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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  
ISSUE OF NEW SHARES TO A SUBSCRIBER  
UNDER GENERAL MANDATE**

Reference is made to the announcement of ITC Properties Group Limited dated 25 November 2025 (the “**Announcement**”) regarding the issue of new Shares to the Subscriber under the General Mandate. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise defined.

**Additional information on Use of Proceeds**

As mentioned in the Announcement, the Company intends to apply the net proceeds of approximately HK\$20.63 million from the Subscription to support the Group’s transition into a technology-enabled real estate platform. The details are as follows:

Use of Proceeds	Description	Budget	Expected Timeline
Project management and talent	Recruitment, training and governance	HK\$6.0 million	4th quarter of 2025 to 4th quarter of 2026
Technology-enabled Digital Infrastructure and System Architecture	Development of an integrated digital infrastructure and system architecture encompassing data standardisation, asset-lifecycle digitisation, secure cloud and cybersecurity frameworks, and a scalable foundation for future connectivity with licensed digital-asset or tokenisation platforms	HK\$8.0 million	4th quarter of 2025 to 2nd quarter of 2026
Professional fees	Legal, compliance, data protection and regulatory advisory	HK\$6.63 million	4th quarter of 2025 to 2nd quarter of 2026

\* For identification purpose only

As mentioned in the Announcement, the Company plans to expand strategic cooperation with leading global Web3 institutions (the “**Intended Development**”). Engaging external technology vendors to undertake certain components of the Intended Development is a long-term arrangement. To ensure a smooth development of business, the Group will continue to retain essential functional responsibilities as (i) the asset provider, and (ii) the internal owner of the relevant systems and data. The strategic enhancement needs capabilities both in traditional asset management and in innovative technologies, so internal capability building is therefore necessary.

The “Project management and talent” expenditure is required for supporting the core responsibility of the Group which includes:

- (i) Asset provider responsibilities
  - (a) Internal staff must validate property data, legal documentation, leasing information, valuation inputs and lifecycle records; and
  - (b) Verification must be completed internally before data is provided to vendors or licensed partners.
- (ii) Project management and governance
  - (a) Internal teams coordinate workflow across business units, vendors and licensed partners; and
  - (b) The Group oversees implementation quality, governance and system integrity.
- (iii) Compliance segregation
  - (a) Internal staff ensure all internal activities remain within non-regulated boundaries; and
  - (b) Employees must understand the distinction between non-regulated internal functions and regulated activities performed by licensed partners.
- (iv) Operational continuity
  - (a) Long-term system operation, maintenance and data updates will be handled internally; and
  - (b) Training ensures the Group maintains system ownership without over-reliance on external parties.

At the meantime, the Group will engage external service providers which undertake (i) blockchain-compatible system architecture and engineering; (ii) cybersecurity frameworks; (iii) cloud infrastructure deployment; (iv) system integration; and (v) all regulated activities (if any), carried out solely by licensed partners. These functions are technical or licensed in nature and therefore appropriate for outsourcing.

All expenditures relate solely to non-regulated, technology-enabled enhancement of the Group’s existing real estate business, as indicated in below.

<b>Non-regulated Area</b>	<b>Purpose/Role</b>	<b>Parties Involved</b>
System design and asset-data structuring	Preparation of standardised asset data, lifecycle information and documentation	Group and technical vendors
Internal digital infrastructure	Building systems supporting asset governance and workflow	Technical vendors under Group oversight
Blockchain-compatible data layers	Creating metadata and records capable of interfacing with licensed platforms	Technical vendors supervised by the Group
Cybersecurity and cloud configuration	Securing internal data and hosting systems	Cloud and cybersecurity providers
Internal governance and project oversight	Coordination, risk management and compliance segregation	Group staff

These activities do not involve any regulated functions such as dealing, advising, arranging, managing or offering financial products.

The regulated business, which will be performed exclusively by licensed partners, are indicated in below.

<b>Regulated Area</b>	<b>Activity</b>	<b>Licensed Party</b>
Any RWA/digital-asset issuance	Product structuring and issuance	Licensed partners
Distribution to investors	Placement or distribution of products	Licensed partners
Asset management	Discretionary/portfolio management	Licensed partners
Dealing or brokerage	Trading or intermediary functions	Licensed partners
Custody	Digital-asset holding	Licensed custodians

The Group acts only as asset provider, and does not engage in any regulated activity.

The Company reiterates that it will act solely as an asset provider and will not engage in any regulated activities. Any activity that may require licensing under the SFO will be conducted by licensed partners. Legal advisor will be engaged to provide legal and regulatory oversight.

For the allocation of HK\$17.19 million for selective acquisitions and investments which intended to improve the business operational capability, and the acquisitions or investments are focusing on the Company's core business, which can offer synergy with the Group's business upgrade, particularly those enhancing long-term operational robustness and diversification.

These investments aim to strengthen the Group's capabilities in:

- (i) blockchain-based infrastructure for asset integrity, verification and provenance;
- (ii) AI-driven analytics and automation technologies;
- (iii) digital data structuring tools; and
- (iv) other sectors that enhance business resilience, capital efficiency or counter-cyclical exposure.

These areas remain complementary to the Group's existing business while broadening the Group's risk-diversification capacity.

These potential investments are capability-enhancing and resilience-enhancing opportunities that complement the Group's business-upgrade strategy. In addition, certain assets or projects acquired through such investments may, subject to commercial feasibility and regulatory compliance, form part of future collaborations with licensed institutions in connection with potential RWA-related structuring or issuance, with all regulated activities to be conducted exclusively by licensed partners.

The allocation of approximately HK\$17.19 million for strategic partnerships and geographical expansion, which will support the establishment of cross-industry and cross-regional strategic partnerships, strengthening the Group's global positioning and enhancing its business upgrade initiatives.

Collaborations will focus on:

- (i) next-generation asset-infrastructure ecosystems;
- (ii) cross-industry alliances in finance, technology and industry; and
- (iii) international capital-market and innovation hubs.

These initiatives complement the Group's existing business while expanding partnership channels across multiple sectors.

### **Additional information on the business plan of the Intended Development**

Regarding the Intended Development, the Company would like to provide additional details as follows:

The Intended Development focuses on areas below:

- (i) digital representation and data standardisation of real estate assets;
- (ii) creation of immutable lifecycle audit trails;
- (iii) technology-enabled investor interfaces for enhanced transparency; and
- (iv) establishment of a token-ready internal architecture capable of interfacing with licensed platforms operated by third parties (non-regulated).

The Group will not conduct any virtual asset issuance, dealing, brokerage, operation of an exchange or custodial activity. Any digital-asset-related regulated activity (if applicable) will be conducted by an SFC-licensed partner.

The expected timeline of implementation is as follows:

Phase	Details of the plan	Expected Timeline
Phase 1	system design, data standardisation and vendor integration	4th quarter of 2025 to 2nd quarter of 2026
Phase 2	internal testing and pilot launch with selected assets	4th quarter of 2025 to 3rd quarter of 2026
Phase 3	progressive expansion and connectivity with licensed platforms based on business needs	2026 onwards

Required expertise for the Intended Development will include system architects, cybersecurity specialists, data analysts and legal and compliance professionals. The Intended Development will also involve the engagement of third-party developers, cloud service providers and cybersecurity vendors.

#### **External and internal parties' involvement, and their role and functions**

Party	Role	Functions
Internal – Asset Team	Asset provider	Provide verified real-estate data, documents, valuation history and leasing records
Internal – Project Management Team	Governance & coordination	Oversee workflow, vendor management and progress monitoring
Internal – Compliance/Legal Team	Regulatory segregation	Ensure clear boundaries between non-regulated and regulated activities
External – Technical Vendors	System development	Build blockchain-compatible architecture, data layers and integration tools
External – Cloud & Cybersecurity Vendors	Infrastructure	Provide secure hosting and cybersecurity measures
External – Licensed Partners	Regulated activities	Execute any regulated RWA/ tokenisation-related activities
External – Legal Advisors	Regulatory oversight	Conduct legal and compliance review

The Company will participate in the Intended Development as an asset provider and system owner only, and neither the Company nor any other members of the Group will conduct any regulated activities in relation to the Intended Development. As the Group will act solely as an asset provider, it will not require any licence from the Securities and Futures Commission for its role in the Intended Development. Any regulated activities in connection with the Intended Development will be undertaken by partners which are licensed corporations under the SFO.

The integration under the Intended Development is expected to be funded by the Subscription proceeds and the Group's internal resources.

The Group has considered the risks associated with the Intended Development and the corresponding internal control measures adopted by the Group to manage such risks.

The key risk factors relating to the Intended Development and the Company's internal control framework in addressing those risks are summarised below, and will be reviewed and enhanced by the Group from time to time as the Intended Development progresses.

<b>Risk Category</b>	<b>Mitigation Measures</b>
Technology implementation	Engagement of reputable vendors; staged testing procedures
Cybersecurity and data protection	Enterprise-grade cloud security; regular penetration testing
Regulatory compliance	Any regulated activity undertaken by licensed partners; periodic review by legal/compliance professionals
Market adoption	Pilot implementation within internal processes, followed by phased rollout
Cost control	Phased budgeting, vendor benchmarking and Board-level monitoring

In terms of monitoring development progress, the Group will adopt a milestone-based tracking framework. This will include quarterly progress reports, phase-based user acceptance testing, a budget-monitoring dashboard, deliverables checklists prior to milestone payments, and Board-level oversight on major implementation milestones. This framework is intended to maintain transparency and allow timely supervision of project development.

For vendor selection, the Group will implement a disciplined and transparent procurement process. Selection will be based on criteria including experience in blockchain-related infrastructure, track record in institutional real-estate or financial-data systems, operational stability, long-term service capability, ability to integrate with licensed RWA/tokenisation platforms, and transparent pricing and delivery capability. The assessment process will involve conducting technical scoring and evaluation, carrying out compliance due diligence and security assessments, obtaining references, securing senior-management approval, and executing contracts that include detailed service-legal agreement and key performance indicator-linked milestones.

Taken together, these measures will form a comprehensive framework to ensure that development, governance, risk management and vendor oversight are conducted in a well-controlled, systematic and compliant manner.

The Intended Development is a natural and synergistic extension of the Group's existing real estate development and investment business, reflecting the growing adoption of blockchain-based asset infrastructure and real-world-asset (the "RWA") frameworks in global real estate and capital markets. By establishing blockchain-compatible asset data structures and on-chain-ready records, the Group aims to enhance the institutional quality, visibility and financial adaptability of its real estate portfolio.

Rather than focusing on traditional digitalisation alone, the Intended Development leverages blockchain-aligned methodologies, such as structured asset data layers, verifiable event records and enhanced traceability, to support more robust valuation processes, improve asset integrity and facilitate greater interoperability with licensed RWA or digital-asset platforms operated by qualified third parties. The Group will act solely as an asset provider, while any regulated activities will be undertaken by licensed partners.

From a financial perspective, equipping assets with blockchain-compatible data infrastructure enhances their potential suitability for asset-backed structuring, securitisation-adjacent arrangements and RWA-based collaboration with licensed institutions, thereby improving capital efficiency and expanding potential monetisation pathways. These capabilities complement the Group's existing real estate business by enabling clearer asset profiling, broader investor reach and the possibility of future participation in compliant, blockchain-enabled financial ecosystems.

Overall, the Intended Development reinforces and elevates the Group's core real estate business by positioning its assets for emerging blockchain-based RWA opportunities, improving asset readiness for institutional-grade structuring, and creating a more flexible foundation for long-term value creation in a manner that is commercially synergistic and compliant with applicable regulations.

The Company will comply with the Listing Rules requirements for the Intended Development where necessary (including but not limited to any tokenisation of RWA that may constitute notifiable transactions under Chapter 14 of the Listing Rules).

#### **Additional information on the Subscription Price**

The net price of the Subscription Share is HK\$0.6821 per Subscription Share.

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

Hong Kong, 11 December 2025

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*)

*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.*