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CHINA PROPERTIES GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1838)

ANNOUNCEMENT

LEGAL DISPUTES INVOLVING WHOLLY-OWNED SUBSIDIARIES

This announcement is made by China Properties Group Limited (the “Company”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited 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).

References are made to (i) the annual report of the Company for the financial year ended 31 December 2019 dated 3 June 2020 and the interim report for the six months ended 30 June 2019 and 2020 dated 29 August 2019 and 31 August 2020, respectively (the “Reports”) in relation to legal disputes involving certain wholly-owned subsidiaries of the Company; and (ii) the quarterly update announcement of the Company dated 30 June 2021 (the “Quarterly Update Announcement”). Unless otherwise stated, capitalised term used in this announcement shall have the same meaning as those defined in the Quarterly Update Announcement.

As disclosed in the Quarterly Update Announcement, on 10 June 2021, the Company noted from 公拍網 (Public Auction Platform*), an online public auction platform established by the Shanghai Trade Association of Auctioneers that the Shanghai Second Intermediate People’s Court (上海市第二中級人民法院) has issued a notice in relation to the proposed auction of the Lot #4 Land owned by Shanghai Jingan with total site area of 19,800 square meters located in the southern portion of Shanghai Concord City Phase II, which was mortgaged as security under the PinganDahua Entrusted Loan (the “Proposed Auction”). The Company has sought legal advice and has filed an objection against the listing of the Lot #4 Land on 公拍網 (Public Auction Platform*) and commenced an administrative proceeding to contest against the Proposed Auction (the “Proceeding”).

On 6 July 2021, the Company was given to understand that the Higher People's Court of Shanghai Municipality (上海市高級人民法院) has notified the Shanghai Second Intermediate People's Court (上海市第二中級人民法院) that the Proposed Auction should not proceed as it is subject to the Proceeding. The Company however noted from the 公拍網 (Public Auction Platform*) on 14 July 2021 that the Proposed Auction has taken place as originally scheduled and indicated that the Lot #4 Land had been sold at RMB2,468,390,000, being the starting bid listed for the Proposed Auction. The Company also noted that payment of the balance of the purchase price under the Proposed Auction is scheduled for 19 July 2021 but understands that, before the purchase completes, a new land use right sales contract will need to be entered into. The Company is seeking legal advice and has filed an application for the revocation of the sale of the Lot #4 Land through the Proposed Auction. In the event it succeeds in contesting the Proposed Auction, the Company believes it may reasonably expect the sale of the Lot #4 Land pursuant to the Proposed Auction to be reversed. The Company will take all necessary actions to vigorously contest against the Proposed Auction. The Company will make further announcement(s) on the material development and progress in relation to the Proposed Auction as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in shares of the Company was suspended from 9:00 a.m. on 1 April 2021 and will remain suspended until further notice.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
CHINA PROPERTIES GROUP LIMITED
Dr. Wang Shih Chang, George
Chairman

Hong Kong, 16 July 2021

As at the date of this announcement, the board of directors of the Company comprises Dr. Wang Shih Chang, George, Mr. Wong Sai Chung and Mr. Xu Li Chang as executive directors, Mr. Kwan Kai Cheong as non-executive director and Mr. Warren Talbot Beckwith, Mr. Luk Koon Hoo and Dr. Garry Alides Willinge as independent non-executive directors.

* *For identification purpose only*