

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **CHINA PROPERTIES GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1838)**

### **QUARTERLY UPDATE ON STATUS OF RESUMPTION**

This announcement is made by China Properties Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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 announcements of the Company dated 24 March 2021, 30 April 2021, 31 May 2021 and 16 August 2021 in relation to, among other matters, delay in publication of the 2020 Annual Results and the 2021 Interim Results, delay in despatch of the 2020 Annual Report and the 2021 Interim Report, the Resumption Guidance and suspension of trading in the shares of the Company from 9:00 a.m. on 1 April 2021; (ii) the quarterly update announcement of the Company dated 30 June 2021 (the “**1st Quarterly Update Announcement**”); and (iii) the announcement of the Company dated 16 July 2021 (the “**Legal Update Announcement**”) in relation to legal proceedings against a number of subsidiaries of the Company (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements. The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to provide the shareholders of the Company (the “**Shareholders**”) further update as follows:

### **QUARTERLY UPDATE REGARDING BUSINESS OPERATION OF THE GROUP**

The Group is principally engaged in the property development and property investment business in the People’s Republic of China. To the best knowledge of the Directors and based on preliminary assessment, as at the date of this announcement, the suspension of the trading of the shares of the Company (the “**Shares**”) has not resulted in any

significant adverse impact on the business operations of the Group in all material respects. Updates on the legal disputes are set out below in the paragraph headed “Other Updates” below.

The Company will continuously assess the impact on the Company’s operations, if any, take appropriate measures and make further announcement as and when appropriate.

## **UPDATE ON RESUMPTION PROGRESS**

As disclosed in the announcement of the Company dated 31 May 2021, the Stock Exchange has set out the Resumption Guidance for the Company:

- (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (ii) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules; and
- (iii) inform the market of all material information for the Company’s shareholders and investors to appraise the Company’s position.

As at the date of this announcement, the audit of the 2020 Annual Results and the 2021 Interim Results have not been completed. The Company has been proactively working with the Company’s auditors with a view to resolving the issues concerning the audit of the 2020 Annual Results and the 2021 Interim Results. The Company will publish further announcement(s) to inform the Shareholders and potential investors of (i) the date of publication of the 2020 Annual Results and the 2021 Interim Results; and (ii) the date of despatch of the 2020 Annual Report and the 2021 Interim Report as soon as possible.

The Company remains committed to use its best endeavours to satisfy the Resumption Guidance as soon as practicable and will make further announcement(s) as and when appropriate should there be any material development on the Resumption Guidance.

## **OTHER UPDATES**

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**”); (ii) the 1st Quarterly Update Announcement; (iii) the Legal Update Announcement; and (iv) the announcement of the Company dated 16 August 2021 (the “**16 August Announcement**”).

- (1) As disclosed in the 16 August Announcement, on 6 August 2021, the Company noted from 工行融e購 (ICBC Global E-Trade Service\*) that the Shanghai Second Intermediate People’s Court (上海市第二中級人民法院) has issued the Notice in relation to the proposed auction of the Lot #3 Land and the Lot #5 Land. The

Company has sought legal advice and has commenced an administrative proceeding to contest against the adoption of the Judicial Valuation Report as well as the Proposed Auction (JIC Trust).

On 18 September 2021, the Company noted from the 工行融e購 (ICBC Global E-Trade Service\*) that the Proposed Auction (JIC Trust) has taken place as originally scheduled and indicated that the Lot #3 Land and the Lot #5 Land had been sold at RMB1,299,140,000, being the starting bid listed for the Proposed Auction (JIC Trust). The Company is seeking legal advice and has filed an application for the revocation of the sale of the Lot #3 Land and the Lot #5 Land through the Proposed Auction (JIC Trust). In the event it succeeds in contesting the Proposed Auction (JIC Trust), the Company believes it may reasonably expect the sale of the Lot #3 Land and the Lot #5 Land pursuant to the Proposed Auction (JIC Trust) to be reversed. The Company will take all necessary actions to vigorously contest against the Proposed Auction (JIC Trust).

The Company will make further announcement(s) on the material development and progress in relation to the Proposed Auction (JIC Trust) as and when appropriate.

- (2) As disclosed in the Reports and the 16 August Announcement, Shanghai Jingan as borrower entered into the JIC Trust Entrusted Loan Agreement with JIC Trust whereby the JIC Trust Entrusted Loan was granted in twelve tranches. In addition to the Proposed Auction (JIC Trust), the Company further noted from 工行融e購 (ICBC Global E-Trade Service\*) that the Shanghai Second Intermediate People's Court (上海市第二中級人民法院) has issued a notice (the “**Second Notice (JIC Trust)**”) in relation to the proposed auction of the Huashan Building, a property owned by Shanghai Jingan located at West Nanjing Road, Jiang'an District, Shanghai, the People's Republic of China with gross floor area of 7,340 square meters (the “**Huashan Building**”), which was mortgaged as security under the JIC Trust Entrusted Loan (the “**Proposed Second Auction (JIC Trust)**”). The Proposed Second Auction (JIC Trust) is scheduled to take place from 8 October 2021 to 11 October 2021. According to the Second Notice (JIC Trust), a judicial valuation report (司法鑑定評估報告) on the Huashan Building has been prepared by 上海富申房地產估價有限公司 (Shanghai Fushen Real Estate Appraisal Co., Ltd.\*) (the “**Second Judicial Valuation Report**”) with a total appraised value of RMB419,608,600.

The Directors are of the view that the Second Judicial Valuation Report erred in classifying the Huashan Building as a hotel instead of a commercial property, which substantively undervalued the Huashan Building. The Company disagreed with the Second Judicial Valuation Report and has commenced an administrative proceeding to contest against the adoption of the Second Judicial Valuation Report.

The Company will make further announcement(s) on the material development and progress in relation to the Proposed Second Auction (JIC Trust) 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, 30 September 2021

*As at the date of this announcement, the Board 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*