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 RELATING TO DISCLOSEABLE TRANSACTIONS REGARDING THE ACQUISITION OF THE SALE SHARES AND SALE LOAN INVOLVING THE ISSUE OF THE CONSIDERATION NOTE AND THE DISPOSAL OF ITC FINANCE SHARES AND ITC FINANCE SALE LOAN

Reference is made to the announcement of ITC Properties Group Limited (the "**Company**") dated 2 July 2026 (the "**Announcement**") regarding, among others, the acquisition from Profit Tycoon Holdings Limited ("**Profit Tycoon**") by ITC Strategic Holding Limited ("**ITC Strategic Holding**"), a wholly-owned subsidiary of the Company, of 20% of the issued share capital of PYI Investment Holdings Limited ("**PYI Investment**") and the assignment of 20% of all amounts, including principal and interest, owing by PYI Investment to Profit Tycoon upon completion from Profit Tycoon to ITC Strategic Holding. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise defined.

The Board would like to provide supplementary information on the Acquisition to the Shareholders and potential investors of the Company as follows:

A. THE VALUATION OF THE PYI INVESTMENT GROUP

During the valuation, the Valuer first assessed Jiangsu Yangtong, the core operating entity of PYI Investment. The valuation of PYI Investment was then derived primarily by making adjustments based on the appraised amount of Jiangsu Yangtong.

* *For identification purposes only*

Valuation of Jiangsu Yangtong

As of the Valuation Date, the book value of Jiangsu Yangtong amounted to RMB365,086,116, while its appraised value amounted to approximately RMB2,090,000,000. Relevant explanations are set out below:

Valuation Date	Book Value	Appraised Value	Difference	Remarks
Current Assets				
Cash and Cash Equivalents	4,729,895	4,729,895	–	
Accounts Receivable	5,488,622	5,488,622	–	
Advances to Suppliers	3,030,138	3,030,138	–	
Other Receivables	241,150,686	241,150,686	–	
Inventory	255,170,437	234,050,068	-21,120,369	*Note 1*
Non-current Assets Maturing within One Year	14,371,643	14,371,643	–	
Total Current Assets	**523,941,421**	**502,821,052**	**–**	
Non-current Assets				
Net Book Value of Fixed Assets	96,055,002	99,856,166	3,801,164	*Note 2*
Intangible Assets	20,622,042	1,907,491,892	1,886,869,850	*Note 3*
Construction in Progress	415,221,975	199,578	-415,022,397	*Note 4*
Biological Assets	148,000	148,000	–	
Long-term Prepaid Expenses	3,706,348	3,706,348	–	
Total Non-current Assets	**535,753,367**	**2,011,401,984**	**–**	
TOTAL ASSETS	**1,059,694,788**	**2,514,223,036**	**–**	
Current Liabilities				
Short-term Borrowings	20,000,000	20,000,000	–	
Accounts Payable	6,052,244	6,052,244	–	
Advances from Customers	102,227,610	102,227,610	–	
Employee Benefits Payable	93,782	93,782	–	
Taxes Payable	-805,418	-805,418	–	
Interest Payable	212,842	212,842	–	
Dividends Payable	2,824,193	2,824,193	–	
Other Payables	77,153,418	77,153,418	–	
Total Current Liabilities	**207,758,671**	**207,758,671**	**–**	

Valuation Date	Book Value	Appraised Value	Difference	Remarks
Non-current Liabilities				
Long-term Borrowings	125,850,000	125,850,000	–	
Special Payables	361,000,000	90,250,000	-270,750,000	*Note 5*
Total Non-current Liabilities	**486,850,000**	**216,100,000**	**–**	
TOTAL LIABILITIES	**694,608,671**	**423,858,671**	**–**	
Shareholders' Equity				
Paid-in Capital (Net)	815,125,262	815,125,262	–	
Capital Surplus	152,893	152,893	–	
Retained Earnings/(Accumulated Deficit)	-450,192,038	1,275,086,209	1,725,278,249	*Note 6*
Total Shareholders' Equity	**365,086,117**	**2,090,364,364**	**–**	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,059,694,788**	**2,514,223,036**	**–**	

Note 1 – Inventory

This adjustment relates to land use rights. The Valuer reviewed the breakdown of inventories and identified that RMB21,120,369 represents the land acquisition for two land parcels held by Nantong Realty. Accordingly, the Valuer reclassified these two land parcels and incorporated them into intangible assets for valuation purposes. Such adjustment represents a reclassification in accounting, with no subjective valuation parameter involved.

Note 2 – Net Book Value of Fixed Assets

Details of the fixed assets held by Jiangsu Yangtong and its subsidiaries are set out below:

Valuation Date	Book Value	Appraised Value	Difference
Buildings and Structures	92,454,168	95,907,902	3,453,734
Other Fixed Assets	3,600,834	3,948,264	347,430
Total	**96,055,002**	**99,856,166**	**3,801,164**

Buildings and structures held by Jiangsu Yangtong and its subsidiaries include villa units, office buildings, bridge works and supporting transportation facilities. The Valuer adopted the replacement cost approach for valuation, with key parameters as follows:

(1) current replacement cost, derived by adjusting the original historical costs with relevant price indices. The adjustment range varies from 0% to 15% depending on the timing of original expenditure; and

(2) comprehensive depreciation rate, determined comprehensively based on factors including the asset's useful life, physical condition and accounting depreciation records, ranging between 52% and 95%.

Other fixed assets held by Jiangsu Yangtong and its subsidiaries include office equipment, transportation vehicles, electrical appliances, furniture, software, etc. The Valuer also adopted the replacement cost approach, with key parameters including: (1) replacement cost adjusted via price indices; (2) comprehensive depreciation rate; and (3) residual value rate.

Slight valuation surplus was identified for fixed assets, attributable to price increase of current cost.

Note 3 – Intangible Assets

Details of the intangible assets held by Jiangsu Yangtong and its subsidiaries are set out below:

Valuation Date	**Book Value**	**Appraised Value**	**Difference**
Land Use Rights	20,298,139	1,907,167,989	1,886,869,850
Other Intangible Assets	323,903	323,903	–
Total	**20,622,042**	**1,907,491,892**	**1,886,869,850**

The key parameters adopted for the valuation of land use rights are set out below:

No.	**Certificate No.**	**Valuation Classification**	**Area** *(sq.m.)*	**Benchmark Land Price**	**Appraised Value**
1	蘇(2023)如東縣不動產權第0009701號	住宅用地	82,000	1,410	109,839,000
2	蘇(2023)如東縣不動產權第0009701號	商住用地 (2:8)	300,002	1,322	376,772,512
3	蘇(2023)如東縣不動產權第0009701號	商服用地	30,667	970	28,259,641
4	蘇(2023)如東縣不動產權第0009701號	公服類別二(教育)	166,668	420	66,500,532
5	蘇(2023)如東縣不動產權第0009701號	住宅用地	58,000	1,410	77,691,000
6	蘇(2023)如東縣不動產權第0009701號	商住用地 (2:8)	74,667	1,322	93,774,285
7	蘇(2023)如東縣不動產權第0009701號	未利用土地	5,013,867	105	515,926,914
8	蘇(2023)如東縣不動產權第0009701號	未利用土地	3,062,308	105	315,111,493
9	蘇(2023)如東縣不動產權第0009701號	未利用土地	1,758,676	105	180,967,760
10	蘇(2023)如東縣不動產權第0009702號	未利用土地	75,964	105	7,816,696
11	東國用(2007)第510029號	水利工程	177,725	105	18,287,903

No.	Certificate No.	Valuation Classification	Area (sq.m.)	Benchmark Land Price	Appraised Value
12	東國用(2007)第510030號	水利工程	121,845	105	12,537,851
13	蘇(2018)如東縣不動產權第0007037號	商服用地	40,271	970	37,109,727
14	蘇(2026)如東縣不動產權第0010834號	商服用地	10,000	970	9,215,000
15	東國用(2015)第510041號	住宅用地	30,462	1,410	40,803,849
16	蘇(2024)如東縣不動產權第0013311號	商服用地	17,964	970	16,553,826
	Total				1,907,167,989
	Book Value				**20,298,139**
	Difference				1,886,869,850

For Land 1–6 and Land 13–16, the Valuer adopted the market approach, with benchmark land prices serving as the key valuation basis. Benchmark land price essentially summarizes the prevailing transaction prices of similar land in the local primary land market including tender, auction and listing transactions. It reflects the market consensus and market value of land within the same zoning and land grade, and serves as authoritative market evidence.

The benchmark land prices are sourced from the latest official government data published by Bureau of Natural Resources and Planning of Yangkou Town, Rudong County, available on its official website, with details as follows:

Classification	Benchmark Price *(RMB/sq.m.)*
Commercial	970
Residential	1,410
Industrial	270
Public (Education)	420

Source:

https://zrzy.jiangsu.gov.cn/gtapp/nrglIndex.action?classID=2c9082b55bd83c30015bdbd441de0195

For unutilised Land 7–12, the Valuer has referred to 《關於落實洋口外閘11.5平方公里土地及新城區500畝土地相關問題的處置協議》(the "**Handling Agreement**") signed by Jiangsu Yangtong and the People's Government of the Rudong County (如東縣人民政府) on 18 September 2006. The Handling Agreement sets forth the land acquisition compensation prices applicable to the 11.5 sq. km land at Yangkou Outer Sluice (i.e. including Land 1 – Land 12). In particular, Clause 3.7 of the Handling Agreement mentions that: "*...Prior to the amendment of the land use master plan to designate the site for commercial and industrial development, the compensation price for government land acquisition shall be RMB70,000 per mu...*" Given that no suitable transaction prices are available for the unutilised land, the Valuer considers assessing the land value based on the contracted acquisition compensation prices is reasonable. The unit price at a fixed rate of RMB70,000 per mu, or RMB105 per s.q.m is therefore adopted.

The Valuer made further adjustments based on other qualitative and locational factors. As the benchmark land prices effectively capture prevailing market conditions and the subject lands are broadly standard, no single significant upward or downward adjustments have been applied by the Valuer. Nevertheless, the three main categories of further adjustments applied include: (1) plot topography adjustment, reflecting flatness and elevation differences, ranging from 0% – 1%; (2) accessibility adjustment, reflecting vehicle entry convenience, ranging from 0% – 2%; and (3) surroundings/locations adjustment, reflecting differences in supporting facilities and nearby industrial layout, ranging from 1% – 2%. Accordingly, the total adjustments range from 2% to 5% for each individual land.

From a commercial perspective, the valuation surplus of these land parcels is sourced from two reasons:

(1) Parcels 1 to 12 were acquired via land allocation without consideration paid, yet they hold practical commercial significance and can generate economic benefits; and

(2) Parcels 13 to 16 were acquired at an earlier stage, and land prices have risen alongside the overall regional economic development.

Note 4 – Construction in Progress

The construction in progress recorded held by Jiangsu Yangtong and its subsidiaries mainly consists of surveying, geological investigation and pre-construction engineering costs incurred for the aforesaid Land 1–12. Such expenditures represent dedicated investments to the land parcels. They generate economic benefits in reliance on the corresponding land parcels, without independently separable realisable value. During the Valuation, the Valuer incorporated the construction in progress into land use rights for valuation purpose. Such adjustment represents a reclassification in accounting, with no subjective valuation parameter involved.

Note 5 – Special Payables

The special payable represents government grants received by Jiangsu Yangtong in relation to the comprehensive land consolidation project entered in October 2023, pursuant to which Jiangsu Yangtong engages in land improvement services, including consolidation of agricultural land, construction land, ecological protection and public space improvement. Such grants are designated as special-purpose financial funds and was received during the period from December 2023 to February 2026.

Such item does not represent future cashflow owed by Jiangsu Yangtong. Consistent financial accounting requirements, the debit side of such funds are recorded as cash and cash equivalents under assets, and given the project has not yet completed nor been formally accepted, the credit side of such funds is recorded as special payable under liabilities. Jiangsu Yangtong expects to recognise these grants as revenue in the future upon completion and formal acceptance of such project, which would be subject to profit tax.

The Valuer considers that based on the nature and relative accounting classification of the special payable as described above, the market value of such special payable is to be assessed with reference to its associated potential tax liability, as (1) Jiangsu Yangtong is not obligated to repay such balance to any third party; and (2) a tax liability will arise when Jiangsu Yangtong recognises such balance as revenue, and Jiangsu Yangtong has not obtained any approval for any non-taxable treatment. In the valuation, the value of this special payable item is calculated by its book value balance and a 25% statutory corporate income tax rate, details are follows:

Items	**Amount**
Special payable	361,000,000
Statutory tax rate	25%
Appraised value	90,250,000

Such adjustment represents the calculation of potential liability based on accounting treatment, with no subjective valuation parameter involved.

Note 6 – Retained Earnings

The adjustments made to retained earnings are mathematical, derived from the adjustments set out in Note 1 to Note 5 above, which do not involve valuation parameters or subjective judgements.

Valuation of PYI Investment

Subsequently, the Valuer performed the valuation of PYI Investment, which was determined based on: (1) the 75% equity interest value of Jiangsu Yangtong attributable to PYI Investment; (2) adjustments to miscellaneous items; and (3) a small additional discount of 5.0%.

The value of PYI Investment is assessed at HK$1,699,000,000, with relevant explanations set out below:

Valuation Date	**Appraised Value**	**Remarks**
Value of Jiangsu Yangtong *(RMB)*	2,090,364,364	*Note 1*
Value of Jiangsu Yangtong *(HK$)*	2,383,015,375	*Note 1*
Shareholding %	75.0%	*Note 2*
Value attributable to PYI Investment	**1,787,261,531**	
Glory Well Investment		
Accruals	-1,019,000	*Note 3*
Glory Well Property		
Accruals	-19,000	*Note 3*
Dividend receivable	3,023,762	*Note 3*
Cash and cash equivalents	91,944	*Note 3*

Valuation Date	**Appraised Value**	**Remarks**
Value of PYI Investment	**1,789,339,237**	
Extra discount	5.0%	*Note 4*
Value conclusion (rounded)	**1,699,000,000**	

Note 1

The market value of Jiangsu Yangtong was assessed at RMB2,090,364,364, and transferred to HK$2,383,015,375 using an adopted RMB/HK$ exchange rate of 1.14 as of the Valuation Date.

Note 2

PYI Investment holds an effective controlling interest of 75% in Jiangsu Yangtong.

Note 3

The Valuer adjusted for several miscellaneous cash-based items of Glory Well Development, a wholly owned subsidiary of PYI Investment, and Glory Well Property Investment Limited, another wholly owned subsidiary of PYI Investment. There is no other significant asset and liability item on the balance sheet of Glory Well Development, Glory Well Property Investment Limited or PYI Investment.

Note 4

The Valuer adopted a moderate 5.0% discount to the concluded value of the PYI Investment, reflecting two limited risks:

- *Minority interest:* PYI Investment holds a 75% equity interest in Jiangsu Yangtong, with a 25% minority interest block. While there is no materiality to its control status, such minority stake leads to small constraints on dividend distributions and corporate decision-making.

- *Multi-layer holding structure:* The indirect holding structure, with intermediate entities between the PYI Investment and Jiangsu Yangtong, brings minor incremental risks related to cross-border regulatory compliance and administrative complexity.

The above factors are considered limited in impact, and a 5.0% discount is therefore deemed appropriate to reflect such limited risks inherent in PYI Investment.

B. FINANCIAL INFORMATION ON GLORY WELL DEVELOPMENT AND GLORY WELL PROPERTY INVESTMENT LIMITED ("GLORY WELL INVESTMENT")

Glory Well Development

Based on the information available to the Company, set out below is extracted from the unaudited management accounts of Glory Well Development for the year ended 31 March 2026 and audited financial statements of Glory Well Development for the year ended 31 March 2025:

	Year ended 31 March 2025 (Audited) *(In HK$)* *Approximately*	**Year ended 31 March 2026 (Unaudited)** ***(In HK$)*** ***Approximately***
Revenue	–	**–**
(Loss) before taxation	(5,545,670)	**(6,047,186)**
(Loss) after taxation	(5,545,670)	**(6,047,186)**

As at 31 March 2026, the unaudited net liabilities of Glory Well Development amounted to approximately HK$11,787,802.

Glory Well Investment

Based on the information available to the Company, set out below is extracted from the unaudited management accounts of Glory Well Investment for the year ended 31 March 2026 and audited financial statements of Glory Well Investment for the year ended 31 March 2025:

	Year ended 31 March 2025 (Audited) *(In HK$)* *Approximately*	**Year ended 31 March 2026 (Unaudited)** ***(In HK$)*** ***Approximately***
Revenue	–	**–**
(Loss)/Profit before taxation	(55,176)	**155,805**
(Loss)/Profit after taxation	(55,176)	**155,805**

As at 31 March 2026, the unaudited net assets of Glory Well Investment amounted to approximately HK$12,488,227, which mainly include an amount due from its holding company, PYI Investment of approximately HK$9,289,377, and a receivable from Jiangsu Yangtong Group of approximately HK$3,202,034.

C. FINANCIAL EFFECT OF THE DISPOSAL

It is disclosed in the Announcement that the unaudited loss from the Disposal is expected by the Group to be minimal. The Board would like to inform the Shareholders and potential investors of the Company that such loss is expected to be approximately HK$115,000 and was calculated with reference to the Disposal Consideration of HK$114,130,000 less the unaudited consolidated net assets of ITC Finance as at 31 May 2026 of approximately HK$114,130,000 and the related transaction expenses for the Disposal of approximately HK$115,000.

Shareholders should note that the exact amount of loss of the Disposal to the Group would be calculated based on the net asset/liability value of ITC Finance as at the Disposal Completion Date and is subject to audit and therefore may be different from the amount mentioned above.

D. BUSINESS PLAN OF THE PYI INVESTMENT GROUP

The Board wishes to provide additional information for the Shareholders and potential investors of the Company on the business plan of the PYI Investment Group in relation to the artificial intelligent computing business as follows:

As disclosed in the Announcement, PYI Investment Group holds significant land resources in the Xiaoyangkou area of Rudong County, Jiangsu Province, the PRC, which benefits from a diverse range of green energy and natural resources, including geothermal energy, offshore wind power, distributed photovoltaic power and coastal access. All of them collectively provides a strong foundational advantage for the development of a green artificial intelligence computing center.

As at the date of this announcement, the development of PYI Investment Group's artificial intelligence computing business remains at a preliminary strategic exploration stage. No definitive construction plan, investment plan or capital expenditure budget has been formulated. Nevertheless, the PYI Investment Group intends to explore a development pathway that integrates the lands' natural resources with the green computing industry, subject to compliance with applicable laws and regulations and the obtaining of all necessary government approvals. In the meantime, a feasibility study will be conducted on the development of an infrastructure platform to serve the computing power demands of the Yangtze River Delta region. Key parameters, including construction scale, capital expenditure, technology roadmap, development timeline and business model, will be determined progressively following government consultations, industry partnership negotiations and internal decision-making processes.

With respect to the anticipated funding arrangements, PYI Investment Group intends to rely upon existing onshore project company(ies) (such as Jiangsu Yangtong) or establish new domestic project company(ies) as the principal implementation and financing vehicles. Priority will be given to market-based external financing through such project company(ies), including but not limited to green credit facilities, industry investment funds and government support funds. To the extent any funding shortfall arises, all shareholders of the relevant project company (such as Jiangsu Yangtong) may provide financial support on a pro-rata basis through shareholder loans or capital contributions, to be determined by such shareholders in accordance with the terms of the relevant shareholder agreement (if any) and the applicable laws, rules and regulations. As the Company will indirectly hold only a 20% equity interests in PYI Investment, the Company is expected not to be obligated to provide substantial capital for the development of the project.

In respect of any shareholder loans, subscription of shares or other forms of financial support that may be provided to the PYI Investment Group in the future, the Company will comply with the applicable requirements under the Listing Rules, including without limitation, publishing announcement(s) regarding such financial assistance to the PYI Investment Group, as and when appropriate.

As at the date of this announcement, PYI Investment Group has yet to determine the specific operating model for the proposed artificial intelligence computing center. To the best of knowledge, information and understanding of the Company, PYI Investment Group has been exploring the following preliminary directional proposals based on prevailing market trends and available resource endowments:

(a) *computing power services:* provision of computing power leasing, model training and inference computing services to potential customers such as artificial intelligence enterprises and research institutions;

(b) *infrastructure co-location services:* provision of internet data center services, including server rack co-location, data center operation and maintenance, and network access services to customers in the internet, financial services and other industries; and

(c) *integrated green energy services:* leveraging green energy resources to explore provision of value-added services such as green electricity supply, carbon asset management and energy consumption optimisation.

The above represents only preliminary business proposals formulated by PYI Investment Group on the basis of market observations and resource endowments. They do not constitute any definitive plan or commitment as to future revenue to be undertaken by the PYI Investment Group. Whether or not, and the manner in which, any of the above will be implemented, whether the business model will be conducted independently or through partnerships, and the revenue-generating model will depend on the progress of project approvals, the then market conditions, funding arrangements and the outcome of strategic cooperation negotiations.

Reference is made to the supplemental announcement of the Company dated 10 July 2026 setting out additional information on the signing of the first computing power technical service contract and the Group's artificial intelligence computing power business (the "**Computing Power Business**"). The Computing Power Business referred to in such supplemental announcement primarily relates to the Group's existing computing power technical services business. Under this business model, the Group identifies and coordinates suitable suppliers, manages clients' computing power requirements, coordinates service delivery, and participates in computing power operations, maintenance and post delivery support. The infrastructure and computing power resources required for this business are currently primarily provided by third party suppliers. On the other hand, the proposed business of the PYI Investment Group differs in nature and is currently at an early stage of development. These proposals are preliminary project level suggestions based on land, green energy and other natural resources held or endowed by the PYI Investment Group and may involve future development and operation of AI computing power infrastructure, as well as the provision of services relating to computing power and data centers.

As at the date of this announcement, there is no operational integration, sharing of clients or computing power resources, or legally binding cooperation arrangement between the Group's existing Computing Power Business and the proposed business of the PYI Investment Group. Nevertheless, the two businesses may complement with each other. For instance, the AI computing power infrastructure under the PYI Investment Group, if implemented, could serve as an upstream infrastructure and resource platform, while the Group's experience in client requirements coordination, supplier management, service delivery and computing power operations and maintenance under its existing Computing Power Business could complement the operation of such infrastructure and the development of the client base.

The Acquisition was not undertaken to enable the Group to commence the existing Computing Power Business given that the Group had already initiated operations of such business through its first computing power technical services contract prior to entering into the Acquisition Agreement. Rather, the Acquisition will enable the Group to acquire 20% equity interests in a potential project platform that may engage in artificial intelligence computing power infrastructure and data center business with underlying land resources and green energy endowments. Moreover, the PYI Investment Group does not currently operate any artificial intelligence computing power business. The Group may, by leveraging the PYI Investment Group's land and green energy resources, align the business proposals under the PYI Investment Group with the Group's long term interest in AI computing power infrastructure and data center properties business. Any future cooperation or integration would be subject to the formulation of clear plans, the obtaining of necessary governmental approvals, the securing of financing, further due diligence and commercial negotiations, the execution of definitive agreements, and compliance with applicable laws, rules and regulations, including the Listing Rules requirements.

Having considered the factors set out above and for all information relating to the PYI Investment Group, its core assets and competitive advantages as set out in the Announcement as well as having specifically taken into account below:

(1) *Acquisition Consideration supported by independent third-party valuation:* The Acquisition Consideration was determined with reference to the valuation report issued by Pinetree Advisory and Valuation Limited, an independent professional valuer, with a Valuation Date of 31 March 2026. Using the asset-based approach, the total equity value of PYI Investment was assessed at approximately HK$1,699 million. The value attributable to a 20% equity interest is broadly in line with the Acquisition Consideration. The Acquisition Consideration was arrived at through arm's length negotiations and is considered fair and reasonable.

(2) *Scarce strategic value and long-term development potential of the core assets of the PYI Investment Group:* The land parcels held through the PYI Investment Group are rare contiguous coastal land holdings in the Yangtze River Delta region, supported by a diverse portfolio of green energy resources including geothermal energy, offshore wind power, distributed photovoltaic power, liquefied natural gas cold energy and lake water resources. These attributes provide a natural foundation for developing a green and low-carbon computing center. Subject to obtaining the relevant government approvals for the development and construction of an artificial intelligence computing center, the land parcels are expected to serve as a key infrastructure node to cater for the computing needs of the Yangtze River Delta, generating stable long-term operating cash flows and delivering asset appreciation returns to the Group. By leveraging the aforementioned green energy resources, the computer center project has the potential to build a diversified clean energy supply system – encompassing geothermal cascade utilisation, direct offshore wind power supply, distributed photovoltaic generation and battery energy storage, thereby creating a benchmark green intelligent computing facility with low power usage effectiveness (PUE) and low water usage effectiveness (WUE) in the area. This aligns with the PRC national "dual carbon" strategy and the integrated development objectives of the Yangtze River Delta, conferring significant long-term strategic value and development potential.

(3) *Capital-efficient consideration payment mechanism:* the settlement of the Acquisition Consideration is structured in a capital-efficient manner comprising issuance of Consideration Note, a non-core asset share swap and a modest cash component. In particular, HK$114,130,000 out of the Acquisition Consideration is to be satisfied through the disposal of the Group's non-core money lending business (i.e. the entire issued share capital of ITC Finance), enabling the Group to redeploy resources towards areas of higher strategic potential without incurring significant additional cash outlay, thereby improving its overall asset and liability profile.

(4) *Investment risks and proportionate to potential returns:* the Board has considered both the limits of the Group's present exposure to and the potential economic benefits of the Acquisition. Firstly, the Group's investment exposure under the Acquisition is limited to the agreed Acquisition Consideration for a 20% minority interest in PYI Investment. Given that, as at the date of this announcement, neither the Company nor any member of the Group has entered into any binding commitment to fund the construction of the proposed artificial intelligence computing center, or to provide any guarantee for its financing or assume its construction or operating liabilities, any additional investment, shareholder loan, guarantee or other financial assistance to be made or provided by the Group would be subject to separate due diligence, internal approval, funding availability and compliance with the applicable requirements of the Listing Rules. Secondly, pursuant to the terms of the Shareholders' Agreement, the PYI Investment Group will prioritise fund raising by way of external project-level financing and determine the development and funding arrangements progressively by reference to the relevant approvals, customer demand and financing availability. Thirdly, the Acquisition Consideration is supported by an independent asset-based valuation, and the underlying land and resource portfolio provides a degree of asset backing and alternative development potential irrespective of whether the proposed artificial intelligence computing center is ultimately implemented. Fourthly, if the relevant proposals are implemented, the Group may participate, through its 20% equity interests in PYI Investment, in the potential appreciation of the underlying assets and the future operating cash flows from computing power services, infrastructure co-location services and integrated green energy services. The Board has also taken into account that the proposed artificial intelligence computing center remains at a preliminary stage, and may be delayed, modified or even not proceed, and thus no revenue or investment return is assured. Having balanced these uncertainties against the defined initial exposure of the Group, the absence of any present binding capital expenditure or financing commitment, the asset backing of the investment and the potential long-term returns as described above, the Board considers the overall investment risk to be manageable and proportionate to the potential returns,

the Board is of the view that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 31 July 2026

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

Executive Directors:
Mr. Cheung Hon Kit *(Joint Chairman)*, Mr. He Xuechu *(Joint 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.