德祥地產集團有限公司*

**ITC PROPERTIES GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 199)**

# SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of the Company dated 29 May 2026 (the "**Announcement**") in relation to the signing of the first Computing Power Technical Services Contract and the entering into of the Strategic Agreement. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to supplement the further information in relation to the signing of the first Computing Power Technical Service Contract and the Group's artificial intelligence computing power business (the "**Computing Power Business**") as follows:

## LATEST STATUS OF SERVICES UNDERLYING THE COMPUTING POWER TECHNICAL SERVICES AGREEMENT

Following the commencement of performance of the Group's first Computing Power Technical Services Contract in June 2026, as at the date of this announcement, the computing power resources, ancillary facilities and service order thereunder have been delivered and accepted, and the relevant computing power services have been in operation for more than one month. The subsequent delivery of the relevant computing power services is continuing in accordance with the terms of the relevant agreements.

## THE NATURE OF THE COMPUTING POWER BUSINESS AND ITS CLASSIFICATION WITHIN THE GROUP'S OPERATING SEGMENTS

The Group has been continuously exploring business growth opportunities related to artificial intelligence ("**AI**"). The Computing Power Business primarily involves the provision of computing power technical services.

* *For identification purpose only*

In the view of the Company, after considering its substance, scale and synergistic effect with the Group's existing property business, such business does not constitute a direct transformation of the Group's existing business. Rather, it represents a preparatory and exploratory step for the Group to better understand the professional standards required for the construction, operation and maintenance of data centre properties, and to facilitate subsequent customer development. The Group's longer-term interest is in computing power infrastructure, particularly data centre properties, which are different from traditional residential, office and commercial properties in terms of load-bearing capacity, cooling, power supply, network connectivity and operational standards and require more specialised construction and management expertise. The Company believes that through the Computing Power Business, the Group can work with suppliers and technical teams, understand relevant construction standards and operational requirements, and gain first-hand exposure to the practical considerations of computing power facilities. The Computing Power Business represents the Group's preparatory and exploratory efforts for the development of data centre properties in the future, and reflects the Group's proactive endeavours in exploring new growth opportunities. Based on the information currently available and the assessment of the management of the Company, revenue recognized under the first Computing Power Technical Service Contract will be accounted for within the Group's current property segment.

## BUSINESS MODEL OF THE COMPUTING POWER BUSINESS

### Revenue-generating Model and Operating Costs

***Revenue-generating model***

The Group's value-add in the Computing Power Business lies in its ability to: (i) identify and coordinate suitable suppliers with proven technical capabilities; (ii) leverage its reputation, commercial credibility and goodwill as a Hong Kong-listed company to secure competitive pricing from suppliers; (iii) coordinate customer requirements and supplier resources; and (iv) manage customer relationships and post-delivery support.

Leveraging the credit endorsement of the Company as a Hong Kong-listed company, together with the potential brand value, reputation and business track record that transactions with the Group may bring to the suppliers, the Group is able to secure competitive service quotations from the suppliers. Services under the Computing Power Technical Services Contract are primarily delivered by the suppliers in accordance with the delivery standards required by the Group's customers under the guidance and supervision of the Group. Revenue under the Computing Power Business is primarily generated from the difference between service fees received from the customers and costs paid to suppliers.

*Operating costs and capital expenditure and source of funding*

The operating costs primarily include service fees paid to suppliers for a number of information technology supporting services and the manpower costs of the Group's employees. The business adopts a back-to-back rolling payment model, under which the Group's payment period to its suppliers only commences after receiving payments from its customers. As a result, the source of funds under the Computing Power Business mainly includes the service fees received from customers, and the Group is not obligated to make upfront payment under the above-mentioned arrangement.

**Infrastructure, Facilities and Professionals**

Infrastructure and resources required under the Computing Power Business are primarily provided by the suppliers in accordance with the requirements of the Group's customers. The Group is not merely engaged in a simple purchase-and-sale arrangement. Based on the agreements entered into with the downstream customers, in addition to arranging the provision of bare metal resources, the Group is also involved in providing computing power operation and maintenance.

In terms of professionals, Mr. Cao Xinwei ("**Mr. Cao**"), the general manager of ITC Strategic Management Limited, a wholly-owned subsidiary of the Company, and Mr. Sun Wenzheng ("**Mr. Sun**"), the chief operating officer of the same company, will perform on-site supervision and management work underlying the Computing Power Business. Mr. Cao has over 12 years of experience in the data centre industry and over 18 years of experience related to power engineering. He specialises in data centre site selection, power supply solutions, investment and financing, and compliance management. Mr. Sun has over 25 years of experience in the telecommunications and data centre industry. He is proficient in data centre business strategic planning, project delivery, operation management, and compliance control, and has been responsible for the full-cycle development and acquisition of multiple data centre parks.

Mr. Cao and Mr. Sun are responsible for understanding the computing power requirements of potential customers, formulating customised service solutions, identifying suitable AIDC suppliers and bare metal resource partners, and coordinating the suppliers' technical teams to deliver services in accordance with the customers' specific requirements. They also lead the professional team responsible for the day-to-day management and supervision of the Computing Power Business. At the current stage, the actual technical implementation work under the Computing Power Technical Services Contract is mainly carried out by engineers from the suppliers' teams under the guidance and coordination of Mr. Cao and Mr. Sun. Through the experience and industry knowledge of Mr. Cao and Mr. Sun, the Group participates in understanding customer requirements, coordinating technical resources, guiding service delivery and managing customer relationships, thereby providing value-added services that may not be independently provided by the upstream suppliers alone. The Group will further strengthen its professional capabilities in the Computing Power Business in the future and is currently in the course of identifying and selecting suitable talents in this respect.

**Background of Customer and Supplier of the Computing Power Technical Service Contract**

The customer is a technology company based in Shenzhen, the PRC, primarily engaged in internet data services, big data services, artificial intelligence application software development, network and information security software development. To the best knowledge of the Company and after making reasonable enquiries, save as the business relationship as submitted above, the customer has no other relationship with the Company and its connected persons as defined under the Listing Rules.

The supplier is a technology company based in Henan Province, the PRC, primarily engaged in internet data services, cloud computing equipment technology services, big data services, data processing and storage support services, artificial intelligence application software development. To the best knowledge of the Company and after making reasonable enquiries, save as the business relationship as submitted above, the supplier has no other relationship with the Company and its connected persons as defined under the Listing Rules.

**Selection criteria of suppliers for Computing Power Business**

The Company generally selects suppliers for Computing Power Business based on a set of selection criteria and methodology involving preliminary learning, market research and potential resource mapping and has established a supplier pool based on the abovementioned criteria and methodology. If any project proceeds to the actual construction, procurement or execution stage in the future, the Company will formulate more targeted assessment criteria including design, construction, equipment procurement, mechanical and electrical engineering, network access, operation and maintenance services, computing equipment, information security and project management, based on the specific project content and actual requirements of each stage.

**Risk management and mitigation measures**

Based on the Company's assessment, the principal risk related to the Computing Power Business is that the infrastructure or services delivered by the supplier may fail to meet the customer's requirements, resulting in failure to satisfy the agreed delivery standards. In such respect, the Group has adopted the following risk management and mitigation measures:

1. Supplier capability pre-review and customer communication mechanism: Prior to entering into the service contract with the customer, the Group has arranged for the supplier's responsible person to conduct technical exchanges with the customer to ensure that the supplier's deliverables and capabilities were able to meet the specific requirements of the customer.

2. On-site acceptance mechanism: the Group has invited the customer to complete on-site acceptance, with the supplier's cooperation, and the customer has signed the acceptance report after passing the acceptance, confirming that the project has met the delivery standards.

3. Rectification guarantee clauses: The Computing Power Technical Services Contract clearly stipulates that the supplier is entitled to at least three rectification opportunities and must promptly complete rectification in accordance with the customer's requirements.

4. Service Level Agreement ("**SLA**"): The Group has entered into an SLA with the supplier, using the customer's requirements as the benchmark for execution.

5. Billing linked to delivery: Services are only billed after successful customer acceptance; otherwise, they will not be regarded as delivered.

## DEVELOPMENT PLAN OF THE COMPUTING POWER BUSINESS

The Computing Power Business is still at the exploratory stage. The project underlying the Computing Power Technical Services Contract is the first pilot project of the Computing Power Business. The Group will further assess whether to expand the Computing Power Business in a similar model based on the results of this project.

Since the appointment of Mr. Cao, the Group has successively received invitations from various business parties regarding potential cooperation opportunities. Currently the Group is in the course of discussing potential cooperation opportunities with mainstream operators in areas such as IDC resource integration, network advantage synergy, and improvement of the AI infrastructure value chain. As at the date of this announcement, no legally binding agreement has been reached. The Company will make appropriate disclosures in accordance with the Listing Rules as and when appropriate.

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

Hong Kong, 10 July 2026

As at the date of this announcement, the directors of the Company 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, Mr. Cao Xinwei

*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.*