

28 May 2026

To: the Independent Board Committee and the Independent Shareholders

Dear Sirs,

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

I. INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the New Master Services Agreements (i.e. the New NWD Master Services Agreement and the New DOO Master Services Agreement) and the respective transactions contemplated thereunder (including the respective Annual Caps) (the “**Continuing Connected Transactions**”). Details of the New Master Services Agreements and the Continuing Connected Transactions are set out in the letter from the Board (the “**Board Letter**”) contained in the circular of the Company to the Shareholders dated 28 May 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless otherwise specified.

On 24 April 2026, the Company entered into (i) the New NWD Master Services Agreement with NWD in respect of the provision of the Operational Services by members of the Group to members of the NWD Group (the “**NWD Sales**”) and vice versa (the “**NWD Purchases**”) during the term of the New NWD Master Services Agreement; and (ii) the New DOO Master Services Agreement with Mr. Doo in respect of the provision of the Operational Services by members of the Group to members of the Services Group (the “**SG Sales**”) and vice versa (the “**SG Purchases**”) during the term of the New DOO Master Services Agreement.

CTF Enterprises together with its subsidiaries hold approximately 72.82% of the total issued share capital of the Company. CTF Enterprises is therefore a substantial shareholder of the Company and hence a connected person of the Company under the Listing Rules. CTF Enterprises together with its subsidiaries also hold approximately 45.24% of the total issued share capital of NWD. NWD is therefore considered to be a connected person of the Company. Mr. Doo is the father of Mr. William Junior Guilherme Doo, brother-in-law of Dr. Cheng Kar Shun, Henry and uncle of Mr. Cheng Chi Ming, Brian and Mr. Cheng Chi Leong, Christopher. Except for Mr. Doo, all of the aforesaid persons are Directors. Accordingly, Mr. Doo is a connected person of the Company under the Listing Rules. As

such, the New Master Services Agreements and the respective transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In compliance with the requirements of the Listing Rules, the New Master Services Agreements and the Continuing Connected Transactions are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

The Company will seek the Independent Shareholders' approval for the New Master Services Agreements and the Continuing Connected Transactions at the SGM. The voting at the SGM will be taken by poll. In accordance with the Listing Rules, any Shareholder and its associates with material interests in the New Master Services Agreements and the Continuing Connected Transactions must abstain from voting on the resolutions to approve the New Master Services Agreements and the Continuing Connected Transactions at the SGM. Accordingly, CTF Enterprises, Mr. Doo and their respective associates, as applicable, shall abstain from voting on the resolutions to approve the New Master Services Agreements and the Continuing Connected Transactions at the SGM. To the Directors' best knowledge, information and belief having made all reasonable enquiries, save as disclosed above, no other Shareholder is required to abstain from voting at the SGM.

The Independent Board Committee (comprising Mr. Shek Lai Him, Abraham, Mr. Lee Yiu Kwong, Alan, Mrs. Oei Wai Chi Grace Fung, Mr. Wong Kwai Huen, Albert, Professor Chan Ka Keung, Ceajer and Ms. Ng Yuen Ting, Yolanda, all of whom are independent non-executive Directors) has been formed and chaired by Mr. Lee Yiu Kwong, Alan to advise the Independent Shareholders as to (i) whether the terms of the New Master Services Agreements and the Continuing Connected Transactions (including the respective Annual Caps) are fair and reasonable; and (ii) whether the Continuing Connected Transactions are on normal commercial terms or better, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole, and to give recommendation to the Independent Shareholders in respect of the voting on the resolutions to be proposed at the SGM. We, Optima Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We are not associated or connected with the Company, NWD, Mr. Doo, their respective connected persons or associates. In the past two years, we had not acted as financial adviser for the Company, NWD, Mr. Doo or their respective core connected persons. As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other party that could reasonably be regarded as affecting our independence. Apart from normal professional fees paid or payable to us in connection with our appointment, no arrangement exists whereby we will receive any fee or benefit from the Company, NWD, Mr. Doo, their respective connected persons or associates. Accordingly, we consider that we are eligible to give independent advice in respect of the New Master Services Agreements and the Continuing Connected Transactions pursuant to Rule 13.84 of the Listing Rules.

II. BASIS OF OUR OPINION

In formulating our advice and recommendations, we have relied on the information and facts provided and the opinions expressed by the Directors and management of the Company (together, the “**Management**”) and have assumed that the information and facts provided and the opinions expressed to us are true, accurate and complete in all material respects at the time they were provided and expressed, and continue to be true, accurate and complete in all material respects up to the date hereof.

We have reviewed, among other things, (i) the New Master Services Agreements; (ii) the announcement of the Company dated 24 April 2026 in respect of the Continuing Connected Transactions; (iii) the circulars of the Company dated 5 June 2023 and 24 October 2025, respectively, in respect of, among other things, the Existing Master Services Agreements (i.e. the Existing NWD Master Services Agreement and the Existing DOO Master Services Agreement) and the respective transactions contemplated thereunder; (iv) the annual reports of the Company for the two financial years ended 30 June 2024 (the “**CTFS 2024 Annual Report**”) and 2025 (the “**CTFS 2025 Annual Report**”); (v) the interim report of the Company for the six months ended 31 December 2025 (the “**CTFS 2026 Interim Report**”); (vi) other relevant publicly available information; and (vii) the information contained in the Circular.

We have also sought and received confirmation from the Management that no material facts have been omitted from the information provided and the opinions expressed to us. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view and have no reason to believe that any material information has been withheld, nor doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the business and affairs of the Group, the NWD Group and/or the Services Group, nor have we carried out any independent verification of the information provided.

III. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our advice with regard to the New Master Services Agreements and the Continuing Connected Transactions, we have taken into account the principal factors and reasons set out below:

1. Principal businesses of the Group, the NWD Group and the Services Group

1.1 Principal businesses of the Group

The Group invests and operates in a wide range of businesses predominantly in Hong Kong and the Chinese Mainland. Its core business includes toll roads, financial services, logistics, construction and facility management.

The roads segment is principally engaged in the management of 13 toll road projects in the Chinese Mainland. The financial services segment is principally engaged in the insurance business operated by Chow Tai Fook Life Insurance Company Limited (“**CTF Life**”). The logistics segment is principally engaged in

the operation of ATL Logistics Centre in Hong Kong and 11 premium logistics properties in the Chinese Mainland, as well as the investment in the operation of 13 rail container terminals in the Chinese Mainland. The construction segment is principally engaged in general contracting, construction management, civil engineering works, foundation works, provision of ready-mixed concrete and comprehensive electrical and mechanical engineering services. The facility management segment is principally engaged in the management of Hong Kong Convention and Exhibition Centre (“HKCEC”), Gleneagles Hospital Hong Kong and Kai Tak Sports Park.

Set out below is a breakdown of revenue and attributable operating profit (“AOP”) by business segment for the financial year ended 30 June 2024 (“FY2024”), the financial year ended 30 June 2025 (“FY2025”) and the six months period ended 31 December 2025 (“HY2026”) as extracted from the CTFS 2024 Annual Report, the CTFS 2025 Annual Report and the CTFS 2026 Interim Report:

<u>Revenue</u>	FY2024		FY2025		HY2026	
	HK\$' mil	%	HK\$' mil	%	HK\$' mil	%
Roads	2,807.0	10.6	2,778.7	11.4	1,415.2	11.0
Financial services	3,453.1	13.1	4,080.6	16.8	2,341.5	18.3
Logistics	160.9	0.6	142.1	0.6	58.1	0.5
Construction	17,265.2	65.3	15,359.0	63.3	8,240.4	64.2
Facility management	2,735.4	10.4	1,924.9	7.9	771.6	6.0
Total	26,421.6	100.0	24,285.3	100.0	12,826.8	100.0
<u>AOP</u>	FY2024		FY2025		HY2026	
	HK\$' mil	%	HK\$' mil	%	HK\$' mil	%
Roads	1,571.4	37.7	1,439.4	32.2	771.1	33.7
Financial services	964.9	23.2	1,242.1	27.8	728.8	31.9
Logistics	722.3	17.3	740.4	16.6	331.8	14.5
Construction	705.0	16.9	719.3	16.1	310.0	13.6
Facility management	228.3	5.5	88.5	2.0	42.8	1.9
Strategic investments	(24.5)	(0.6)	236.5	5.3	99.4	4.4
Total	4,167.4	100.0	4,466.2	100.0	2,283.9	100.0

Note: Figures in brackets represent negative numbers.

1.2 Principal businesses of the NWD Group

The NWD Group is principally engaged in property development, property investment and investment in and/or operation of hotels and other strategic businesses.

1.3 Principal businesses of the Services Group

The Services Group is principally engaged in the provision of services including (i) property investment and development, property leasing, property and facility management; (ii) security, event servicing and guarding services; (iii) cleaning; (iv) landscaping; (v) provision of environmental management services, mechanical and electrical engineering services; (vi) trading of building materials; and (vii) insurance consultancy and brokerage.

2. Background of and reasons for the New Master Services Agreements

2.1 The Existing Master Services Agreements

As stated in the Board Letter, members of the Group frequently enter into continuing connected transactions with members of each of the NWD Group and the Services Group in the ordinary course of business. In order to streamline the reporting, announcement, and if necessary, the Independent Shareholders' approval process of such continuing connected transactions, the Company had entered into the Existing Master Services Agreements, details of which were set out in the announcement of the Company dated 28 April 2023 and the circular of the Company dated 5 June 2023, respectively. The Existing Master Services Agreements and the transactions contemplated thereunder (including the relevant annual caps for the three financial years ending 30 June 2026) were approved by the then Independent Shareholders at the special general meeting of the Company held on 26 June 2023.

Subsequently, as set out in the announcement of the Company dated 29 September 2025 and the circular of the Company dated 24 October 2025, respectively, the Board envisaged that (i) there would be an expected increase in the continuing connected transactions (in terms of volume and transaction values) in respect of the NWD Sales for the financial year ending 30 June 2026 ("FY2026"); and (ii) the relevant annual cap would not be sufficient. As such, the Board proposed to increase the relevant annual cap for the NWD Sales for FY2026. The proposal was approved by the then Independent Shareholders at the annual general meeting of the Company held on 18 November 2025.

The Existing Master Services Agreements will expire on 30 June 2026. The relevant parties to each of the Existing Master Services Agreements have agreed to continue with the arrangement under the relevant Existing Master Services Agreement after expiry of its term upon similar terms and/or conditions and covering similar scope of services as in the relevant Existing Master Services Agreement by entering into the relevant New Master Services Agreement. As such, the entering into of the New Master Services Agreements is a renewal of the Existing Master Services Agreements.

2.2 Commercial rationale for the New Master Services Agreements

As stated in the Board Letter, the Continuing Connected Transactions are expected to be recurring in nature and in the ordinary and usual course of business of the Group, as well as the NWD Group or the Services Group (as the case may be). The Directors consider that the NWD Group and the Services Group have profound experience in their respective areas of services and have demonstrated themselves as reliable services providers or customers of the Group over the years. Riding on this longstanding business relationship, the Directors believe that the maintenance of the strategic business relationships with the NWD Group and the Services Group will not only allow the realisation of synergies and economies of scale but will also continue to bring sustainable contribution to the Group's profitability in the long run.

2.3 Historical transaction amounts

We have reviewed the breakdown of the historical transaction amounts for transactions contemplated under the Existing Master Services Agreements. The NWD Sales for FY2024, FY2025 and HY2026 (the "Review Period") amounted to approximately HK\$300.3 million, HK\$750.1 million and HK\$840.9 million, respectively, representing approximately 1.1%, 3.1% and 6.6% of the total revenue of the Group for each of the Review Period, respectively. The NWD Sales during the Review Period mainly comprised contracting services, which accounted for approximately 75.2%, 91.2% and 96.8% of the total transaction amounts of the NWD Sales for each of the Review Period, respectively. Facility management services, property management services, rental services and insurance services altogether accounted for the remaining of approximately 24.8%, 8.8% and 3.2% of the total transaction amounts of the NWD Sales for each of the Review Period, respectively.

The NWD Purchases for each of the Review Period amounted to approximately HK\$64.5 million, HK\$56.5 million and HK\$10.4 million, respectively, representing approximately 0.3%, 0.3% and 0.1% of the total cost of sales of the Group for each of the Review Period, respectively. The NWD Purchases during the Review Period mainly comprised facility management services, property management services and rental services, which in aggregate accounted for approximately 73.2%, 84.4% and 73.9% of the total transactions amounts of the NWD Purchases for each of the Review Period, respectively. Healthcare services, merchandising and procurement services, advertising services, consultancy and advisory services altogether accounted for the remaining of approximately 26.8%, 15.6% and 26.1% of the total transaction amounts of the NWD Purchases for each of the Review Period, respectively.

The SG Sales for each of the Review Period amounted to approximately HK\$1.4 million, HK\$6.2 million and HK\$0.6 million, respectively, representing approximately 0.01%, 0.03% and 0.01% of the total revenue of the Group for each of the Review Period, respectively. The SG Sales during the Review Period

comprised contracting services, facility management services and property management services, which in aggregate accounted for the entire transaction amounts of the SG Sales for each of the Review Period, respectively.

The SG Purchases for each of the Review Period amounted to approximately HK\$1,232.8 million, HK\$697.5 million and HK\$280.3 million, respectively, representing approximately 6.2%, 4.0% and 3.0% of the total cost of sales of the Group for each of the Review Period, respectively. The SG Purchases during the Review Period mainly comprised contracting services, which accounted for approximately 87.3%, 76.8% and 65.3% of the total transaction amounts of the SG Purchases for each of the Review Period, respectively. Cleaning and landscaping services, property management services, security, guarding and event servicing services altogether accounted for the remaining of approximately 12.7%, 23.2% and 34.7% of the total transaction amounts of the SG Purchases for each of the Review Period, respectively.

2.4 Our view

We understand from the Management that members of the Group have long-standing record in the provision of the Operational Services to, and receipt of such services from, members of the NWD Group and the Services Group. Members of the NWD Group, as one of Hong Kong's leading property developers and owners, are established clients and service providers of the Group. Members of the Services Group have likewise built strong reputations in their respective industries and possess valuable industry expertise, with clientele comprising listed companies and multinational corporations across various sectors. In light of their qualifications, experience, and established track records, the Management is of the view, and we concur, that both the NWD Group and the Services Group are capable and suitable parties for the continuing provision of the Operational Services.

Based on the historical transaction amounts during the Review Period, we note that the provision of the Operational Services to and by the NWD Group or the Services Group (as applicable) did not represent a significant proportion of the Group's revenue or cost of sales. We are not aware that the Existing Master Services Agreements or the New Master Services Agreements impose any obligation on the Group to provide or procure a committed volume of the Operational Services to or from the NWD Group and/or the Services Group, nor do they restrict the Group from providing or procuring similar services to or from independent third parties. Accordingly, we consider that entering into the New Master Services Agreements and the Continuing Connected Transactions would not result in the Group becoming unduly reliant on the NWD Group and/or the Services Group.

Having considered the principal businesses of the Group, the NWD Group and the Services Group, the background to and commercial rationale for the New Master Services Agreements as discussed above, as well as the nature of the Operational Services contemplated thereunder (as further described in the section

headed “3. Principal Terms of the New Master Services Agreements” below), we are of the view that the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the New Master Services Agreements

3.1 The New NWD Master Services Agreement

3.1.1 Duration and nature of services

Pursuant to the New NWD Master Services Agreement, each of the Company and NWD agrees to, and agrees to procure members of the Group or the NWD Group to (to the extent practicable), engage relevant members of the NWD Group or the Group to provide the Operational Services to relevant members of the Group or the NWD Group (as the case may be), for an initial term of three years commencing from 1 July 2026 to 30 June 2029 (both days inclusive). Subject to re-compliance with the applicable Listing Rules at the relevant time, the New NWD Master Services Agreement may be renewed at the end of the initial term or subsequent renewal term for a successive period of three years thereafter (or such other period permitted under the Listing Rules).

Members of the Group and members of the NWD Group shall, from time to time during the term of the New NWD Master Services Agreement, enter into separate Operational Agreements in respect of the provision of the relevant Operational Services provided that such separate agreements shall always be subject to the New NWD Master Services Agreement. The term of each Operational Agreement shall be fixed. If the term of an Operational Agreement extends beyond 30 June 2029 (that is, the date on which the initial term of the New NWD Master Services Agreement ends), the Company will re-comply with the applicable requirements under the Listing Rules at the relevant time.

The Operational Services contemplated under the New NWD Master Services Agreement will cover the following services:

1. *Contracting services* – provision of services as main contractors, management contractors, project managers, subcontractors, suppliers or agents, building and general construction, civil engineering, building exterior and interior design, building maintenance and repair, renovation, refurbishment, development and redevelopment of buildings, properties and real estate, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management, hiring, procurement and supply of plant, machinery, equipment and materials, electrical and mechanical engineering works, supply and installation of air conditioning,

- heating and ventilation systems, fire services systems, plumbing and drainage systems, lift repair and maintenance services, electrical systems and system design and consultancy, computer aided drafting services and related services;
2. *Facility management services* – provision of convention and exhibition facilities, hospitality and related functions services, food and beverage catering services, provision of information technology services and related consultancy and advisory services;
 3. *Property management services* – property management, property sales and letting agency services, provision of car parking management and related services;
 4. *Rental services* – rental and licensing of the rights to use properties, spare spaces, car parking spaces and related services;
 5. *Insurance and healthcare services* – provision of insurance and related services, medical and healthcare services, rehabilitation and wellness and well-being enhancement and related services;
 6. *Financial services* – subject to compliance with applicable laws, regulations, regulatory approvals and all licensing requirements, the provision of a broad range of financial and investment-related services, and such ancillary or support services as may be incidental or conducive thereto;
 7. *Merchandising and procurement services* – procurement services and general trading of merchandise;
 8. *Advertising services* – advertising, branding, marketing, loyalty and rewards program and promotion-related services; and
 9. Consultancy and advisory services relating to all the aforesaid services, and such other types of services as any member(s) of the NWD Group and any member(s) of the Group may agree upon from time to time in writing.

3.1.2 *Prices and terms of services*

Pursuant to the New NWD Master Services Agreement, the prices and terms of the Operational Agreements with respect to the Operational Services shall be determined in the ordinary and usual course of business, on normal commercial terms, negotiated on an arm's length basis and at prices and on terms no less favourable to the Group than terms available to and/or from independent third parties. A detailed description on the pricing policies of each category of the Operational Services is set out in the section headed "Operational Agreement(s) and pricing policies" in the Board Letter.

The terms in relation to the time and method of payment will be stated in the relevant Operational Agreements and will be no less favourable to the Group than terms available to and/or from independent third parties.

3.1.3 The NWD Sales

As understood from the Management, the NWD Sales primarily comprise contracting services, with the remainder consisting of facility management services, property management services, rental services and insurance services.

As stated in the Board Letter, members of the Group may be engaged as a main contractor, management contractor, project manager, subcontractor, supplier or agent of a development project after being selected from participating tenderers in a tender process set up by members of the NWD Group or through direct appointment by members of the NWD Group:

- where the engagement is through direct appointment by members of the NWD Group, the consideration will be on a cost-plus basis (which could be varied according to the scale or, if applicable, the unique nature of the project agreed to be undertaken by the Group) agreed with members of the NWD Group, which is with reference to a target profitability requirement no less favourable to the Group than those offered to independent third parties and in line with the basis for engagements by independent third parties for projects of similar nature and size.

For this type of projects regardless of whether they involve connected persons or independent third parties, we are advised by the Management that members of the Group undertake a thorough analysis of the project specifications, including the collection of cost and other relevant data, as well as the retrieval of reference information from the Group's internal database for assessment purposes. Based on such analysis, a cost-plus percentage is determined. Senior management reviews and approves each engagement, including the proposed cost-plus percentage and the basis of its determination, to ensure that they are consistent with those adopted for engagements with independent third parties for projects of similar nature and scale.

Having considered the transaction amounts of contracting services provided by the Group to the NWD Group during the Review Period substantially constituted directly appointed projects, we have selected four sample transactions from the full list of contracting services provided by the Group to the NWD Group during the Review Period, and reviewed the relevant documents. Given the relative materiality of contracting services within the NWD Sales in terms of transaction amounts as compared with

other NWD Sales, and that the samples were selected by us independently on a random basis during the Review Period, we consider that the selected samples are fair and representative for the purpose of our assessment. Based on our review, we note that the Group has complied with its internal guidelines and procedures. We have also compared the prices and terms of these sample transactions with those of two comparable transactions with independent third parties of similar nature and scale during the Review Period, also selected on a random basis. We note that the prices and terms offered by the Group to the NWD Group are no less favourable to the Group than those offered to independent third parties.

- where the members of the Group participate in a tender or quotation with all bidders (including independent third parties in the market), the winning bid of which will be the one with the better price and terms or the recommended one with better technical knowhow and capability to complete the project in time and with quality, in accordance with the employer's tender procedures on the condition that the bidder conformed to all the essential requirements (including but not limited to relevant experience, capability and historical working relationship) as set out in the bid invitation. In preparing for the submission of a tender or quotation, review meetings of the relevant member of the Group will be held to perform a thorough analysis of the project specifications, and the cost and other data collected. In pricing a tender or quotation, the relevant member of the Group will also make references to its recent job quotations. Related market information will also be retrieved for reference. These measures/procedures are designed to ensure that the tender or quotation price (as well as the terms of the tender or quotation) to be offered by the Group is fair and reasonable and comparable to those offered by the Group to independent third parties, and are adhered to by the Group for all projects obtained by the Group through tender or quotation.

We understand from the Management that members of the Group are required to follow established internal tender guidelines which apply to all tenders of the Group, regardless of whether they involve connected persons or independent third parties, when preparing for and participating in tenders. We have reviewed the Group's internal tender guidelines, which set out the overall workflow of the tendering process, including the pre-tendering, tendering and post-tendering stages. The assessment criteria for determining whether to proceed with a tender invitation include, among others, the scale and nature of the project, the historical relationship with the relevant members of the NWD Group, and the Group's resource availability.

Having considered the transaction amounts of tender-based projects during the Review Period, we have selected two sample transactions from the full list of contracting services provided by the Group to the NWD Group during the Review Period, and reviewed the relevant documents. Given the relative materiality of contracting services within the NWD Sales in terms of transaction amounts as compared with other NWD Sales, and that the samples were selected by us independently on a random basis during the Review Period, we consider that the selected samples are fair and representative for the purpose of our assessment. Based on our review, we note that the Group has complied with its internal tender guidelines and procedures, as well as the relevant processes for preparing and pricing tenders. We have also compared the tender prices and terms of these sample transactions with those of two comparable transactions with independent third parties of similar nature and scale during the Review Period, also selected on a random basis. We note that the tender prices and terms offered by the Group to the NWD Group are no less favourable to the Group than those offered to independent third parties.

Having considered the transaction amounts of other NWD Sales, including facility management services, property management services, rental services and insurance services, and their relative materiality within the NWD Sales in terms of transaction amounts as compared with contracting services, we have selected one sample transaction for each category of these Operational Services during the Review Period, and reviewed the relevant documents. Given that the samples were selected by us independently on a random basis during the Review Period, we consider that they are fair and representative for the purpose of our assessment. We have compared the prices and terms of these transactions with at least two market comparables during the Review Period, or reviewed the underlying pricing basis. Based on our review, we note that the prices and terms offered by the Group to the NWD Group are no less favourable to the Group than the prevailing market levels and are consistent with the Group's internal pricing policies.

3.1.4 The NWD Purchases

The NWD Purchases primarily comprise facility management services, property management services and rental services, with relatively smaller amounts attributable to healthcare services, merchandising and procurement services, advertising services and consultancy and advisory services.

The facility management services mainly involve hospitality and related functions services by members of the NWD Group. As stated in the Board Letter, the pricing for facility management services will be made on the basis of the prevailing market rate or at the rate no less favourable to the Group than any other third parties, by referencing to at least two quotations of similar services offered to/by independent third parties, subject to

practical availability, with particular consideration to the uniqueness and proximity of the services provided, and the familiarity of such services to the advantage of the Group.

The property management services mainly involve the provision of management services for office buildings and car parks by members of the NWD Group. As stated in the Board Letter, the pricing for property management services will be made on the basis of the prevailing market rate which could be varied according to the size or, if applicable, the unique nature of the property management project and/or the extent of services required and will be determined by conducting researches on the market comparables by referencing to at least two quotations of similar services offered to/by independent third parties, subject to practical availability, from time to time.

The rental services mainly involve leasing of properties owned by members of the NWD Group. As stated in the Board Letter, the pricing for rental services will be made by referencing to a quote which is based on at least two comparative quotes obtained from independent third parties in the market for similar properties, subject to practical availability, with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period.

For facility management services, property management services and rental services, we have selected two sample transactions for each category of these Operational Services from the full list of such Operational Services provided by the NWD Group to the Group during the Review Period, and reviewed the relevant documents. Given their relative materiality within the NWD Purchases in terms of transaction amounts as compared with other NWD Purchases, and that the samples were selected by us independently on a random basis during the Review Period, we consider that the selected samples are fair and representative for the purpose of our assessment. Based on our review, we note that the Group has complied with the aforementioned procedures. We have also compared the prices and terms of these sample transactions with two quotations obtained from independent third parties or with at least two market comparables, selected on a random basis, during the Review Period, and, in particular for the facility management services relating to information technology services, reviewed the benchmark analysis on the full cost mark-up of certain comparable companies performed by an internationally renowned consulting firm. We note that the prices and terms offered by the NWD Group to the Group are no less favourable than prevailing market levels or those offered by independent third parties.

Having considered the transaction amounts of other NWD Purchases, including healthcare services, merchandising and procurement services, advertising services and consultancy and advisory services, and their relative materiality within the NWD Purchases in terms of transaction amounts as compared with facility management services, property management services

and rental services as discussed above, we have selected one sample transaction for each category of these Operational Services during the Review Period, and reviewed the relevant documents. Given that the samples were selected by us independently on a random basis during the Review Period, we consider that they are fair and representative for the purpose of our assessment. We have compared the prices and terms of these transactions with the prevailing market prices or quotations obtained from independent third parties (as the case may be), and note that the prices and terms offered by the NWD Group to the Group are no less favourable than prevailing market levels or those offered by independent third parties.

3.2 *The New DOO Master Services Agreement*

3.2.1 *Duration and nature of services*

Pursuant to the New DOO Master Services Agreement, each of the Company and Mr. Doo agrees to, and agrees to procure members of the Group or the Services Group to (to the extent practicable), engage relevant members of the Services Group or the Group to provide the Operational Services to relevant members of the Group or the Services Group (as the case may be), for an initial term of three years commencing from 1 July 2026 to 30 June 2029 (both days inclusive). Subject to re-compliance with the applicable Listing Rules at the relevant time, the New DOO Master Services Agreement may be renewed at the end of the initial term or subsequent renewal term for a successive period of three years thereafter (or such other period permitted under the Listing Rules).

Members of the Group and members of the Services Group shall, from time to time during the term of the New DOO Master Services Agreement, enter into separate Operational Agreements in respect of the provision of the relevant Operational Service(s) provided that such separate agreements shall always be subject to the New DOO Master Services Agreement. The term of each Operational Agreement shall be fixed. If the term of an Operational Agreement extends beyond 30 June 2029 (that is, the date on which the initial term of the New DOO Master Services Agreement ends), the Company will re-comply with the applicable requirements under the Listing Rules at the relevant time.

The Operational Services contemplated under the New DOO Master Services Agreement will cover the following services:

1. *Contracting services* – provision of services as main contractors, management contractors, project managers, subcontractors, suppliers or agents, building and general construction, civil engineering, building exterior and interior design, building maintenance and repair, renovation, refurbishment, development and redevelopment of buildings, properties and real estate, maintenance consultancy and other services, demolition, piling and

foundation, building and property fitting out and decoration work, construction management, hiring, procurement and supply of plant, machinery, equipment and materials, electrical and mechanical engineering works, supply and installation of air conditioning, heating and ventilation systems, fire services systems, plumbing and drainage systems, lift repair and maintenance services, electrical systems and system design and consultancy, computer aided drafting services and related services;

2. *Cleaning and landscaping services* – general cleaning and housekeeping, waste management and disposal, external wall and window cleaning, clinical waste management, office and facility cleaning, pest control, recycling and environmental services, landscaping and plant maintenance, supply of plants and related services;
3. *Facility management services* – provision of convention and exhibition facilities, hospitality and related functions services, food and beverage catering services, trading and supply, merchandise sourcing and related services;
4. *Property management services* – property management, property sales and letting agency services, pre-marketing consultancy services, technical services, provision of car parking management and related services;
5. *Security, guarding and event servicing services* – provision of services of security guards, event servicing, security services, security systems and technology (including installation and maintenance) services, security consultancy, armoured transit and vaulting security services, escort and surveillance security services, supply of security products and related services;
6. *Rental services* – rental and licensing of the rights to use properties, spare spaces, car parking spaces and related services;
7. *Insurance services* – provision of insurance, insurance brokerage and related services;
8. *Financial services* – subject to compliance with applicable laws, regulations, regulatory approvals and all licensing requirements, the provision of a broad range of financial and investment-related services, and such ancillary or support services as may be incidental or conducive thereto; and

9. Consultancy and advisory services relating to all the aforesaid services, and such other types of services as any member(s) of the Services Group and any member(s) of the Group may agree upon from time to time in writing.

3.2.2 Prices and terms of services

Pursuant to the New DOO Master Services Agreement, the prices and terms of the Operational Agreements with respect to the Operational Services shall be determined in the ordinary and usual course of business, on normal commercial terms, negotiated on an arm's length basis and at prices and on terms no less favourable to the Group than terms available to and/or from independent third parties. A detailed description on the pricing policy of each type of the Operational Services is set out in the section headed "Operational Agreement(s) and pricing policies" in the Board Letter.

The terms in relation to the time and method of payment will be stated in the relevant Operational Agreements and will be no less favourable to the Group than terms available to and/or from independent third parties.

3.2.3 The SG Sales

The SG Sales during the Review Period comprised contracting services, facility management services and property management services. Given that the transaction amounts for these services were relatively insignificant, we have selected one sample transaction, on a random basis, for each category of these Operational Services during the Review Period and reviewed the relevant documents. We have compared the prices and terms of these transactions with two market comparables, also selected on a random basis, or reviewed the underlying pricing basis. Based on our review, we note that the prices and terms offered by the Group to the Services Group are no less favourable to the Group than those offered to independent third parties or the prevailing market levels, and are consistent with the Group's internal pricing policies.

We are advised by the Management that there have been plans for members of the Group to provide insurance services to members of the Services Group as contemplated under the Existing DOO Master Services Agreement. While such plans did not materialise and, accordingly, no insurance services transactions were conducted during the Review Period, members of the Group intend to continue promoting the provision of insurance services to members of the Services Group in the coming years. We further understand that the proposed insurance services will involve the provision of group life or medical insurance services by members of the Group to members of the Services Group covering hospitalisation and day procedure benefits, and outpatient benefits, which are of the same nature as the insurance services provided by the Group to independent third parties. As stated in the Board Letter, the pricing of insurance services is determined

based on target profitability requirements that are no less favourable to the Group than those offered to independent third parties, as measured by profit margin with reference to the Group's overall pricing framework for comparable insurance products provided to independent corporate customers. In determining the cost basis for group life insurance policies, the relevant member of the Group takes into account, among other factors, (i) the sum assured or risk exposure; (ii) the demographic profile of the insured (including, but not limited to, age, occupation and geographical location); (iii) reinsurance terms; (iv) policy-related expenses; (v) relevant underwriting information; and (vi) the claims history of the insured entity. In delivering the cost basis for the group medical insurance policy to be offered, the relevant member of the Group will consider, among other things, (i) the benefit schedule; (ii) the relevant claims experience; (iii) the size of the portfolio and credibility of the data available; (iv) the expense on the insurance policy; and (v) the relevant underwriting information. We have obtained and reviewed two sample transactions of provision of similar group insurance to independent third parties, selected on a random basis during the Review Period, and note that the policy schedule set out the eligibility and class of insured employees, the schedule of benefits, the schedule of premium rates for different class of eligible employees and for each of the hospitalisation and day procedure benefits, and outpatient benefits. We understand from the Management that this established pricing policy applies to all insurance customers, and the determination of premiums of group medical insurance policies is based on the benefit schedule, relevant claims experience, expenses borne by the policy, and internally approved policy for profit margin in terms of gross written premium depending on the case size. As such, we consider the pricing policy of the proposed insurance services to the Services Group is consistent with those offered to independent third parties.

3.2.4 The SG Purchases

The SG Purchases primarily comprise contracting services, with the remainder consisting of cleaning and landscaping services, property management services and security, guarding and event servicing services.

As stated in the Board Letter, relevant members of the Group may be engaged as a main contractor, management contractor, project manager, subcontractor, supplier or agent of a development project. There are three types of business arrangements for contracting services provided by members of the Services Group, as follows:

- where a member of the Services Group is designated as a nominated subcontractor by the ultimate employer, consideration to such member of the Services Group will be ascertained by an independent professional quantity surveyor appointed by the ultimate employer.

We have selected three sample transactions from the full list of projects in which members of the Services Group were appointed as nominated subcontractors during the Review Period, and reviewed the relevant documents, including valuations or certifications of work in progress prepared by independent professional quantity surveyors and the related payment monitoring schedules. Given the relative materiality of contracting services within the SG Purchases in terms of transaction amounts as compared with other SG Purchases, and that the samples were selected by us independently on a random basis during the Review Period, we consider that the selected samples are fair and representative for the purpose of our assessment. Based on our review, we note that the service fees for the relevant subcontracting works were assessed by independent professional quantity surveyors;

- where a member of the Group has the right to select subcontractors, consideration to such subcontractors will be ascertained under the subcontracting procedures. Such member of the Group will obtain tenders or quotations from subcontractors (including members of the Services Group and independent third parties subject to practical availability and feasibility) from a list of pre-approved subcontractors (which is subject to periodic review and update by its management to ensure the subcontractors' quality standards) for services or products in similar times or quantities. If the price and terms offered by a member of the Services Group are equal to or better than those offered by the independent service providers, and having taken account of their respective technical knowhow and capability to complete the project in time and with quality, such member of the Group may award the contract to such member of the Services Group.

We have reviewed the aforesaid list of pre-approved subcontractors capable of providing the relevant contracting services as at the Latest Practicable Date and note that only approximately 9.9% of them are members of the Services Group. Accordingly, we consider that the Group maintains a well-diversified subcontractor base, with a sufficient number of subcontractors available for selection, and does not rely solely on members of the Services Group. As advised by the Management, for projects involving substantial consideration, members of the Services Group participate in tenders alongside other bidders (including independent third parties), and selection is made based on the same criteria applied to all bidders in accordance with the Group's internal tender procedures.

We have selected three sample transactions from the full list of projects in which members of the Services Group were appointed through tender during the Review Period, and reviewed the relevant documents. Given the relative materiality of contracting services within the SG Purchases in terms of transaction amounts as compared with other SG Purchases, and that the samples were selected by us independently on a random basis during the Review Period, we consider that the selected samples are fair and representative for the purpose of our assessment. Based on our review, we note that the Group has complied with its internal tender guidelines and procedures, as well as the relevant process for selecting subcontractors. We have also compared the prices and terms of these sample transactions with at least two quotations obtained from pre-approved subcontractors of similar nature and scale, also selected on a random basis, during the Review Period. We note that the prices and terms offered by the Services Group to the Group are no less favourable to the Group than those offered by independent third parties; and

- for projects that require partnering with members of the Services Group in view of substantial consideration, trade secret and/or undisclosed commercial information, members of the Group, members of the Services Group and independent third party subcontractors, subject to practical availability and feasibility, will participate in a tender in accordance with the Group's internal tender procedures on the condition that the co-bidders conformed to all the essential requirements (including but not limited to relevant experience, capability and historical working relationship) as set out in the bid invitation. The winning bid will be the one with better price and terms or the recommended one with better technical knowhow and capability to complete the project in time and with quality.

As advised by the Management, such projects typically involve government-related developments (for example, the Vehicle Examination Centre at Tsing Yi, the District Court Building at Caroline Hill Road and the Immigration Headquarters at Tseung Kwan O), where the Group and the subcontractors (including members of the Services Group) are required to share their bidding details, including but not limited to their design documents and pricing information, for formulating the overall proposal for tender submission. In this context, members of the Services Group are effectively acting as a business partner to the Group. Given the sensitive and non-public nature of trade secrets and/or undisclosed commercial information, the sharing of bidding details with other unfamiliar subcontracting service providers may

prejudice the Group's competitive position in securing projects or tenders. Accordingly, it is important for the Group to engage long-standing and trusted partners for projects of this nature.

We have selected three sample transactions from the full list of partnering projects during the Review Period, and reviewed the relevant documents. Given the relative materiality of contracting services within the SG Purchases in terms of transaction amounts as compared with other SG Purchases, and that the samples were selected by us independently on a random basis during the Review Period, we consider that the selected samples are fair and representative for the purpose of our assessment. Based on our review, we note that the Group has complied with its internal guidelines and procedures. We have also compared the prices and terms of these sample transactions with those of two comparable transactions with independent third parties of similar nature and scale, also selected on a random basis, during the Review Period. We note that the prices and terms offered by the Services Group to the Group are no less favourable than those offered by independent third parties.

Having considered the transaction amounts of other SG Purchases, including cleaning and landscaping services, property management services and security, guarding and event servicing services, and their relative materiality within the SG Purchases in terms of transaction amounts as compared with the contracting services as discussed above, we have selected one sample transaction for each category of these Operational Services during the Review Period and reviewed the relevant documents. Given that the samples were selected by us independently on a random basis during the Review Period, we consider that they are fair and representative for the purpose of our assessment. We have compared the prices and terms of these transactions with quotations obtained from independent third parties of similar nature or with prevailing market rates, and note that the prices and terms offered by the Services Group to the Group are no less favourable than those offered by independent third parties or the prevailing market levels.

3.3 Our view

We note that certain Operational Services, including financial services provided to/by the NWD Group, and rental services, financial services, and consultancy or advisory services provided to/by the Services Group, have no historical transactions or projected amounts within the Annual Caps. After discussions with Management, we understand that these services are included in the New Master Services Agreements to provide operational flexibility should the need arise in the future in order to streamline the reporting, announcement and if necessary, the Independent Shareholders' approval process. In particular, as disclosed in the CTFS 2026 Interim Report, the Group has continued to expand its financial services segment to capture the growing demand for wealth management

solutions, and has intended to strengthen its financial services platform and broaden its product offerings. Accordingly, while there is currently no schedule regarding whether or when they will be undertaken, potential transactions may arise involving financial services provided by the Group to the NWD Group and/or the Services Group (as applicable). As disclosed in the Board Letter and as confirmed by the Management, these Operational Services, if undertaken, will adhere to the same principle as the other Operational Services discussed above, i.e. on prices and terms no less favourable to the Group than those available to or from independent third parties by referencing to at least two quotations of similar nature and scope of services offered by independent third parties (subject to practical availability).

Having considered that (i) the New Master Services Agreements stipulate that prices and terms under the Operational Agreements for the Operational Services will be determined in the ordinary and usual course of business, on normal commercial terms, on an arm's length basis, and at prices and on terms no less favourable to the Group than those available to or from independent third parties, which are consistent with the Existing Master Services Agreements; (ii) the historical transactions between the Group and the NWD Group or the Services Group (as applicable), as discussed above, consistently featured prices and terms no less favourable than those from independent third parties or prevailing market rates, indicating no undue influence from the connected relationship; (iii) the continuing connected transactions between the Group and the NWD Group or the Services Group (as applicable) have been conducted over many years, during which the Group has complied with the relevant Listing Rules requirements; and (iv) the New Master Services Agreements represent a renewal of the Existing Master Services Agreements, we are of the view that the terms of the New Master Services Agreements and the Continuing Connected Transactions are fair and reasonable, and the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group, and are on normal commercial terms or better that are no less favourable to the Group than those available to/from independent third parties.

4. The Annual Caps

4.1 The NWD Sales Caps

The proposed NWD Sales Caps for each of the three financial years ending 30 June 2027 ("FY2027"), 2028 ("FY2028") and 2029 ("FY2029"), respectively, are set out as follows:

	FY2027	FY2028	FY2029
	<i>HK\$' mil</i>	<i>HK\$' mil</i>	<i>HK\$' mil</i>
NWD Sales Caps	2,126.0	3,410.0	3,400.0

The NWD Sales Caps substantially comprise contracting services, which accounted for approximately 96.5%, 98.2% and 98.9% of the NWD Sales Caps for FY2027, FY2028 and FY2029, respectively. We have discussed with the Management and understand that the NWD Sales Caps in respect of the contracting services were determined with reference to the project schedule of secured projects and potential projects to be engaged with the NWD Group in the coming years with projected/estimated contract value to be recognised in accordance with the progress of each project. For other Operational Services which mainly include facility management services, property management services, rental services and insurance services, the NWD Sales Caps were determined having taken into account (i) the transaction amounts for subsisting contracts which will be continuing during FY2027, FY2028 and FY2029; (ii) the historical transaction amounts and expected growth rate; and (iii) the transaction amounts for potential contracts to be engaged.

Set out below are the existing annual caps for the NWD Sales under the Existing NWD Master Services Agreement (the “Existing NWD Sales Caps”), the historical actual NWD Sales for FY2024 and FY2025 and the projected NWD Sales for FY2026 (being the aggregate of the actual NWD Sales for HY2026 and the forecasted NWD Sales for the six months ending 30 June 2026):

	FY2024	FY2025	FY2026
	HK\$' mil	HK\$' mil	HK\$' mil
Existing NWD Sales Caps	1,099.0	1,972.0	2,991.0
Actual/Projected NWD Sales	300.3	750.1	2,201.9
Change in actual/projected NWD Sales (as compared to the preceding financial year)	(33.9%)	149.8%	193.5%
Utilisation rates (<i>Note</i>)	27.3%	38.0%	73.6%

Note: The utilisation rates are calculated by dividing the actual/projected NWD Sales to the Existing NWD Sales Caps.

As shown in the table above, the actual and projected NWD Sales have shown an increasing trend over the two financial years ending 30 June 2026, with a particularly significant increase expected for FY2026, mainly attributable to contracting services.

We note that the utilisation of the Existing NWD Sales Caps for FY2024 and FY2025 was lower than estimated. We understand from the Management that this was primarily related to contracting services provided by the Group’s construction segment, and was due to several factors. First, at the time when the annual caps were determined, the Company took into account the potential value of two to three projects which ultimately did not materialise. Second, following the change in the Company’s holding company from NWD to CTF Enterprises in November 2023, a joint venture project of NWD ceased to constitute a continuing connected transaction of the Company. Third, NWD’s disposal of its equity interest in Kai Tak Sports Park Limited in November 2024 resulted in subsequent contracting

services provided by the Group for that project no longer being regarded as a continuing connected transaction with the NWD Group (but instead with the CTF Enterprises Group).

We note that NWD Sales Cap for FY2027 is set at a level comparable to the projected NWD Sales for FY2026. We further note that the NWD Sales Caps increase by approximately 60.4% for FY2028 as compared to FY2027, and then remain at a comparable level for FY2029 as compared to FY2028. As advised by the Management, the increase in the NWD Sales Caps for FY2028 is primarily attributable to the expected increase in contracting services of approximately 63.2% for FY2028. The Group has prepared a project schedule setting out, among others, historical transaction amounts and estimated contract values on a project-by-project basis, categorised by Operational Services that have been or are expected to be provided to the NWD Group during the period from 1 July 2027 to 30 June 2029. Based on our review of the project schedule, we note that the projected transaction amounts for contracting services for FY2027 are (i) partly derived from the projected contract values of ongoing and secured projects which are scheduled to commence in FY2027 to be recognised in accordance with their respective progress; and (ii) partly derived from several potential projects, including but not limited to the potential developments in the Northern Metropolis and Sai Kung areas, which are currently expected to commence in FY2027 and FY2028, respectively. As for FY2028 and FY2029, we note that the projected transaction amounts for contracting services are primarily attributable to the aforementioned potential projects, with the expected contract values to be recognised in accordance with their respective expected project timelines.

We understand from the Management that the potential projects for contracting services and the respective projected transaction amounts have been estimated primarily with reference to the expected timing and scale of certain potential upcoming property development projects from the landbank of the NWD Group, which the Group has internally assessed and intended to participate in the tender or quotation process upon invitation. We have reviewed the interim report of NWD for the six months ended 31 December 2025 and note that, as at 31 December 2025, the NWD Group had a landbank with a total attributable gross floor area of approximately 6.95 million square feet in Hong Kong available for immediate development, of which approximately 3.18 million square feet was designated for property development use. The NWD Group also held an agricultural landbank with a total attributable land area of approximately 14 million square feet pending land use conversion in the New Territories, of which 12 million square feet are within the Northern Metropolis area.

We have further reviewed the Hong Kong Property Review 2025 published by the Rating and Valuation Department in April 2025, and note that Hong Kong's construction sector remains resilient despite 2024 property market challenges, with private residential completions rebounding to 24,261 units in 2024 from 13,852 units in 2023 and forecast at 20,862 units in 2025 and 20,098 units in 2026. According to the Long Term Housing Strategy Annual Progress Report 2025 published by the Housing Bureau in September 2025, the Hong Kong

Government aims to provide a total housing supply of 420,000 units for the decade from 2026/27, with 70% of the units being public housing and the remaining 30% being private housing. Furthermore, according to the Construction Expenditure Forecast for Public and Private Sectors (2022/23 to 2031/32) updated by Construction Industry Council of Hong Kong in July 2023, total construction expenditure is forecasted to grow from approximately HK\$262.5 billion (being the mid-point of estimated range) for 2022/23 to approximately HK\$335.0 billion (being the mid-point of estimated range) for 2031/32. In light of the foregoing, supported by policy easing measures including the cancellation of all demand-side management measures on residential properties as announced in the 2024-25 Budget and the relaxation of standardised loan to-value and debt-servicing ratio limits to 70% for residential properties as announced in the 2024 Policy Address, the Management is of the view, and we concur, that the outlook for construction and contracting demand is positive with steady long-term growth potential, and that demand for contracting and related services is accordingly expected to increase steadily over the coming years.

As for other types of Operational Services, we have reviewed the relevant schedule provided by the Company and note that the amount mainly represents estimated transaction amounts for (i) rental services, which are broadly equivalent to the actual amounts recorded for FY2025; (ii) facility management services and property management services, which are determined based on existing service contracts expected to continue in the coming years; and (iii) insurance services, which are determined based on the existing insurance policies in place.

Based on the above, we are of the view that the NWD Sales Caps proposed by the Management for FY2027, FY2028 and FY2029 are fair and reasonable.

4.2 *The NWD Purchases Caps*

The proposed NWD Purchases Caps for each of FY2027, FY2028 and FY2029 are set out as follows:

	FY2027	FY2028	FY2029
	<i>HK\$' mil</i>	<i>HK\$' mil</i>	<i>HK\$' mil</i>
NWD Purchases Caps	96.0	96.0	88.0

The NWD Purchases Caps primarily comprise (i) rental services, which accounted for approximately 44.2%, 42.2% and 34.5% of the NWD Purchases Caps for FY2027, FY2028 and FY2029, respectively; (ii) property management services, which accounted for approximately 10.5%, 11.0% and 14.5% of the NWD Purchases Caps for FY2027, FY2028 and FY2029, respectively; and (iii) an overall buffer of 20% on top of the estimated NWD Purchases for each of FY2027, FY2028 and FY2029, respectively. Other Operational Services comprise facility management services including hospitality and related functions services, healthcare services, merchandising and procurement services and advertising services. We have discussed with the Management and understand that the NWD

Purchases Caps were determined with reference to (i) the historical transaction amounts and expected growth factor; and (ii) the transaction amounts for potential contracts to be entered into.

Set out below are the existing annual caps for the NWD Purchases under the Existing NWD Master Services Agreement (the “Existing NWD Purchases Caps”), the historical actual NWD Purchases for FY2024 and FY2025 and the projected NWD Purchases for FY2026 (being the aggregate of the actual NWD Purchases for HY2026 and the forecasted NWD Purchases for the six months ending 30 June 2026):

	FY2024	FY2025	FY2026
	HK\$' mil	HK\$' mil	HK\$' mil
Existing NWD Purchases Caps	198.0	311.0	216.0
Actual/Projected NWD Purchases	64.5	56.5	38.2
Change in actual/projected NWD Purchases (as compared to the preceding financial year)	12.0%	(12.4%)	(32.4%)
Utilisation rates (<i>Note</i>)	32.6%	18.2%	17.7%

Note: The utilisation rates are calculated by dividing the actual/projected NWD Purchases to the Existing NWD Purchases Caps.

As shown in the table above, the actual and projected NWD Purchases have shown a downward trend over the two financial years ending 30 June 2026. As advised by the Management, the decrease in NWD Purchases for FY2025 was mainly attributable to bringing certain information technology functions in-house by the Group, which were previously procured from a member of the NWD Group, upon NWD’s disposal of its controlling interest in the Group. The further decrease in NWD Purchases for FY2026 was primarily due to the absence of the acquisition of right-of-use asset related to the leasing of office premises during the financial year, as the right-of-use asset in respect of the office premises in use had already been recognised in FY2025 and the lease period continues to cover FY2026.

Besides, we note that the utilisation rates of the Existing NWD Purchases Caps for the Review Period were relatively low. As advised by the Management, this was mainly attributable to two factors. First, at the time when the annual caps were determined, the management took into account the possibility of centralised procurement of construction materials through the NWD Group but ultimately did not materialise, as no significant cost savings were identified during the Review Period. Second, actual transactions relating to facility management and advertising expenditures were below the original estimates. In light of the above, the Group has set out the proposed NWD Purchases Caps for these services taking into account the actual transaction levels during the Review Period and anticipated business growth.

We further note that the NWD Purchases Caps represent an increase of approximately 151.3% for FY2027 as compared to the projected NWD Purchases for FY2026. As advised by the Management, such increase is primarily attributable to (i) the expected increase in rental services during FY2027 mainly for the expected renewal of the aforementioned lease previously renewed in FY2025 and with longer lease period; and (ii) the inclusion of a 20% overall buffer on top of the estimated NWD Purchases. As for FY2028 and FY2029, the NWD Purchases Caps remained at the same level for FY2028 as compared to FY2027, and decrease by approximately 8.3% for FY2029 as compared to FY2028. As advised by the Management, the NWD Purchases Caps include the acquisition of right-of-use assets with lower market value which are expected to arise from (a) relocation of certain existing office premises in each of FY2028 and FY2029 in less prime area, and (b) the leasing of one new office premises of smaller size in FY2028.

We understand from the Management that the estimated value of the right-of-use assets is determined with reference to expected terms of leases and recent market transactions for properties of similar attributes including but not limited to location, usable space, available facilities, quality and rental period. In this regard, we have conducted a desktop search on the market comparables for the proposed leases, and note that the market comparables with similar attributes are broadly comparable to the estimated transaction amounts adopted in the Group's calculation.

In respect of property management services, we have reviewed the calculation prepared by the Group and note that the estimated transaction amounts were determined with reference to the historical transaction amounts during the Review Period, applying an expected growth factor ranging from 2.5% to 5% depending on the nature of the properties. We understand from the Management that the existing property management service contracts are expected to continue in the coming years. The growth factor takes into account inflation and potential increases in the cost of services to be borne by the Group. As the projected growth represents not more than HK\$3 million in each of FY2027, FY2028 and FY2029, respectively, we consider such growth to be moderate.

As for other types of Operational Services, we note that the remaining NWD Purchases Caps mainly represent transaction amounts for facility management services including hospitality and related functions services, healthcare services, merchandising and procurement services and advertising services, which are primarily to be incurred in connection with the business development, promotional and customer engagement activities of CTF Life in the ordinary and usual course of business. We have reviewed the calculation prepared by the Group and discussed with the Management, and understand that the NWD Purchases Caps for these types of Operational Services were determined with reference to actual transaction levels during the Review Period and anticipated business growth. As the projected growth for each type of these Operational Services represents not more than HK\$2 million in each of FY2027, FY2028 and FY2029, respectively, we consider such growth to be moderate.

Further, we are advised by the Management that an overall buffer of 20% has been applied to the NWD Purchases Caps for each of FY2027, FY2028 and FY2029, respectively, amounting to approximately HK\$15.9 million, HK\$15.9 million and HK\$14.6 million, respectively, to cater for potential demand for lease of office premises from the NWD Group and other exceptional circumstances and unforeseen contingencies. Such buffers for the NWD Purchases represent approximately 0.1% of the total cost of sales of the Group for FY2025. We consider the buffer to be moderate and it provides the Group with a reasonable level of flexibility to accommodate any unexpected increase in demand for the Operational Services provided by members of the NWD Group to members of the Group.

Based on the above, we are of the view that the NWD Purchases Caps proposed by the Management for FY2027, FY2028 and FY2029 are fair and reasonable.

4.3 The SG Sales Caps

	FY2027	FY2028	FY2029
	HK\$' mil	HK\$' mil	HK\$' mil
SG Sales Caps	32.0	60.0	71.0

The SG Sales Caps primarily comprise (i) contracting services, which accounted for approximately 87.7%, 93.1% and 93.7% of the SG Sales Caps for FY2027, FY2028 and FY2029, respectively; and (ii) insurance services, which accounted for approximately 8.4%, 4.7% and 4.3% of the SG Sales Caps for FY2027, FY2028 and FY2029, respectively. We have discussed with the Management and understand that the SG Sales Caps in respect of the contracting services were determined with reference to (i) a foundation and construction project commenced in FY2026 (the “**Foundation Project**”), the projected contract value of which will be recognised in accordance with its project progress; and (ii) an assumption that a potential project of similar scale to the Foundation Project may arise during FY2027 to FY2029. For insurance services, the SG Sales Caps were determined based on the estimated insurance premium on the potential provision of group life or medical insurance services to the Services Group taking into account the Group’s preliminary assessment on the Services Group’s staff/employee profile. For other Operational Services including facility management services and property management services, the SG Sales Caps were determined having taken into account (a) the transaction amounts for subsisting services which are expected to be continuing during FY2027 to FY2029; and (b) the historical transaction amounts and expected growth rate.

Set out below are the existing annual caps for the SG Sales under the Existing DOO Master Services Agreement (the “**Existing SG Sales Caps**”), the historical actual SG Sales for FY2024 and FY2025 and the projected SG Sales FY2026 (being the aggregate of the actual SG Sales for HY2026 and the forecasted SG Sales for the six months ending 30 June 2026):

	FY2024	FY2025	FY2026
	HK\$' mil	HK\$' mil	HK\$' mil
Existing SG Sales Caps	41.0	41.0	41.0
Actual/Projected SG Sales	1.4	6.2	5.6
Change in actual/projected SG Sales (as compared to the preceding financial year)	(12.5%)	342.9%	(9.7%)
Utilisation rates (<i>Note</i>)	3.4%	15.1%	13.7%

Note: The utilisation rates are calculated by dividing the actual/projected SG Sales to the Existing SG Sales Caps.

As shown in the table above, the actual SG Sales for FY2024 and FY2025 and the projected SG Sales for FY2026 and the corresponding utilisation rates were relatively low. We understand from the Management that, at the time when the annual caps were determined, the Group had initially planned to provide insurance services to the Services Group during the Review Period, but such plans did not materialise. As a result, the SG Sales did not have any insurance services during the Review Period. Nevertheless, as advised by the Management, the Group will continue in pitching the Services Group to engage with the Group's insurance services and thus includes this assumption in the SG Sales Cap.

We note that the SG Sales Caps represent a significant increase of approximately 471.4% for FY2027 as compared to the projected SG Sales for FY2026, followed by further increases of approximately 87.5% for FY2028 and 18.3% for FY2029 as compared to the preceding financial year. Based on our review of the calculation prepared by the Group, we note that the increase in FY2027 is primarily attributable to the expected increase in contracting services of approximately 504.4%, comprising (i) the Foundation Project; and (ii) a comparable amount for potential projects. We understand from the Management that the Foundation Project was not expected at the time when the annual caps were determined. In this light, in order to accommodate any unforeseen projects that may arise during FY2027 to FY2029, the Management has therefore incorporated a buffer within the SG Sales Caps, equivalent to a potential project of similar scale to the Foundation Project. Having considered that this buffer amount is equivalent to the Foundation Project contract value and represents approximately 0.1% of the total revenue of the Group for FY2025, we consider such amount to be reasonable and moderate. The increases in the SG Sales Caps for FY2028 and FY2029 align with the expected increase in contracting services, taking into account the progressive recognition of higher sales values from the Foundation Project and the potential project.

As for facility management services and property management services, we have reviewed the relevant schedule provided by the Company and note that the proposed amounts are broadly equivalent to the actual amount recorded for FY2025.

Based on the above, we are of the view that the SG Sales Caps proposed by the Management for FY2027, FY2028 and FY2029 are fair and reasonable.

4.4 The SG Purchases Caps

	FY2027 HK\$' mil	FY2028 HK\$' mil	FY2029 HK\$' mil
SG Purchases Caps	2,825.0	2,668.0	2,982.0

The SG Purchases Caps substantially comprise contracting services primarily including provision of electrical and mechanical engineering services, which accounted for approximately 91.7%, 90.4% and 90.7% of the SG Purchases Caps for FY2027, FY2028 and FY2029, respectively. We have discussed with the Management and understand that the SG Purchases Caps in respect of the contracting services were determined with reference to the estimated progress of the secured contracting projects, as well as the estimated potential contracting projects to be awarded to and undertaken by members of the Services Group in the coming years. For other Operational Services which mainly include cleaning and landscaping services, property management services and security, guarding and event servicing services, the SG Purchases Caps were determined having taken into account (i) the transaction amounts of subsisting contracts which will continue during FY2027, FY2028 and FY2029; (ii) the historical transaction amounts and the expected growth rate; and (iii) the transaction amounts for potential contracts to be engaged.

Set out below are the existing annual caps for the SG Purchases under the Existing DOO Master Services Agreement (the "Existing SG Purchases Caps"), the historical actual SG Purchases for FY2024 and FY2025 and the projected SG Purchases for FY2026 (being the aggregate of the actual SG Purchases for HY2026 and the forecasted SG Purchases for the six months ending 30 June 2026):

	FY2024 HK\$' mil	FY2025 HK\$' mil	FY2026 HK\$' mil
Existing SG Purchases Caps	2,144.0	2,387.0	3,146.0
Actual/Projected SG Purchases	1,232.8	697.5	1,973.5
Change in actual/projected SG Purchases (as compared to the preceding financial year)	(31.6%)	(43.4%)	182.9%
Utilisation rates (<i>Note</i>)	57.5%	29.2%	62.7%

Note: The utilisation rates are calculated by dividing the actual/projected SG Purchases to the Existing SG Purchases Caps.

As shown in the table above, the actual SG Purchases for FY2024 and FY2025 decreased as compared to the preceding financial year. We have reviewed the breakdown of SG Purchases for the Review Period and note that such

decreases were mainly attributable to contracting services, such as plumbing and drainage works, electrical installation, and mechanical ventilation and air conditioning installation. As advised by the Management, certain contracting projects of the Group with the Services Group as subcontractors originally expected to proceed during FY2024 and FY2025 either had not been awarded to the Services Group or had been rescheduled. Accordingly, the rescheduled contracting services provided by the Services Group, which are highly dependent on the progress of the Group's contracting projects, were correspondingly deferred to FY2026 and beyond, resulting in lower transaction amounts for SG Purchases in FY2024 and FY2025 and a significant increase in the projected SG Purchases for FY2026.

We further note that the SG Purchases Caps represent an increase of approximately 43.1% for FY2027 as compared to the projected SG Purchases for FY2026, followed by a decrease of approximately 5.6% for FY2028 and a subsequent increase of approximately 11.8% for FY2029 as compared to the preceding financial year. Such movements are primarily attributable to fluctuations in the estimated transaction values for contracting services for FY2027 to FY2029, which are expected to increase by approximately 47.4% for FY2027, decrease by approximately 6.9% for FY2028, and increase by approximately 12.1% for FY2029. We understand from the Management that the significant increase in FY2027 is mainly attributable to the recognition of contract values of ongoing projects and the commencement of new projects subcontracted to the Services Group, while the slight decrease in FY2028 is due to the combined effects of project completions and timing of commencement of certain secured and potential projects. The subsequent increase in FY2029 takes into account the Group's anticipated project pipeline and progress schedule, with the progressive advancement of the secured and potential projects.

We have reviewed the project schedule prepared by the Group, and note that the estimated transaction values for contracting services for FY2028 and FY2029 are mainly attributable to electrical and mechanical engineering service fees in respect of certain potential public and private sector development projects in the market. As advised by the Management and discussed in the section headed "4.1 The NWD Sales Caps" above, demand for contracting and related services is expected to increase over the coming years, and engagement in provision of contracting services by the Group is accordingly expected to increase in this light. In line with this, the contracting services, including electrical and mechanical engineering services, to be subcontracted to the Services Group are expected to increase in tandem.

Other types of Operational Services, including cleaning and landscaping services, property management services and security, guarding and event servicing services, are primarily to be incurred in connection with the Group's facility management of HKCEC in the ordinary and usual course of business. We have reviewed the relevant schedule provided by the Company and note that the estimated transaction values were determined with reference to the historical

transaction amounts, as the services of which are expected to continue in FY2027, FY2028 and FY2029, respectively, with an assumed annual growth rate of not more than 10%.

The Hong Kong Government has implemented various support measures to promote the convention and exhibition industry, including but not limited to the Incentive Scheme for Recurrent Exhibitions launched in July 2023 and the Incentive Scheme for Recurrent Exhibitions 2.0 launched in July 2025. According to the Hong Kong Government's press releases dated 31 March 2026, it will continue to strongly support the development of the convention and exhibition industry in Hong Kong. As announced in the 2026-27 Budget, the Hong Kong Government will earmark HK\$100 million on a pilot basis to attract large-scale international exhibitions featuring new elements to Hong Kong through collaborations with relevant organisations. In this light, the Management anticipates, and we concur, that the demand for cleaning services, property management services and security, guarding and event servicing services to be provided by members of the Services Group to the Group will increase in line with the anticipated growth in the number of events to be held at HKCEC.

Based on the above, we are of the view that the SG Purchases Caps proposed by the Management for FY2027, FY2028 and FY2029 are fair and reasonable.

4.5 Our view

Taking into account the above, we are of the view that the NWD Sales Caps, NWD Purchases Caps, SG Sales Caps and SG Purchases Caps proposed by the Management for FY2027, FY2028 and FY2029 are fair and reasonable.

5. Internal control measures

As stated in the Board Letter, to ensure that the New Master Services Agreements and the Continuing Connected Transactions adhere to normal commercial terms and the amounts of the Continuing Connected Transactions do not exceed the related Annual Caps, the Company has implemented the following internal control procedures:

- (1) *Operational Agreement review and assessment* – Prior to entering into any Operational Agreement under the scope of the relevant New Master Services Agreements, the relevant personnel of the Group will review and assess the terms of the relevant Operational Agreements to ensure that they are consistent with the principles and provisions set out in the relevant New Master Services Agreements. The pricing policies and other terms of the Operational Agreements will be determined by the relevant personnel of the Group on normal commercial terms, negotiated on an arm's length basis and on a basis no less favourable to the Group than those offered to or by independent third parties for comparable transactions, where applicable.

- (2) *Tendering process and quotations* – With regard to participation in tenders or provision of quotations for contracting services, members of the Group are required to follow the internal tender guidelines. These measures/procedures aim to ensure that the tender or quotation price and the terms of the tender or quotation to be offered by the Group are fair, reasonable and comparable to those offered by the Group to independent third parties. Where applicable, the Group will also take into account recent comparable tenders or quotations submitted to independent third parties, the estimated costs, expected profit margin, project complexity, risk profile and resource requirements in determining the tender or quotation price.
- (3) *Transactions monitoring and reporting* – The finance department of the Group will consistently record and monitor the transaction amounts to ensure the applicable Annual Caps are not exceeded. Periodic reports, including lists of continuing connected transactions conducted during the relevant period and utilisation of the relevant Annual Caps, will be submitted to the Audit Committee for review.
- (4) *Annual review by internal audit function* – The group audit and risk assurance department of the Group will perform an annual review of the internal controls for the continuing connected transactions for the preceding financial year.
- (5) *Annual review by external auditor and independent non-executive Directors* – The Company's external auditor along with the independent non-executive Directors will perform an annual review of the continuing connected transactions for the preceding financial year in accordance with the Listing Rules.

As discussed in the section headed "3. Principal Terms of the New Master Services Agreements" above, based on our review of the relevant documents for the sample transactions, we note that the transactions contemplated under the Existing Master Services Agreements have been conducted in accordance with the Group's internal guidelines and procedures. We also observed that personnel with appropriate levels of authority within the Group are involved in the approval and/or review processes for such transactions.

In addition, we have reviewed the periodic reports prepared by the finance department and the annual review reports prepared by the internal audit department in respect of the transactions contemplated under the Existing Master Services Agreements. Based on our review, we note that the internal audit department concluded that a well-established management framework is in place, with adequate and effective controls to monitor those transactions and to ensure compliance with the requirements and principles set out in Chapter 14A of the Listing Rules, as well as the pricing policies under the Existing Master Services Agreements.

We note that as disclosed in the CTFS 2024 Annual Report and the CTFS 2025 Annual Report, the auditor of the Company has performed procedures in respect of the Existing Master Services Agreements in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 (Revised) “Auditor’s Letter on Continuing Connected Transactions under the Hong Kong Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group pursuant to Rule 14A.56 of the Listing Rules for each of FY2024 and FY2025.

Furthermore, we also note that the independent non-executive Directors have reviewed and confirmed that the transactions contemplated under the Existing Master Services Agreements for each of FY2024 and FY2025 were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Whilst our scope of work as an independent financial adviser does not include a review of the effectiveness of the internal control measures of the Group, we are of the view that based on our work described above and having regard to the nature of the Continuing Connected Transactions, the internal control measures of the Group are appropriate to ensure that the Continuing Connected Transactions will be conducted on normal commercial terms and to safeguard the interests of the Company and the Shareholders as a whole.

IV. OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that (i) the terms of the New Master Services Agreements and Continuing Connected Transactions (including the respective Annual Caps) are fair and reasonable; and (ii) the Continuing Connected Transactions are on normal commercial terms or better, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the New Master Services Agreements and the Continuing Connected Transactions (including the Annual Caps).

Yours faithfully,
for and on behalf of
OPTIMA CAPITAL LIMITED

A handwritten signature in blue ink, appearing to read 'Ng Ka Po'.

Ng Ka Po

Managing Director, Corporate Finance

A handwritten signature in blue ink, appearing to read 'Lo Chi Pang'.

Lo Chi Pang

Director, Corporate Finance

Mr. Ng Ka Po is a responsible officer of Optima Capital and a licensed person registered with the Securities and Futures Commission to carry out type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO. Mr. Ng has participated in the provision of independent financial advisory services for various transactions involving companies listed on the Stock Exchange.

Mr. Lo Chi Pang is a representative of Optima Capital and a licensed person registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. Mr. Lo has over 10 years of experience in corporate finance.