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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
PLACING OF NEW SHARES UNDER GENERAL MANDATE**

Sole Overall Coordinator and Placing Agent

CMBI 招銀国际

Other Placing Agents



China Renaissance 华兴资本



百惠金控 PATRONS

References are made to (i) the announcement of ITC Properties Group Limited (the “**Company**”) dated 22 April 2026 (the “**Placing Announcement**”) regarding the placing of new shares under general mandate; (ii) the announcements of the Company dated 20 January 2026, 3 February 2026, 23 February 2026, 4 March 2026, 20 March 2026 and 1 April 2026 (the “**Subscription Announcements**”) regarding (a) the issue of 11,500,000 new shares to Dr. Hon Ng Kit Chong under general mandate (the “**GM Subscription**”), completion of which took place on 4 March 2026, (b) the proposed issue of 130,000,000 new shares to The Reynold Lemkins Group (Asia) Limited (“**RL**”) under specific mandate (the “**RL SM Subscription**”), and (c) the proposed issue of unlisted warrants for 180,000,000 warrant shares to RL under specific mandate (the “**RL SM Warrant Subscription**”), where the RL SM Subscription and RL SM Warrant Subscription were terminated on 1 April 2026 (the “**Termination**”); and (iii) the announcements of the Company dated 25 November 2025, 8 December 2025, 11 December 2025 and 22 December 2025 (the “**RL Subscription Announcements**”) in relation to the issue of 100,800,000 new shares to RL under general mandate (the “**RL Subscription**”), completion of which took place on 22 December 2025. Capitalised terms used herein shall have the same meanings as those defined in the Placing Announcement, the Subscription Announcements and the RL Subscription Announcements unless otherwise defined.

* For identification purpose only

As disclosed in the Placing Announcement, the Company intends to apply the net proceeds from the Placing as follows:

- (a) approximately 70% of the net proceeds, representing approximately HK\$37.01 million, will be used for investment-related initiatives (the “**Placing Investment Initiatives**”) under the Group’s existing strategic framework, with a focus on opportunities and projects relating to AI, computing infrastructure, Web3-related technology applications and associated industry resources, such deployment is expected to be carried out on a phased and disciplined basis; and
- (b) approximately 30% of the net proceeds, representing approximately HK\$15.86 million, will be used for expanding and strengthening strategic partnership arrangements (the “**Strategic Partnership**”) relevant to the Group’s ongoing business development and strategic initiatives, as well as supporting the Group’s business development and market expansion in key overseas markets.

The Board would like to provide additional information in relation to the intended use of proceeds from the Placing (including but not limited to the Placing Investment Initiatives and the Strategic Partnership) as well as the Termination to the Shareholders and potential investors of the Company in this announcement.

Following the Termination of the RL SM Subscription and the RL SM Warrant Subscription (details of which are set out in the announcement of the Company dated 1 April 2026), the Company has adjusted its investment strategy based on, among other things, its fund-raising capability under the unutilised General Mandate and in response to the prevailing market condition, and aims at opportunities on and projects relating to AI, computing infrastructure, Web3-related technology applications and associated industry resources, that are more refined and in a different scale with a nearer-term deployment strategy. In this relation, the Placing Investment Initiatives are not the same as those investment initiatives as proposed under the RL SM Subscription and the RL SM Warrant Subscription, which had a broader deployment scope and required significantly larger funding size.

ADDITIONAL INFORMATION ON THE PLACING INVESTMENT INITIATIVES

Objective

It is expected that the Placing Investment Initiatives will be conducted under the Company’s existing strategic framework and within its existing business segments (such as property and securities investments business segments), mainly through investment and asset-allocation activities, which include but are not limited to minority equity investments, project-level participation, strategic stakes in private market opportunities; and/or other structured investment arrangements in companies, platforms or assets relating to AI, computing infrastructure, Web3-related technology applications and associated industry resources. The purpose is to broaden the Group’s exposure to asset classes and industry resources that may complement its existing asset base, thereby enhancing investment returns and improving portfolio resilience.

In particular, the Group may consider real estates or properties investment opportunities relating to AI infrastructure, computing resources, digital infrastructure or technology-enabled platforms where such opportunities demonstrate clear commercial viability, identifiable asset value, potential recurring income characteristics, or strategic relevance to the Group's investment and asset allocation objectives. Such activities will be carried out within the Group's existing investment capabilities and governance framework and neither the Company will establish any new business line nor will it operate AI, computing infrastructure or Web3-related businesses as a new principal business segment.

As at the date of this announcement, the Company is still in the course of exploring such opportunities on and projects relating to AI, computing infrastructure, Web3-related technology applications and associated industry resources.

Instead of developing stand-alone technology businesses or changing the principal business of the Group, as an enhancement of the Group's existing asset and investment strategy, the Placing Investment Initiatives are expected to complement and support the Group's business by broadening and diversifying its investment portfolio, enhancing overall asset quality and asset allocation capability, increasing resilience across market cycles, opening up relevant industry insights and deal opportunities, and helping to continuously upgrade and refine the Group's core business which unlock long-term value creation potential.

The Placing Investment Initiatives may provide the Group with access to investment opportunities in sectors with potentially stronger growth prospects or more resilient income characteristics (i.e. AI infrastructure, computing infrastructure, digital infrastructure and related industry resources). As and when it is commercially appropriate, the Company's selective participation in such opportunities may help the Group diversify its asset mix, enhance return potential and reduce reliance on traditional property-cycle exposure.

For instance, investment exposure to computing infrastructure or related industry resources may, subject to commercial terms and risk assessment, provide the Group with access to assets or projects with potential recurring revenue characteristics, infrastructure-like attributes or strategic value. This may support the Group's long-term objective of improving asset quality and strengthening portfolio resilience, while remaining within its existing investment and asset allocation framework.

The Report on the Work of the Government 2026 released by the State Council of the PRC emphasises the "AI+" initiative, which further promotes the integration of AI with the real economy. The Board is aware that such policy direction reflects a broader trend of increasing adoption of AI-enabled applications, data processing capabilities and digital infrastructure across different industries.

The Board also notes that the rapid development of AI applications has increased demand for computing infrastructure, supporting technologies and related industry resources. In parallel, digital infrastructure and Web3-related technology applications continue to evolve as part of the broader technology ecosystem, creating potential investment opportunities in infrastructure, enabling technologies and related platforms.

Against this backdrop, and having regard to the Group's existing investment and asset allocation activities, the Board considers it commercially reasonable for the Group to selectively explore opportunities in AI, computing infrastructure, Web3-related technology applications and associated industry resources. Such exploration is intended to improve the Group's access to emerging asset classes and industry opportunities, which, in turn, enhances portfolio resilience and supports long-term value creation. The Company has no intention to change the Group's existing principal business.

The focus on investments relating to AI, computing infrastructure and Web3-related technology application is based on the Board's view that these adjacent sectors may offer complementary exposure to digital infrastructure development, AI computing infrastructure development, data related capabilities, and technology enabled asset enhancement. In particular, following the strategic investment made to NScale Global Holdings Limited ("NScale") (the details of which are set out in the Company's voluntary announcement dated 30 March 2026), the Company has gained preliminary market exposure to and insights into AI-related infrastructure and its surrounding ecosystem, where the Company considers it commercially viable to selectively explore investment opportunities along this value chain. Any investment made under the Placing Investment Initiatives will be conducted on a prudent and opportunistic basis and does not represent any intention of the Company to change its existing principal businesses.

Selection criteria

In identifying any potential investment opportunities and projects under the Placing Investment Initiatives, the Company will take into account (a) qualitative factors including but not limited to strategic relevance to the Group's investment framework, management quality and execution capability, commercial viability and scalability, regulatory clarity and risk profile, feasibility of minority or staged participation; and (b) quantitative factors including but not limited to valuation relative to comparable transactions, capital commitment size, expected risk-adjusted return, liquidity and downside risk and portfolio concentration impact, as basis for selection criteria. Nevertheless, the Company will assess each potential investment on a case-by-case basis and will not apply single rigid financial threshold as each opportunity or project may vary in nature in terms of, among others, types of listed securities, private investments or project-level participation.

The selection criteria shall include project maturity, commercial viability, asset-conversion potential and contribution to asset quality and portfolio resilience with quantitative benchmarks such as, where applicable, (a) revenue visibility or commercialisation readiness; (b) financial sustainability or funding support; (c) valuation discipline relative to comparable market benchmarks; (d) asset-level cash-flow or appreciation potential; and (e) risk-adjusted return expectations relative to market conditions.

Investment standards and quantitative indicators

Each investment will be assessed under an internal investment framework which include, where applicable:

- (a) Return and valuation discipline: target risk-adjusted return (e.g. internal rate of return (IRR) or expected return ranges), valuation relative to comparable benchmarks, and downside sensitivity analysis;
- (b) Liquidity and holding period: expected holding horizon, liquidity profile and exit optionality;
- (c) Risk metrics: concentration limits (single name/sector/geography), drawdown or stop-loss parameters for liquid securities (where applicable), and stress-test scenarios;
- (d) Cash-flow visibility/asset defensiveness: stability of income streams (if any), and resilience under adverse market conditions; and
- (e) Compliance and integrity: due diligence on counterparties, source of assets, title/ownership clarity (where relevant), and compliance screening.

Risk profile and risk controls

The Company expects such investments will be executed with prudence and risk control through:

- (a) pre-defined internal approval thresholds (including management/Board oversight for material allocations):

Investment amount

Internal approval procedures and approval authority

Up to HK\$10,000,000

Pre-approval by any one authorised officer (being the project manager or officer at middle- to senior-management level (such as the chief financial officer or financial controller of the Company) and verbal confirmation (endorsed by) from any one member of the investment committee of the Company (the “**Investment Committee**”)

Between HK\$10,000,001 to HK\$50,000,000

Pre-approval by any two authorised officers (being the project manager and/or officer(s) at middle- to senior-management level (such as the chief financial officer or financial controller of the Company) and verbal confirmation (endorsed by) from any one member of the Investment Committee

Investment amount	Internal approval procedures and approval authority
Above HK\$50,000,000	Pre-approval by any two authorised officers (being the project manager and/or officer(s) at middle- to senior-management level (such as the chief financial officer or financial controller of the Company) and written consent from all members of the Investment Committee

- (b) staged deployment, where appropriate;
- (c) portfolio diversification controls and concentration limits;
- (d) periodic performance monitoring and reporting; and
- (e) compliance review to ensure investments are conducted within the existing scope of the securities investment function and applicable requirements.

Phases and expected timeline for conducting the Placing Investment Initiatives

Any potential investment opportunities and projects identified under the Placing Investment Initiatives are expected to be deployed and carried out on a phased and disciplined basis under the following proposed phrases and timeline so to ensure that capital is deployed prudently and progressively and subject to ongoing assessment:

The Group is expected to undertake Placing Investment Initiatives in different phases as follows:

- ***Phase 1 – Screening and minority participation***

Focus on identifying and evaluating suitable assets or opportunities and initiating limited or minority participation.

- ***Phase 2 – Validation and asset integration***

Where initial participation demonstrates satisfactory commercial and strategic value, the Group may expand its involvement or integrate the relevant capabilities or assets into its asset-management framework.

- ***Phase 3 – Asset-level optimisation***

Subject to market conditions and performance, the Group may pursue optimisation at the asset level, including potential monetisation, collaboration or structured asset arrangements.

This phased approach enables technology-related, AI-related or digital-related opportunities to be translated into measurable and manageable asset-level interests over time.

It is expected that the net proceeds from the Placing can enable the Group to undertake the Placing Investment initiatives for Phase 1 only.

The expected timeline for conducting the Placing Investment Initiatives is as follows:

Expected timeline	Deployment stage
Second to third quarter of 2026	identification and preliminary evaluation of opportunities
Fourth quarter of 2026	selective initial deployment through minority or project-level participation
First quarter of 2027	monitoring, validation and consideration of follow-on involvement

In light of the abovementioned deployment stages, the net proceeds allocated to the Placing Investment Initiatives are expected to be fully utilised by the first quarter of 2027.

The Company will look into and assess the implications under Chapter 14 of the Listing Rules on each potential investment opportunity and project identified under the Placing Investment Initiatives and will comply with the relevant requirements under Chapter 14 of the Listing Rules (such as publishing an announcement) as and when appropriate.

ADDITIONAL INFORMATION ON THE STRATEGIC PARTNERSHIP

In term of the Strategic Partnership, the Company intends to establish ongoing and sustainable strategic cooperation and business relationship with selected counterparties, rather than one-off standalone dealing. Such cooperation and business relationship may include business development collaboration, project sourcing and introductions, advisory and research support, market outreach and communication initiatives, and regional ecosystem engagement.

In particular, the Company intends to establish long-term engagement or strategic cooperation with AI technology companies, research and advisory institutions, advertising and media agencies, government relations and public affairs consultants, financial and industrial partners, other professional service providers and ecosystem participants (as the case may be), given that these parties possess complementary capabilities covering market intelligence, industry access, technical expertise, policy insights and communication support, which are useful to the Group's investment and business development activities.

Such engagement or cooperation is expected to benefit the Group's existing businesses in the following manner:

- (a) cooperation with financial and industrial partners may involve sharing of potential investment opportunities, project pipelines, co-investment discussions and industry resources, including opportunities similar in nature to the Group's participation in the investment relating to NScale;

- (b) engagement of services provided by research and advisory institutions may assist the Group in obtaining market research, sector analysis, technical assessment and industry intelligence relevant to AI infrastructure, computing infrastructure, digital infrastructure and other potential investment areas;
- (c) engagement of services provided by advertising and media agencies may support the Group's corporate communications, market positioning and external visibility, which may help investors and business partners better understand the Group's asset quality, investment direction and business development progress;
- (d) engagement of services rendered by government relations and public affairs consultants may assist the Group in understanding policy developments, regulatory environment, regional market access and industry positioning in relevant jurisdictions; and
- (e) cooperation with technology partners and ecosystem participants may involve sharing of technical perspectives, commercial insight among the parties and grant access to the Group to potential collaboration or investment opportunities in areas relevant to AI, computing infrastructure and Web3-related technology applications.

These engagements or cooperation arrangements are intended to support the Group's investment, asset allocation and business development activities, without constituting the establishment of any new business segment.

The Strategic Partnership is expected to support the Group by enhancing access to investment opportunities, strengthening market connectivity, facilitating cross-border business development, improving information flow and collaboration, and supporting the evaluation of potential projects. The Strategic Partnership arrangements are supportive in nature and will operate within the Group's existing framework.

More specifically, such partnerships may contribute to the development and expansion of the Group's existing business segments by way of:

- (a) supporting the sourcing and assessment of potential investment opportunities in AI, computing infrastructure, digital infrastructure and related industry resources;
- (b) enhancing the Group's access to external market intelligence, professional analysis and technical assessment, thereby improving the quality of investment decision-making;
- (c) broadening the Group's network of financial, industrial and institutional counterparties, which may support future investment, financing, co-investment or collaboration opportunities;
- (d) supporting market outreach, investor communication and external visibility of the Group's business development and asset strategy; and

- (e) assisting the Group in understanding regional policies, market conditions and commercial opportunities in Hong Kong, Singapore, the Middle East, North America, Pan-Asia and other key overseas markets.

The Strategic Partnership arrangements are supportive in nature and will operate within the Group's existing business framework. They are intended to enhance the Group's business development capability, investment access and strategic flexibility, without creating any new standalone business line.

The net proceeds from the Placing allocated to expanding and strengthening Strategic Partnership will be applied towards business development and partnership-building costs, advisory and research engagement, communication and market positioning support as well as regional outreach and relationship development, which are expected to be fully utilised during the second quarter to the fourth quarter of 2026.

ADDITIONAL INFORMATION ON THE TERMINATION

Despite the Termination of the RL SM Subscription and RL SM Warrant Subscription, the Company is still intended to continue its plan relating to Web-3 Development as particularised in the Company's supplemental announcement dated 11 December 2025, where the Group will continue to position the Web-3 Development as an asset-enabling and asset-management enhancement initiative within the existing principal business framework of the Group. However, as the expected funding did not materialise, the Group has adjusted the pace of implementation. As a result, certain initiatives have been re-sequenced and prioritised based on the resources currently available.

Accordingly, the Company will apply the unutilised proceeds from the RL Subscription and the GM Subscription as well as its internal resources to carry out and implement the Web-3 Development by phases. In particular, by reference to the Company's supplemental announcement dated 23 February 2026 in relation to the GM Subscription, the RL SM Subscription and the RL SM Warrant Subscription, the Company will continue to apply the abovementioned unutilised proceeds from the RL Subscription and the GM Subscription for preparatory and foundational work, including system design, data structuring and initial infrastructure planning for Web-3 Development, while tapping into certain workstreams covering (a) asset identification, screening and data preparation for potential enablement; and (b) development of application-layer use cases and operational workflows.

As at the date of this announcement, the Company has no current financing plan to raise additional funds for the remaining capital expenditure but to use its existing funding resources for the Web-3 Development and AI infrastructure development.

ADDITIONAL INFORMATION ON THE REASON FOR AND BENEFITS OF THE PLACING

For all the reasons set out in the section headed “REASONS FOR THE PLACING AND PROPOSED USE OF PROCEEDS” in the Placing Announcement and all the additional information set out in this announcement, taking into account that (a) the Placing can strengthen the Group’s capital base without incurring debt obligations; (b) the scale of the Placing is aligned with a more refined, different scale and nearer term executable plan following the Termination of the RL SM Subscription and the RL SM Warrant Subscription; (c) the unutilised proceeds from the RL Subscription and the GM Subscription will continue to be utilised in the same manner and for the same purposes as previously disclosed, therefore the Group’s additional funding need has yet to be fulfilled; (d) the funding from the Placing can support prudent and phased deployment of capital in an expedient manner; and (e) the intended initiatives under the Placing remain to be conducted within the Group’s existing business framework without operating new business line nor constituting a change in the Group’s principal business, the Board considers that the Placing is in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 7 May 2026

As at the date of this announcement, the Directors 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

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.