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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 announcements of the Company dated 30 June 2021 and 30 September 2021 (the “**Quarterly Update Announcements**”); 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 Group (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 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 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 Quarterly Update Announcements; (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 Quarterly Update Announcements, the Legal Update Announcement and the 16 August Announcement, each of the Lot #4 Land, the Lot #3 Land and the Lot #5 Land had been auctioned pursuant to the Proposed Auction and the Proposed Auction (JIC Trust), respectively. The Company had filed an application for the revocation of the sale of the Lot #4 Land through the

Proposed Auction with the Shanghai High People's Court (上海市高級人民法院), which upheld the decision of the Shanghai Second Intermediate People's Court (上海市第二中級人民法院).

- (2) As disclosed in the quarterly update announcement of the Company dated 30 September 2021, 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 the Second Notice (JIC Trust) in relation to the Proposed Second Auction (JIC Trust). The Proposed Second Auction (JIC Trust) has taken place as originally scheduled and the Huashan Building had been sold at RMB335,690,000, being the starting bid listed for the Proposed Second Auction (JIC Trust).

The Company is seeking legal advice and intends to file an application for a review of the application of law and factual errors in the rulings in the judicial process of execution of auctioning (i) the Lot #4 Land through the Proposed Auction; (ii) the Lot #3 Land and the Lot #5 Land through the Proposed Auction (JIC Trust); and (iii) the Huashan Building through the Proposed Second Auction (JIC Trust), respectively, to The Supreme People's Court of the People's Republic of China (最高人民法院). The Company will take all necessary actions to vigorously contest against each of the Proposed Auction, the Proposed Auction (JIC Trust) and the Proposed Second Auction (JIC Trust).

The Company will make further announcement(s) on the material development and progress in relation to the above 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 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 December 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