德祥地產集團有限公司*

ITC PROPERTIES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 199)

VOLUNTARY ANNOUNCEMENT ENTERING INTO A STRATEGIC COOPERATION MEMORANDUM WITH JIANGSU NANTONG RUDONG GOVERNMENT IN REGARDS TO 1-GIGAWATT GREEN-ENERGY ARTIFICIAL INTELLIGENCE COMPUTING CENTER AT YANGKOU PORT AREA

This announcement is made by ITC Properties Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") on a voluntary basis for the purpose of providing the shareholders of the Company (the "**Shareholders**") and its potential investors with information on the latest business development of the Group.

STRATEGIC COOPERATION MEMORANDUM

Reference is made to the announcement of the Company dated 2 July 2026 in relation to the conditional acquisition by a wholly-owned subsidiary of the Company of a 20% equity interests in PYI Investment Holdings Limited ("**PYI Investment**") and the acceptance of the assignment of the related loan. The core assets of PYI Investment and its subsidiaries (collectively, the "**PYI Investment Group**") include various parcels of land located in the Xiaoyangkou area of Yangkou Town, Rudong County, Nantong City, Jiangsu Province, and the relevant business plan includes the development of an artificial intelligence computing center by leveraging the relevant land and local green energy resources.

As a further extension of the Group's business presence in the region, the board (the "**Board**") of directors ("**Director(s)**") of the Company is pleased to announce that, on 21 July 2026, the Company entered into the Memorandum of Cooperation on Investment in and Construction of the Yangkou Port Green Artificial Intelligence Computing Center (洋口港綠色智算中心投資與建設合作備忘錄) (the "**Strategic Cooperation Memorandum**") with Jiangsu Rudong Yangkou Port Economic Development Zone Management Committee (江蘇如東洋口港經濟開發區管理委員會) (the "**Management Committee**").

* *For identification purposes only*

Pursuant to the Strategic Cooperation Memorandum, the parties intend to leverage the locational advantages of the Yangkou Port Economic Development Zone in port resources, energy infrastructure, industrial development potential and green and low-carbon development conditions to carry out strategic cooperation in relation to the investment in and construction of green artificial intelligence computing infrastructure, a computing power resources operation platform and related supporting industries, in the region.

THE COOPERATION PROJECT

Pursuant to the Strategic Cooperation Memorandum, the parties intend to plan, invest in, construct and operate a green artificial intelligence computing infrastructure project within the Yangkou Port Economic Development Zone or other relevant areas as coordinated by the Management Committee (the "**Cooperation Project**").

The preliminary plans for the Cooperation Project include the following:

1. **Overall scale**

   The Cooperation Project is preliminarily planned to have a total IT load of approximately 1 GigaWatt (GW) and is intended to be developed in phases over a period of approximately five years in accordance with the principles of "overall planning, phased implementation, rolling commissioning and market-based operation".

2. **First-phase project**

   The first-phase project is preliminarily planned to comprise an approximately 200MW green artificial intelligence computing center and related ancillary facilities. It is expected that the IT load of the first-phase project may cater for approximately 1,667 high-density computing cabinets of 120kW each or approximately 10,000 standard computing cabinets of 20kW each.

   The actual number of cabinets, power capacity per cabinet, equipment configuration, computing power scale and technical solutions will be determined and finalised depending on, among others, subsequent planning and design, equipment selection and approvals from the relevant competent authorities, and will gradually emerge to attain IT load of approximately 1GW.

3. **Key service scope**

   The Cooperation Project is intended to focus on serving the needs of training and inference for large artificial intelligence models, enterprise-grade high-performance computing, cloud computing, data processing, computing power scheduling, overseas expansion of computing power services, intelligent manufacturing, scientific research and innovation, and industry demand in other related digital industries.

4. Computing power resources operation platform

Pursuant to the Strategic Cooperation Memorandum, the parties intend to concurrently study the feasibility of development of a platform for the operation of computing power resources, management of computing power products, customer services, settlement management and industrial ecosystem collaboration for the computing clusters of the Cooperation Project. The Strategic Cooperation Memorandum refers to such proposed platform as the "Token Operations Center".

As at the date of this announcement, the specific business model, technical architecture, settlement mechanism and compliance arrangements of the proposed platform have not been determined yet. The Strategic Cooperation Memorandum does not constitute any plan or commitment to issue, trade in or operate virtual assets, tokens or other regulated financial products. Should any related business as contemplated under the Strategic Cooperation Memorandum involve regulated activities in the future, the Group will conduct such business only after obtaining all applicable approvals, permits and licences and in compliance with the applicable laws, rules and regulatory requirements of the relevant jurisdictions.

GREEN ENERGY AND LOW-CARBON SUPPORTING ARRANGEMENTS

Pursuant to the Strategic Cooperation Memorandum, the parties intend to study the feasibility of establishment of an energy supply system comprising offshore wind power, photovoltaic power, energy storage, green electricity trading, direct green power connection, integrated source-grid-load-storage systems and other green energy solutions, taking into account the energy resource conditions of Yangkou Port and its surrounding areas (the "**Green Energy Supporting Arrangements**").

The preliminary objectives of the Green Energy Supporting Arrangements include the following:

(a) to support the implementation of the Cooperation Project and increase its proportion of green energy through computing power-electricity coordination and direct green power connection, where the Management Committee intends to coordinate with the relevant parties in relation to supporting wind power capacity (onshore or offshore) of more than 1GW;

(b) to promote the use of green electricity by the Cooperation Project at a proportion of, in principle, not less than 80%, and to continuously increase such proportion having regard to energy resource allocation, green electricity trading conditions and relevant approval requirements;

(c) to study the feasibility of the integrated utilisation of cold energy resources available from the Yangkou Port liquefied natural gas receiving terminal and related energy infrastructure in the cooling systems of the computing center;

(d) to explore ancillary facilities for cold energy transmission, heat exchange, cooling and integrated energy stations;

(e) to study arrangements for offshore wind power, photovoltaic power, energy storage, smart microgrids and integrated source-grid-load-storage systems; and

(f) to reduce the cooling energy consumption and power usage effectiveness (PUE) of the Cooperation Project through the adoption of energy-efficient construction and operation solutions.

All of the above Green Energy Supporting Arrangements are preliminary plans and are subject to energy supply conditions, technical feasibility, commercial viability and approvals from the competent authorities.

PRINCIPAL ROLES OF THE PARTIES

Pursuant to the Strategic Cooperation Memorandum, the Management Committee intends to accord attention and support to the Cooperation Project as an important cooperation project in the development of the digital economy, artificial intelligence infrastructure, green and low-carbon industries and the zero-carbon data park in the Yangkou Port Economic Development Zone. Subject to applicable laws and regulations and within the scope of its authority, the Management Committee also intends to take into account the industrial planning, energy resources, zero-carbon data park layout, liquefied natural gas cold energy resources, offshore wind power resources, photovoltaic resources, energy storage resources, power grid connection conditions, available land and ancillary infrastructure conditions of Yangkou Port, and coordinate with the relevant competent authorities, local governments, industrial park platforms, energy enterprises, power suppliers, financial institutions and industrial resources to provide overall coordination and support in relation to the site selection, approvals, land use, energy development, power grid connection, utilisation of liquefied natural gas cold energy, green electricity trading, ancillary infrastructure, introduction of industries and construction of the Cooperation Project.

The Group intends to leverage its advantages as a listed company platform and its resources in industrial investment, capital markets, project management and cooperation within the computing power industry, and to be responsible for, or coordinate, the planning and design, investment and construction, technical solutions, equipment procurement, financing arrangements, customer introduction, deployment of computing equipment, network access, operation and maintenance management and commercial operation of the Cooperation Project, and to promote the participation in the Cooperation Project of partners including suppliers of computing equipment, cloud service providers, artificial intelligence enterprises, computing power scheduling platforms, network service providers, data center operation and maintenance service providers, scientific research institutions, industry funds and financial institutions.

IMPLEMENTATION MECHANISM

The Cooperation Project remains at the preliminary planning and feasibility study stage. Pursuant to the Strategic Cooperation Memorandum, the parties intend to prioritise the following work:

(i) conducting preliminary project site selection, assessment of construction conditions and formulating feasibility studies report;

(ii) determining the construction scale, land requirements, power capacity requirements, investment estimates and construction periods for the overall 1GW project (with the first-phase project of approximately 200MW);

(iii) conducting studies on the utilisation of liquefied natural gas cold energy, offshore wind power, allocation of green electricity resources, energy storage systems and integrated source-grid-load-storage solutions on Yangkou Port;

(iv) promoting engagement with potential customers, computing power off-takers, equipment suppliers, technical service providers, financial institutions and industry partners;

(v) exploring the possibility of the execution of definitive investment agreements, project cooperation agreements, energy ancillary agreements and other necessary agreements according to the maturity of the Cooperation Project; and

(vi) advancing the establishment of the project company and the necessary project window guidance, filing, energy conservation review, environmental impact assessment, land, planning, construction, power grid connection, fire safety, communications network and other approvals or permits.

The construction and operation of the Cooperation Project may be implemented only after all applicable government approvals, permits and filings, energy supply arrangements, land use rights, financing and customer cooperation arrangements have been obtained or put in place.

VALIDITY AND BINDING EFFECT OF THE STRATEGIC COOPERATION MEMORANDUM

The Strategic Cooperation Memorandum shall take effect upon the date of its signing and will remain valid for a period of 12 months thereafter subject to extension by the parties in writing.

The Strategic Cooperation Memorandum is a framework document for the cooperation between the parties and is intended to record their cooperation intentions, areas of cooperation, principal work items and implementation mechanisms.

Save and except for the provisions of the Strategic Cooperation Memorandum relating to, among others, confidentiality, allocation of costs, information disclosure and dispute resolution, which are legally binding, the Strategic Cooperation Memorandum is not legally binding.

REASONS FOR AND BENEFITS OF ENTERING INTO THE STRATEGIC COOPERATION MEMORANDUM

The Group is actively studying and expanding into artificial intelligence computing infrastructure, computing power technology services, operation of computing power resources and related digital infrastructure businesses.

Although the Cooperation Project is at a preliminary planning stage and the Board is currently unable to reliably estimate its specific impact on the Group's future revenue, profit, assets, liabilities and cash flows, the Board considers that the Yangkou Port Economic Development Zone, possessing various resource conditions, including port, land, electricity, offshore wind power, photovoltaic power, energy storage, liquefied natural gas cold energy and industrial supporting facilities, can lay a solid foundation and provide favorable conditions for the Cooperation Project. If implemented, the Cooperation Project is expected to assist the Group in:

(i) establishing a green artificial intelligence computing infrastructure platform with capacity for large-scale expansion;

(ii) facilitating the Group's gradual expansion from project investment into the construction of computing centers, operation of computing power resources, customer services and industrial ecosystem collaboration;

(iii) utilising green energy and cold energy resources to reduce the long-term energy costs of the computing center and enhance its operational competitiveness;

(iv) connecting with potential demand relating to artificial intelligence, cloud services, high-performance computing, scientific research and innovation and overseas expansion of computing power services; and

(v) further broadening the Group's revenue sources and enhancing its long-term development potential.

In view of the foregoing reasons and benefits, the Board considers that the entering into of the Strategic Cooperation Memorandum is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Strategic Cooperation Memorandum is only a framework document setting out the parties' intentions to cooperate and is, in principle, non-legally binding. It does not specify any definite investment amount, acquisition, equity proportion or other specific transaction terms to be undertaken by the Group. Accordingly, the entering into of the Strategic Cooperation Memorandum does not, of itself, constitute a notifiable transaction under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

If the Company or any of its subsidiaries subsequently enters into a legally binding definitive agreement in relation to the Cooperation Project, the Company will, having regard to the specific terms of the relevant definitive agreement, comply with the applicable announcement and/or Shareholders' approval requirements under the Listing Rules, as and where applicable.

The Company will make further announcement(s) in accordance with the Listing Rules when there is any material development in relation to the Cooperation Project and the transactions contemplated under the Strategic Cooperation Memorandum.

GENERAL

The Strategic Cooperation Memorandum may or may not lead to the entering into of any definitive agreement, and the whole or any part of the Cooperation Project remains subject to feasibility studies, planning and design, commercial negotiations and the obtaining of relevant government approvals, land, energy, financing, customer orders and other necessary conditions and may or may not be implemented or materialised. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 21 July 2026

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

Executive Directors:
Mr. Cheung Hon Kit *(Joint Chairman)*, Mr. He Xuechu *(Joint Chairman)*, Dr. Chan Kwok Keung, Charles *(Joint Vice Chairman)*, Mr. Chan Yiu Lun, Alan, Mr. Law Hon Wa, William *(Chief Financial Officer)*, Mr. Wu Yao, Mr. Cao Xinwei

Non-executive Director:
Ms. Chau Mei Wah

Independent Non-executive Directors:
Hon. Shek Lai Him, Abraham, GBS, JP *(Joint Vice Chairman)*, Mr. Ip Hon Wah, Mr. Pang, Anthony Ming-tung, Mr. Chan Chun Hung, Vincent

In case of any inconsistency, the English version of this announcement shall prevail over the Chinese version.