, there has been encouraging business recovery since the second half of the Year and it is expected that the property will continue to contribute reasonable rental income to the Group in the future.

Subsequent to the end of the Year, the Group has increased its effective interests in Dabiao International Centre from 31.5% to 45% by acquiring a further of 13.5% at the current market price under the prevailing relatively low-side market condition with a view to realising the value appreciation upon sale when the market becomes fully recovered.

Overseas

Vancouver, Canada

The residential redevelopment project at Alberni Street obtained the Prior to Letter, which outlines the requirements for local city council's approval to the grant of a development permit, and is in the course of obtaining the development and building permits from the local authority.

London, United Kingdom

The redevelopment project is located at a prominent corner plot at Greycoat Place and is proposed to be redeveloped into a mixed residential and commercial tower. The demolition works had been completed during the Year and the main contract works are expected to be completed in the middle of 2022. In May 2021, the Group successfully obtained the revised approval for redeveloping the site into a seven-storey building with gross floor area increased from 39,000 sq. ft. to 43,200 sq. ft..

Hotel and Leisure

For the Year, revenue from this segment substantially decreased to HK\$6.6 million (2020: HK\$94.9 million) as the Group no longer recorded revenue from Rosedale Hotel Kowloon after ceasing to be the sole operator on 31 March 2020 and Le Petit Rosedale Hotel Hong Kong was disposed of on 31 December 2020.

Segment loss also substantially reduced to HK\$92.3 million (2020: HK\$336.3 million), which was mainly attributable to the gain on the disposal of Le Petit Rosedale Hotel Hong Kong of HK\$106.6 million and the reduction in share of decrease in the fair value and impairment loss of hotel properties held by joint ventures totaling HK\$182.0 million. The Westin Bayshore in Vancouver was temporarily closed during the Year due to the COVID-19 pandemic, and its increased loss was shared by the Group.

As certain conditions precedent to completion of the acquisition of 20% effective interests in THE 13 Hotel in Macau had not been fulfilled or waived and no further extension of the long stop date had been agreed upon its expiry, the relevant sale and purchase agreement automatically lapsed on the expiry of 31 August 2020.

Subsequent to the end of the Year, the Group has acquired additional 15% effective interests in Renaissance Shanghai Caohejing Hotel from 9.5% to 24.5% at the current market price under the relatively sluggish market condition with a view to capturing the potential appreciation in its capital value.

Outlined below is a summary of the Group's interests in properties which are significant to the operations of the Group as at the date of this announcement:

Location	Usage	Group's interests (%)	Attributable gross floor area ⁽¹⁾ (sq. ft.)
Macau			
One Oasis, Sky Oasis and Grand Oasis situated at Estrada de Seac Pai Van	Residential/ Commercial	35.5	609,809
Sub-total			609,809
Hong Kong			
Redevelopment project situated at Nos. 41, 43 and 45 Pau Chung Street, To Kwa Wan	Residential/ Commercial	100	30,000
Hyde Park situated at No. 205 Hai Tan Street, Sham Shui Po	Residential/ Commercial	100	16,480
Premises situated at 30/F., Bank of America Tower, No. 12 Harcourt Road, Central	Office	100	13,800
250 Hennessy situated at No. 250 Hennessy Road, Wanchai	Office/Car parks	100	55,600
Redevelopment project situated at Nos. 21, 23, 25, 27, 29 and 31 Sheung Heung Road, To Kwa Wan	Residential ⁽²⁾	72	26,800
Redevelopment project situated at No. 23 Po Shan Road, Mid-levels	Residential	20	16,000
Rosedale Hotel Kowloon situated at No. 86 Tai Kok Tsui Road, Tai Kok Tsui	Hotel	40	44,000
Sub-total			202,680

Location	Usage	Group's interests (%)	Attributable gross floor area ⁽¹⁾ (sq. ft.)
PRC			
Land situated at the Yazhou Bay Science and Technology City, Sanya City, Hainan Province	Hotel	100	886,000
Portions of Dabiao International Centre situated at No. 362 Jiangnan Avenue South and No. 238 Changgang Zhong Road, Haizhu District, Guangzhou City	Commercial/ Office/Hotel/ Car parks	45	285,600
Renaissance Shanghai Caohejing Hotel situated at No. 397 Tianlin Road, Caohejing Hi-Tech Park, Xuhui District, Shanghai	Hotel	24.5	170,000
Sub-total			1,341,600
Overseas			
Townsend House situated at Greycoat Place, London, United Kingdom	Residential/ Commercial	90.1	39,000
The Westin Bayshore situated at 1601 Bayshore Drive, Vancouver, British Columbia, Canada	Hotel/Conference/ Ancillary uses	50	224,500
Redevelopment project situated at 1444 Alberni Street, 711 Broughton Street and 740 Nicola Street, Vancouver, British Columbia, Canada	Residential/ Commercial	28	171,200
Sub-total			434,700
Total			2,588,789

Notes:

- (1) The attributable gross floor area represents the area under the existing use.
- (2) The property is currently for industrial use and is planned to be redeveloped for residential use upon completion of the acquisition of the remaining units and compliance with town planning issues.

Securities Investments

Segment profit from securities investments for the Year was HK\$19.3 million (2020: loss of HK\$24.3 million), representing the unrealised gain arising from the increases in market prices.

As at 31 March 2021, the Group had equity and fund investments in aggregate of HK\$223.4 million, 47% being unlisted securities and funds denominated in United States dollars, 27% being unlisted securities denominated in Renminbi and the remaining 26% being listed securities denominated in Hong Kong dollars.

Finance

As at 31 March 2021, other loan receivables of the Group amounted to HK\$277.3 million (2020: HK\$354.7 million).

For the Year, the Group had interest income of HK\$30.3 million (2020: HK\$61.5 million) and segment loss from finance of HK\$81.7 million (2020: HK\$209.0 million). The segment loss was attributable to a significant loss allowance for ECL of HK\$85.7 million mainly on the unsecured loan notes issued by Master Glory (the “**MG Loan Notes**”).

The MG Loan Notes, together with the outstanding interest accrued thereon, held by the Group (collectively, the “**MG Balance**”) as at 31 March 2021 amounted to HK\$342.7 million, comprising the principal amount of HK\$320.0 million and the outstanding interest of HK\$22.7 million.

During the Year, the Group continued to monitor the situation and considered the following incidents as disclosed by Master Glory during the period from the beginning of the Year to 8 February 2021, being the date on which shares of Master Glory were delisted from the Stock Exchange:

- (a) shares of Master Glory were delisted from the Stock Exchange;
- (b) the business operations of Master Glory have been unfavorably affected by the COVID-19 pandemic; and
- (c) Master Glory was ordered to be wound up by the High Court of Hong Kong Special Administrative Region and liquidators were appointed.

As disclosed in the interim report of the Company for the six months ended 30 September 2020, an ECL provision of HK\$325.6 million was provided on the MG Balance, and the Group continued to monitor the situation. However, after considering the delisting of shares of Master Glory from the Stock Exchange on 8 February 2021 and the global economic condition in the nearest future, the Company is of the view that there are no signs of improvement of Master Glory’s business, which resulted in a more reasonably pessimistic forward-looking view based on the additional negative facts and circumstances as at 31 March 2021, as comparing with that as at 30 September 2020. Thus, in accordance with the accounting policies adopted by the Group, the loss rate assessed for the Year increased to 100% (the “**Internal Assessment**”), as compared to 95% adopted as at 30 September 2020, and an ECL provision of HK\$85.7 million was provided in total during the Year.

To assess the reasonableness of the Internal Assessment, the Group engaged an independent professional valuer, Norton Appraisals Holdings Limited (the “**Valuer**”), to perform an additional analysis for reassessing the ECL provision as at 31 March 2021 on the MG Balance in accordance with Hong Kong Financial Reporting Standard 9 (2014). The Valuer adopted its independently selected parameters which contained credit rating profile similar to Master Glory (the “**External Assessment**”). Taking into account Master Glory’s business change since 30 September 2020 and the unfavourable economic conditions, the Valuer revised certain assumptions, including the recovery ratio (from 8.0% adjusted to 0%), in their assessment. The External Assessment indicated that the average loss rate was 100%.

Since the results of the Internal Assessment and the External Assessment are the same, the Group considered that it was fair and reasonable to make full ECL provision on the MG Balance. In this respect, additional loss allowance for the ECL of HK\$85.7 million was charged to the profit or loss for the Year. The Group continues to take necessary actions to recover the debt and will assess the ECL impact on the MG Balance in due course.

Paul Y. Engineering Group Limited

As disclosed in the recent announcements of South Shore Holdings Limited (“**South Shore**”), together with its subsidiaries, the “**South Shore Group**”), (i) there was a change to the beneficial ownership in Paul Y. Engineering Group Limited (“**PYE**”) after the end of the Year due to actions taken by creditors of South Shore; (ii) South Shore received a statutory demand dated 31 May 2021 from a creditor for payment of approximately HK\$3,279.3 million; (iii) Hotel Nova Concórdia, Limitada (English name: New Concordia Hotel Limited, Chinese name: 新聯生酒店有限公司), an indirect wholly-owned subsidiary of South Shore, had itself applied to the court of Macau for voluntary liquidation; and (iv) South Shore received a winding up petition dated 24 June 2021 filed with the Supreme Court of Bermuda against South Shore for the debt and interest accrued thereunder in the aggregate amount of approximately HK\$7.0 million in respect of a term loan facility agreement. In this respect, the acquisition of a 45.76% interest in PYE by the Group from the South Shore Group (the “**Acquisition**”) may unlikely be proceeded on the previously agreed terms. Though the Group had been in discussions with South Shore in relation to the Acquisition, the progress was not constructive and to the satisfaction of the Group.

In view of the aforesaid, on 28 June 2021, the Group issued written notices to South Shore’s legal representatives and the vendor of the Acquisition respectively to rescind the agreement of the Acquisition dated 28 June 2017 and to claim for the refund of the deposits paid in the aggregate sum of HK\$159.0 million together with a sum of HK\$32.0 million as and for agreed liquidated damages.

FINANCIAL REVIEW

The Group maintains a prudent funding and treasury policy with regard to its overall business operations. A variety of credit facilities are maintained to satisfy the commitments and working capital requirements of the Group.

As at 31 March 2021, the Group had total bank borrowings of HK\$1,356.7 million and loan notes of HK\$1,322.9 million. After netting off bank balances and cash of HK\$298.3 million and comparing with the Group's shareholders' funds of HK\$3,491.1 million, the Group's net gearing ratio as at 31 March 2021 was 0.68 (2020: 0.68). All of the bank borrowings are subject to floating interest rates while the loan notes are subject to fixed interest rate. The Group will closely monitor and manage its exposure to the interest rate fluctuations and will consider engaging hedging instruments as and when appropriate.

As at 31 March 2021, the Group had unused banking facilities of HK\$907.6 million which can be utilised to finance the construction of properties, the repurchase of the Guaranteed Notes (as defined below) and the working capital of the Group. During the Year, a total of HK\$317.7 million bank borrowings were drawn down to finance the redevelopment projects in Hong Kong, the repurchase of the Guaranteed Notes and the working capital of the Group. An aggregate amount of HK\$82.8 million of the Group's borrowings will be due for repayment in the financial year 2021-2022 in accordance with the repayment schedules while another sum of HK\$1,077.1 million was classified as current liability since the lenders have the rights to demand immediate repayment. The Group will continue to closely monitor its liquidity and working capital requirements to ensure appropriate financing arrangements are made when necessary.

For overseas subsidiaries, joint ventures, associates and other investments with cashflows denominated in foreign currencies, the Group endeavours to establish a natural hedge for debt financing with an appropriate level of borrowings in the same currencies. In this respect, the borrowings of the Group and its joint ventures and associates, to which the Group has granted guarantees, are denominated in Hong Kong dollars, United States dollars, Canadian dollars and Pound Sterling. For the Year, an unrealised gain on exchange differences of HK\$145.6 million was charged as other comprehensive expense, mainly arising from translations of operations in Canada and the PRC due to the appreciation of Canadian dollars and Renminbi. The majority of the Group's cash and cash equivalent are denominated in Hong Kong dollars and Canadian dollars while the Group's other assets and liabilities are denominated in Hong Kong dollars, Renminbi, Macau Pataca, Pound Sterling, United States dollars and Canadian dollars. Though no hedging instruments have been engaged, the Group will closely monitor its foreign exchange risk exposure.

During the Year, the Group repurchased at a discount an aggregate principal amount of approximately US\$27.1 million (equivalent to approximately HK\$210.9 million) of the 4.75% guaranteed notes due 2021 issued by Treasure Generator Limited (a wholly-owned subsidiary of the Company) and guaranteed by the Company (the "**Guaranteed Notes**"). As a result, the aggregate principal amount of the Guaranteed Notes further reduced to approximately US\$170.7 million (equivalent to approximately HK\$1,327.2 million) as at 31 March 2021, regardless of certain repurchased Guaranteed Notes being cancelled beyond the Year. The Directors believed that the repurchase of Guaranteed Notes benefited the Company and its shareholders (the "**Shareholders**") as a whole.

Pledge of Assets

As at 31 March 2021, the Group's general credit facilities granted by the banks were secured by pledges of the Group's investment properties of HK\$677.0 million, stock of properties of HK\$817.2 million, property, plant and equipment of HK\$519.2 million, interest in an associate of HK\$790.0 million and debt investments of HK\$7.0 million.

Contingent Liabilities

At 31 March 2021, the Group provided corporate guarantees on a several basis with maximum liabilities of (i) HK\$573.8 million (2020: HK\$511.8 million), HK\$58.0 million (2020: HK\$58.0 million), HK\$294.4 million (2020: HK\$307.2 million) and HK\$241.4 million (2020: HK\$214.5 million) in respect of the banking facilities granted to four joint ventures (which are owned as to 50%, 50%, 40% and 28% by the Group respectively) with the outstanding amounts attributable to the Group's interests of HK\$554.3 million (2020: HK\$492.4 million), HK\$57.8 million (2020: HK\$57.8 million), HK\$294.4 million (2020: HK\$307.2 million) and HK\$148.2 million (2020: HK\$131.6 million); and (ii) HK\$565.7 million (2020: HK\$565.7 million) in respect of the banking facilities granted to an associate (which was owned as to 40% by the Group) with the outstanding amount attributable to the Group's interests of HK\$384.6 million (2020: HK\$366.1 million).

PROSPECTS

COVID-19 associated international travel restriction and the downturn in global economy are expected to continue in short run even with the introduction of vaccines. Despite the gravity of worldwide challenges of COVID-19 leading to significant uncertainties to the business environment, the Group has been continuously reviewing its business model. In the meantime, the Group will endeavour to sustain its businesses and carry out its mission. We will focus on the presale/sale of the remaining blocks in Grand Oasis in Macau and the other local redevelopment projects in Hong Kong to secure the revenue for the coming few years. In addition to stepping our businesses further to the PRC, Macau, Canada and the United Kingdom, we will keep on improving earnings and enhancing the Shareholders' value by working hard on the existing projects and at the same time, be selective and cautious on replenishing the Group's portfolio when suitable opportunities arise.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2021

	<i>Notes</i>	2021 HK\$'000	2020 <i>HK\$'000</i>
Revenue	3	258,437	175,360
Hotel operation and management income		6,637	94,923
Property income		221,507	18,957
		228,144	113,880
Direct cost for hotel operation and management income and property income		(190,007)	(131,329)
Gross profit (loss) for hotel operation and management income and property income		38,137	(17,449)
Interest revenue from loan financing		30,293	61,480
Net fair value loss on financial instruments	4	(47,532)	(40,009)
Other income, gains and losses	5	(100,464)	70,422
Recognition of impairment losses under expected credit loss model, net		(117,465)	(291,795)
Gain on disposal of subsidiaries	6	106,587	–
Gain on disposal of joint ventures		–	40,574
Decrease in fair value of investment properties		(77,036)	(176,908)
Selling and marketing expenses		(4,072)	–
Administrative and other expenses		(195,114)	(226,236)
Finance costs	7	(103,745)	(132,862)
Share of results of associates		(20,271)	23,496
Share of results of joint ventures		(201,564)	(282,746)
Loss before taxation		(692,246)	(972,033)
Taxation	8	28,216	29
Loss for the year	9	(664,030)	(972,004)
Loss for the year attributable to:			
Owners of the Company		(662,160)	(971,000)
Non-controlling interests		(1,870)	(1,004)
		(664,030)	(972,004)
Loss per share	<i>11</i>		
– Basic (HK dollar)		(0.69)	(1.00)
– Diluted (HK dollar)		(0.69)	(1.00)

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE YEAR ENDED 31 MARCH 2021

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss for the year	<u>(664,030)</u>	<u>(972,004)</u>
Other comprehensive income (expense)		
<i>Item that will not be reclassified to profit or loss:</i>		
Loss on fair value changes of financial assets designated as at fair value through other comprehensive income	(7,492)	(28,461)
<i>Items that may be subsequently reclassified to profit or loss:</i>		
Reclassification adjustment of translation reserve to profit or loss upon disposal of joint ventures	–	(709)
Exchange differences arising on translation of foreign operations	145,610	(88,022)
Share of translation reserve of associates and joint ventures	<u>(2,372)</u>	<u>(11,435)</u>
Other comprehensive income (expense) for the year	<u>135,746</u>	<u>(128,627)</u>
Total comprehensive expense for the year	<u><u>(528,284)</u></u>	<u><u>(1,100,631)</u></u>
Total comprehensive expense for the year attributable to:		
Owners of the Company	(526,996)	(1,099,220)
Non-controlling interests	<u>(1,288)</u>	<u>(1,411)</u>
	<u><u>(528,284)</u></u>	<u><u>(1,100,631)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		542,866	900,874
Investment properties		677,000	751,440
Equity and fund investments		99,037	174,346
Interests in joint ventures		547,038	622,431
Amounts due from joint ventures		434,075	500,779
Interests in associates		1,362,231	1,652,761
Amount due from an associate		44,686	32,686
Other loan receivables		70,280	67,728
Deposit paid for acquisition of an associate	12	159,000	159,000
Other non-current assets		112,512	153,551
		<u>4,048,725</u>	<u>5,015,596</u>
Current assets			
Inventories – food, beverages and general stores		–	815
Deposits paid for acquisition of leasehold land		362,959	336,348
Stock of properties		1,318,503	1,332,423
Other loan receivables		207,063	286,928
Debtors, deposits and prepayments	13	232,566	210,900
Equity and fund investments		124,314	114,356
Debt investments		6,995	80,145
Bank balances and cash		298,322	514,138
		<u>2,550,722</u>	<u>2,876,053</u>
Current liabilities			
Creditors, deposits and accrued charges	14	223,115	210,729
Amount due to a joint venture		11,173	11,635
Amount due to an associate		7,045	139,660
Tax payables		175,107	201,230
Loan notes		1,322,933	–
Lease liabilities		5,656	4,750
Bank borrowings		1,159,854	1,738,160
		<u>2,904,883</u>	<u>2,306,164</u>
Net current (liabilities) assets		<u>(354,161)</u>	<u>569,889</u>
Total assets less current liabilities		<u>3,694,564</u>	<u>5,585,485</u>

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Non-current liabilities		
Loan notes	–	1,519,836
Lease liabilities	5,241	3,785
Bank borrowings	196,872	–
	<u>202,113</u>	<u>1,523,621</u>
	<u>3,492,451</u>	<u>4,061,864</u>
Capital and reserves		
Share capital	9,602	9,607
Reserves	3,481,544	4,050,678
	<u>3,491,146</u>	<u>4,060,285</u>
Equity attributable to owners of the Company	1,305	1,579
Non-controlling interests	<u>3,492,451</u>	<u>4,061,864</u>

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

In preparing the consolidated financial statements, the directors of the Company (the “**Directors**”) have given careful consideration to the future liquidity and financial position of the Group in light of the fact that the Group incurred a net loss of approximately HK\$664 million during the year ended 31 March 2021 and, as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$354 million.

In view of the above circumstances, the Directors have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and measures have been taken to mitigate the liquidity position and to improve the Group’s financial position, and the plans and measures include, but are not limited to, the following:

(i) *Interest-free loan from Empresa de Fomento Industrial e Comercial Concórdia, S.A. (“Concordia”), an associate of the Group*

Concordia has agreed to provide interest-free loan facilities to all its shareholders in proportion to their respective shareholding interest in Concordia of which an maximum amount of approximately HK\$887 million will be attributable to the Group. Pursuant to the approval by the board of directors and shareholders of Concordia, any drawdown of the interest-free loan facilities will be offset with the dividend to be distributed by Concordia in the coming financial years. These loan facilities will be financed by the sales proceeds received from the residential units sold in a property development project of Concordia in Macau.

(ii) *Utilisation of existing available banking facilities of the Group*

The Group has planned to maximise the use of its existing available banking facilities, including construction loans for financing its property development projects and a term loan for financing the repayment of loan note due in October 2021.

The Directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its obligations and to meet its financial obligations as they fall due within twelve months from the date of approval of the consolidated financial statements. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The Group has applied the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on or after 1 April 2020 for the preparation of the consolidated financial statements.

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the *Amendments to References to the Conceptual Framework in HKFRS Standards* and the amendments to HKFRSs in the current period have had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

3. SEGMENT INFORMATION

The Group's reportable and operating segments, based on internal information that is regularly reviewed by the executive Directors, the chief operating decision maker (the “CODM”), for the purposes of resource allocation and assessment of performance, are as follows:

Property	–	development of, selling of and investment in properties
Hotel and leisure	–	development of, investment in, operation and management of hotels and resorts
Securities investments	–	trading and investment of securities
Finance	–	provision of loan financing services

Information regarding these segments is reported below:

For the year ended 31 March 2021

	Segment revenue <i>HK\$'000</i> <i>(note (a))</i>	Operating (loss) profit <i>HK\$'000</i>	Gain on disposal of subsidiaries <i>HK\$'000</i>	Share of results of associates <i>HK\$'000</i>	Share of results of joint ventures <i>HK\$'000</i>	Finance costs <i>HK\$'000</i>	Segment results: (loss) profit before taxation <i>HK\$'000</i> <i>(note (b))</i>
Property <i>(note (c))</i>	221,507	(125,905)	–	(9,619)	(25,026)	(19,304)	(179,854)
Hotel and leisure <i>(note (d))</i>	6,637	(85,058)	106,587	(10,652)	(99,220)	(3,964)	(92,307)
Securities investments	–	20,648	–	–	–	(1,383)	19,265
Finance	30,293	(81,678)	–	–	–	–	(81,678)
SEGMENT TOTAL	258,437	(271,993)	106,587	(20,271)	(124,246)	(24,651)	(334,574)
Unallocated	–	(201,260)	–	–	(77,318)	(79,094)	(357,672)
GROUP TOTAL	258,437	(473,253)	106,587	(20,271)	(201,564)	(103,745)	(692,246)

For the year ended 31 March 2020

	Segment revenue <i>HK\$'000</i> <i>(note (a))</i>	Operating loss <i>HK\$'000</i>	Gain on disposal of joint ventures <i>HK\$'000</i>	Share of results of associates <i>HK\$'000</i>	Share of results of joint ventures <i>HK\$'000</i>	Finance costs <i>HK\$'000</i>	Segment results: loss before taxation <i>HK\$'000</i> <i>(note (b))</i>
Property <i>(note (c))</i>	18,957	(218,192)	38,494	33,517	(21,526)	(36,222)	(203,929)
Hotel and leisure <i>(note (d))</i>	94,923	(90,140)	–	(10,021)	(224,412)	(11,736)	(336,309)
Securities investments	–	(21,942)	–	–	–	(2,318)	(24,260)
Finance	61,480	(208,968)	–	–	–	–	(208,968)
SEGMENT TOTAL	175,360	(539,242)	38,494	23,496	(245,938)	(50,276)	(773,466)
Unallocated	–	(81,253)	2,080	–	(36,808)	(82,586)	(198,567)
GROUP TOTAL	175,360	(620,495)	40,574	23,496	(282,746)	(132,862)	(972,033)

notes:

- (a) Revenue as set out above comprised income from leases, income from sales of properties, properties commission income, building management fee income, hotel operation and management service income and loan financing income. All segment revenue is from external customers.
- (b) The aggregate of the segment results as set out above comprised the (loss) profit before taxation from each segment without allocation of certain other income, gains and losses, certain administrative and other expenses, certain gain on disposal of joint ventures, share of results of certain joint ventures and certain finance costs.
- (c) The segment revenue of property segment included income from leases, income from sales of properties, properties commission income and building management fee income. During the Year, the segment result of property segment included decrease in fair value of investment properties of HK\$77,036,000 (2020: HK\$176,908,000).
- (d) Following the expiry of the lease agreement of Rosedale Hotel Kowloon (which is owned by a 40%-owned joint venture of the Group) on 31 March 2020, the revenue and operating loss from Rosedale Hotel Kowloon were no longer included in the Group's revenue and operating loss, but recognised in the share of results of joint ventures of hotel and leisure segment during the Year. In addition, the Group charged hotel management fee income from the joint venture for provision of hotel management service for Rosedale Hotel Kowloon in accordance with a hotel management agreement effective on 1 April 2020.

The CODM assesses the performance of the operating segments based on the (loss) profit before taxation of the group entities engaged in the respective segment activities which represents the segment results. Segment results are analysed before taxation whereas tax payable is allocated to operating segment liabilities. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

	Segment assets		Segment liabilities	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Property	4,570,738	4,871,928	1,390,873	1,702,554
Hotel and leisure	992,500	1,447,630	123,320	473,227
Securities investments	170,732	239,759	7,122	77,226
Finance	308,794	385,527	48	48
Segment total	6,042,764	6,944,844	1,521,363	2,253,055
Unallocated:				
Bank balances and cash	298,322	514,138	–	–
Loan notes	–	–	1,322,933	1,519,836
Accrued coupon interest on loan notes	–	–	29,245	33,861
Bank borrowings	–	–	200,546	–
Others	258,361	432,667	32,909	23,033
Total	6,599,447	7,891,649	3,106,996	3,829,785

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, deposit paid for acquisition of an associate, certain other non-current assets, certain debtors, deposits and prepayments of the corporate offices, interests in certain joint ventures, amounts due from certain joint ventures and bank balances and cash; and
- all liabilities, including tax payables, are allocated to operating segments other than loan notes and its accrued coupon interest, certain lease liabilities, certain bank borrowings and certain creditors, deposits and accrued charges.

Geographical information

The Group's revenue from external customers based on location of properties and/or goods delivered or services delivered, and information about its non-current assets, excluding financial assets, by physical location of the assets are detailed as below:

	Revenue from external customers		Carrying amount of non-current assets	
	2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Hong Kong	248,341	164,414	1,806,859	2,275,847
Macau	–	–	795,011	1,078,458
The People's Republic of China	4,845	4,572	535,001	577,301
Canada	5,251	6,374	221,083	265,099
Others	–	–	42,220	41,507
	<u>258,437</u>	<u>175,360</u>	<u>3,400,174</u>	<u>4,238,212</u>

4. NET FAIR VALUE LOSS ON FINANCIAL INSTRUMENTS

	2021 HK\$'000	2020 HK\$'000
Net decrease (increase) in fair values of financial assets at fair value through profit or loss		
– held at the end of the reporting period	54,691	39,975
– disposed of/partial redeemed during the Year	(7,159)	34
	<u>47,532</u>	<u>40,009</u>

5. OTHER INCOME, GAINS AND LOSSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Other income:		
Bank interest income	367	7,240
Consultancy fee income	1,907	20,604
Interest income on amounts due from joint ventures	23,803	22,722
Others	1,848	930
	<u>27,925</u>	<u>51,496</u>
Other gains and losses:		
Gain on repurchase of loan notes	5,557	2,131
Gain on assignment of other loan receivables	–	19,284
Loss on tax indemnity asset written off	(24,560)	–
Net foreign exchange gain (loss)	16,275	(2,489)
Reversal of provision of furniture, fixture and equipment reserve	16,359	–
Decrease in fair value of an amount due from a joint venture (note)	(142,020)	–
	<u>(128,389)</u>	<u>18,926</u>
	<u>(100,464)</u>	<u>70,422</u>

Note: During the Year, a decrease in fair value of HK\$142,020,000 has been recognised on an amount due from a joint venture and the fair value of which has been measured with reference to quoted prices of the sole asset held by the joint venture in a market that is not active.

6. GAIN ON DISPOSAL OF SUBSIDIARIES

On 25 August 2020, Maxter Limited, an indirect wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement with an independent third party in relation to the disposal of its entire interests in Keen Step Corporation Limited and Le Petit Rosedale Hotel Limited, which respectively held and operated Le Petit Rosedale Hotel Hong Kong, at a cash consideration of HK\$460,000,000. The disposal was completed on 31 December 2020 and a gain of HK\$106,587,000 was recognised in the current year.

7. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Effective interest on loan notes	77,284	82,478
Interest on bank borrowings	36,404	59,363
Interest on lease liabilities	413	2,174
	<u>114,101</u>	<u>144,015</u>
Total borrowing costs	114,101	144,015
Less: amounts capitalised in qualifying assets	(10,356)	(11,153)
	<u>103,745</u>	<u>132,862</u>

8. TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong Profits Tax:		
Current tax	3,528	172
Overprovision in prior years	<u>(31,744)</u>	<u>–</u>
	(28,216)	172
United Kingdom Corporation Tax:		
Overprovision in prior years	<u>–</u>	<u>(201)</u>
	<u>(28,216)</u>	<u>(29)</u>

Hong Kong Profits Tax of the qualified entity of the Group was calculated in accordance with the two-tiered profits tax rates regime (i.e. the first HK\$2 million of profits of a qualifying group entity to be taxed at 8.25%, and profits above HK\$2 million to be taxed at 16.5%), while the profits of group entities not qualifying for the two-tiered profits tax rates regime continued to be taxed at a flat rate of 16.5%.

Taxation arising in other jurisdictions was calculated at the rates prevailing in the relevant jurisdictions.

During the Year, reversal of HK\$31,724,000 was recognised as the relevant accounting tax provision was made in prior years that is beyond the statutory time bar period.

9. LOSS FOR THE YEAR

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss for the Year has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	33,165	103,991
Cost of inventories recognised as an expense	172,626	6,220
(Gain) loss on disposal of property, plant and equipment	<u>(110)</u>	<u>7</u>

10. DISTRIBUTION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Dividends recognised as distributions during the Year:		
First interim dividend, paid for the Year – nil cents (first interim dividend, paid for the year ended 31 March 2020: HK3 cents) per Share	–	28,988
Second interim dividend, paid for the year ended 31 March 2020 – HK5 cents (second interim dividend, paid for the year ended 31 March 2019: HK12 cents) per Share	<u>47,870</u>	<u>116,108</u>
	<u>47,870</u>	<u>145,096</u>
Dividends in form of:		
– Cash	45,499	144,412
– Scrip shares	<u>2,371</u>	<u>684</u>
	<u>47,870</u>	<u>145,096</u>

Subsequent to the end of the reporting period, the Board has resolved not to recommend the payment of a final dividend for the Year (second interim dividend for the year ended 31 March 2020: HK5 cents per Share).

11. LOSS PER SHARE

The calculation of the basic and diluted loss per Share attributable to owners of the Company is based on the following data:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss:		
Loss for the Year attributable to owners of the Company for the purpose of basic and diluted loss per Share	<u>(662,160)</u>	<u>(971,000)</u>
Number of Shares:		
Weighted average number of Shares for the purpose of basic and diluted loss per Share	<u>959,048,110</u>	<u>967,412,582</u>

The effect of the exercise of the Company's share options was not taken into consideration for computing the diluted loss per Share for the years ended 31 March 2021 and 2020 as the exercise price of those share options was higher than the average market price for Shares.

12. DEPOSIT PAID FOR ACQUISITION OF AN ASSOCIATE

In June 2017, Precious Year Limited, a wholly-owned subsidiary of the Company, entered into an agreement to acquire 45.76% interests in Paul Y. Engineering Group Limited (“PYE”) from The 13 (BVI) Limited, the then wholly-owned subsidiary of South Shore Holdings Limited (“South Shore”), a company listed on the Stock Exchange, at a consideration of HK\$265,200,000 (the “Acquisition Agreement”). As at 31 March 2021, the Group has paid the deposit of HK\$159,000,000 (2020: HK\$159,000,000) for the aforesaid acquisition (the “Deposit”) and the transaction has not been completed pending fulfillments of certain conditions pursuant to the Acquisition Agreement. Subsequent to the end of the reporting period, a creditor of an intermediate holding company of PYE exercised its right under a share charge over the immediate holding company of PYE (i.e. The 13 (BVI) Limited). As a result, PYE is no longer a subsidiary of South Shore and the Group has issued written notices to South Shore’s legal representatives and The 13 (BVI) Limited respectively to rescind the Acquisition Agreement and to claim against them for the refund of the Deposit together with a sum of HK\$32,000,000 as and for agreed liquidated damages. The Deposit is then accounted for as a financial asset at amortised cost subject to expected credit loss allowance. Up to the date of these consolidated financial statements which were authorised to issue, the Directors were not able to estimate the financial effect in terms of the quantum of the expected credit loss allowance on the Deposit (the maximum credit risk exposure of which could be HK\$159,000,000) as the Company is still gathering information to assess the financial impact at this stage. Details of the above were disclosed in the announcements of the Company dated 24 May 2021 and 28 June 2021 and two announcements of South Shore dated 21 May 2021.

13. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group’s credit terms are negotiated at terms determined and agreed with its trade customers. The Group allows an average credit period of 60 days (2020: 60 days) to its trade customers. Included in debtors, deposits and prepayments were trade debtors of approximately HK\$3,139,000 as at 31 March 2021 (2020: HK\$3,479,000).

The following is an aged analysis of trade debtors, net of loss allowance, presented based on the invoice date at the end of the reporting period:

	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Trade debtors aged:		
0 – 60 days	3,083	3,474
61 – 90 days	37	–
Over 90 days	19	5
	<u>3,139</u>	<u>3,479</u>

14. CREDITORS, DEPOSITS AND ACCRUED CHARGES

No trade creditor was included in creditors, deposits and accrued charges as at 31 March 2021 (2020: HK\$1,287,000).

The following is an aged analysis of trade creditors presented with reference to the invoice date at the end of the reporting period:

	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Trade creditors aged:		
0 – 60 days	–	1,287
	<u>–</u>	<u>1,287</u>

15. EVENTS AFTER THE END OF THE REPORTING PERIOD

The followings are the events of the Group occurred after the end of the reporting period:

- (a) On 20 April 2021, the Group acquired an additional 18% equity interests in More Cash Limited (“**More Cash**”), which is entitled to 75% interests in a sino-foreign co-operative joint venture, at a consideration of HK\$110,000,000. Upon completion of the acquisition, the Group held 60% shareholding of More Cash which became a subsidiary of the Group.
- (b) On 20 May 2021, the Group disposed of 20% effective interests in a property development project in Hong Kong to other shareholders of an associate of the Group at an aggregate consideration of HK\$274,349,000.
- (c) On 9 June 2021, the Group acquired an additional 30% equity interests in Premier Maker Limited (“**Premier Maker**”), which is entitled to 50% effective interests in a hotel in Shanghai, at a consideration of HK\$95,000,000. Upon completion of the acquisition, the Group held 49% shareholding of Premier Maker which became an associate of the Group.

OTHER INFORMATION

Annual General Meeting

The forthcoming annual general meeting of the Company (the “**Annual General Meeting**”) will be held on Friday, 10 September 2021. A circular containing the notice of the Annual General Meeting and information regarding, inter alia, the re-election of retiring Directors and the granting of the general mandates to the Directors to issue new Shares and to repurchase Shares will be published and despatched to the Shareholders in due course.

Closure of Register of Members

For the purpose of ascertaining Shareholders’ entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 7 September 2021 to Friday, 10 September 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, Shareholders must lodge all transfer documents accompanied by the relevant share certificates with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration by no later than 4:30 p.m. on Monday, 6 September 2021.

Number of Employees and Remuneration Policies

As at 31 March 2021, the total number of employees of the Group was 259 (2020: 266). Employees are remunerated according to their qualifications and experience, job nature and performance, and under the pay scales aligned with market conditions. Other benefits to employees include medical scheme, insurance coverage, share options and retirement schemes.

Purchase, Sale or Redemption of the Company’s Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Year.

Movement in Issued Shares

During the Year, a total of 3,263,000 Shares were cancelled. Such Shares were repurchased prior to the Year. As at 31 March 2021, there were 960,175,410 Shares in issue.

Compliance with the Corporate Governance Code and Corporate Governance Report

The Company is committed to maintaining high standard of corporate governance practices and procedures and complying with the statutory and regulatory requirements with an aim to maximising the values and interests of the Shareholders as well as enhancing the transparency and accountability to the stakeholders.

Throughout the Year, the Company has complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules and applied the principles contained therein.

Compliance with Model Code for Securities Transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules as its own code of conduct for Directors in their dealings in the securities of the Company. In response to specific enquiries made by the Company, all the Directors and the former Director who resigned during the Year confirmed that they have complied with the required standards set out in the Model Code throughout the Year or their tenure of office within the Year, whichever is shorter.

Review of Annual Results

The audit committee of the Company has reviewed with the management and the Company’s auditor the accounting principles and practices adopted by the Group and discussed auditing, financial reporting process and internal control matters including a review of the annual results of the Group for the Year.

Scope of Work of Messrs. Deloitte Touche Tohmatsu

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in the preliminary announcement have been agreed by the Group’s auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group’s audited consolidated financial statements for the Year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

Publication of Annual Results Announcement and Annual Report

This annual results announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.itcproperties.com. The annual report of the Company for the Year containing all information required by the Listing Rules will be despatched to the Shareholders and published on the websites of the Stock Exchange and the Company in due course.

RETIREMENT OF NON-EXECUTIVE DIRECTOR

Mr. Chan Fut Yan (“**Mr. FY Chan**”) has not offered himself for re-election as Director at the Annual General Meeting in order to devote more time to his other commitments. Accordingly, he will retire from the position of a non-executive Director with effect from the conclusion of the Annual General Meeting.

Mr. FY Chan confirmed that he has no disagreement with the Board and there are no matters in relation to his retirement that need to be brought to the attention of the Shareholders.

APPRECIATION

On behalf of the Board, I would like to express the sincere gratitude to Mr. Kwok Ka Lap, Alva, who resigned as an independent non-executive Director in February 2021, and Mr. FY Chan for their outstanding dedication and valuable contribution to the Group over their respective 19 years’ and 16 years’ tenure, and welcome Ms. Lam Sau Fung and Mr. Ip Hon Wah for joining the Board starting from February 2021.

In addition, I would like to take this opportunity to express my appreciation to the Shareholders for their support, to the fellow Board members, management and staff for their dedicated efforts to the Group and to our clients, consultants and business partners for all their valuable assistance offered during the Year.

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

Hong Kong, 30 June 2021

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

Executive Directors:

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

Non-executive Director:

Mr. Chan Fut Yan

Independent Non-executive Directors:

Hon. Shek Lai Him, Abraham, *GBS, JP (Vice Chairman)*, Mr. Chan Pak Cheong Afonso, Mr. Ip Hon Wah

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