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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)**

## **VOLUNTARY ANNOUNCEMENT**

### **MEMORANDUM OF UNDERSTANDING AND APPOINTMENT OF GENERAL MANAGER OF A SUBSIDIARY**

This announcement is made by ITC Properties Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

#### **MEMORANDUM OF UNDERSTANDING**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that, on 15 May 2026, ITC Strategic Holding Limited (“**ITC Strategic Holding**”), a wholly-owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Beijing Qiyuan Zhisuan Data Technology Co., Ltd.\* (北京啟源智算數據科技有限公司) (“**Qiyuan Zhisuan**”) with a view to promoting the cooperation between the parties in the areas of artificial intelligence (“**AI**”) infrastructure, internet data center resources, artificial intelligence data center (“**AIDC**”) project development, computing power services, data center operation and related businesses.

Principal terms of the MOU are summarised below:

Date: 15 May 2026 (after trading hours)

Parties: (i) ITC Strategic Holding; and  
(ii) Qiyuan Zhisuan.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Qiyuan Zhisuan and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

\* For identification purpose only

## **Form of Cooperation**

ITC Strategic Holding and Qiyuan Zhisuan intend to (i) enter into relevant agreements and transaction documents for obtaining the economic benefits in and/or operational control over Qiyuan Zhisuan, which holds the Value-added Telecommunications Business Operating Licence (the “**VATS Licence**”) of the People’s Republic of China (the “**PRC**”) for Internet Data Center Services (the “**IDC**”) and Internet Access Services (the “**ISP**”), by way of contractual arrangement and establishment of a Variable Interest Entity structure (the “**VIE Structure**); (ii) appoint Global Law Office as the Company’s PRC legal adviser to advise on, among other things, the drafting and execution of transaction documents for the potential VIE Structure in compliance with relevant legal and regulatory requirements; (iii) explore opportunities for cooperation between the parties in respect of AIDC, computing power infrastructure, green power and data center operation and maintenance services; and (iv) identify and evaluate potential investment, cooperation, acquisition, joint venture or business integration opportunities with the assistance of Qiyuan Zhisuan.

## **Exclusive Cooperation**

Both parties shall engage in exclusive cooperation with respect to the objectives, principles, scope and direction as set out in the MOU. Until all relevant major decisions and the subsequent implementation work have been completed, the parties shall maintain exclusive liaison with each other in respect of the cooperation matters (“**Exclusive Cooperation**”).

## **Validity and termination**

The MOU shall take effect on the date of signing and shall remain in full force and effect for a period of twelve months thereafter, unless being terminated by a party by giving the other party thirty days’ prior written notice or extended by the written consent of the parties thereto.

## **Binding effect**

Save and except for the provisions relating to Exclusive Cooperation as mentioned above, confidentiality, binding effect, compliance, validity and termination, dispute resolution and other general provision, the MOU is non-legally binding.

## **Information on Qiyuan Zhisuan**

Based on the information currently available to the Board, Qiyuan Zhisuan is principally engaged in IDC, computing power infrastructure and/or related businesses, which possesses the VATS Licence for IDC and ISP and is maintaining filings, customer resources and operation capabilities related to such businesses as at the date of this announcement. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, at the date of this announcement, Qiyuan Zhisuan is owned by Beijing Rongyuan Zhixin Technology Co., Ltd\* (北京榮元智信科技有限公司) as to 100%, which is, in turn, owned by Mr. JIN Shuai (金帥) as to 80% and by Mr. DENG Yuansheng (鄧袁生) as to 20%.

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## **Reasons for and benefits of entering into the MOU**

Following the Group's participation in the strategic investment in NScale Global Holdings Limited (for details, please refer to the voluntary announcement of the Company dated 30 March 2026), the Board has further engaged with the market and obtained a preliminary understanding of the evolving landscape of opportunities in AI-related infrastructure and adjacent industries. With such insights, the Group intends to selectively explore opportunities in the broader AI infrastructure value chain, including computing infrastructure, enabling technologies and related ecosystem resources.

The Board believes that a strategic focus on AI infrastructure has the potential to generate synergies with the Group's future strategic transformation and long-term value creation. On the one hand, AI data centers, IDCs, AIDCs and computing power infrastructure typically involve substantial capital investment and construction, significant power requirements, operation-intensive management, stringent compliance standards and long-term capital commitment, which are, to a certain extent, aligned with the Group's experience in asset investment, project development, capital management and long-term asset operations. On the other hand, as AI applications continue to develop, market demand for data centers and computing power infrastructure offering high stability, high energy efficiency, low latency and sustainable energy supply is expected to continue to increase. The Board considers that enterprises with capabilities in real estate project development, integration of fundamental energy resources, compliant operations and capital markets financing will be better positioned to secure a favourable role in the future AI infrastructure ecosystem.

In view of the fact that the qualifications for IDC and related value-added telecommunication services in Mainland China are subject to specific industry regulatory requirements and foreign investment restriction, the Group intends to establish a cooperative relationship with companies with qualifications in AI computing power and data center business through contractual arrangement and establishment of the VIE Structure or other legal and compliant means, to the extent permitted by the laws, rules, administrative regulations and industry regulatory policies of the PRC and subject to the applicable Listing Rules, to obtain the economic benefits in and/or operational control over such companies. Accordingly, ITC Strategic Holding entered into the MOU with Qiyuan Zhisuan.

In view of the above, the Board believes that the entering into of the MOU and the transactions contemplated thereunder are in line with the Group's latest development strategy, and entering into the MOU is in the interests of the Company and its shareholders as a whole.

### **General**

The MOU aims to establish an initial mutual understanding among the parties regarding the obtaining of the economic benefits in and/or operational control over Qiyuan Zhisuan, which holds the VATS Licence for IDC and ISP. Should the Group and Qiyuan Zhisuan enter into any formal agreement(s) to obtain the economic benefits in and/or operational control over Qiyuan Zhisuan, the transactions contemplated under the MOU may constitute a notifiable transaction of the Company and may be subject to the requirements under Chapter 14 of the Listing Rules. The Company will comply with all applicable requirements under the Listing Rules, and make further announcement and disclosure in accordance with the Listing Rules should the parties enter into any formal agreement or any significant progress on the transactions contemplated under the MOU be made, as and when appropriate.

**Shareholders and/or investors of the Company should note that as the parties have not entered into any formally binding document and negotiations are still ongoing, the transactions contemplated under the MOU may or may not be materialised. Shareholders and/or investors of the Company are advised to exercise caution when dealing in the Company's securities.**

#### **APPOINTMENT OF GENERAL MANAGER OF A SUBSIDIARY**

To better advance the development of the Group's strategy on the field of AI infrastructure, the Board is pleased to announce that Mr. Cao Xinwei ("**Mr. Cao**"), an executive Director, has entered into an employment contract with ITC Strategic Management Limited ("**ITC Strategic Management**"), a wholly-owned subsidiary of the Company, on 15 May 2026, pursuant to which Mr. Cao shall be appointed as the General Manager of ITC Strategic Management, subject to the issuance of working visa permission by the Hong Kong Immigration Department to Mr. Cao, with a remuneration of HK\$1,530,000.00 per annum.

Biographical information on Mr. Cao is summarised below:

Mr. Cao, aged 53, obtained master's degree in publishing studies from University of Stirling in June 2005 and bachelor's degree in engineering from North China Electric Power University (華北電力大學)(formerly known as North China Electric Power College\* (華北電力學院)) in July 1994. He qualified as a senior electrical engineer in China in December 2004.

Mr. Cao is currently the chairman of the board of directors of Beijing Qiyuan Xinda Technology Development Co., Ltd.\* (北京啟源信達科技發展有限公司), the principal business of which is the operation of an internet data center. He served as the chairman of Chayora Holdings Limited ("**Chayora**") in China region from 2011 to 2023. Prior to that, Mr. Cao had extensive experience in China's electric power sector and worked at Mott MacDonald and State Grid Corporation of China.

#### **Benefits of the appointment of the new senior management at the subsidiary level**

Mr. Cao has over 15 years of experience in the investment, development, operation and management related to the AI computing power industry, data center clusters and green computing power networks. In addition, during his term of office as the chairman of China region with Chayora, a company whose principal business covers AI computing power and high-density customised IDC fields and mainly engaging in the investment, development and operation of hyperscale data centers in the PRC, from 2011 to March 2023, he was responsible for building the China team and developing domestic business, with his work covering data center site selection, liaison with governments at all levels and investment negotiations, communication and liaison with power companies, basic telecommunication operators and equipment suppliers, legal and compliance management, project investment and financing, facility operation, customer relationship management, etc. According to publicly available information, Chayora is backed by a series of financing from its major shareholders, including Actis, EdgeConneX (an EQT infrastructure portfolio company), Standard Chartered Bank Principal Finance Real Estate. Mr. Cao has also participated in or been responsible for a number of projects related to data centers and AI facilities operated by Chayora that are located at Tianjin and Taicang City, the PRC. Further biographical details of Mr. Cao are set out in another announcement of the Company in relation to his appointment as an executive Director dated 15 May 2026.

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The Board believes that Mr. Cao's extensive experiences in data center development, power engineering, project investment, government liaison, infrastructure investment and financing, and the implementation of data center projects, which is aligned with the Group's exploration of the AI infrastructure business direction and strategy, would help enhance the Group's capabilities in project identification, resource integration and execution in the field of AI infrastructure.

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

Hong Kong, 15 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, 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.*