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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)

**DISCLOSEABLE TRANSACTIONS
IN RELATION TO
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**

THE ACQUISITION

The Board is pleased to announce that on 2 July 2026 (after trading hours), ITC Strategic Holding, a wholly-owned subsidiary of the Company, and Profit Tycoon entered into the Acquisition Agreement, pursuant to which (a) ITC Strategic Holding as purchaser has conditionally agreed to acquire, and Profit Tycoon as vendor has conditionally agreed to sell the Sale Shares; and (b) Profit Tycoon has conditionally agreed to assign, and ITC Strategic Holding has conditionally agreed to take up the assignment of the Sale Loan, at the total Acquisition Consideration of HK\$336,680,000. The Acquisition Consideration shall be settled as to (i) HK\$170,000,000 by way of issuance of the Consideration Note; (ii) HK\$114,130,000 by way of execution of the Disposal Agreement by ITC Property Management, a wholly-owned subsidiary of the Company, as vendor and Finest Edge as purchaser to transfer all the issued share capital in ITC Finance; and (iii) HK\$52,550,000 by cash.

The Sale Shares, comprising 20 PYI Investment Shares held by Profit Tycoon, being the assets to be acquired by ITC Strategic Holding under the Acquisition Agreement, represent 20% of the entire issued share capital of PYI Investment as at the date of this announcement, which will be sold free and clear of all Encumbrances. The Sale Loan (approximately HK\$121,210,000 as at the date of this announcement), representing 20% of all amounts, including principal and interest, owing by PYI Investment to Profit Tycoon as at the Acquisition Completion Date, will be assigned free and clear of all Encumbrances.

* For identification purposes only

Upon Acquisition Completion, ITC Strategic Holding will hold 20% of the entire issued share capital of PYI Investment, where the investment in PYI Investment will be accounted for using equity method for recognising profit or loss in investment as associated company in the Group's accounts. Accordingly, the financial results of the PYI Investment Group will not be consolidated in the consolidated financial statements of the Company.

Pursuant to the terms of the Acquisition Agreement, upon Acquisition Completion, ITC Strategic Holding and Profit Tycoon as PYI Investment Shareholders shall enter into the Shareholders' Agreement with PYI Investment to govern and regulate the rights and obligations of the PYI Investment Shareholders.

As at the date of this announcement, PYI Investment has two direct wholly-owned subsidiaries, namely (i) Glory Well Development and (ii) Glory Well Property Investment Limited (創華地產投資有限公司). Glory Well Development, in turn, owns 75% equity interests in Jiangsu Yangtong. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Jiangsu Yangtong Group is principally engaged in the development, sale and leasing of properties (including but not limited to residential projects and hot spring hotels), cultural tourism investment consulting and management, the provision of leisure services, agricultural services and garden management services as well as the development, construction and operation of infrastructure including tidal flat reclamation, public port terminals and public highways.

The core assets of the PYI Investment Group are land parcels held through the Jiangsu Yangtong Group, which are located in the Xiaoyangkou area of Rudong County, Nantong City, Jiangsu Province, a location noted for its excellent geothermal geological conditions along the PRC's eastern coast. As at the date of this announcement, the Jiangsu Yangtong Group legally holds eight land use rights, comprising a total area of approximately 11.0 million sq.m., with a single unutilised coastal land parcel spanning approximately 10.55 million sq.m. along the shoreline of Yangkou Town. On these land parcels, four high-yield geothermal hot spring wells have been successfully developed, among which Yangshen No.1 Well has set a new record in the Yangtze River Delta, with a daily water output of 5,360 m³ and a water temperature of 108°C. Leveraging premium heat sources including Yangshen No. 1 Well (with a water temperature of 108°C) and Geothermal No. 2 Well (with a water temperature of 92°C), alongside an untapped geothermal reservoir at a depth of 4,500 m with a water temperature exceeding 150°C, a geothermal power generation system can be designed and constructed, utilizing proven flash steam power generation technology to meet the regional demand for MW-scale geothermal power output. Given that geothermal power generation is inherently unaffected by weather conditions and diurnal cycles, it can deliver stable, low-carbon baseload power to the proposed green artificial intelligent computing center to be constructed on the land parcels, effectively reducing electricity costs and substantially cutting carbon emissions.

In addition, those land parcels benefit from being located in Rudong County, Jiangsu Province, an important clean energy base in the Yangtze River Delta that has a cluster of core green energy assets including geothermal, photovoltaic, offshore wind power and liquefied natural gas (LNG). For instance, the region has already achieved large-scale deployment of offshore wind power and tidal-flat photovoltaic projects, which, together with the national-level LNG energy hub at Yangkou Port, have enabled the development of the PRC's largest integrated photovoltaic-hydrogen-storage demonstration project combining power generation, hydrogen production and energy storage, giving rise to a multi-energy complementary power supply system integrating multiple clean energy sources. The presence of contiguous undeveloped land and diverse green energy resources in the area creates strong synergies and provides exceptional conditions for the deployment of ultra-large-scale green artificial intelligence computing infrastructure.

Situated on the northern wing of the Yangtze River Delta, adjacent to Shanghai's core computing power demand market, and connected to the Yangtze River Delta fibre-optic network, the region also benefits from shorter physical transmission distances that can effectively reduce data interaction latency and fully satisfy the low-latency requirements of artificial intelligence computing and other related businesses. The development of an artificial intelligence computing center in this region will be fully aligned with the national strategy of integrated computing-and-power development, and the relevant core assets of the PYI Investment Group offers outstanding long-term strategic value and growth potential.

Leveraging the abovementioned region's abundant geothermal resources, wind power, photovoltaics, and other green energy resources, as well as its core location in the Yangtze River Delta for computing power supply, a green artificial intelligence computing center is planned to be constructed by the PYI Investment Group. Following Acquisition Completion, the Company will appoint a director to the PYI Investment Board to oversee the implementation of all matters relating to the construction and completion on the land parcels owned by the Jiangsu Yangtong Group.

ISSUE OF THE CONSIDERATION NOTE

Pursuant to the terms of the Acquisition Agreement and subject to fulfilment (or waiver, as applicable) of all the Acquisition Conditions, the Company shall, on the Acquisition Completion Date, issue a one-year floating coupon note in the aggregate principal amount of HK\$170,000,000 as the Consideration Note to Profit Tycoon (or its nominee) by way of execution of the Notes Instrument.

THE DISPOSAL

Pursuant to the terms of the Acquisition Agreement and subject to fulfilment (or waiver, as applicable) of all the Acquisition Conditions, ITC Strategic Holding shall, on the Acquisition Completion Date, cause ITC Property Management, a wholly-owned subsidiary of the Company, to transfer all the two ITC Finance Shares as well as the assignment of the ITC Finance Sale Loan to Profit Tycoon (or its nominee).

The Board is pleased to announce that on 2 July 2026 (after trading hours), ITC Property Management and Finest Edge (a nominee of Profit Tycoon) entered into the Disposal Agreement, pursuant to which (a) ITC Property Management as vendor has conditionally agreed to sell, and Finest Edge as purchaser has conditionally agreed to acquire all the two ITC Finance Shares held by ITC Property Management (representing the entire issued share capital of ITC Finance); and (b) ITC Property Management has conditionally agreed to assign, and Finest Edge has conditionally agreed to take up the assignment of the ITC Finance Sale Loan, at the total Disposal Consideration amounting to HK\$114,130,000. The Disposal Completion is subject to and conditional upon Acquisition Completion having taken place simultaneously.

The two ITC Finance Shares held by ITC Property Management, being the assets to be disposed of by ITC Property Management under the Disposal Agreement, represent the entire issued share capital of ITC Finance as at the date of this announcement, which will be sold free and clear of all Encumbrances. The ITC Finance Sale Loan (approximately HK\$447,403,960 as at the date of this announcement) represents 100% of all amounts, including principal and interest, owing by ITC Finance to ITC Property Management as at the Disposal Completion Date, which will be sold free and clear of all Encumbrances.

Upon Disposal Completion, ITC Finance will cease to be a subsidiary of the Company, and the financial results of ITC Finance will no longer be consolidated in the consolidated financial statements of the Company.

ITC Finance is a company incorporated in Hong Kong with limited liability and is granted with a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) as at the date of this announcement.

LISTING RULES IMPLICATIONS

The Acquisition

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company, and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Disposal

As one or more of the applicable percentage ratios in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company, and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

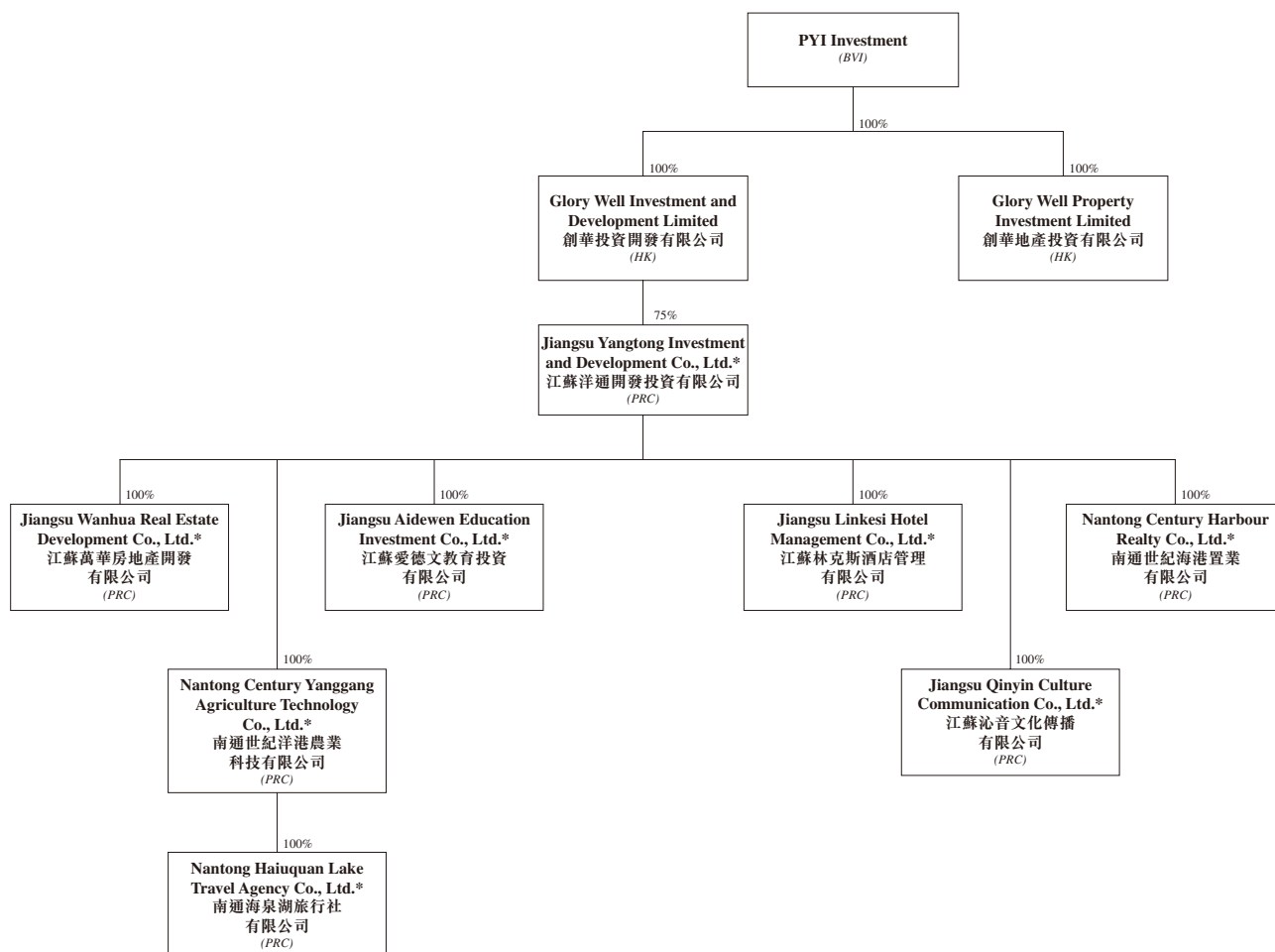
Since Completion is subject to the fulfilment (or waiver, as applicable) of the Conditions, the Acquisition Agreement, the Disposal Agreement and the respective transactions contemplated thereunder (including but not limited to the Acquisition, the issue of the Consideration Note and the Disposal) may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE ACQUISITION

The Board is pleased to announce that on 2 July 2026 (after trading hours), ITC Strategic Holding, a wholly-owned subsidiary of the Company, and Profit Tycoon entered into the Acquisition Agreement, pursuant to which (a) ITC Strategic Holding as purchaser has conditionally agreed to acquire, and Profit Tycoon as vendor has conditionally agreed to sell the Sale Shares; and (b) Profit Tycoon has conditionally agreed to assign, and ITC Strategic Holding has conditionally agreed to take up the assignment of the Sale Loan, at the total Acquisition Consideration of HK\$336,680,000.

INFORMATION ON THE PYI INVESTMENT GROUP

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the structural chart of the PYI Investment Group as at the date of this announcement is set out below:



PYI Investment

PYI Investment is a company incorporated in the BVI with limited liability and is principally engaged in investment holding. As at the date of this announcement, PYI Investment has two direct wholly-owned subsidiaries, namely (i) Glory Well Development, a company incorporated in Hong Kong with limited liability which is principally engaged in investment holding; and (ii) Glory Well Property Investment Limited (創華地產投資有限公司), a company incorporated in Hong Kong with limited liability which was principally engaged in investment holding and is currently inactive. Glory Well Development, in turn, owns 75% equity interests in Jiangsu Yangtong.

Core assets of the PYI Investment Group and their competitive advantages

Overview

The core assets of the PYI Investment Group are land parcels held through the Jiangsu Yangtong Group, which are located in the Xiaoyangkou area of Yangkou Town, Rudong County, Nantong City, Jiangsu Province, a location noted for its excellent geothermal geological conditions along the PRC's eastern coast. Positioned in the northern wing of the Yangtze River Delta, the Xiaoyangkou area lies approximately 120 km from Shanghai and is within about a 90 minute drive to the Shanghai Hongqiao (上海虹桥) transport hub, providing strong regional connectivity. Benefiting from the ongoing deep integration of the Yangtze River Delta, Rudong County is actively evolving into a key clean energy hub and is gradually being integrated into the Shanghai one hour transportation network. In terms of computing power industry planning, Rudong County has been designated as part of the expansion area of the Yangtze River Delta computing power network hub, especially Xiaoyangkou area is adjacent to Shanghai and is accessible to the core computing power demand markets in southern part of Jiangsu Province. In particular, its geographical advantage resulting in short physical transmission distance can effectively reduce data interaction latency, thereby fully meeting the stringent low latency requirements of artificial intelligence computing and other related businesses. Furthermore, the area is also connected to the Yangtze River Delta optical cable network system and is able to benefit from a mature local industry for the research, development and manufacturing of optical and submarine cables, together with well developed communications infrastructure, ample data transmission bandwidth and strong link stability, enabling the area (including those land parcels held through the Jiangsu Yangtong Group) to efficiently accommodate high density computing power demand spanning over the core cities in the Yangtze River Delta.

On these land parcels, four high-yield geothermal hot spring wells have been successfully developed, among which Yangshen No.1 Well has set a new record in the Yangtze River Delta, with a daily water output of 5,360m³ and a water temperature of 108°C. These resources underpin the land parcels a rare region within the Yangtze River Delta, distinguished by the unique combination of three core premium attributes, namely high-temperature geothermal hot springs, coastal landscapes and sports amenities, and thereby the Xiaoyangkou area has been designated as a national demonstration zone for the comprehensive utilization of geothermal energy. Meanwhile, the region has access to a broad mix of green energy resources, including but not limited to photovoltaic power, geothermal, offshore wind power and LNG, enabling the development of a diversified and integrated zero carbon energy supply system. This system can fully support the high load power requirements of a green intelligent computing center, thereby positioning the region as a core and preferred area for the “computing-power synergy” layout in the Yangtze River Delta. By virtue of these advantages, together with the area's optimal geothermal endowment and accessibility to wide variety of green energy resources, the PYI Investment Group's core assets are considered to have long term strategic value.

(i) **Land use rights**

The Jiangsu Yangtong Group legally holds eight land use rights, comprising a total area of approximately 11.0 million sq.m., with a single unutilised costal land parcel spanning approximately 10.55 million sq.m. along the shoreline of Yangkou Town.

Details of those eight land use rights legally held by the Jiangsu Yangtong Group are set out below:

	Real Estate Right Owner	Location	Real Estate Certificate No.	Planned Use	Area (sq.m.)
1.	Jiangsu Yangtong	West of Yangkou Outer Sluice, Yangkou Town, Rudong County	Su (2023) Rudong County Real Estate Right No. 0009701	Unutilised land	10,546,854.10
2.	Jiangsu Yangtong	West of Yangkou Outer Sluice, Yangkou Town, Rudong County	Su (2023) Rudong County Real Estate Right No. 0009702	Unutilised land	75,963.57
3.	Jiangsu Yangtong	West of Yangkou Outer Sluice, Yangkou Town, Rudong County	Dong Guo Yong (2007) No. 510030	Water conservancy project land	121,845.10
4.	Jiangsu Yangtong	West of Yangkou Outer Sluice, Yangkou Town, Rudong County	Dong Guo Yong (2007) No. 510029	Water conservancy project land	177,725.40
5.	Jiangsu Yangtong	No. 88 Jinge Avenue, Yangkou Town, Rudong County	Su (2026) Rudong County Real Estate Ownership Certificate No. 0010834	Commercial and financial land/ commerce, finance, information	Land: 10,000.00 Building: 2,262.62

	Real Estate Right Owner	Location	Real Estate Certificate No.	Planned Use	Area (sq.m.)
6.	Jiangsu Yangtong	Plot No. 4, North of Linhai High-grade Highway, West of Kuagang Bridge, Coastal Economic Development Zone	Su (2018) Rudong County Real Estate Right No. 0007037	Wholesale and retail, accommodation and catering, commercial and financial, other commercial services (currently used as Links Villa as defined and particularised in the sub- section headed “The Jiangsu Yangtong Group below”)	Land: 40,271.00 Building: 5,134.41
7.	Nantong Realty (a wholly- owned subsidiary of Jiangsu Yangtong)	Plot C, South of Wei 15th Road (Linhai High- grade Highway), Yangkou Town	Dong Guo Yong (2015) No. 510041	Urban residential land	30,461.80
8.	Nantong Realty (a wholly- owned subsidiary of Jiangsu Yangtong)	Plot A, South of Wei 15th Road, Yangkou Town	Su (2024) Rudong County Real Estate Right No. 0013311	Wholesale and retail, accommodation and catering, commercial and financial, other commercial services, urban residential land (currently used as Links Hotel as defined and particularised in the sub- section headed “The Jiangsu Yangtong Group below”)	Land: 17,964.10 Building: 25,010.20

(ii) Core licences and qualifications

Details of core licences and qualifications obtained and possessed by the Jiangsu Yangtong Group necessary for geothermal resource development and cultural tourism operation are set out below:

- (1) two Geothermal Mining Licences (地熱採礦許可證), both issued by the Department of Natural Resources of Jiangsu Province (江蘇省自然資源廳), have been granted for the mining of geothermal resources, with certificate numbers C3200002011111110119790 and C3200002017041110144260, respectively, which constitute the core compliance certificates for lawful geothermal resource development;
- (2) two Geothermal Water Abstraction Licences (地熱取水許可證), both issued by the Rudong County Water Affairs Bureau (如東縣水務局), with certificate numbers D320623G2021-0256 and D320623G2021-0128, respectively, which have been granted for lawful water abstraction activities for geothermal development; and
- (3) hotel operation qualifications including but not limited to the Fire Safety Inspection Certificate for Public Gathering Places Before Use and Operation, Food Business Licence, Special Industry Licence, Health Licence and Tobacco Monopoly Retail License, which have been obtained by Jiangsu Hotel necessary for lawful operation of hotel and hot spring wellness businesses.

(iii) Geothermal Resources Endowment

The land parcels held through the Jiangsu Yangtong Group are located in the Xiaoyangkou area, Rudong County, Nantong City, Jiangsu Province, an area underpinned with the most favourable geothermal geological resources in the Yangtze River Delta and along the eastern coastal region of the PRC. Situated in a high terrestrial heat flow anomaly zone along China's eastern coast, the land parcels possess a combination of unique geological conditions covering "source, migration pathway, reservoir and cap rock", which together provide a highly favourable natural foundation for the formation and accumulation of geothermal resources.

Geothermal well resources

As at the date of this announcement, four high-yield geothermal wells have been successfully drilled and completed on the land parcels, among which the maximum yield of a single well ranges from 1,924.8 to 5,360 m³/day, with wellhead temperatures spanning 42°C to 108°C. Among these, Yangshen No.1 Well has a depth of 3,501.66 m and maintains a stable water temperature of 108°C, representing a rare, high-quality medium-temperature geothermal resource in Jiangsu Province that is suitable for applications such as geothermal power generation (green electricity) and high-efficiency cooling. The average shallow geothermal temperature in the area is 18.6°C,

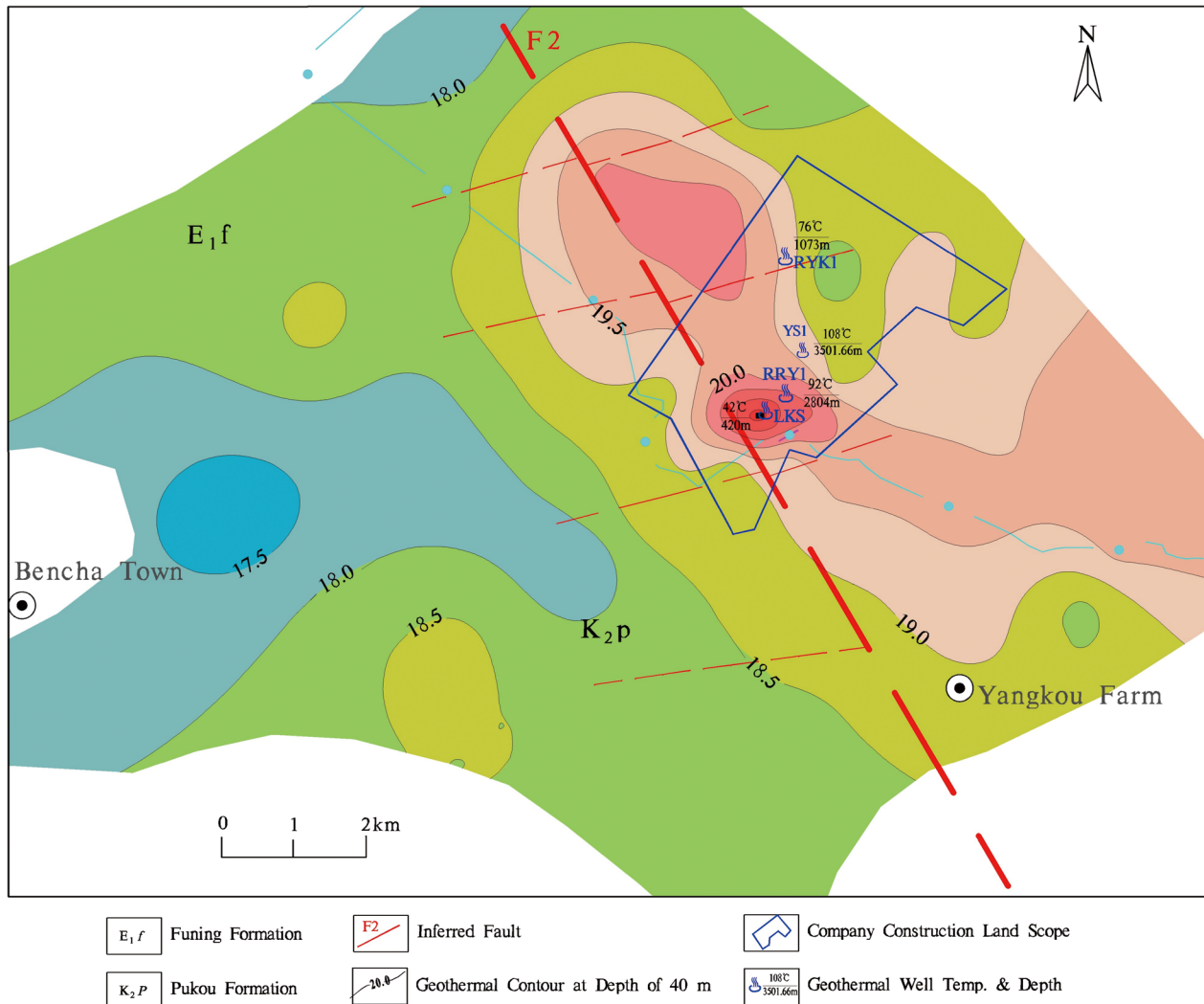
significantly higher than the normal regional geothermal temperature of 15.6°C. The average geothermal gradient over the full depth of the Geothermal No.1 Well's borehole is approximately 4.5°C/100 m, and the entire core zone of the geothermal anomaly lies within the land parcels. Based on the currently proven reserves, the combined daily extractable volume of the four wells exceeds 20,000 m³. The total geothermal heat storage in the region is estimated to reach 1.92×10¹⁸J. This corresponds to an annual reduction of 315,000 tons of carbon dioxide emissions and an annual saving of 132,000 tons of standard coal. It is predicted that the geothermal reservoir temperature at a depth of 4,500 m in the Xiaoyangkou area can exceed 150°C, classifying it as a medium-to-high temperature geothermal field. This geothermal geological endowment provides a solid foundation, in terms of fluid volume and thermal energy supply, for geothermal power generation, cooling and broader cascade utilisation.

Set out below is the details of the aforesaid four geothermal wells:

Well Name	Depth (m)	Water Temperature (°C)	Maximum Water Output (m ³ /day)	Total Mineral Content (mg/L)	Core Components
Yangshen No. 1 Well (YS1)	3,500	108	5,360	1,776	Fluorine, Strontium, Metasilicic Acid
Geothermal No. 2 Well (RRY1)	2,803	92	2,481	1,730	Iodine, Metasilicic Acid
Geothermal No.1 Well (RYK1)	1,073	76	3,578	2,070	Sodium, Calcium, Sulfate Chloride, Bicarbonate
Shallow Geothermal Well (LKS)	418	42	2,400	–	Sodium Bicarbonate

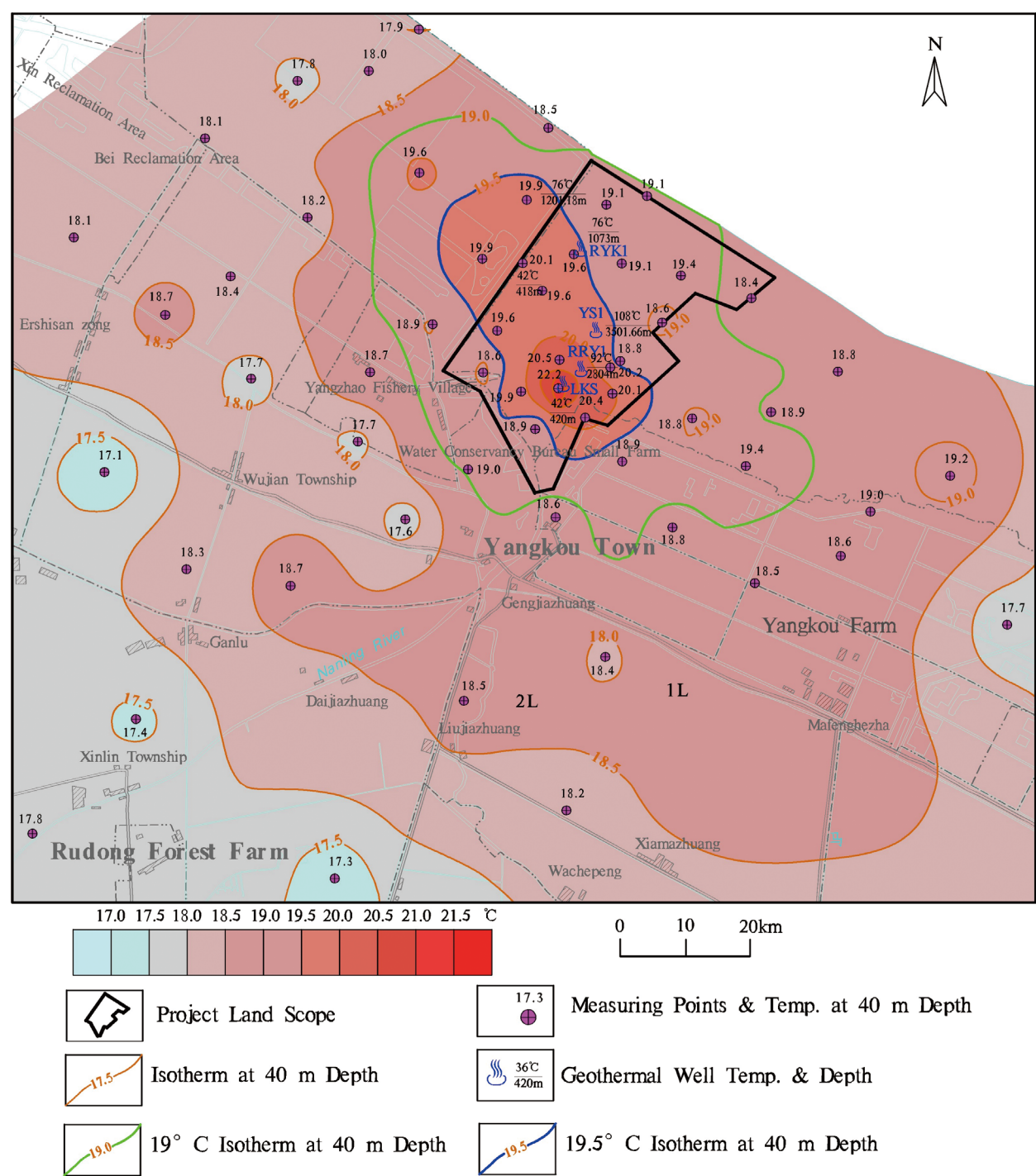
Technical feasibility of geothermal power generation and cooling project in the Xiaoyangkou Area

The following chart shows the location of the aforesaid four geothermal wells on the land parcels:



The Xiaoyangkou area has undergone systematic geological exploration for over 40 years by national and provincial authoritative institutions, including the Aero Geophysical Survey and Remote Sensing Center of the Ministry of Geology and Mineral Resources (地礦部航空物探遙感中心) and the Jiangsu Institute of Geological Survey (江蘇省地質調查研究院). In 2014, Jiangsu Yangtong, in collaboration with an Academician of the Chinese Academy of Sciences (中國科學院), namely, Mr. Wang Jiyang (汪集暘) establish the PRC's first geothermal academician workstation in the Xiaoyangkou area. Such workstation developed the national geothermal cascade utilization development model of “Xiong’an in the north (北有雄安), Fengshun in the south (南有豐順), and Xiaoyangkou in the central (中有小洋口)” and successfully conducted pilot geothermal power generation experiments in the area. This has laid a high-end technical foundation for geothermal power generation and comprehensive cascade utilization on the relevant land parcels, thereby consolidating the technical reliability and long-term viability of geothermal development in the area.

The thermal distribution map of geothermal field located in the Xiaoyangkou is set out below:



According to the “Feasibility Study Report on the Pilot Project of Mineral-Land Integration in Jiangsu Province in 2024” (《2024年江蘇省礦地融試點專案可行性研究報告》) issued by Jiangsu Provincial Institute of Geological Survey (江蘇省地質調查研究院), the 92°C geothermal fluid from the Geothermal No.2 Well located in the land parcels owned by the Jiangsu Yangtong Group is proposed to be utilized to develop geothermal power generation and cooling systems, while a power generation demonstration project is to be implemented utilising the high-temperature heat source from the YS1 Well (with water temperature of 108°C) to develop a complete geothermal power generation, heating and cooling system (the

“**Power Heating and Cooling System Project**”). The relevant technical solutions are already regarded as relatively mature in the PRC, with proven engineering precedents. For example, a 91°C geothermal comprehensive cascade utilisation system has been constructed in Fengshun County, Guangdong Province, adopting flash evaporation power generation technology to achieve stable electricity output. Taking into account that the geothermal fluid temperature and water quality conditions there are highly comparable to the 92°C geothermal water of the Geothermal No.2 Well, the Fengshun project can provide directly replicable engineering experience for planning electricity generation and cooling applications in the area.

The Power Heating and Cooling System Project has been declared as an intended key clean energy demonstration project and a mineral-land integration pilot project of Jiangsu Province for 2024–2025 period and has received in principle approval from the local government for developing a demonstration project that integrates geothermal power generation, heating and cooling. As at the date of this announcement, the Power Heating and Cooling System Project remains under development.

The key technical plans in relation to the Power Heating and Cooling System Project are outlined below:

(a) Geothermal power generation

The Power Heating and Cooling System Project will adopt a single-flash geothermal power generation system, using the core geothermal heat source, with one ancillary reinjection well to be constructed to achieve 100% reinjection of tail water so as to ensure the sustainable exploitation of geothermal fluids and support power supply needs within the project area. Such system is intended to be developed based on high-quality heat sources from the Yangshen No.1 Well (with a water temperature of 108°C) and Geothermal No.2 Well (with a water temperature of 92°C). The Power Heating and Cooling System Project demonstrates strong geothermal development potential, with reservoir temperatures expected to exceed 150°C at a depth of 4,500 m, enabling MW-scale power generation. In the longer term, MW-level geothermal power is expected to provide stable, low-carbon baseload power for the planned artificial intelligent computing center. As a high-density power load facility, the computing center requires highly reliable and continuous power supply. Geothermal power generation, being independent of weather or diurnal cycles, can effectively reduce power costs and significantly lower carbon emissions, thereby supporting the development of an integrated green demonstration project combining computing and energy infrastructure. Based on currently proven reserves, the four wells can yield over 20,000 m³ daily, with a total regional heat storage of 1.92×10^{18} J. This corresponds to an estimated annual reduction of approximately 315,000 tons of carbon dioxide emission, savings of approximately 132,000 tons of standard coal, and cost savings of over RMB36.72 million per year.

(b) *Geothermal cooling*

Under the Power Heating and Cooling System Project, geothermal water remaining after power generation can maintain temperature of 63°C or above, and will be cascaded and utilised as a heat source for absorption chillers to produce chilled water for air conditioning systems serving the planned green intelligent computing center. This continuous, low-cost green cooling will be strategically deployed to support the proposed artificial intelligence computing center, delivering efficient thermal management for high density computing clusters, significantly enhancing overall energy efficiency, reducing the power usage effectiveness (PUE) value and substantially lower operational electricity costs.

(c) *Feasibility of constructing empowering artificial intelligent computing center through integrated geothermal power generation and cooling*

Against the backdrop of explosive growth in demand for artificial intelligence and high-density computing power, computing centers are facing escalating electricity consumption and stringent thermal dissipation requirements. Geothermal energy, as an all-weather renewable energy source inherently unaffected by weather conditions and diurnal cycles, perfectly aligns with the rigid demand for highly stable and continuous baseload power from computing centers. Through the Power Heating and Cooling System, an end-to-end green energy supply system featuring “stable baseload power + low-carbon and efficient cooling” can be established, which will in turn provide core support and an integrated closed-loop green energy solution for the construction of the planned regional artificial intelligent computing center on the land parcels owned by the Jiangsu Yangtong Group.

On one hand, MW-scale geothermal power generation will directly supply low-carbon electricity, significantly reducing the artificial intelligent computing center’s reliance on conventional power and its overall electricity costs. On the other hand, residual heat from power generation will be utilized through cascade utilization to produce high-efficiency cooling sources, precisely addressing the heat dissipation and thermal management challenges of high-density server clusters. This collaborative “geothermal + computing” development model has a clear technical pathway and is supported by proven engineering precedents, offering exceptionally strong technical and economic feasibility while fundamentally resolving the core pain points of high energy consumption and high carbon emissions plaguing traditional computing centers. Taken together, these conditions and the underlying technical feasibility are conducive to developing the area into a leading net-zero “green computing power” benchmark demonstration base in the Yangtze River Delta and across China.

Combined competitive advantages in the area

(i) Regional green energy resources endowment and conditions

Rudong County in Jiangsu Province is China's premier county for offshore wind power, boasting a full spectrum of renewable energy resources, including distributed photovoltaics, onshore wind power, tidal flat wind power, and offshore wind power. Its installed renewable energy capacity exceeds 5GW, enabling rooftop and ground-level photovoltaic coverage of the site and surrounding areas. With Annual power generation exceeding 12 billion kWh, it allows for direct green electricity supply to the intelligent computing center, self-consumption, and local consumption, providing a unique resource foundation for computing-electricity collaboration. The Xiaoyangkou area of Rudong County is one of the regions with excellent geothermal geological conditions along the PRC's eastern coast, a rare core area rich in medium-temperature geothermal resources in the Yangtze River Delta. In particular,

- (a) as to the wind power sector, the region enjoys concentrated, stable and highly promising wind resources, making it a core area for the development of national multi million kW class wind power projects. At present, Rudong County has already completed an 1,100 MW offshore wind power flexible DC transmission project, achieving full development and utilisation of near shore wind energy.
- (b) as to the photovoltaic sector, Rudong County enjoys approximately 2,000 hours of sunshine annually, making it a major photovoltaic energy base in Jiangsu Province and even across the PRC. The total installed photovoltaic capacity of the entire Rudong County reaches 2.65 million kW, with large-scale tidal-flat photovoltaic projects and fishery-solar complementary projects as its core development models. For instance, a 400,000-kW integrated photovoltaic-hydrogen-storage demonstration project, currently the largest of its kind in the PRC, has already been in place in the county, combining power generation, hydrogen production and energy storage. The region is also well positioned to support both distributed and centralized photovoltaic power plants, which, when complemented by wind power around the clock, further enhance the stability of the green electricity supply.
- (c) as to the LNG sector, the "Sunshine Island" at Yangkou Port, which is adjacent to Xiaoyangkou, serves as the core of the regional "energy island", bringing together key national energy infrastructure, including an ultra large receiving terminal, large scale LNG storage tank clusters and a dedicated unloading berth. All of the above, together with offshore wind power and photovoltaic projects in Xiaoyangkou, forms a multi energy complementary system.

Given the area's distinctive and scarce green energy resources, the land parcels held by the Jiangsu Yangtong Group are considered to have a strong competitive advantage for the proposed development of a large scale artificial intelligence computing center. The green power access node is located in close proximity to the planned site of the computing center and, together with the relatively short distance required for laying transmission lines, is expected to significantly reduce the investment required for external power connection works and shorten the relevant approval and construction timetable, thereby providing more comprehensive infrastructure support for the timely implementation of the computing center. Clean energy in the region may be supplied directly to the project on a nearby basis, which is expected to help reduce transmission and distribution losses and lower overall electricity costs, while at the same time better aligning with the round the clock, uninterrupted and high load power demand of a green artificial intelligence computing center and facilitating the implementation of the project and its ancillary works.

(ii) *Demand and supply in artificial intelligence computing resources in Yangtze River Delta*

The Yangtze River Delta region is a core hub of China's digital economy and artificial intelligence industries, with a high concentration of sectors such as large model development, high end artificial intelligent manufacturing, autonomous driving, fintech and bio-medicine, all driving sustained growth in demand for high end intelligent computing power. By the end of 2026, demand for high end artificial intelligent computing power in the Yangtze River Delta is expected to reach approximately 300 EFLOPs, with a compound annual growth rate in recent years of around 35% to 45%, reflecting strong growth momentum and substantial market potential. As artificial intelligence applications accelerate in deployment and penetration, the region is seeing a concentrated release of diverse computing power needs, including real time inference and large scale model training, leading to a continued expansion of the computing power consumption market.

Nantong City is a core area of the Yangtze River Estuary Industrial Innovation and Green Development Collaborative Zone (長江口產業創新綠色發展協同區核心承載區), which was approved by the National Development and Reform Commission in 2025. Meanwhile, Jiangsu Province has designated Nantong City as a central computing power hub in Jiangsu Province, granting it priority access to relevant resources, while the municipal government has identified the intelligent computing center as a key supported project and is providing comprehensive policy and administrative support. Located at a key node in the northern wing of the Yangtze River Delta and approximately 120 km from Shanghai, Rudong. Xiaoyangkou in Rudong County is connected to the Yangtze River Delta optical fibre network, enabling efficient coverage of real-time computing power needs in the core demand areas of Jiangsu, Zhejiang and Shanghai, and is technically well positioned to accommodate high-end computing demand spilling over from core cities.

At the same time, by leveraging the region's diversified zero-carbon energy system, which includes geothermal, offshore wind, photovoltaic and LNG resources, the area can be developed into a green intelligent computing center characterised by a high proportion of green electricity and low energy consumption. It benefits from four core advantages-low latency, high reliability, low cost and low-carbon compliance, thereby effectively addressing the shortage of high-end green computing power in the Yangtze River Delta. In light of the strong market demand and significant supply gap in the region, the market space for computing power consumption is substantial and customer demand is well supported, providing a solid foundation for the development of a large-scale computing power hub.

The Jiangsu Yangtong Group

Jiangsu Yangtong is a company established in the PRC with limited liability. As at the date of this announcement, Jiangsu Yangtong is owned by Glory Well Development as to 75% and Rudong County Coastal Tourism Investment and Development Co., Ltd.* (如東縣沿海旅遊投資開發有限公司) (“**Rudong Tourism**”) as to 25%. As at the date of this announcement, Rudong Tourism is a wholly-owned subsidiary of Rudong County Xintiandi Investment Development Co., Ltd.* (如東縣新天地投資發展有限公司) (“**Rudong Xintiandi**”), which is in turn wholly owned by Jiangsu Donghe Investment Group Co., Ltd.* (江蘇東和投資集團有限公司) (“**Rudong Donghe**”). Rudong Donghe is a wholly state-owned enterprise under Rudong County Government State-owned Assets Supervision and Management Office* (如東縣政府國有資產監督管理辦公室).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) Rudong Tourism is principally engaged in tourism industry development and construction as well as operation and management of tourists attraction, (ii) Rudong Xintiandi is principally engaged in asset management and operation as well as investment, construction and operation of public facilities, and (iii) Rudong Donghe is principally engaged in operation and management of state-owned assets.

As at the date of this announcement, Jiangsu Yangtong has six direct wholly-owned subsidiaries, namely (i) Jiangsu Wanhua Real Estate Development Co., Ltd.* (江蘇萬華房地產開發有限公司) (“**Jiangsu Real Estate**”), (ii) Jiangsu Aidewen Education Investment Co., Ltd.* (江蘇愛德文教育投資有限公司) (“**Jiangsu Education**”), (iii) Jiangsu linkesi Hotel Management Co., Ltd.* (江蘇林克斯酒店管理有限公司) (“**Jiangsu Hotel**”), (iv) Nantong Century Harbour Realty Co., Ltd.* (南通世紀海港置業有限公司) (“**Nantong Realty**”), (v) Nantong Century Yanggang Agriculture Technology Co., Ltd.* (南通世紀洋港農業科技有限公司) (“**Nantong Agriculture**”), and (vi) Jiangsu Qinyin Culture Communication Co., Ltd.* (江蘇沁音文化傳播有限公司) (“**Jiangsu Culture**”), all of which are companies established in the PRC with limited liability. Nantong Agriculture, in turn, owns the entire equity interests in Nantong Haiquan Lake Travel Agency Co., Ltd.* (南通海泉湖旅行社有限公司), which currently has no business operation.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Jiangsu Yangtong Group is principally engaged in the development, sale and leasing of properties (including but not limited to residential projects and hot spring hotels), cultural tourism investment consulting and management, the provision of leisure services, agricultural services and garden management services as well as the development, construction and operation of infrastructure including tidal flat reclamation, public port terminals and public highways.

In particular, (i) Jiangsu Real Estate was principally engaged in developing the Wanhua Zhijinhua Yuan* (萬華紫金花苑) project in Jiangsu, and given that it has completed the sale of all property of such project, it currently maintains no substantive business operation and is expected to be de-registered, (ii) Jiangsu Education is currently inactive as the intended construction project of international school in Nantong City, Jiangsu remains unimplemented; (iii) Jiangsu Hotel is principally engaged in providing professional operational management services to the Links Hotel complex (the “**Links Hotel**”) (including Links Golf and Spa (林克斯溫泉酒店), a hot spring hotel situated at Rudong County, Nantong City as well as Links Villa (小洋口風景區溫泉雅苑酒店) (the “**Links Villa**”), a hot spring villa resort complex situated at Xiaoyangkou (小洋口) Scenic Area at Rudong County, Nantong City, Jiangsu; (iv) Nantong Realty serves as the primary entity holding the underlying land and property assets of the Links Hotel; (v) Jiangsu Agriculture is strategically dedicated to the professional management of consolidated agricultural land of around 3,000 mu (equivalent to approximately 494 acres) within the land parcels owned by the Jiangsu Yangtong Group; and (vi) Jiangsu Culture acts as a cultural promotion vehicle and is currently finalising cinematic content to enhance the regional tourism brand and foot traffic of Xiaoyangkou.

FINANCIAL INFORMATION ON PYI INVESTMENT, THE JIANGSU YANGTONG GROUP AND THE PYI INVESTMENT GROUP

PYI Investment

Based on the information available to the Company, set out below is extracted from the unaudited management accounts of PYI Investment for the two years ended 31 March 2025 and 31 March 2026:

	Year ended 31 March 2025 (Unaudited) (In HK\$)	Year ended 31 March 2026 (Unaudited) (In HK\$)
Revenue	—	—
(Loss) before taxation	(11,500)	(11,500)
(Loss) after taxation	(11,500)	(11,500)

As at 31 March 2026, the unaudited net liabilities of PYI Investment amounted to approximately HK\$77,000.

The Jiangsu Yangtong Group

Based on the information available to the Company, set out below is the financial information of the Jiangsu Yangtong Group as extracted from its audited consolidated financial statements prepared under the generally acceptable accounting principles of the PRC for the two years ended 31 December 2024 and 31 December 2025 and the three months ended 31 March 2026:

	Year ended 31 December 2024	Year ended 31 December 2025	Three Months Ended 31 March 2026
	(Audited)	(Audited)	(Audited)
	(In RMB)	(In RMB)	(In RMB)
	<i>Approximately</i>	<i>Approximately</i>	<i>Approximately</i>
Revenue	16,104,567	22,953,878	2,188,971
(Loss) before taxation	(55,158,708)	(22,801,940)	(13,042,292)
(Loss) after taxation	(55,158,708)	(22,805,250)	(13,042,292)

As at 31 March 2026, the audited net assets of the Jiangsu Yangtong Group amounted to approximately RMB365,086,116.

The PYI Investment Group

For the purpose of this announcement, assuming consolidated financial statements of the PYI Investment have been prepared since 1 April 2025, the unaudited combined financial information of the PYI Investment Group for the year ended 31 March 2026 is set out below:

	Year ended 31 March 2026
	(Unaudited)
	(In RMB)
	<i>Approximately</i>
Revenue	22,192,373
(Loss) before taxation	(23,952,745)
(Loss) after taxation	(23,956,054)

As at 31 March 2026, the unaudited net assets of the PYI Investment Group amounted to approximately RMB365,018,225.

THE ACQUISITION AGREEMENT

Principal terms and conditions of the Acquisition Agreement are set out below:

Date: 2 July 2026 (after trading hours)

Parties: (i) ITC Strategic Holding as purchaser; and
(ii) Profit Tycoon as vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Profit Tycoon and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the terms of the Acquisition Agreement, (a) ITC Strategic Holding as purchaser has conditionally agreed to acquire, and Profit Tycoon as vendor has conditionally agreed to sell the Sale Shares; and (b) Profit Tycoon has conditionally agreed to assign, and ITC Strategic Holding has conditionally agreed to take up the assignment of the Sale Loan, with a total Consideration of HK\$336,680,000.

Assets to be acquired

The Sale Shares, comprising 20 PYI Investment Shares held by Profit Tycoon, being the assets to be acquired by ITC Strategic Holding under the Acquisition Agreement, represent 20% of the entire issued share capital of PYI Investment as at the date of this announcement, which will be sold free and clear of all Encumbrances. The Sale Loan (approximately HK\$121,210,000 as at the date of this announcement), representing 20% of all amounts, including principal and interest, owing by PYI Investment to Profit Tycoon as at the Acquisition Completion Date, will be assigned free and clear of all Encumbrances.

Financial effects of the Acquisition

Upon Acquisition Completion, ITC Strategic Holding will hold 20% of the entire issued share capital of PYI Investment, where the investment in PYI Investment will be accounted for using equity method for recognising profit or loss in investment as associated company in the Group's accounts. Accordingly, the financial results of the PYI Investment Group will not be consolidated in the consolidated financial statements of the Company.

Acquisition Consideration

The total Acquisition Consideration for the transfer of the Sale Shares by Profit Tycoon to ITC Strategic Holding as well as the assignment of the Sale Loan from Profit Tycoon to ITC Strategic Holding shall be HK\$336,680,000, of which the consideration payable by ITC Strategic Holding to Profit Tycoon for the assignment of the Sale Loan shall be equal to the face value of the Sale Loan and the consideration payable by ITC Strategic Holding to Profit Tycoon for the transfer of the Sale Shares shall be an amount equivalent to the total Acquisition Consideration less the consideration for the assignment of the Sale Loan.

Subject to the fulfilment (or waiver, as applicable) of all the Acquisition Conditions, ITC Strategic Holding shall, on the Acquisition Completion Date, settle the Acquisition Consideration in the following manner:

- (a) the Company shall issue the Consideration Note in an aggregate principal amount of HK\$170,000,000 to Profit Tycoon (or its nominee) as partial settlement of the corresponding portion of the Acquisition Consideration amounting to HK\$170,000,000 (representing 50.49% of the Acquisition Consideration);
- (b) ITC Strategic Holding shall irrevocably cause ITC Property Management to (i) transfer two ITC Finance Shares (representing the entire issued share capital of ITC Finance) to Profit Tycoon (or its nominee); and (ii) assign the ITC Finance Sale Loan to Profit Tycoon (or its nominee), for a total Disposal Consideration of HK\$114,130,000, as partial settlement of the corresponding portion of the Acquisition Consideration amounting to HK\$114,130,000 (representing 33.90% of the Acquisition Consideration); and
- (c) ITC Strategic Holding shall pay Profit Tycoon (or its nominee) the remaining balance of the Acquisition Consideration amounting to HK\$52,550,000 (representing 15.61% of the Acquisition Consideration) in cash.

The Acquisition Consideration was determined by ITC Strategic Holding and Profit Tycoon after arm's length negotiations on normal commercial terms with reference to, among other things, (i) approximately HK\$340,000,000, being 20% of the valuation of PYI Investment as appraised by an independent third-party valuer using asset approach as at the valuation date of 31 March 2026 as particularised in the section headed "The Valuation" below; and (ii) the face value of the Sale Loan. The Board considers that the Acquisition Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Group will use its internal resources to fund the remaining balance of the Acquisition Consideration of HK\$52,550,000, which is to be settled in cash pursuant to the Acquisition Agreement.

THE VALUATION

According to the valuation report dated 27 May 2026 (the “**Valuation Report**”) prepared by Pinetree Advisory and Valuation Limited (the “**Valuer**”), an independent third-party valuer, the appraised value as at 31 March 2026 (the “**Valuation Date**”) of the entire equity interest of PYI Investment was HK\$1,699,000,000.

1. Valuation approaches and methodologies used and reasons for selection

The Valuer adopted the asset approach as the primary valuation approach for PYI Investment through valuing the adjusted net asset value of its principal operating company, namely, Jiangsu Yangtong, a company indirectly owned by PYI Investment as to 75%, given that the core value of Jiangsu Yangtong is mainly embodied in its land assets and its operation is asset-driven rather than profit-driven. The underlying land assets can be assessed reliably with reference to market evidence, and all identifiable assets and liabilities can be measured on market value basis. The asset approach can properly capture the underlying value of Jiangsu Yangtong.

For the purpose of the Valuation, the Valuer also considered market approach and income approach. The market approach was not adopted for valuing Jiangsu Yangtong as there were not sufficient comparable companies engaged purely in primary land development in the active market, and the business model, land reserve scale, location, planning conditions and development progress of Jiangsu Yangtong were considered unique such that no arm’s length transaction of a comparable company with similar asset structure and operating characteristics could be identified.

Further, the income approach was not adopted for valuing Jiangsu Yangtong as its future revenue and profit are dependent on government planning adjustment, land approval progress, policy arrangement and uncertain land transfer timing, such that future cash flow could not be reliably forecasted with stable sustainability and the long-term profitability lacked recurring income.

Nevertheless, at the underlying asset level, (a) as to the land use rights, the Valuer adopted the market approach for the valuation of land use rights, with benchmark land prices as the major reference basis, as land parcels with similar location, land grade, usage, plot ratio and development condition could be selected as comparable references and adjusted for differences in location, remaining term, planning indicators and development maturity, such that the arm’s length fair value of the subject land use right can be reasonably reflected; and (b) as to buildings and structures (including but not limited to specialised assets such as the office building, water conservancy facilities, and supporting infrastructure), the Valuer adopted the replacement cost method under the cost approach because those assets were specialised or purpose-built which lacked active secondary market comparables and did not generate standalone predictable income streams.

2. Scope of work and limitations

In conducting the Valuation, the Valuer has conducted the following scope of work, which include but are not limited to:

- (a) coordinated with representatives to obtain required information and documents;
- (b) gathered relevant information of PYI Investment;
- (c) discussed with the representatives to understand the history, business model, operations, assets held and business development plan of PYI Investment;
- (d) carried out sector research and collected relevant market data from reliable sources; and
- (e) investigated the information made available to it, designed an appropriate valuation model and compiled the Valuation Report.

It is expressly stated in the Valuation Report that, as to limitations, in performing the valuation analysis in relation to PYI Investment, the Valuer has relied upon the information provided by the management of the Jiangsu Yangtong Group (the “**Management**”). The Valuer has not performed any audit or due diligence procedures or otherwise verified the truth, accuracy or reliability of the information provided to it during its engagement. The Valuer does not assume any responsibilities for and make no representations with respect to the accuracy or completeness of any information provided by the Management.

Moreover, the Valuation has also relied upon other information obtained from public sources which the Valuer believed to be reliable. The Valuer accepts no responsibility for accuracy and reliability of any information obtained from public sources.

3. Nature and source of information relied upon

The information to which the Valuer made reference included: (i) consolidated financial statements of Jiangsu Yangtong as at the Valuation Date; (ii) land use right certificates and title documents for the subject land parcels held by the Jiangsu Yangtong Group; (iii) official benchmark land price data published by the government of Yangkou Town, Rudong County; (iv) property and infrastructure records, including construction cost data and maintenance information for the buildings and structures; (v) legal agreements, planning documents and relevant regulatory policies applicable to the Jiangsu Yangtong Group and its held assets; and (vi) market data on local real estate prices in the relevant region.

The Valuer also relied on discussions with representatives and their representations, and assumed that such information was prepared with reasonable care and that no material factors had been omitted from the information supplied.

4. Key inputs and assumptions

Valuation on PYI Investment

The valuation of PYI Investment was derived by first valuing Jiangsu Yangtong on an adjusted net asset value basis and then attributing 75% of that value to PYI Investment, after making adjustments for the financial positions of intermediate holding entities and applying a further moderate 5.0% discount to reflect limited risks associated with the holding structure.

As set out in the Valuation Report, the market value of Jiangsu Yangtong was RMB2,090,364,364 (equivalent to HK\$2,383,015,375 using an adopted RMB/HK\$ exchange rate of 1.14).

Applying PYI Investment's effective 75.0% controlling interest in Jiangsu Yangtong produced a value attributable to PYI Investment of HK\$1,787,261,531, to which the Valuer then added dividend receivable of HK\$3,023,762 and cash and cash equivalents of HK\$91,944, and deducted accruals of Glory Well Development, a wholly-owned subsidiary of PYI Investment, of HK\$1,019,000 and accruals of Glory Well Property Investment Limited, another wholly owned subsidiary of PYI Investment, of HK\$19,000, arriving at HK\$1,789,339,237 before applying the extra discount as mentioned above.

The Valuer then applied an extra discount of 5.0% and rounded the resulting figure to HK\$1,699,000,000.

It is explained in the Valuation Report that the 5.0% discount reflected two limited risks, namely: (i) PYI Investment only holds a 75% equity interest in Jiangsu Yangtong, with a 25% minority interest block which may impose small constraints on dividend distributions and corporate decision-making; and (ii) the multi-layer holding structure gives rise to minor incremental risks relating to cross-border regulatory compliance and administrative complexity.

Valuation on land use rights, building and structures and other assets and liabilities

In valuing the major underlying assets of Jiangsu Yangtong, benchmark land prices published by Yangkou Town, Rudong County were used as major reference inputs for commercial, residential, industrial and public education land parcels, being RMB970 per sq.m., RMB1,410 per sq.m., RMB270 per sq.m. and RMB420 per sq.m., respectively.

For unplanned land and water conservancy land, the Valuer referred to the relevant agreement dated 18 September 2006, under which compensation for government takeover and reservation was calculated at a fixed rate of RMB70,000 per mu.

For buildings and structures and other fixed assets (such as transportation equipment, electronic equipment, office equipment, machinery and equipment, and supporting facilities), the key inputs under the replacement cost method included current replacement cost new, physical depreciation based on age, condition and maintenance history, functional obsolescence arising from design or functional inadequacies and external economic factors (such as location and regulatory conditions) that may affect the assets' utility and value.

For other intangible assets such as software and registered trademarks, the Valuer estimated the current cost to acquire or develop functionally equivalent assets and adjusted for amortisation, technological obsolescence, legal status, operational relevance and remaining useful life (as the case may be).

For other current assets (such as cash and cash equivalents, accounts receivable, advances to suppliers, and other short-term receivables) and current liabilities (such as accounts payable, accrued expenses, short-term borrowings, and other payables), the Valuer adopted book value as market value on the basis that the items were short-term in nature, generally expected to be realised or settled within one year and the carrying amounts in the latest financial statements were reliable representations of fair value.

For long-term borrowings, which are principally bank loans, the Valuer considered that the market value of such borrowings as at the Valuation Date approximated their carrying value because these bank borrowings carried contractual interest rates largely in line with prevailing market interest rates, without material credit spread change or significant discount/premium arising from liquidity or credit risk.

For the RMB361.0 million special payable, the Valuer recognised that the amount represented government grants for a comprehensive land consolidation project and, for prudential purpose, treated the grants as taxable in the absence of formal approval for non-taxable treatment, with a deferred tax liability recognised at the statutory 25% corporate income tax rate as special payment. Accordingly, the market value of the special payable was adjusted to RMB90,250,000.

Key assumptions

The key assumptions adopted by the Valuer included, among others, that: (i) information including financial statements, land titles, planning documents, legal agreements and property records, was true, accurate and complete as at the Valuation Date; (ii) Jiangsu Yangtong would continue as a going concern with no material change to its business model, operating scope or ownership structure in the foreseeable future; (iii) PYI Investment's effective controlling interest of 75% in Jiangsu Yangtong was valid and legally enforceable; (iv) land use rights were legally valid, registered and free from undisclosed encumbrances; (v) current land use classifications (commercial, residential, etc.) and approved development plans would remain unchanged unless explicitly stated; (vi) benchmark land prices issued by the government of Yangkou Town, Rudong County fairly reflected prevailing market values of land in the area as at the Valuation Date; (vii) the buildings and structures had been constructed in accordance with relevant codes, regulations and approved plans; (viii) the condition and useful lives of the relevant assets were reasonable; (ix) equivalent assets could be constructed at current market prices using modern materials, labour and construction standards in applying the replacement cost method; (x) the consolidated financial statements of Jiangsu Yangtong were fairly presented in accordance with applicable accounting standards; (xi) the adopted RMB/HK\$ exchange rate of 1.14 was appropriate for the Valuation Date without material fluctuation; and (xii) no material adverse changes to the local economy, real estate market or government policies would occur in the near term.

5. Appraised value and principal reasons for the conclusions reached

The Valuer concluded that the market value of the entire equity interest in PYI Investment as at the Valuation Date was HK\$1,699,000,000.

The principal reasons for the valuation conclusion were that PYI Investment's value was substantially derived from its effective 75% interest in Jiangsu Yangtong, while Jiangsu Yangtong's core value was mainly embodied in identifiable land and related asset holdings that could be assessed on a market value basis, and the asset approach was considered capable of properly capturing the underlying value of such assets and liabilities.

The adjusted balance sheet prepared by the Valuer showed that Jiangsu Yangtong's total assets increased from a book value of RMB1,059,694,788 to a market value of RMB2,514,223,036, while total liabilities were adjusted from RMB694,608,671 to RMB423,858,671, resulting in market value of shareholders' equity of RMB2,090,364,364.

Acquisition Conditions

Acquisition Completion is subject to and conditional upon the satisfaction (or waiver, as applicable) of the following Acquisition Conditions:

- (a) the Company having obtained all necessary approvals (if applicable) required under the Listing Rules to conduct the Acquisition Agreement and the transactions contemplated thereunder;
- (b) the representations, warranties and/or undertakings made by Profit Tycoon under the Acquisition Agreement remaining true, complete and accurate in all material respects and not misleading as at the Acquisition Completion Date; and
- (c) there has been no occurrence of any event that has a Material Adverse Effect during the period from the date of the Acquisition Agreement up to and including the Acquisition Completion Date.

Profit Tycoon shall use its reasonable endeavours to procure all the Acquisition Conditions (other than (a)) set out above being satisfied on or before the Long Stop Date. ITC Strategic Holding shall use its reasonable endeavours to procure Acquisition Condition (a) set out above being satisfied on or before the Long Stop Date.

Save and except that Acquisition Condition (a) which is not waivable by any party to the Acquisition Agreement, ITC Strategic Holding may from time to time waive Acquisition Conditions (b) to (c) in writing.

If any of the Acquisition Conditions is not fulfilled (or waived, as applicable) on or before the Long Stop Date, save for certain provisions pertaining to, among others, confidentiality, costs and expenses, notices, governing law and general matters which shall remain in full force and effect, the Acquisition Agreement and any matters contained therein, as well as the rights and obligations of the parties thereunder, shall be deemed to be null and void, without prejudice to a party's liability to the other party for any antecedent breach of the Acquisition Agreement.

Acquisition Completion

Subject to the fulfilment (or waiver, as applicable) of all the Acquisition Conditions, completion of the sale and purchase of the Sale Shares as well as the assignment of the Sale Loan shall take place within five Business Days following the satisfaction (or waiver, as applicable) of all the Acquisition Conditions, or such other date as may be agreed by ITC Strategic Holding and Profit Tycoon in writing (i.e. the Acquisition Completion Date), whereupon, *inter alia*, ITC Strategic Holding shall deliver or cause to deliver to Profit Tycoon (i) the Notes Instrument duly executed by the Company as the issuer for the issue of the Consideration Note to Profit Tycoon (or its nominee); (ii) the Disposal Agreement, together with any documents incidental thereto, duly executed by ITC Property Management for the transfer of all the two ITC Finance Shares as well as the assignment of the ITC Finance Sale Loan.

Upon Acquisition Completion, PYI Investment will be held by Profit Tycoon as to 80% and ITC Strategic Holding as to 20%, whereupon ITC Strategic Holding and Profit Tycoon as PYI Investment Shareholders, will enter into the Shareholders' Agreement with PYI Investment to govern and regulate the rights and obligations of the PYI Investment Shareholders. A summary of the principal terms of the Shareholders' Agreement is set out in the section headed "The Shareholders' Agreement" below.

Profit Tycoon agrees and undertakes to ITC Strategic Holding that, following Acquisition Completion and for a period of six months thereafter (the "**Exclusivity Period**"), ITC Strategic Holding (or its nominee) will have the right of first refusal to acquire the remaining equity interests in PYI Investment held by Profit Tycoon. During the Exclusivity Period, if Profit Tycoon intends to dispose of any PYI Investment shares, it shall first transfer such shares and, together assign the relevant shareholder's loan, to ITC Strategic Holding (or its nominee) at an average price per share calculated with reference to the Acquisition Consideration.

ISSUE OF THE CONSIDERATION NOTE

Pursuant to the terms of the Acquisition Agreement and subject to fulfilment (or waiver, as applicable) of all the Acquisition Conditions, the Company shall, on the Acquisition Completion Date, issue a one-year floating coupon note in the aggregate principal amount of HK\$170,000,000 as the Consideration Note to Profit Tycoon (or its nominee) by way of execution of the Notes Instrument.

Principal terms and conditions of the Consideration Note as contained in the Notes Instrument are summarised below:

THE NOTES INSTRUMENT

Issuer	:	The Company
Noteholder	:	Profit Tycoon (or its nominee) (the " Noteholder ")
Principal amount	:	HK\$170,000,000
Maturity Date	:	The expiry date of one calendar year (the " Initial Term ") from the date of issue of the Consideration Note (the " Issue Date "), subject to an extension of such term for a further period of one calendar year (the " Further Term ") from the last day of the Initial Term, provided that the Company may, by giving written notice to the Noteholder one month prior to the expiry of the Initial Term, request an extension of the term of the Consideration Note and the Noteholder shall, within fourteen days after receipt of such written notice, notify the Company whether it agrees to the proposed extension (the " Maturity Date ")

Interest : Interest on the outstanding principal amount of the Consideration Note (the “**Interest**”) accrued during the Initial Term and/or the Further Term shall be payable by the Company to the Noteholder at an interest rate equivalent to the prime lending rate of Hong Kong dollars from time to time published by The Hong Kong and Shanghai Banking Corporation Limited (the “**Prime Rate**”) plus 2% per annum, in arrears on each and every subsequent (if applicable) anniversary of the Issue Date (the “**Interest Payment Date**”). For the avoidance of doubt, all the Interest accrued on the first anniversary of the Issue Date shall be payable by the Company to the Noteholder on the relevant Interest Payment Date notwithstanding the extension of the term of the Consideration Note for the Further Term.

Interest shall accrue daily and shall be calculated on a 365-day basis. Interest accrued for less than a year from the Issue Date shall be calculated on a pro rata basis.

Default Interest : Should the Company fail to pay any amount relating to the Consideration Note on the due date or the relevant Interest Payment Date (as the case may be) under the Notes Instrument, a default interest (“**Default Interest**”) shall accrue on such overdue amount (the “**Unpaid Amount**”) at a rate of the Prime Rate plus 8% per annum, calculated on the basis of the actual number of days elapsed and a 365-day year, from the due date or the relevant Interest Payment Date (as the case may be) until the date on which the Company pays the Unpaid Amount in full to the Noteholder in accordance with the Notes Instrument.

Transferability : During the term of the Consideration Note, the Noteholder may, at any time, transfer all or any of the Consideration Note to any third party who is independent of and not connected with the Company and its connected persons by giving a written notice to the Company. In the case that any intended transferee is found to be not an Independent Third Party, the Company shall be entitled to refuse to register such transfer.

- Repayment and Redemption** : The Company shall redeem from the Noteholder the Consideration Note on the Maturity Date at the redemption price equivalent to the outstanding principal amount of the Consideration Note, together with all accrued and unpaid interest and any other outstanding amounts accrued and payable under the Consideration Note, as at the Maturity Date.
- Early Redemption** : The Company shall have the right (but not an obligation) to redeem all or any part of the Consideration Note held by any Noteholder on any Business Day prior to the Maturity Date (the “**Early Redemption Date**”) at the redemption price equivalent to the sum of (i) the outstanding principal amount of the Consideration Note, and (ii) all accrued and unpaid interest, and any other outstanding amounts accrued and payable under the Consideration Note (the “**Early Redemption Price**”), as at the Early Redemption Date.
- Event of default** : The following event constitutes an event of default under the Notes Instrument (“**Event of Default**”), which include, among others: (i) the Issuer fails to pay any outstanding principal amount on the due date; (ii) the Issuer fails to pay any outstanding interest accrued on the due date; (iii) the Issuer fails to perform or comply with any other terms and conditions under the Notes Instrument; (iv) any representation or warranty made or repeated by the Issuer in the Notes Instrument is untrue or misleading in any material respect at the time it was made or repeated; (v) cross-default on certain financial debts of the Issuer and/or its subsidiaries; (vi) a winding-up, bankruptcy, or dissolution order is issued against the Issuer or any of its subsidiaries by any competent court, and such order is not overturned or revoked within ten Business Days; (vii) any expropriation, seizure, closure, enforcement or similar measures affecting any assets of the Issuer or any of its subsidiaries is carried out and not lifted within 14 days; (viii) any litigation, arbitration, or investigation that may materially and adversely affect the Issuer’s ability to perform its obligations is initiated or threatened without any remedial action taken; (ix) any regulatory action that has a Material Adverse Effect on the value of the significant pledged assets; and (x) the Issuer is no longer listed on the Stock Exchange, etc..

Default Redemption : At any time following the occurrence of an Event of Default, the Noteholder may (but is not obliged) give the Issuer a written notice specifying the Event of Default and declaring the outstanding principal amount of the Consideration Note immediately due and payable. Upon service of the aforesaid notice, all the outstanding principal amount of the Consideration Note shall immediately become due and payable at the Early Redemption Price (including the Default Interest).

The Interest and the Default Interest were determined by the Company and Profit Tycoon after arm's length negotiations on normal commercial terms with reference to, among other things, prevailing market condition and market interest rate of an unsecured note issued by a listed issuer for a comparable term. The Board considers that the terms of the Consideration Note (including the Interest and the Default Interest) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE DISPOSAL

Pursuant to the terms of the Acquisition Agreement and subject to fulfilment (or waiver, as applicable) of all the Acquisition Conditions, ITC Strategic Holding shall, on the Acquisition Completion Date, cause ITC Property Management, a wholly-owned subsidiary of the Company, to transfer all the two ITC Finance Shares as well as the assignment of the ITC Finance Sale Loan to Profit Tycoon (or its nominee).

The Board is pleased to announce that on 2 July 2026 (after trading hours), ITC Property Management and Finest Edge (a nominee of Profit Tycoon) entered into the Disposal Agreement, pursuant to which (a) ITC Property Management as vendor has conditionally agreed to sell, and Finest Edge as purchaser has conditionally agreed to acquire all the two ITC Finance Shares held by ITC Property Management (representing the entire issued share capital of ITC Finance); and (b) ITC Property Management has conditionally agreed to assign, and Finest Edge has conditionally agreed to take up the assignment of the ITC Finance Sale Loan, at the total Disposal Consideration amounting to HK\$114,130,000.

Principal terms and conditions of the Disposal Agreement are set out below:

THE DISPOSAL AGREEMENT

Date: 2 July 2026 (after trading hours)

Parties: (i) ITC Property Management as vendor; and
(ii) Finest Edge as purchaser

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Finest Edge and its ultimate beneficial owner are Independent Third Parties.

Pursuant to the terms of the Disposal Agreement, (a) ITC Property Management, a wholly-owned subsidiary of the Company, as vendor has conditionally agreed to sell, and Finest Edge (a nominee of Profit Tycoon) as purchaser has conditionally agreed to acquire all the two ITC Finance Shares in issue held by ITC Property Management; and (b) ITC Property Management has conditionally agreed to assign, and Finest Edge has conditionally agreed to take up the assignment of the ITC Finance Sale Loan, at the total Disposal Consideration amounting to HK\$114,130,000.

Assets to be disposed of

The two ITC Finance Shares held by ITC Property Management, being the assets to be disposed of by ITC Property Management under the Disposal Agreement, represent the entire issued share capital of ITC Finance as at the date of this announcement, which will be sold free and clear of all Encumbrances. The ITC Finance Sale Loan (approximately HK\$447,403,960 as at the date of this announcement), representing 100% of all amounts, including principal and interest, owing by ITC Finance to ITC Property Management as at the Disposal Completion Date, will be sold free and clear of all Encumbrances.

Disposal Consideration

The total Disposal Consideration for the transfer of all the two ITC Finance Shares held by ITC Property Management as well as the assignment of the ITC Finance Sale Loan from ITC Property Management to Finest Edge shall be HK\$114,130,000, of which the consideration payable by Finest Edge to ITC Property Management for the transfer of the ITC Finance Shares shall be HK\$2, while the consideration payable by Finest Edge to ITC Property Management for the assignment of the ITC Finance Sale Loan shall be an amount equivalent to the total Disposal Consideration less the consideration for the transfer of all the two ITC Finance Shares.

Subject to the terms and conditions of the Disposal Agreement, on the Disposal Completion Date, the Disposal Consideration shall be set off against and applied towards the settlement of part of the Acquisition Consideration of HK\$114,130,000 on a dollar-for-dollar basis.

The Disposal Consideration was determined by the parties thereto after arm's length negotiations on normal commercial terms taking into account, among other things, the internal valuation of ITC Finance of HK\$114,130,000 as at 31 May 2026 using the asset approach, which is based on the consolidated net assets value of ITC Finance Group (excluding the ITC Finance Sale Loan). The Board considers that the Disposal Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Disposal Condition

Disposal Completion is subject to and conditional upon Acquisition Completion having taken place simultaneously.

If the Disposal Condition (which is not waivable by any party to the Disposal Agreement) is not fulfilled on or before the Long Stop Date, save for certain provisions pertaining to, among others, confidentiality, costs and expenses, notices, governing law and general matters which shall remain in full force and effect, the Disposal Agreement and any matters contained therein, as well as the rights and obligations of the parties thereunder, shall be deemed to be null and void, without prejudice to a party's liability to the other party for any antecedent breach of the Disposal Agreement.

Disposal Completion

Subject to the fulfilment of the Disposal Condition, completion of the sale and purchase of the ITC Finance Shares as well as the assignment of the ITC Finance Sale Loan shall take place on the Disposal Completion Date.

Financial effects of the Disposal

Upon Disposal Completion, ITC Finance will cease to be a subsidiary of the Company, and the financial results of ITC Finance will no longer be consolidated in the consolidated financial statements of the Company.

Based on the unaudited management accounts of ITC Finance as at 31 May 2026, the Group expects that the unaudited loss from the Disposal is minimal. 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.

As all the two ITC Finance Shares held by ITC Property Management as well as the ITC Finance Sale Loan are to be disposed of or assigned to the nominee of Profit Tycoon (i.e. Finest Edge) at the Disposal Consideration which shall be set off against and applied towards partial settlement of the Acquisition Consideration in accordance with the Acquisition Agreement, no actual proceeds from the Disposal is to be received by the Group. Accordingly, there will be no intended application of any proceeds from the Disposal.

THE SHAREHOLDERS' AGREEMENT

Principal terms of the Shareholders' Agreement are summarised below:

Capital and financing

PYI Investment may raise fund first by way of external financing, including bank loans or loans from other financial institutions. If the funds raised through external financing remain insufficient, PYI Investment may obtain additional funding by way of shareholders' loans or through the subscription of shares.

For any financing for the purpose of acquiring assets or property, PYI Investment shall obtain unanimous approval of all the PYI Investment Shareholders.

Unless otherwise agreed by the PYI Investment Shareholders, where any PYI Investment Shareholder (and/or its holding company) is required to provide any guarantee in respect of any financing of PYI Investment, such guarantee shall be given by the PYI Investment Shareholders (and/or their respective holding companies) in proportion to their respective shareholdings in PYI Investment (the “**Relevant Proportion**”), and the maximum liability of each PYI Investment Shareholder (and/or its holding company) under such guarantee shall not exceed its Relevant Proportion (on a several but not joint basis).

Management

The PYI Investment Board shall be responsible for supervising all operations and decision-making of PYI Investment in accordance with the terms of the Shareholders' Agreement and its articles of association. The appointment, removal and replacement of chief financial officer and any senior management of PYI Investment (other than PYI Investment Directors) shall be approved by all the PYI Investment Directors present at a meeting of the PYI Investment Board.

Business

The PYI Investment Group shall only engage in the business as determined and agreed by all the PYI Investment Shareholders from time to time and as supplemented or amended from time to time, which initially includes (i) the continuation of its existing businesses, comprising property development, sales and leasing (including but not limited to residential projects and hot spring hotels), cultural tourism investment, consultancy and operation, leisure services, agricultural services, landscape management services, and the development, construction and operation of infrastructure such as tidal flat reclamation, public port terminals and municipal roads; and (ii) expanding into new businesses (“**New Business**”) by, on the land parcels owned by the Jiangsu Yangtong Group, leveraging geothermal and green power resources to develop an integrated geothermal power generation and cooling artificial intelligent computing center, provide integrated closed loop green energy solutions, establish a coordinated “geothermal + computing power” development model, and create a zero carbon “green computing power” benchmark demonstration base (collectively, the “**Business Plan**”).

The PYI Investment Shareholders shall use their best efforts to procure the implementation of the Business Plan and give priority to utilising the land parcels held by the PYI Investment Group to tap into the New Business and to ensure that no less than 2,000,000 sq.m. of land parcels held by the PYI Investment Group will be utilised for the construction of artificial intelligent computing center and the development of the New Business (the “**Reserved Land Area**”).

Any proposed business to be developed or carried on by the PYI Investment Group that deviates from the Business Plan, or may result in a change to the Business Plan shall only be undertaken with the prior unanimous approval of all the PYI Investment Shareholders. Any change to the Reserved Land Area also requires prior unanimous approval of all the PYI Investment Shareholders.

Dividends

Subject to applicable law, the total amount of dividends to be payable on the PYI Investment Shares in any financial year shall be determined by all the PYI Investment Directors, having regard to the financial position of PYI Investment and its current and anticipated cash requirements. The PYI Investment Board may declare and pay interim dividends and propose the payment of a final dividend at the end of the financial year.

Directors and board meetings

Unless otherwise agreed by the PYI Investment Shareholders, the PYI Investment Board shall consist of three PYI Investment Directors.

Profit Tycoon has the right to nominate, appoint and replace two PYI Investment Directors and the chairman of the PYI Investment Board.

ITC Strategic Holding has the right to nominate, appoint and replace one PYI Investment Director.

The quorum for meetings of the PYI Investment Board shall be two PYI Investment Directors, one of which shall be the PYI Investment Director nominated by ITC Strategic Holding.

Save for certain matters requiring approval by all the PYI Investment Directors, resolutions of the PYI Investment Board shall be passed by a simple majority of attending PYI Investment Directors.

Matters requiring unanimous approval of the PYI Investment Shareholders

Each PYI Investment Shareholder shall be entitled to exercise voting rights at the general meetings of PYI Investment in proportion to their respective Relevant Proportion.

Save for the following specific matters which require unanimous approval of all the PYI Investment Shareholders, all the resolutions proposed at the general meetings of PYI Investment shall be passed by a majority of the voting rights held by the PYI Investment Shareholders. Such specific matters include but are not limited to (i) issue, allotment or repurchase of any shares of any member of the PYI Investment Group (“**PYI Group Company**”), (ii) undertaking any matter that may alter, adjust or modify the rights, obligations or liabilities of shareholders of any PYI Group Company, diluting their shareholding, (iii) approving equity financing plans involving issue of shares of any PYI Group Company, (iv) increase or reduction in the share capital of any PYI Group Company, (v) redemption of any shares of any PYI Group Company, (vi) amendment of articles of association of any PYI Group Company, (vii) commencement of any winding-up, dissolution or liquidation proceedings in respect of any PYI Group Company, (viii) merger, reorganization, dissolution or change of corporate form of any PYI Group Company, (ix) engaging in any related-party transactions for an amount not less than HK\$1,000,000 by PYI Investment, (x) external borrowing, provision of guarantees, pledging of assets and equity for an amount not less than HK\$1,000,000 by PYI Investment, (xi) approving the annual budget and operating plan of PYI Investment, (xii) appointment and dismissal of auditors and legal counsel of PYI Investment, (xiii) approval of financial statements and audit reports, and management accounts of PYI Investment, (xiv) incurring single or cumulative annual expenditure of not less than HK\$1,000,000 for a particular project of PYI Investment, (xv) entering into material agreements with government platforms, state-owned enterprises, or other government-related enterprises or agencies by PYI Investment and (xvi) any matter, transaction or arrangement which may trigger a disclosure obligation on the part of the Company under the Listing Rules and (xvii) selection and supervision policy of suppliers; and their transactions of or with PYI Investment involving amount of not less than HK\$1,000,000.

Transfer restrictions

Unless with the prior written consent of all other PYI Investment Shareholders or save that the PYI Investment Shares are to be transferred to a wholly-owned subsidiary or the holding company of a PYI Investment Shareholder, no PYI Investment Shareholder shall sell, transfer, charge or otherwise dispose of to any third party any PYI Investment Shares held by it.

A transferring PYI Investment Shareholder (the “**Proposed Transferring Shareholder**”) shall first give a transfer notice (the “**Transfer Notice**”) to PYI Investment, after which PYI Investment will offer to sell the PYI Investment Shares held by the Proposed Transferring Shareholders to the other PYI Investment Shareholders at a proposed price (which shall be not less than the fair value of the PYI Investment Shares) determined by the Proposed Transferring Shareholder and the PYI Investment Board, or separately by the auditor as fair value (the “**Proposed Price**”). The other PYI Investment Shareholders may acquire the offered shares in proportion to their shareholding in the total number of issued PYI Investment Shares (excluding the number of PYI Investment Shares held by the Proposed Transferring Shareholder) within a specified acceptance period. If the PYI Investment Shares are not fully taken up, the Proposed Transferring Shareholder may transfer the relevant PYI Investment Shares to a third party within three months from the date of the Transfer Notice at a price not less than the Proposed Price. The transferee shall execute a deed of adherence confirming that it will be bound by the Shareholders’ Agreement as a shareholder.

No PYI Investment Shareholder shall circumvent or evade the above transfer restriction by transferring any indirect beneficial interest in the relevant PYI Investment Shares through the disposal of shares in a holding company holding such PYI Investment Shares directly or indirectly.

Right of first refusal and tag-along right

If the Proposed Transferring Shareholder, after going through the internal offer process under the above transfer restriction but completion does not take place, intends to transfer all or part of its PYI Investment Shares to another third party (the “**Proposed Purchaser**”), the Proposed Transferring Shareholder shall reasonably procure the Proposed Purchaser to issue a written notice (the “**Tag-along Notice**”) to the other PYI Investment Shareholder(s) to offer to acquire all the PYI Investment Shares held by the other PYI Investment Shareholder(s), and the other PYI Investment Shareholder(s) shall have the tag-along rights to sell their PYI Investment Shares on the same terms and at the same price offered by the Proposed Purchaser to the Proposed Transferring Shareholder. If none of the other PYI Investment Shareholder exercises its tag-along right within 15 Business Days after the receipt of the Tag-along Notice, the Proposed Transferring Shareholder may sell all or any part of such PYI Investment Shares to the Proposed Purchaser.

Termination

The Shareholders’ Agreement shall remain in full force and effect unless being terminated in accordance with its terms.

If (a) a PYI Investment Shareholder (the “**Defaulting Shareholder**”) commits any material breach of its obligations under the Shareholders’ Agreement and such breach is continuing and is not remedied within 30 days after a non-defaulting PYI Investment Shareholder (the “**Non-defaulting Shareholder**”) has given a notice to the Defaulting Shareholder requiring it to do so; or (b) a receiver, administrator or manager is appointed in respect of the other party or in respect of its assets; or (c) a winding-up order is adjudicated against the other party by a court of competent jurisdiction; or (d) the other party commits any act of fraud, gross negligence or wilful misconduct, the Non-defaulting Shareholder shall be entitled to terminate the Shareholders’ Agreement by serving a notice of termination (the “**Termination Notice**”) to all other PYI Investment Shareholders.

The Shareholders’ Agreement shall also terminate if PYI Investment becomes a public company listed on a recognised stock exchange, or if a valid resolution is passed to wind up PYI Investment, or if a liquidator is appointed in respect of PYI Investment and its assets, or there is only one remaining PYI Investment Shareholder.

Following a Termination Notice being served by the Non-defaulting Shareholder (the “**Terminating Shareholder**”) to the other PYI Investment Shareholder(s), the Terminating Shareholder may (a) purchase all (and not part) of the PYI Investment Shares held by the Defaulting Shareholder or (b) sell all (and not part) of the PYI Investment Shares held by it to the Defaulting Shareholder at a fair value as agreed upon the parties to the sale or determined by the auditor of PYI Investment. If the aforesaid mechanism is not completed within 45 days following the issue of the Termination Notice, the parties to the Shareholders’ Agreement shall ensure PYI Investment be wound up immediately.

INFORMATION ON PROFIT TYCOON AND FINEST EDGE

Profit Tycoon is a company incorporated in the BVI with limited liability, and is principally engaged in investment holding. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, (i) Profit Tycoon is indirectly owned as to 50% by Mr. Chan Chung On (陳仲安) (“**Mr. Chan**”) and 50% by Ms. Yang Yan (楊燕) (“**Ms. Yang**”) and (ii) each of Mr. Chan and Ms. Yang is a Hong Kong resident and a merchant.

Finest Edge is a company incorporated in the BVI with limited liability, and is principally engaged in investment holding. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Finest Edge is wholly owned by Mr. Chan.

INFORMATION ON THE GROUP, ITC PROPERTY MANAGEMENT, THE ITC FINANCE GROUP AND ITC STRATEGIC HOLDING

The Company is an investment holding company. The Group, together with joint ventures and associates, are principally engaged in development of, selling of and investment in properties in Macau, Hong Kong, the PRC and Canada; securities investments and provision of loan financing services. The Group carries out its loan financing services by its indirect wholly-owned subsidiary, namely, ITC Finance. ITC Strategic Holding, a company incorporated in the BVI with limited liability, is a wholly-owned subsidiary of the Company and is principally engaged in investment holding.

As at the date of this announcement, ITC Finance is wholly owned by ITC Property Management, a company incorporated in the BVI with limited liability, which is, in turn, wholly owned by the Company. ITC Property Management is principally engaged in investment holding.

ITC Finance is a company incorporated in Hong Kong with limited liability and is granted with a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) as at the date of this announcement. ITC Finance currently owns the entire issued share capital of Rank Ace Investment Limited (“**Rank Ace**”), a company incorporated in the BVI with limited liability. Save for Rank Ace, ITC Finance does not have any subsidiary or affiliated company as at the date of this announcement.

FINANCIAL INFORMATION ON ITC FINANCE

Set out below is extracted from the financial information of ITC Finance Group for the two years ended 31 March 2025 and 31 March 2026 and the two months ended 31 May 2026 prepared in accordance with Hong Kong Financial Reporting Standards and/or HKFRS Accounting Standards:

	Year ended 31 March 2025	Year ended 31 March 2026	For the two months ended 31 May 2026
	(Audited)	(Unaudited)	(Unaudited)
	(In HK\$)	(In HK\$)	(In HK\$)
Revenue	8,536,000	6,919,000	1,139,000
Profit (loss) before taxation	(55,258,000)	(24,319,000)	581,000
Profit (loss) after taxation	(55,258,000)	(24,319,000)	581,000

Based on the unaudited consolidated management accounts of the ITC Finance Group as at 31 May 2026, the unaudited consolidated net assets of the ITC Finance Group (excluding the shareholder’s loan owing by ITC Finance to ITC Property Management of approximately HK\$447,403,960) amounted to approximately HK\$114,130,000.

REASONS FOR AND BENEFITS OF THE ACQUISITION, ISSUE OF THE CONSIDERATION NOTE AND THE DISPOSAL

The Acquisition

The Directors consider that the Acquisition presents a valuable opportunity for the Group to acquire a strategic stake in a project with high-quality assets and significant development potential for the following reasons:

1. Core innovation model that conforms to national policies and strategies

Computing power development is a core national strategy and a key policy priority, serving as a fundamental pillar and practical policy instrument underpinning four national-level strategic focuses: the digital economy, new quality productive forces, artificial intelligence and new infrastructure. In support of these objectives, the state has promulgated a series of pivotal policy documents.

At present, computing power infrastructure construction has been incorporated into the national “Six Networks (六張網)” major infrastructure system. According to publicly available industry plans, cumulative investment in the national computing power network during the “15th Five Year Plan” period has exceeded RMB2 trillion, and total investment in computing power infrastructure is expected to surpass RMB400 billion by 2026. China has expressly promoted an integrated nationwide computing power network layout, with a focus on encouraging the development of computing-electricity collaboration and green, low carbon computing power. As a result, the computing power industry has become a core foundation underpinning the digital economy and new quality productive forces, and the industry is entering a period of elevated prosperity.

The core assets held by the PYI Investment Group are located in the core area of the Yangtze River Delta and benefit from contiguous large scale land reserves and diversified clean energy facilities. Accordingly, it enjoys natural advantages for the deployment of high quality computing power infrastructure, and its development trajectory is highly aligned with the national computing power infrastructure strategy. Going forward, the PYI Investment Group is well positioned to capitalise on strong industry growth momentum and favourable policy support to unlock and continuously realise the long term strategic value of its core assets.

2. High-quality and large-scale land reserves with green energy resources, unleashing substantial development potential in artificial intelligent computing infrastructure

The core assets of the PYI Investment Group comprise approximately 11.0 million sq.m. of land reserves located on the northern wing of the Yangtze River Delta, about 120 km from Shanghai and within the Shanghai metropolitan economic circle. This location is adjacent to the core clusters of science and technology innovation industries in the Yangtze River Delta and leverages the region’s strong economic vitality and mature digital industry base to fully accommodate large-scale computing power deployment demand spanning over from Shanghai and other core surrounding cities. The relatively short physical transmission distance satisfies the core low-latency requirements for data interaction in artificial inference and real-time interactive applications, and enables efficient coverage of real-time computing power needs across the Yangtze River Delta, with full technical capacity to absorb high-end computing power demand overflow from core cities.

The land parcels owned by the Jiangsu Yangtong Group benefit from existing geothermal wells and are surrounded by large-scale, mature offshore wind, photovoltaic and LNG energy infrastructure as mentioned above. This diversified zero-carbon energy endowment can fully secure a continuous and stable power supply for high-load computing facilities, combining development flexibility with significant clean energy development potential and providing natural conditions for the rapid roll-out of a large-scale green artificial intelligence computing center cluster. In addition, as particularised above, the Jiangsu Yangtong Group, being the indirect non-wholly owned subsidiaries of PYI Investment, holds all necessary core licences and qualifications

and, underpinned by surrounding green energy advantages and supportive policy environment, enjoys substantial future growth potential and promising development prospects.

3. *Rare geothermal resources with benefits of long-term savings in energy costs:*

The land parcels owned by the Jiangsu Yangtong Group have access to over a large medium to high temperature geothermal field, which is rare in China's eastern coastal region. Meanwhile, integrated geothermal power generation and cooling technology is highly feasible in this area and can support a regional system that combines power generation and cooling. Especially, geothermal power generation is not affected by climate, time of day or seasonal fluctuations and can provide stable, round the clock power, effectively resolving the issues of poor power supply stability and high outage risk faced by traditional computing centers and significantly reducing operating energy costs. In addition, green power delivers substantial environmental and energy saving benefits.

If a computing center is to be constructed in the region, it will enjoy prominent low-carbon operational advantages, which aligns with the national "Dual Carbon" strategy and clean energy development agenda. Furthermore, benefiting from the region's policy driven support for green energy, it is expected to receive strong support from the government, thereby facilitating the smooth and efficient processing of all relevant regulatory approvals.

Issue of the Consideration Note

The issue of the Consideration Note to settle part of the Acquisition Consideration is a prudent and appropriate payment method adopted by the Group after taking into account, in a holistic manner, the transaction structure, cash flow management, capital allocation efficiency and overall financing costs. This arrangement enables the Group to retain immediate cash resources for general working capital, the development of its existing businesses and other potential investment opportunities while completing the Acquisition, thereby enhancing capital efficiency and financial flexibility. The terms and conditions of the Consideration Note (including the interest rate, term and repayment arrangements) were determined by ITC Strategic Holding and Profit Tycoon after arm's length negotiations, with reference to prevailing market interest rates for similar financing instruments and the Group's capital structure.

The Board believes that the settlement of part of the Acquisition Consideration by way of Consideration Note will assist the Group in optimising its cash allocation, controlling its overall financing costs and achieving a better balance among transaction execution, liquidity management and capital efficiency, and is therefore in the overall interests of the Group and the Shareholders as a whole.

The Disposal

The Disposal of ITC Finance forms part of the Group's ongoing strategy to rationalise its non core assets and streamline its overall business portfolio, as ITC Finance's loan financing operations are considered non core to the Group. As the Disposal will be applied as a partial settlement of the Acquisition Consideration, it will effectively enable the Group to reallocate capital from the loan financing sector into the property development sector, which is in line with the Group's latest strategic focus. The Board believes that the Disposal will facilitate the Group's strategic shift towards growth in its principal business plus new strategy and direction, without incurring additional cash outflow, thereby preserving liquidity for the Group's future development.

In view of the above, in particular, taking into account the long term strategic value and prospects of the core assets of the PYI Investment Group as mentioned in the section headed "Core assets of the PYI Investment Group and their competitive advantages" above, the Directors consider that the terms of the Acquisition Agreement (including the Acquisition Consideration), the Notes Instrument (including the Interest and the Default Interest), the Disposal Agreement (including the Disposal Consideration) and the Shareholders' Agreement as well as their respective transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Acquisition

As one or more of the applicable percentage ratios in respect of the Acquisition exceeds 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company, and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Disposal

As one or more of the applicable percentage ratios in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company, and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

Since Completion is subject to the fulfilment (or waiver, as applicable) of the Conditions, the Acquisition Agreement, the Disposal Agreement and the respective transactions contemplated thereunder (including but not limited to the Acquisition, the issue of the Consideration Note and the Disposal) may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by ITC Strategic Holding from Profit Tycoon pursuant to the Acquisition Agreement
“Acquisition Agreement”	the sale and purchase agreement dated 2 July 2026 entered into between ITC Strategic Holding as purchaser and Profit Tycoon as vendor in relation to the Acquisition
“Acquisition Completion”	completion of the Acquisition in accordance with the terms and conditions as set out in the Acquisition Agreement
“Acquisition Completion Date”	a Business Day falling within five Business Days following the satisfaction (or waiver, as applicable) of all the Acquisition Conditions, or such other date as may be agreed by ITC Strategic Holding and Profit Tycoon in writing, which shall lie on the same day as the Disposal Completion Date
“Acquisition Conditions”	conditions to Acquisition Completion under the Acquisition Agreement
“Acquisition Consideration”	the consideration payable by ITC Strategic Holding in respect of the sale and purchase of the Sale Shares as well as the assignment of the Sale Loan pursuant to the Acquisition Agreement
“applicable percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors

“Business Day”	any day on which licensed banks in Hong Kong are open for business, excluding Saturdays, Sundays and public holidays, and any day on which a Tropical Cyclone Warning Signal No. 8 or above is hoisted or remains in force, or has not been cancelled by 12:00 noon, or any day on which a Black Rainstorm Warning Signal is hoisted or remains in force, or has not been cancelled by 12:00 noon, during the period from 09:00 to 12:00 noon
“BVI”	British Virgin Islands
“Company”	ITC Properties Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 199)
“Completion”	collectively, Acquisition Completion and Disposal Completion
“Conditions”	collectively, the Acquisition Conditions and the Disposal Condition
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration Note”	one-year floating coupon note in the aggregate principal amount of HK\$170,000,000 to be issued by the Company to Profit Tycoon (or its nominee) upon Acquisition Completion pursuant to the Acquisition Agreement, principal terms and conditions of which are set out in the Notes Instrument, which serves as partial settlement of the Acquisition Consideration in accordance with the Acquisition Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the two ITC Finance Shares held by ITC Property Management to Finest Edge, being a nominee of Profit Tycoon, pursuant to the Disposal Agreement, which serves as a partial settlement of the Acquisition Consideration in accordance with the Acquisition Agreement
“Disposal Agreement”	the sale and purchase agreement dated 2 July 2026 entered into between ITC Property Management as vendor and Finest Edge as purchaser in relation to the Disposal

“Disposal Condition”	condition to Disposal Completion under the Disposal Agreement
“Disposal Consideration”	the consideration payable by Finest Edge to ITC Property Management in respect of the Disposal pursuant to the Disposal Agreement
“Disposal Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Disposal Completion Date”	a Business Day falling within five Business Days following the satisfaction of the Disposal Condition, or such other date as may be agreed by the parties thereto in writing, which shall lie on the same day as the Acquisition Completion Date
“Encumbrance”	any mortgage, charge, pledge, lien, option, restriction, right of first refusal, third-party right or interest, any other encumbrance or security interest of any kind, or any other agreement or arrangement having a similar effect
“Finest Edge”	Finest Edge Limited, a company incorporated in the BVI with limited liability, being a nominee of Profit Tycoon to be the purchaser to the Disposal Agreement
“Glory Well Development”	Glory Well Investment and Development Limited (創華投資開發有限公司), a wholly-owned subsidiary of PYI Investment as at the date of this announcement
“Group”	collectively, the Company and its subsidiaries
“GW”	gigawatt
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“ITC Finance”	ITC Properties Finance Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company as at the date of this announcement, which is granted with a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)

“ITC Finance Group”	collectively, ITC Finance and its subsidiary, namely Rank Ace
“ITC Finance Sale Loan”	all amounts, including principal and interest, owing by ITC Finance to ITC Property Management as at the Disposal Completion Date, being the subject sale loan to be assigned under the Disposal Agreement
“ITC Finance Shares”	ordinary shares in the share capital of ITC Finance, being the subject sale shares to be disposed of under the Disposal Agreement
“ITC Property Management”	ITC Properties Management Group Limited, a company incorporated in the BVI with limited liability, and a wholly-owned subsidiary of the Company, which holds all the issued ITC Finance Shares as at the date of this announcement
“ITC Strategic Holding”	ITC Strategic Holding Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“J”	Joules
“Jiangsu Yangtong”	Jiangsu Yangtong Investment and Development Co., Ltd.* (江蘇洋通開發投資有限公司), an indirect non-wholly owned subsidiary of PYI Investment
“Jiangsu Yangtong Group”	collectively, Jiangsu Yangtong and its subsidiaries
“km”	kilometer
“kW”	kilowatts
“L”	litre
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 September 2026 (or such other date the relevant parties to the Acquisition Agreement or the Disposal Agreement may agree in writing)
“m”	meter
“m ³ ”	cubic meter

“Macau”	the Macau Special Administrative Region of the PRC
“Material Adverse Change” or “Material Adverse Effect”	any material adverse change or impact on the Group’s major business, property, asset or financial condition
“mg”	milligram
“mu”	a unit of area as commonly adopted by the PRC in Chinese as “畝”, where 1 mu is equivalent to 0.1647 acre
“MW”	megawatt
“Notes Instrument”	an instrument setting out the terms and conditions of the Consideration Note, together with the certificate of the Consideration Note certificate attaching thereto, to be executed by the Company upon Acquisition Completion
“PRC”	the People’s Republic of China which shall, for the purpose of this announcement, exclude Hong Kong, Macau and Taiwan
“Profit Tycoon”	Profit Tycoon Holdings Limited, a company incorporated in the BVI with limited liability, being the vendor to the Acquisition Agreement
“PYI Investment”	PYI Investment Holdings Limited, a company incorporated in the BVI with limited liability, which is wholly owned by Profit Tycoon as at the date of this announcement
“PYI Investment Board”	board of directors of PYI Investment
“PYI Investment Director(s)”	director(s) of PYI Investment
“PYI Investment Group”	collectively, PYI Investment and its subsidiaries
“PYI Investment Share(s)”	ordinary share(s) in the share capital of PYI Investment, being the subject shares to be acquired by ITC Strategic Holding under the Acquisition Agreement
“PYI Investment Shareholder(s)”	holder(s) of PYI Investment Share(s)
“RMB”	Renminbi, the lawful currency of the PRC

“Sale Loan”	20% of all amounts, including principal and interest, owing by PYI Investment to Profit Tycoon as at the Acquisition Completion Date
“Sale Shares”	20 issued PYI Investment Shares held by Profit Tycoon, representing 20% of the entire issued share capital of PYI Investment as at the date of this announcement, to be transferred from Profit Tycoon to ITC Strategic Holding pursuant to the Acquisition Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into between ITC Strategic Holding and Profit Tycoon as PYI Investment Shareholders with PYI Investment upon Acquisition Completion in accordance with the Acquisition Agreement
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent
“°C”	degree celsius

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

Hong Kong, 2 July 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.