



# CTF Services Limited (659.HK)

## FY2026 Interim Results Presentation





**Section 1**

**CTFS at a Glance**

Section 2

Financial Update

Section 3

Business Operation Update

Section 4

Environment, Social & Governance (ESG)

# FY26-1H Results Highlights



Overall **solid earnings** with steady growth



**Financial Services segment** delivered **strong growth momentum** as a core earnings driver



Continued **portfolio optimization** by streamlining stagnant assets to strengthen financial flexibility and support growth initiatives in Financial Services and Logistics segments



**Successfully restored public float** to >25% via convertible bonds issuances and subsequent conversions, **enhancing market liquidity**



Effective 9 Mar 2026, re-inclusion into the Hang Seng Composite Index facilitates Stock Connect eligibility and enhances the Company's **investor reach**

# Sharpening the Portfolio for Sustainable, Long-Term Growth

- Streamlined the portfolio through the divestment of stagnant assets
- Deployed capital into attractive-return, cash-generative growth segments that reinforce our core strategic focus

## Acquisition



### Financial Services

- Completed acquisition of 13.05% stake in uSmart Inlet Group in Nov 2025, a leading technology-driven financial services provider.
- Announced acquisition of 65% interest in Blackhorn Group in Aug 2025<sup>1</sup>, an external asset manager
- These acquisitions, while profitable on their own, will expand our financial services platform beyond insurance, introducing digital and multi-asset wealth capabilities and enabling deeper cross-business synergies



### Logistics

- Acquired a logistics property in Dongguan in Dec 2025
- Completed acquisition of three logistics properties in Shanghai, Ningbo and Changzhou in Jan 2026 and will start contribute to AOP
- Expansion of our logistics portfolio to 12 logistics properties (Total GLA: c.14.5M sq ft), strengthening the Group's presence in key economic regions of the Chinese Mainland

## Divestment



### Strategic Investments

- Unlocked investment value by potential divestment of the Group's interest in Shoucheng Holdings (0697.HK) through the issuance of HK\$2,218M 0.75% exchangeable bonds due 2028 in Oct 2025
- Disposal of various investments worth over HK\$300M under the segment during the period

Notes:

1. Pending completion upon regulatory approvals

# Investment Thesis

Agile management of diversified businesses to drive strong cash flow & enhance long-term shareholder returns

Prioritizes **disciplined capital stewardship** in **pursuing growth**, focusing on businesses with strong fundamentals, cash flow and compelling long-term prospects

**Strong financial flexibility** and conservative risk management enhance the Group's ability to navigate market uncertainties

Strategic **portfolio optimization** improves the overall quality and sustainability of the earnings base



**Expansion of Financial Services and Logistics segments** strengthens earnings growth, increases recurring income, and extends cash-flow duration

**A consistent dividend track record** reflects management's confidence in **cash-flow sustainability** and **commitment to shareholders**

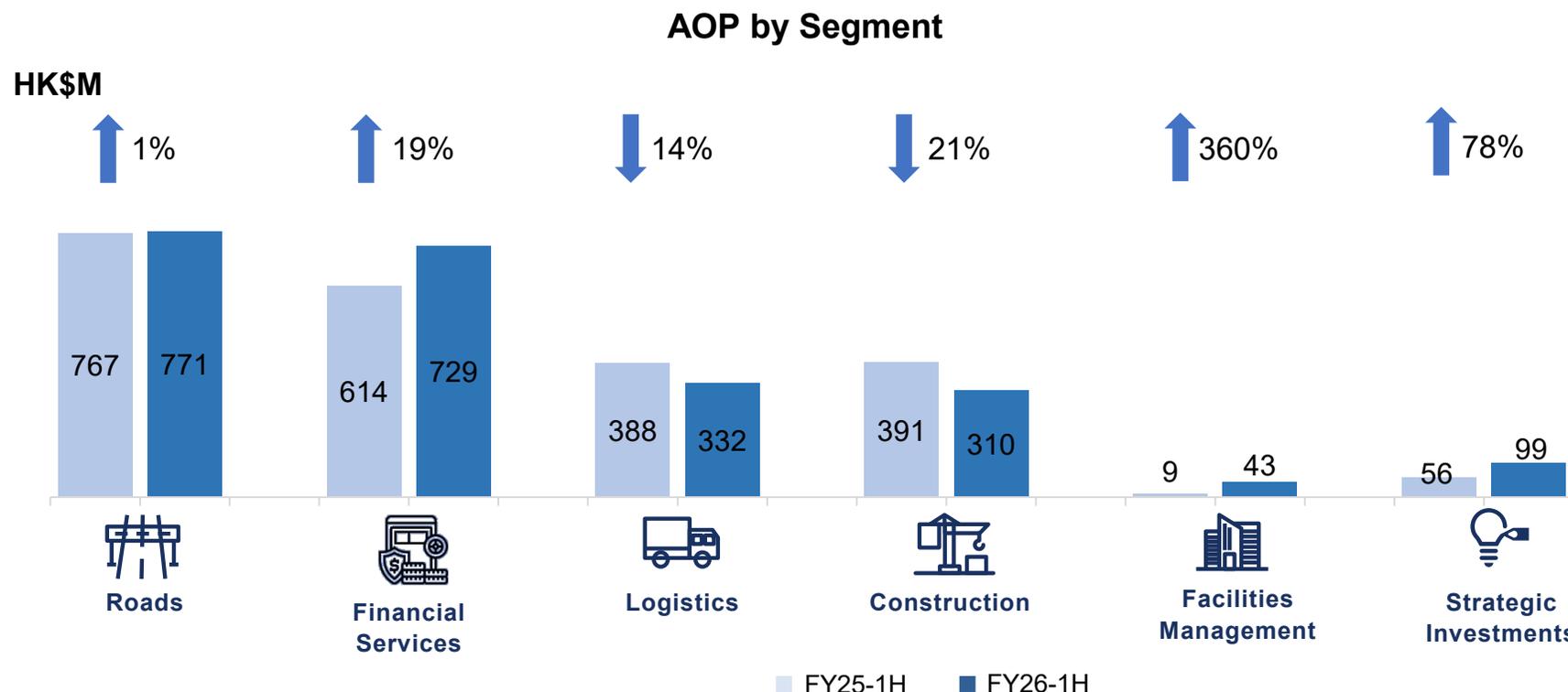
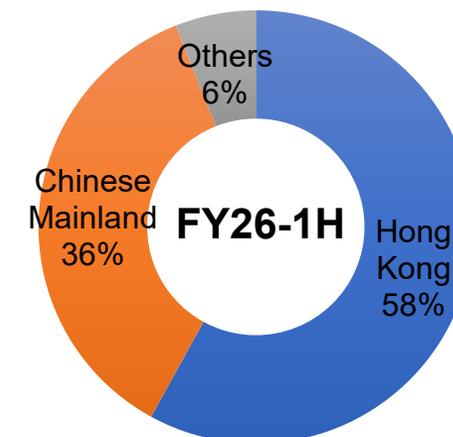
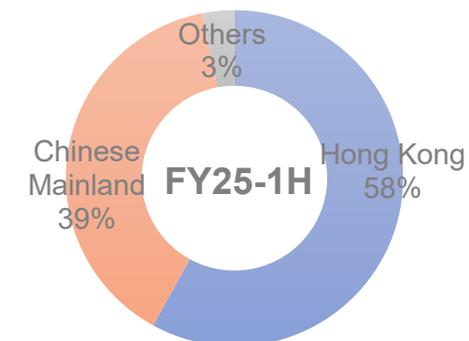
**A seasoned and independent management team** ensures shareholder alignment and maximizes long-term returns

# FY26-1H Group's AOP<sup>1</sup> up 3% YoY to HK\$2,284M

Solid group performance despite subdued market conditions



## AOP by Location



Notes:

1. Attributable Operating Profit/(Loss) is a non-HKFRS measure used by the Executive Committee of the Company to assess the performance of the operating segments. The overall AOP of the Group represents the profit available for appropriation before non-operating and unallocated corporate office items. It may not be comparable to similar measures presented by other companies

# Business Strategy & Outlook

Takes a prudent and disciplined stance on capital deployment and operational management



## Roads

- Drive operational agility to manage changing traffic patterns and competitive dynamics
- Ongoing portfolio review given sector-wide headwinds and limited new projects meeting return thresholds



## Financial Services

- Capture demand from sustained Chinese Mainland Visitors and cross-border wealth flows, with insurance as the core driver of recurring, long-duration earnings
- Advance integrated wealth management strategy by broadening product offerings, strengthening distribution, and enhancing referral flows across the wider Chow Tai Fook Group ecosystem
- Deepen digital strength through uSMART, with additional advisory and product-offering capabilities to be added upon completion of the Blackhorn acquisition



## Logistics

- **ATL** – improve operating performance through tenant diversification, targeted marketing, and tighter cost and vacancy controls
- **Logistics properties in the Chinese Mainland** – pursue selective, high-quality asset acquisitions in the GBA, the Yangtze River Delta and major metropolis in Western China to strengthen scale and long-term portfolio quality
- **CUIRC** – well positioned for growth, supported by favourable national railway policies and rising cross-border rail demand
- Exploring selective investments in **next-generation digital infrastructure** to capture structurally rising demand from AI adoption, sovereign-cloud build-out and accelerating digitalization, with data centres offering long-duration, resilient returns and a scalable pathway for portfolio expansion

# Business Strategy & Outlook

Takes a prudent and disciplined stance on capital deployment and operational management



## Construction

- Leveraging strong market positioning to capture opportunities from HK government and institutional projects and expanding into higher-margin clients
- Northern Metropolis development provides medium-to-long-term pipeline visibility, following the HK government's launch of the first open tender for the pilot area
- Benefitting from a gradually improving private residential market, supported by easing policy measures and stabilizing sector fundamentals that reinforce medium-term confidence



## Facilities Management

- **HKCEC** – expand event pipeline by attracting high-value mega events, leveraging government incentives and the deepening of GBA integration
- **GHK** – drive growth through service expansion, digitalization, and major facility upgrades to enhance patient experience and clinical capability
- **KTSP** – strengthen positioning as “Events Capital of Asia” through venue optimization, operational ramp-up, and development of strategic partnerships



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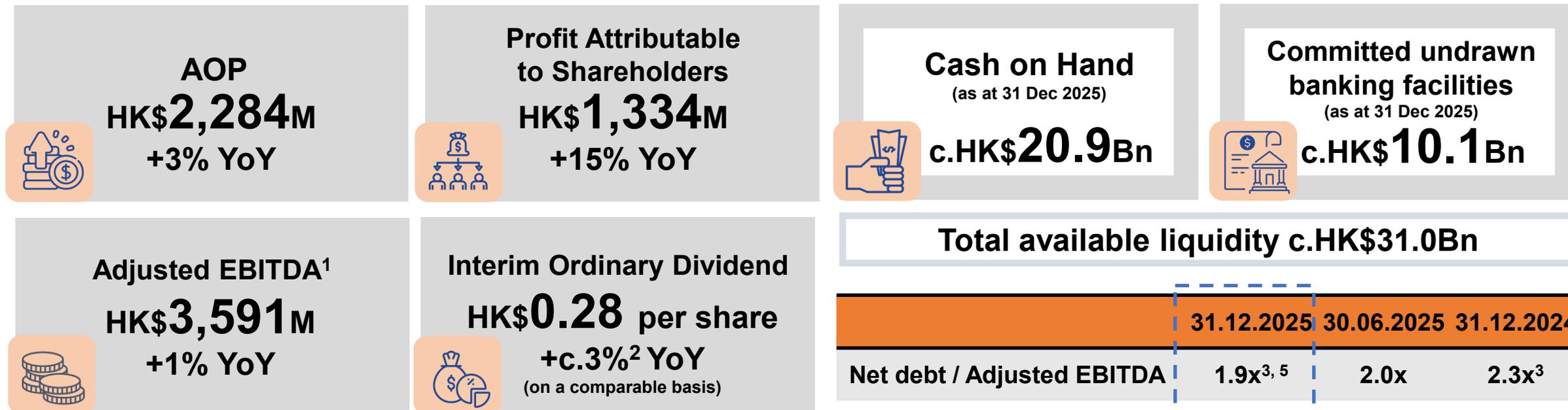
**Business Operation Update**

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**Environment, Social & Governance (ESG)**

# FY26-1H Financial Results Highlights

Continuous growth; Maintain flexibility to support future growth and strategic initiative



	31.12.2025	30.06.2025	31.12.2024
<b>Net debt / Adjusted EBITDA</b>	<b>1.9x<sup>3, 5</sup></b>	<b>2.0x</b>	<b>2.3x<sup>3</sup></b>
<b>Net gearing ratio<sup>4</sup></b>	<b>34%<sup>5</sup></b>	<b>37%</b>	<b>39%</b>
<b>Net debt balance (HK\$)</b>	<b>13.8Bn<sup>5</sup></b>	<b>14.7Bn</b>	<b>16.1Bn</b>
<b>Total assets (HK\$)</b>	<b>182.2Bn</b>	<b>172.9Bn</b>	<b>161.7Bn</b>

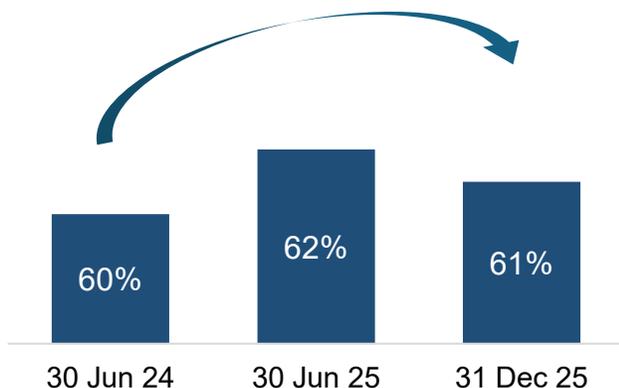
Notes:

- Adjusted EBITDA is a non-HKFRS measure of the Group's operating profitability and calculated as operating profit excluding depreciation and amortization and other non-operating/non-cash items, plus dividends received from associated companies and joint ventures, and any other relevant adjustments. It may not be comparable to similar measures presented by other companies.
- Interim ordinary dividend for FY26 of HK\$0.28 per share is not directly comparable with FY25 interim ordinary dividend of HK\$0.30 per share due to the effect of the bonus issue. The increase of c.3% yoy is on a comparable basis, after adjusting FY25 interim ordinary dividend to reflect the enlarged share capital base following the 1-for-10 bonus issue in Dec 2025.
- Annualized.
- Net debt divided by total equity.
- HK\$2,218M 0.75% Exchangeable Bonds due 2028 are being accounted for as financial liabilities at fair value through profit or loss and are excluded from both the net debt and net gearing ratio calculations.

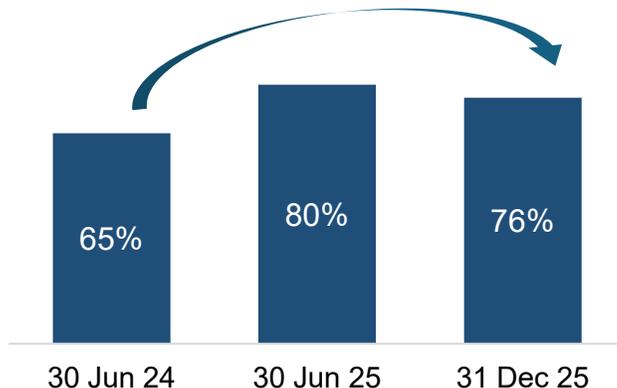
# Proactive & Strategic Financial Management

Healthy debt profile to enhance financial resilience

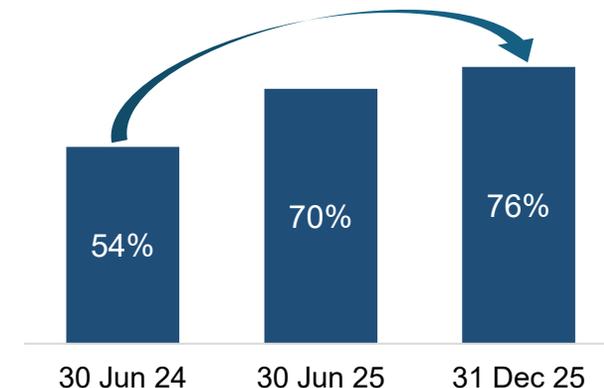
**RMB Debt to Total Debt**



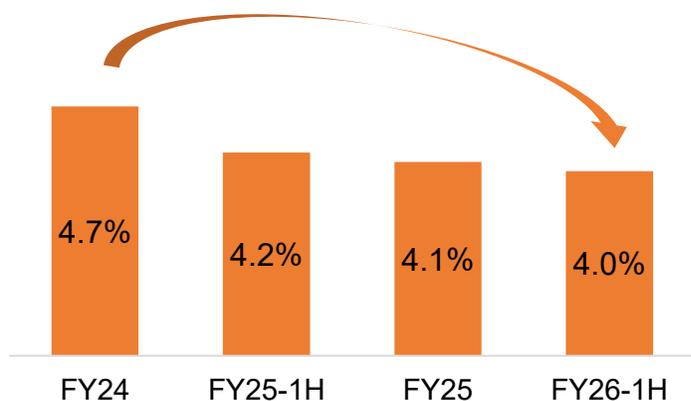
**RMB Liabilities to RMB Assets to serve as a natural hedge**



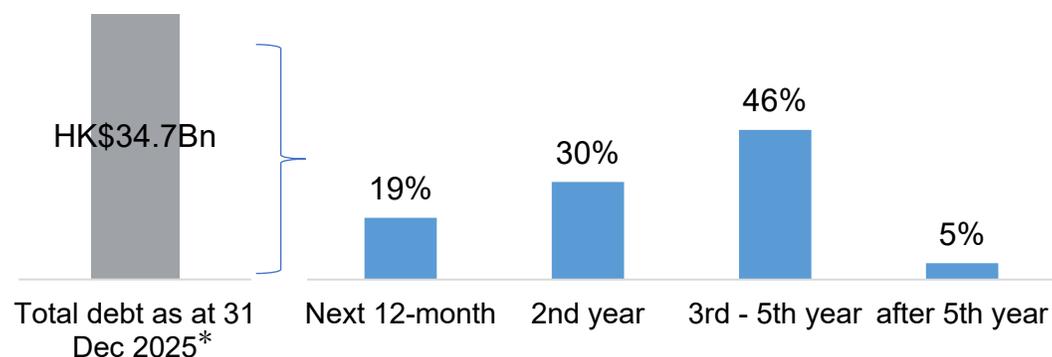
**Fixed Rate Debt to Total Debt**



**Further Optimize Cost of Financing**



**Healthy Debt Maturity Profile (as at 31 Dec 25)**



\*Including secured bank loans HK\$3,770M, c.11% of the total debts

\*As at 30 Jun 2025, c.HK\$9.4Bn of debt scheduled to mature within one year, lowered 28% to c.HK\$6.8Bn as at 31 Dec 2025

# Diversified Funding Sources

Strengthened debt structure supports robust credit ratings



**Banking Facilities**  
(onshore + offshore)

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Undrawn committed c.HK\$10.1Bn

+

Utilized c.HK\$25.4Bn

= **Total** utilized and undrawn committed facilities **c.HK\$35.5Bn**



**Convertible Bonds (CBs)**

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**HK\$850M 2.8% CBs due Jan 2027**

- Tenor: 18 months (issued in Jul 2025)
- Conversion price : HK\$6.69 per share (conversion price was adjusted from HK\$7.67 to HK\$6.69 due to the bonus issue and FY25 final dividend)
- To enhance public float and stock liquidity
- **Remaining amount (as at 26 Feb 2025): HK\$212M**



**USD Bonds**

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**US\$400M 6.375% Senior Notes due 2028**

- Issue price: 99.265%
- Tenor: 4 years

**US\$650M 4.25% Senior Notes due 2029**

- Issue price: 99.718%
- Tenor: 10 years
- **Remaining amount (as at 31 Dec 2025): US\$243.6M**



**Panda Bonds**

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- Total issuance of Panda Bonds in the NAFMII market since May 2023: **RMB3.6Bn**
- Coupon rate: 3.55%-3.90% p.a.
- Applied for registration with NAFMII to issue up to RMB5Bn of Panda Bonds in Jan 2026, following the expiry of the 2023 Panda Bond Programme\*

**Credit Rating**

Offshore

**A+**



株式会社 日本格付研究所

Onshore

**AAA**



联合资信评估股份有限公司  
China Lianhe Credit Rating Co., Ltd.

\*Notes: The 2023 and 2026 Panda Bond Programme follow the same framework.

# Issuance of Exchangeable Bonds



Issue date: 3 Oct 2025  
 Issue size: **HK\$2,218M**  
 Coupon: 0.75% p.a.  
 Issue price: 103%  
 Maturity Date: 3 years till 2028

**PROCEEDS  
 from Issuance**

**c. HK\$2.25 Bn**

**Exchange  
 property**

**Ordinary shares of Shoucheng Holdings (0697.HK 首程控股)**  
 at initial exchange price of HK\$2.6565 per Shoucheng Share,  
 as adjusted to include cash of HK\$0.0633 per Shoucheng  
 Share, being dividends paid by Shoucheng

**Pre-tax  
 accounting  
 DISPOSAL GAIN**

**c. HK\$1.16 Bn<sup>1</sup>**

**Purposes**

- ✓ Capitalize the investment return by divesting stake in Shoucheng at premium if the Exchange Rights are exercised
- ✓ Raise financing at attractive terms
- ✓ Further refine & strengthen business portfolio

\*Notes:

1. assuming full exchange and based on the carrying value on 30 Jun 2025 and to be recognized over the Exchange Period if the Exchange Rights are exercised

# Resilient Financial Profile

Strategic leverage under judicious financial management



Acquisition of CTF Life Insurance

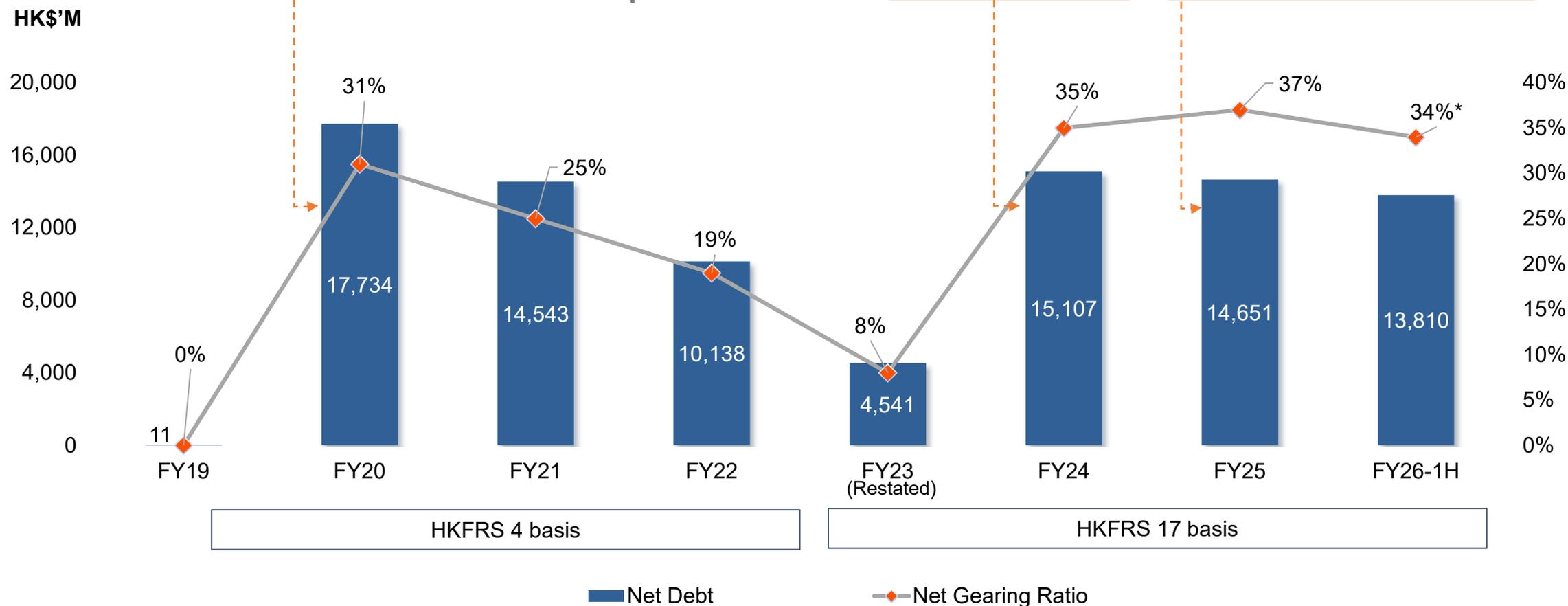
Strong cash flow generation and non-core disposals to bring down leverage despite a series of value-accretive acquisitions



- Public perp redeemed
- Special dividend paid to optimize the cost of capital and boost ROE



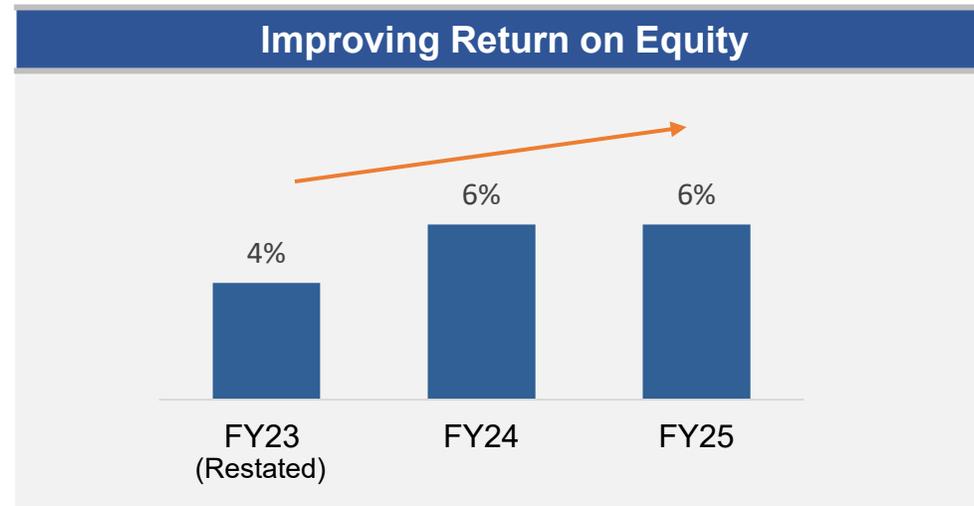
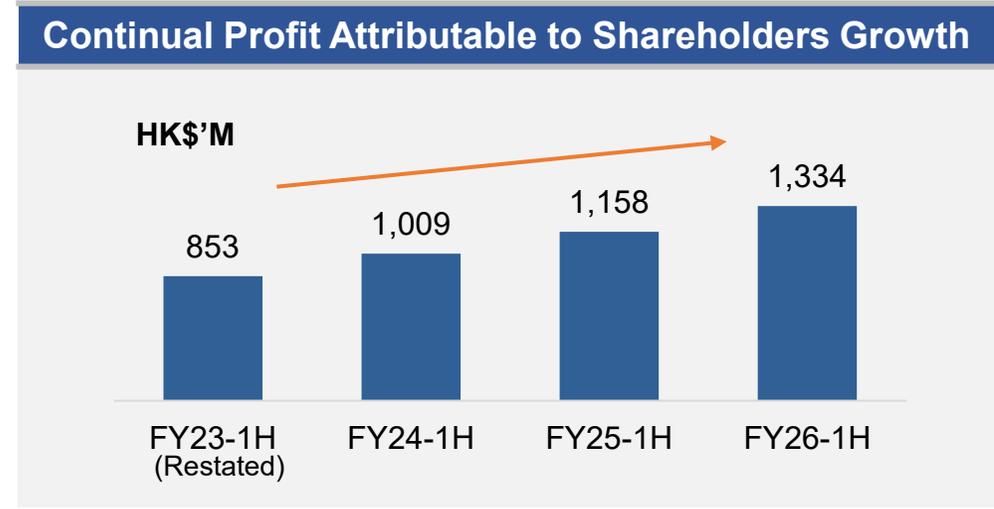
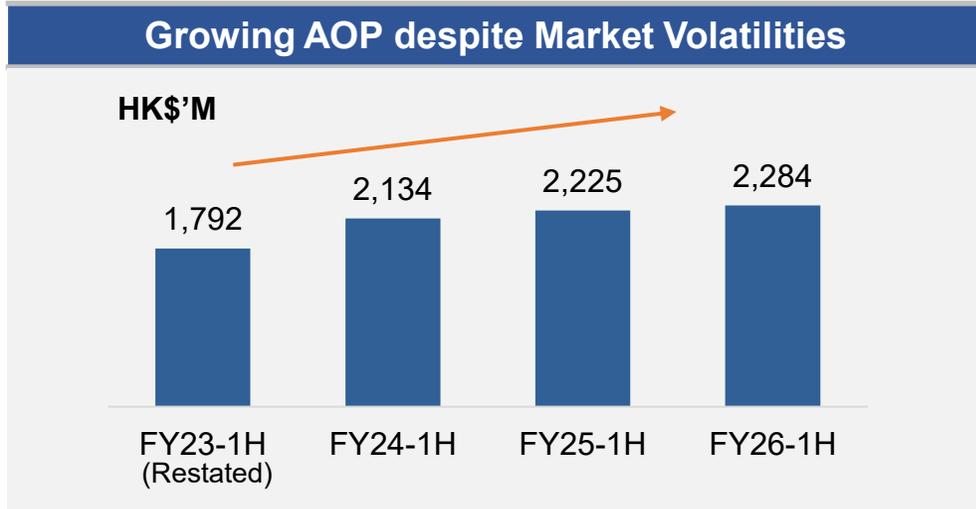
- Private perp redeemed partially
- Special dividend paid to return capital to shareholders following the sale of non-core assets



\*If 0.75% Exchangeable Bonds were included as debt, the Net Gearing Ratio would be 39% as at 31 Dec 2025.

# Solid Financial Performance

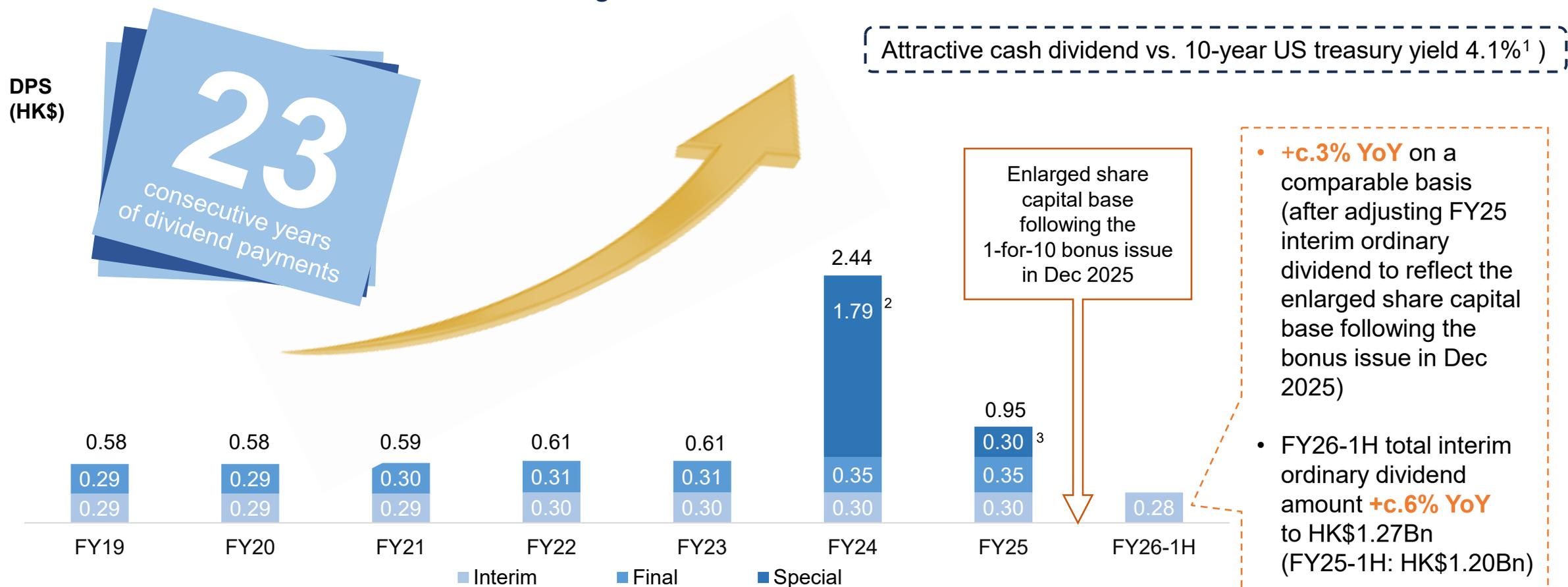
Sustainable financial growth safeguards robust earnings quality



Note: Return on equity = profit for the year/total equity

# Committed to Sustainable and Progressive Dividend Policy since FY19

Proven track record of continuous returning cash to shareholders



Notes:

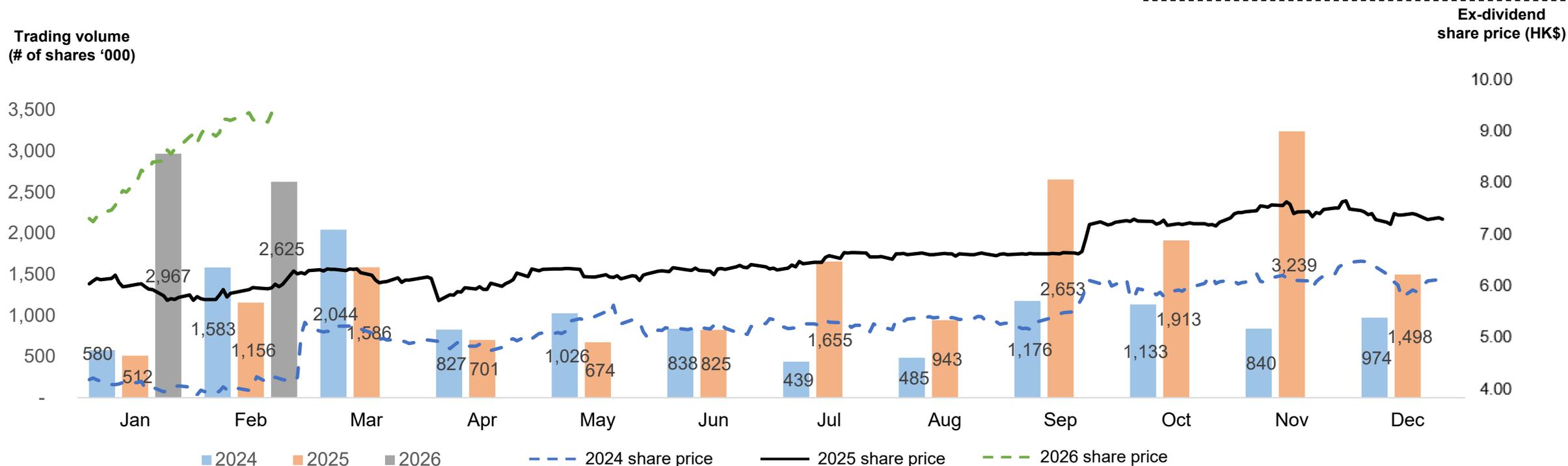
- Source: Bloomberg: as at 25 Feb 2026
- In FY24-1H, the Group declared a special dividend of HK\$1.79 per share to increase leverage from 8% following several asset disposals, enhance balance sheet structure and efficiency, and demonstrate its appreciation to shareholders for their continued support and commitment to value creation.
- During FY25-1H, the Group recuperated c.HK\$2.0Bn in cash from several transactions. This includes proceeds from the disposal of the Free Duty business (HK\$257M) and Hyva Group (c.HK\$1.2Bn), as well as the insurance settlements received by Goshawk with the insurers related to the loss of six aircraft (c.HK\$1.1Bn, of which the Group is entitled to 50%). In light of these favourable developments, the Board has declared a special dividend of HK\$0.30 per share.

# Robust share price performance underpinned by continuously improving trading turnover

	2024	2025	Change	2025 Jan	2026 Jan	Change
Average daily trading volume ('000)	892	1,364	<b>+51%</b>	512	2,967	<b>+479%</b>

Share price return YTD 2026 (as at 24 Feb 2026)	<b>+27%</b>
2025 total return	<b>21%</b>

Public float increased from 22.17% on 23 Nov 2023 to **>25%**, restoring compliance with the minimum requirement under the Listing Rules. It further rose to 26.05% as of 24 Feb 2026.



- ❖ 659.HK was excluded from Southbound Stock Connect in Mar 2025 as the stocks available for public trading decreased following the voluntary general offer, resulting in low trading turnover and, consequently, failing the velocity test.
- ❖ Hang Seng Indexes Company announced that 659.HK will be re-included into the Hang Seng Composite Index, effective from 9 March 2026. This reinstatement facilitates 659.HK's Stock Connect eligibility and is expected to further boost the stock's trading turnover while attracting a broader base of investors from the Chinese Mainland.



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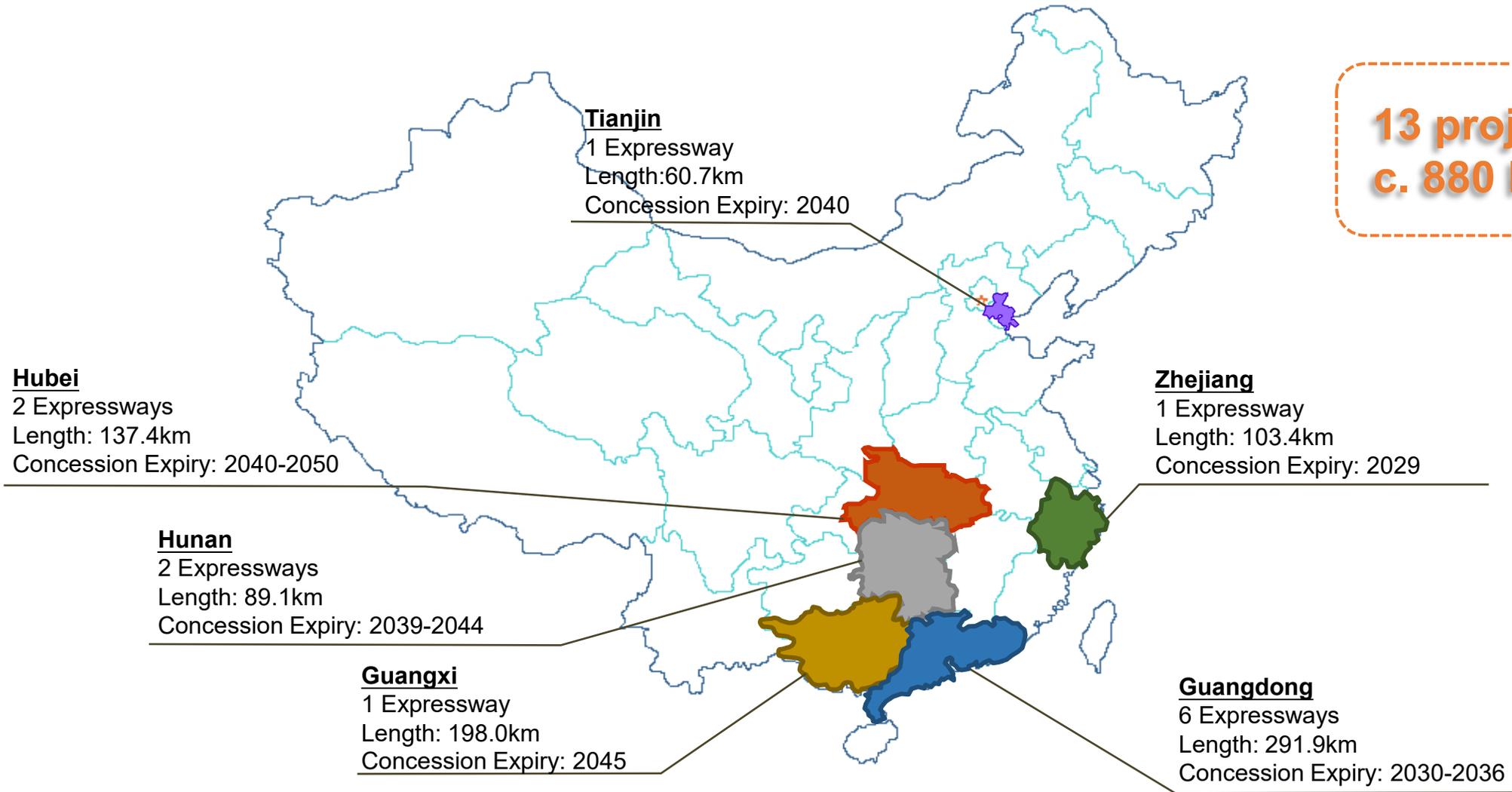
**Section 4**

**Environment, Social & Governance (ESG)**



# Roads

Well-diversified toll road portfolio located in six strategic locations in the Chinese Mainland

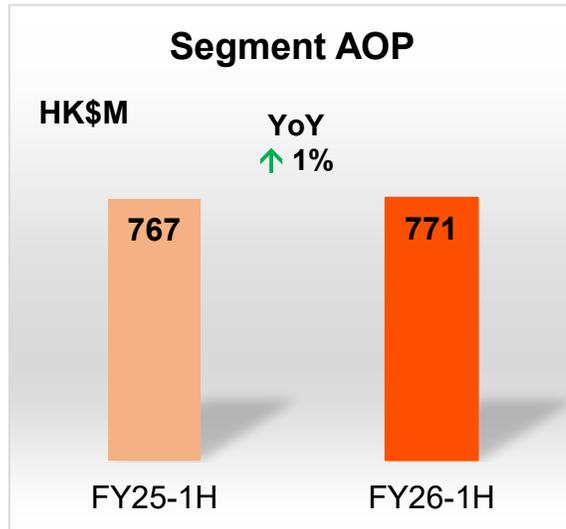


**13 projects**  
**c. 880 km**



# Roads

A stable performance despite a challenging environment



- AOP of the Roads segment moderately increased was mainly attributable to **lower finance costs**, which were partially offset by uneven traffic recovery
- Excluding Shanxi Taiyuan-Gujiao Roadway (Gujiao Section), which the Group disposed of in Apr 2025, AOP from 13 toll roads **+4% YoY**
- Like-for-like average daily traffic flow and toll revenue -1% YoY, mainly due to:
  - 1) partial closures on the two roads currently expanding;
  - 2) a competing expressway opened in Jul 2025 diverted some truck traffic away from Hangzhou Ring Road;
  - 3) partially offset by improving toll revenue from Tangjin Expressway (Tianjin North Section) following the completion of a key connecting road expansion in Oct 2025
- As at 31 Dec 2025, the average remaining concession period of the Group's road portfolio was **c.11.4 years**



- ❖ Expansion works have been progressing, expect to extend concession periods after completion by FY28:
  - ✓ **Beijing-Zhuhai Expressway (Guangzhou-Zhuhai Section)** since late 2022
  - ✓ **Guangzhou-Zhaoqing Expressway** since late 2023
- ❖ Traffic patterns remain fluid, competition from alternative transport options is rising, and newly developed road networks are reshaping travel flows, all contributing to a more challenging operating landscape
- ❖ The Group will continue to review and optimize the current toll road portfolio, with disciplined capital allocation focused on long-term strategic value and sustainable financial returns



# Financial Services

## CTF Life – Building on a legacy of trust, powered by Chow Tai Fook Group



CTF Life  
周大福人壽

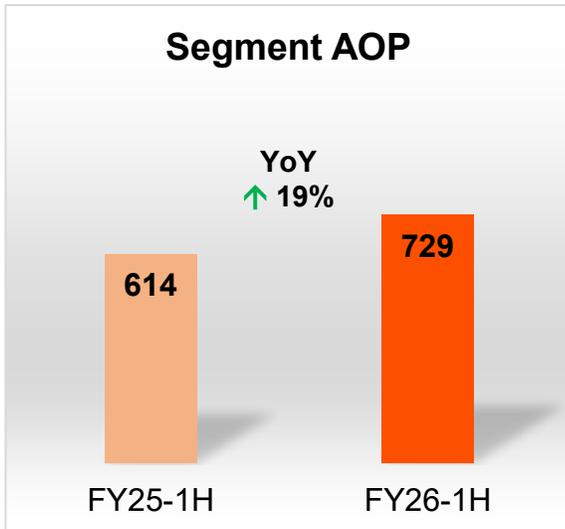


- Capitalize on **Chow Tai Fook Group’s established brand** (including Chow Tai Fook Jewellery’s 95+ year history within Asian communities) providing a strong foundation for CTF Life’s growth
- Competitive edge: the only insurance company in Hong Kong **backed by conglomerate**
- Harness the Chow Tai Fook Group’s **diverse ecosystem** to deliver distinctive, **integrated wealth solutions — unlocking cross-selling and referral synergies across the network**
- Bolstering the **digital service capabilities** (e.g. strategic partnership with AlipayHK on premium payment) and expanded the **healthcare collaborative network** by establishing partnerships with leading hospitals and medical centres in Hong Kong and across the Greater Bay Area

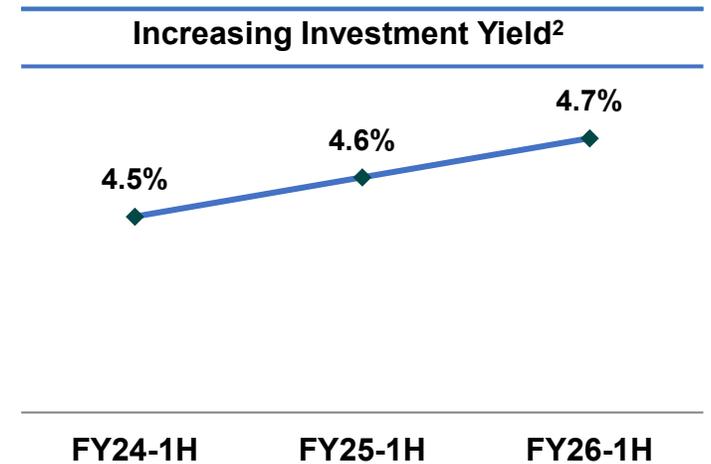
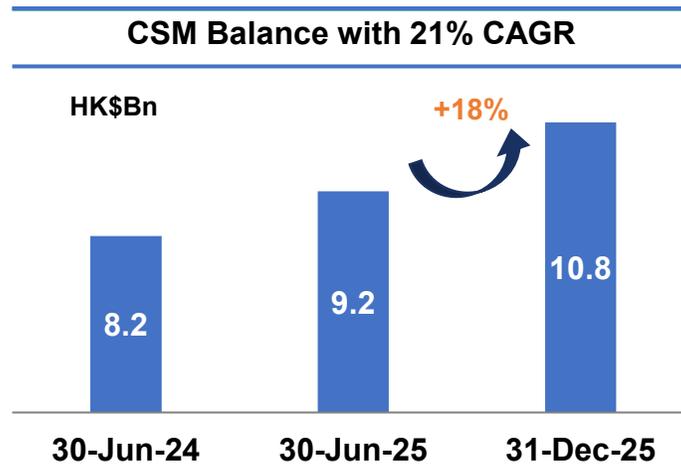
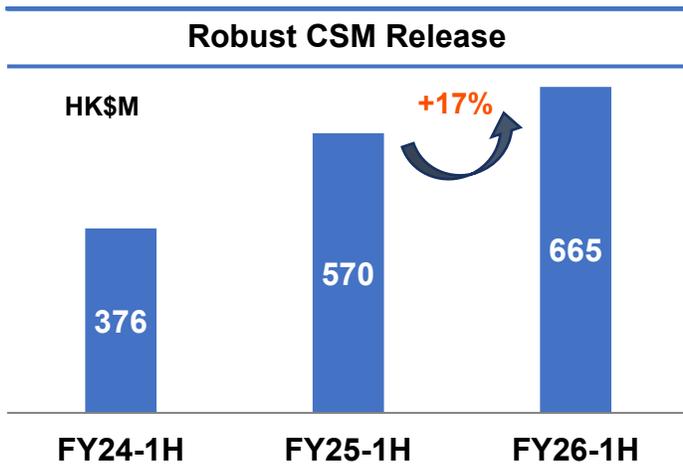


# Financial Services

## CTF Life – Strong AOP & CSM<sup>1</sup> Growth Momentum



- Segment AOP **+19% YoY** to **HK\$729M** mainly driven by increase in CTF Life’s CSM release supported by the profitable new business growth and favourable financial market movements
- CSM release **+17% YoY** to **HK\$665M** which was the key component of the AOP
- CSM balance (net of reinsurance) **+18%** from 30 Jun 2025 ending balance to **c.HK\$10.8Bn** as at 31 Dec 2025, reflecting positive financial market movements and solid new business momentum, and supporting a continued build-up of future earnings
- Investment income on fixed income portfolio increased to **4.7%** (FY25-1H: 4.6%) contributed by higher yields locked for new bonds purchased and portfolio rebalancing to improve the future recurring yield



Notes:

1. Contractual Service Margin (CSM)

2. Investment income of fixed income investment portfolio - This includes interest income of the fixed income investments in CTF Life’s participating, non-participating and surplus portfolios, excluding the unit-linked assets. This excludes the total return assets, for example, listed equities and alternative funds which goal is to deliver long term capital gain on top of the investment income

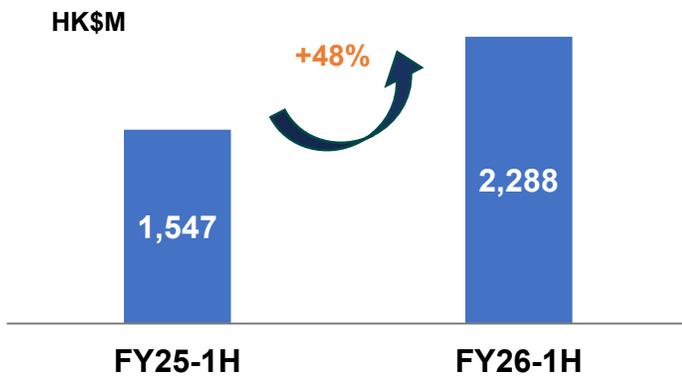


# Financial Services

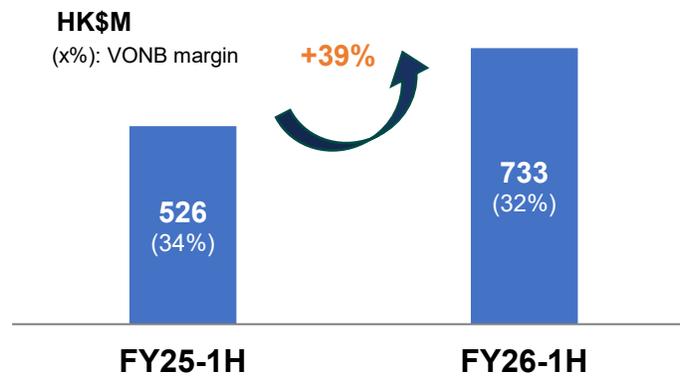
CTF Life – Structural strength in operating metrics



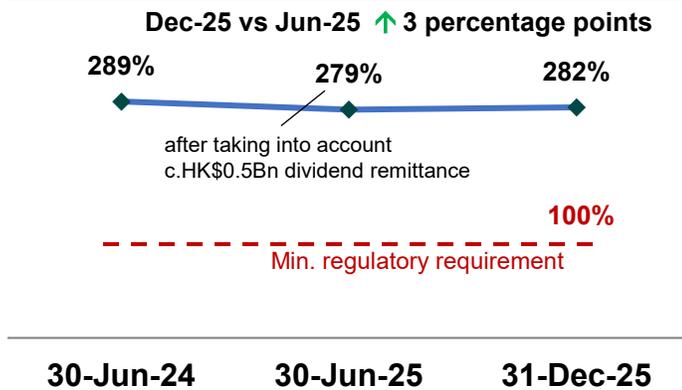
## Robust APE Growth



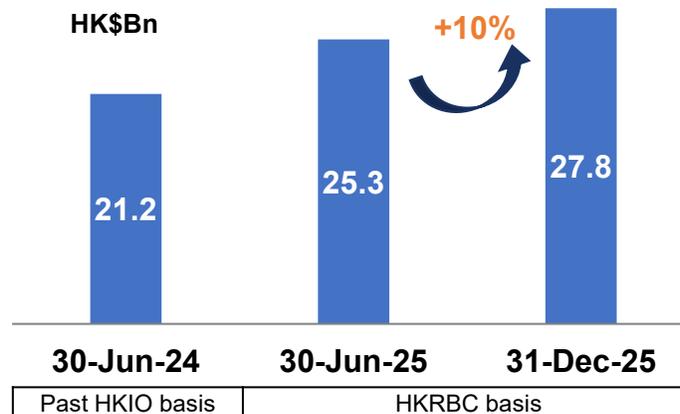
## Strong VONB Growth



## High and Stable HKRBC Solvency Ratio<sup>1</sup>



## Embedded Value with 20% CAGR



- Overall APE **+48% YoY** to **HK\$2,288M** supported by broad-based demand, attractive product offerings and improved distribution execution
- VONB **+39% YoY** to **HK\$733M**, in line with APE growth
- VONB margin improved from 27% in 1H 2025 to **32%** in the Current Period due to higher premium growth and improved cost efficiency
- Embedded value **+10%** to **HK\$27.8Bn** from 30 Jun 2025 contributed by VONB and favourable equity performance
- Ranking 12<sup>th</sup> among HK life insurance companies by APE in first nine months of 2025
- Strong asset and liability management, with HKRBC-based effective duration gap within a prudent range since the regime came into effective on 1 July 2024
- Good track record of fulfillment ratios<sup>2</sup>

Channel	
Tied Agents	2,100+
Brokers	370+

Credit Rating	
Fitch Ratings	A-
Moody'	A3

Notes:

1. HKRBC solvency ratios before 1 July 2024 based on parallel run results

2. Across three signature product series, including Regent series, HealthCare 168 series, and Fortune Saver series. Also, the accumulation interest rate on annual dividends has maintained at 4.25% per annum on United States Dollar participating policies for 13 consecutive years

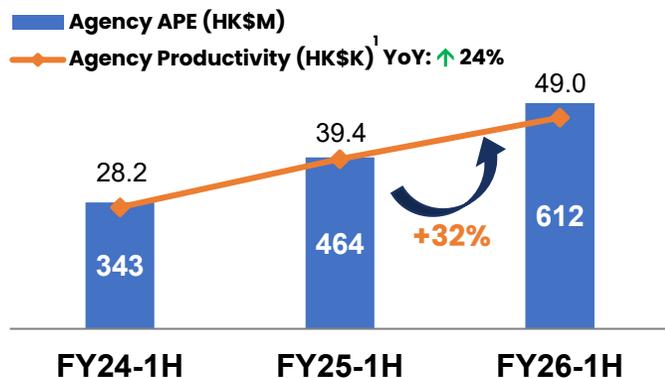


# Financial Services

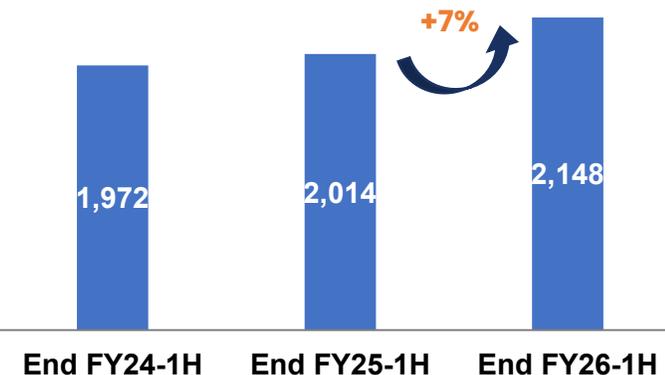
CTF Life – Driving sustainable growth through agency transformation and overseas business expansion



## Robust Agency APE Growth



## Increasing Number of Agents

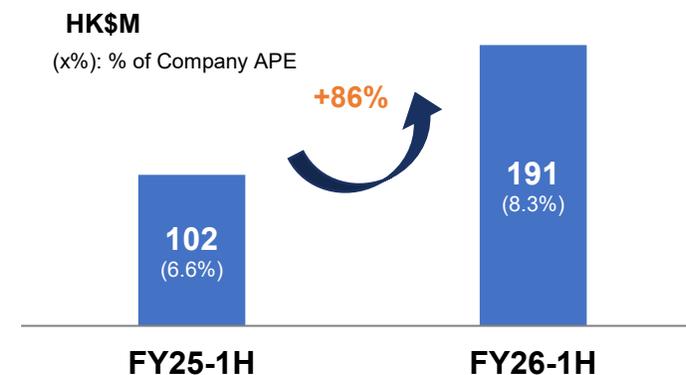


Notes:

1. APE per average number of agents
2. The percentage of insurance policies paying the 19th monthly premium, as measured by premiums
3. Million Dollar Round Table as at 31 Dec 2025

- Both agency productivity and number of agents increase over past 2 years
  - Agency's productivity **+24% YoY**
  - Agency's persistency<sup>2</sup> **+13% YoY**
  - MDRT<sup>3</sup> **+29% YoY**
- Focus on **quality agency recruitment** and structured training to enhance capability and performance
- Built an **effective agency force** through strong growth in selective new recruits, following recent years of agency consolidation
- Adopted a recruitment strategy that emphasizes diversified backgrounds to foster a more resilient and inclusive agency network

## Overseas Business APE



- Expanding overseas business to diversify reliance on the CMV business (61% of total APE) and create a new engine for growth
- Strong overseas business APE YoY growth at **86%** to **HK\$191M**
- Growth supported by closer broker engagement and by leveraging the broader CTF Group ecosystem
- Expanding **customer footprint in Southeast Asian regions** (e.g. Malaysia, Indonesia, etc) through brokerage channel together with the **new Bermuda operations** that target high net worth customers

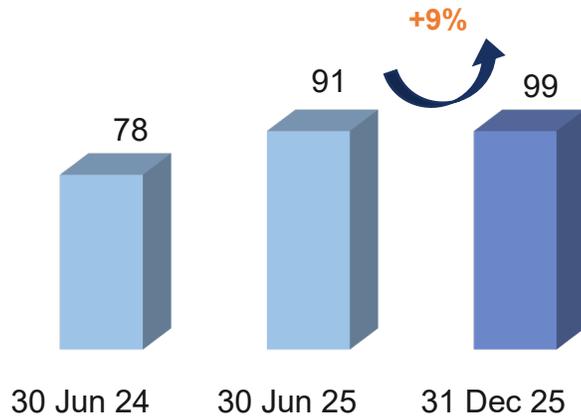


# Financial Services

## CTF Life – Fast-growing and defensive investment portfolio

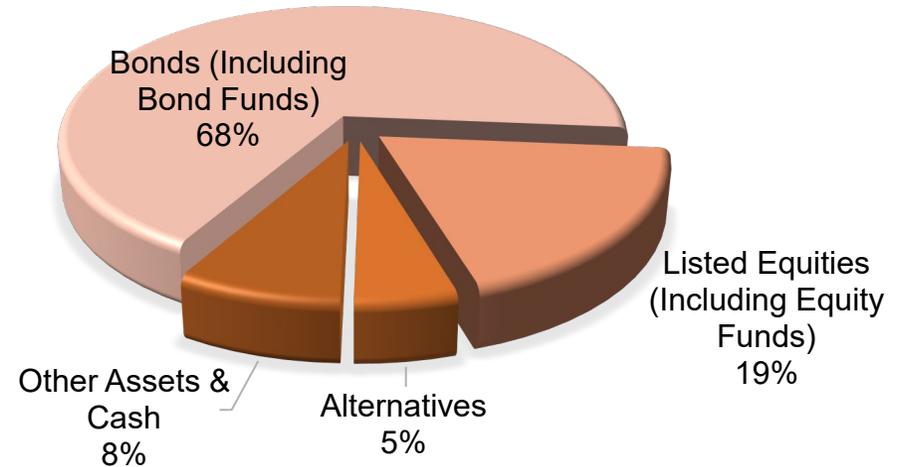


### Fast-growing Investment Portfolio AUM\* (HK\$'Bn)

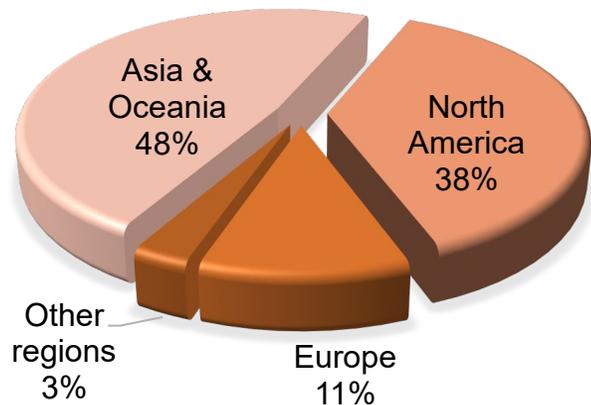


\* Exclude Investment-Linked Assurance Scheme business

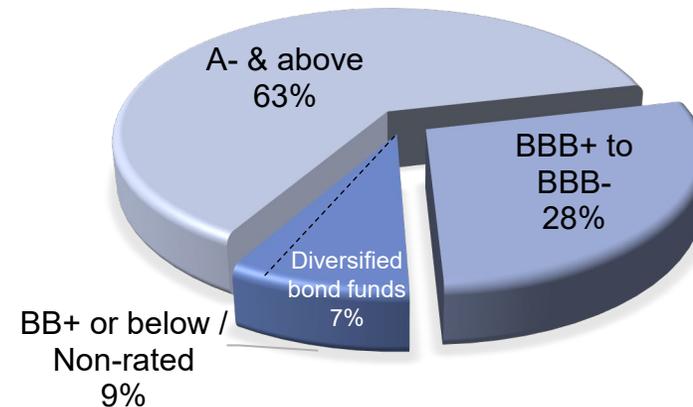
### Prudent Asset Allocation



### Well Diversified Geographical Distribution



### Majority in Bond Portfolio are Investment Graded





## Financial Services

Scalable growth driven by insurance centric wealth management platform



**CTF Life well positioned to capture sustained demand**, leveraging multi-currency products, competitive returns, broad medical coverage and continuous product innovation

**CMV and cross border wealth management demand remain key growth engines**, supported by rising protection awareness, longevity trends and Hong Kong's differentiated insurance offerings

**Insurance plays a strategic core role in delivering recurring**, resilient earnings and deepening long term client relationships, particularly among affluent and high net worth customers

**Integrated wealth management strategy advancing**, focused on portfolio diversification, distribution optimization and cross business referral synergies across the CTF ecosystem

**uSMART and Blackhorn acquisitions broaden capabilities**, adding digital brokerage, multi asset wealth solutions and advisory services beyond traditional insurance

**Stronger ecosystem coordination and data driven engagement** expected to accelerate high quality customer acquisition and deliver sustainable long term growth



# Logistics

Diversified logistics investments across Greater China

## China United International Rail Containers Co. Ltd. ("CUIRC") (30% interest)

- JV with China State Railway Group, PSA, CIMC & Deutsche Bahn
- **13** large-scale rail container terminals in the Chinese Mainland
- Rail intermodal and international transportation



8 logistics properties:  
 - Chengdu, Wuhan, Dongguan (100% interest)  
 - Suzhou (90% interest)

• Total gross leasable area: **6.9M sqft**



## ATL Logistics Centre (56% interest)

- Strategic location: Kwai Chung (in the centre of Hong Kong)
- Total gross leasable area: **5.9M sqft**
- Full-building ramp access supports tenant operational efficiency
- A redistribution hub for major retailers and third-party logistics providers in HK





# Logistics

ATL – Market volatility tempered occupancy; initiatives implemented to strengthen performance

## Segment AOP

HK\$M

YoY  
↓ 14%

388

332

FY25-1H

FY26-1H

### ➤ Logistics Asset & Management

- **ATL Logistics Centre - total gross leasable area c.5.9M sqft**

Occupancy rate

Average rental change

**75.2%** (As at 30 Jun 2025: 80.7%) **+3% YoY**

- ATL's operational performance was temporarily affected by market volatility arising from reciprocal tariffs, although this was partially offset by a gradually improving economic environment in Hong Kong



- ❑ CUIRC delivered solid growth
- ❑ Offset by declined profits from ATL in Hong Kong and logistics properties in the Chinese Mainland

### ❖ **Initiatives to enhance operational resilience:**

- diversifying and strengthening its tenant base toward more resilient sectors such as e-commerce
- intensifying marketing and branding efforts to enhance asset visibility
- upgrading amenities and facilities to enhance service quality
- enforcing rigorous cost and vacancy controls

These will reinforce ATL's foundation to capture premium demand and reaffirm its long-term market leadership as conditions normalize



# Logistics

Logistics assets portfolio in the Chinese Mainland with desirable geographical positioning

➤ **Logistics Asset & Management (total gross leasable area in Chinese Mainland c.6.9M sqft)**

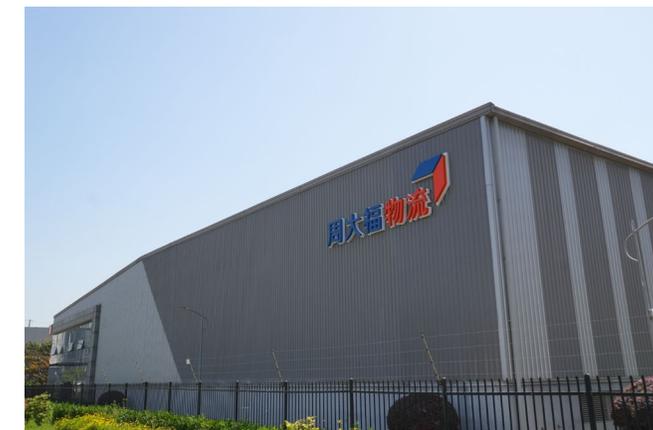
Average occupancy rate across 7 logistics properties in Chengdu, Wuhan & Suzhou **c.90.9%** (As at 30 Jun 2025: c.87.5%)

Occupancy rate of the logistics property in Suzhou improved to **c.75.7%**<sup>1</sup> (As at 30 Jun 2025: c.40.7%)

In Dec 2025, the Group acquired a logistics property in Dongguan, marked its inaugural expansion into the GBA

Average occupancy rate across 8 logistics properties in Chengdu, Wuhan, Suzhou & Dongguan **c.91.2%**

- ❖ The Group maintains a positive outlook for **high standard logistics properties** in affluent regions, **particularly the GBA, the Yangtze River Delta and major metropolis in Western China**, which benefit from improving business conditions for manufacturers and exporters, the ongoing development of e-commerce, and strong growth in domestic parcel-delivery market
- ❖ While selling prices have corrected more sharply than rents, the Group sees **attractive opportunities to selectively acquire** assets with superior transportation connectivity and strong tenant appeal. These currently **undervalued properties are expected to deliver sustainable and attractive long-term returns**
- ❖ In Jan 2026, the Group **completed the acquisition of three logistics properties** in Shanghai, Ningbo and Changzhou, with a total gross leasable area of c.1.7M sqft
- ❖ To capture rising demand driven by the Chinese Mainland's rapid AI adoption, sovereign cloud requirements, and accelerating digitalization, the Group is also actively **exploring potential investments in next generation digital infrastructure**



Notes:

1. The Group proactively terminated the lease with the sublessor in Apr 2025. Occupancy rebounded sharply during the Current Period, supported by premium service offerings and strong tenant relationships of the Group



# Logistics

CUIRC delivered robust operational performance in FY2026-1H

## ➤ CUIRC - 13 large-scale rail container terminals in the Mainland



Strong demand for **multimodal transportation services** (e.g. the China-Europe Railway Express)



Increased demand for **ancillary logistics services**



Expanded **terminal handling capacity**



Favourable national policies **boost freight volumes**

- CUIRC has been actively upgrading its terminal infrastructure, including **the expansion of the Urumqi terminal, completed in Oct 2025**



AOP

**+19% YoY**

Throughput

**+10% YoY**

TEUs

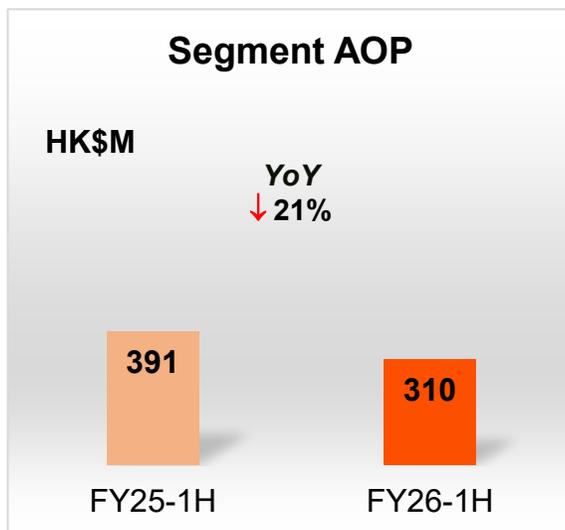
**3.84M**



- ❖ With strategically located terminals along key Belt and Road Initiative routes, CUIRC is well placed to **capture growing cross-border rail demand** while **strengthening regional economic connectivity**
- ❖ **Ongoing automation projects at its Wuhan and Qingdao terminals**, both of which remain on track for completion and commissioning by the end of FY2026

# Construction

## CTFS Construction Group – Backlog position underpins earnings visibility



- Construction segment's AOP dropped due to lower gross margins recognized from projects in the Current Period and the absence of prior-period expected credit loss provisions reversals, leading to a contraction in overall net profit margins
- As at 31 Dec 2025, **gross value of contracts on hand +13%** to **HK\$65.4Bn** vs 30 Jun 2025, with **HK\$39.6Bn** of remaining works, offering healthy visibility of future revenue
- Newly secured contracts **+115%** YoY to **HK\$9.7Bn**, driven by strong reputation in the industry
- Pivoted toward **HK government and institutional projects**, who remained active in launching projects, to offset the challenges arising from the two-year softness in the private developer project pipeline



**Gross value contracts on hand**  
c.HK\$**65.4**Bn

▲ 13% (vs. 30 Jun 2025)



**Backlog**

c.HK\$**39.6**Bn

▲ 2% (vs. 30 Jun 2025)

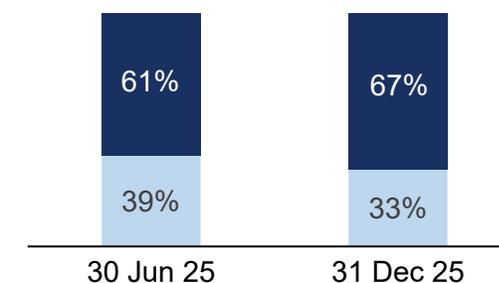


**Newly awarded Contracts in FY26-1H<sup>1</sup>**

c.HK\$**9.7**Bn

▲ 115% YoY

### Type of Projects



#### Notes:

1. Key projects awarded during FY26-1H included design and build of joint-user complex, public open space at Cheung Sha Wan Road, Sham Shui Po, construction of public housing development at Yip On Factory Estate, and management contract for maintenance and completion works for the subsidized sale flats development at Anderson Road Quarry Site R2-2

■ Government & Institution  
■ Private sector (commercial & residential)

### CTFS Construction Group operates solely within Hong Kong, supported by the following long-established subsidiaries:



- ▶ Founded in 1961, Hip Hing Group provides comprehensive project management services to clients in design, procurement, engineering and construction



- ▶ Founded in 1929, Vibro Group is the oldest foundation contractor in HK



- ▶ Founded in 1985, Quon Hing Group is one of the largest concrete products suppliers in HK



- ▶ Founded in 1988, Hsin Chong Aster is a leading contractor in electrical and mechanical engineering services

### Future growth opportunities:

- Early recovery signs in private residential demand suggest a gradual pickup in market activity
- Government and institutional projects remain primary growth drivers, with the Northern Metropolis pilot tenders providing clear visibility on upcoming project opportunities
- With a strong reputation and proven technical capabilities, CTFS Construction Group is well positioned to capture these emerging opportunities



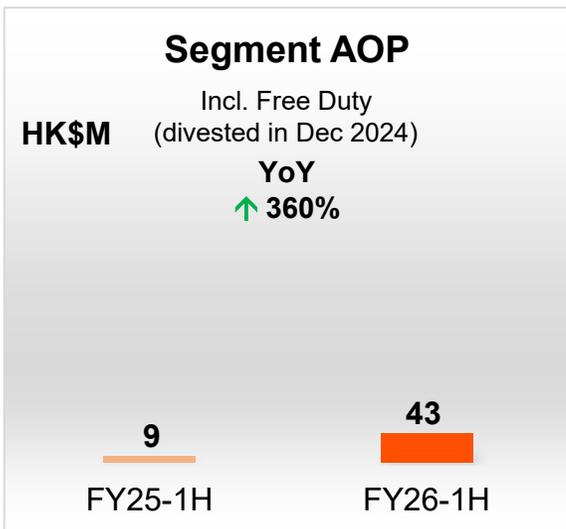
Legislative Council



Shoe sculpture for 15<sup>th</sup> National Games of China 2025

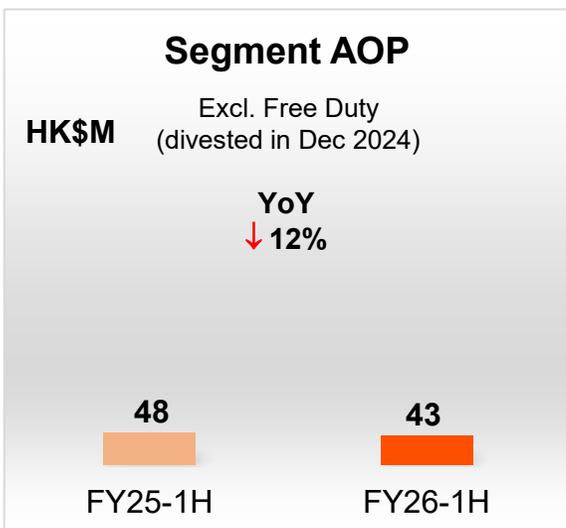
# Facilities Management

GHK – consistent progress driven by premier healthcare service & enhanced reputation



**GHK** (CTFS - 40% interest & IHH Healthcare Berhad - 60% interest)

- Contributed positively to the Group’s profitability, making a turnaround from AOL in the Last Period
- EBITDA **+11% YoY**
- The no. of inpatients, outpatients and day cases **+1%, 2% & 8% YoY**, respectively
- Regular utilized beds reached **352** (30 Jun 2025: 337)
- Average occupancy rate: 58% (30 Jun 2025: 64%)



❖ Parkway Medical’s strategy to expand clinics network into the community will continue, with the **opening of a new Gastrointestinal, Hepatobiliary and Pancreatic Specialists Clinic at Central planned for FY2026-2H**





# Facilities Management

GHK & Parkway Medical – provide a multi-specialty hospital, clinics and laboratory services



## Gleneagles Healthcare Novum Place, Hong Kong

- general outpatient consultations
- health screening services
- vaccinations

## Gleneagles Healthcare South Horizons, Hong Kong

- general and specialist outpatient consultations
- health screening services
- vaccinations

## Gleneagles Healthcare Wong Chuk Hang, Hong Kong

- general and specialist outpatient consultations
- health screening services
- diagnostic imaging services
- vaccinations

## Gleneagles Pro-HEART Cardiac Centre

- consultation services and non-invasive diagnostic tests in cardiac-related healthcare

## Gleneagles Medical Clinic Central, Hong Kong

- general and specialist outpatient consultations
- health screening services
- vaccinations

## Gleneagles Primo Surgical Centre

- diagnostic and treatment services for head and neck tumour
- plastic and reconstructive surgeries
- breast health-and ENT-related diseases
- minor surgical procedures

## Gleneagles MediCentre\*

- provides a comprehensive range of ambulatory services including oncology consultation, chemotherapy, endoscopy, minor surgery, plastic surgery and aesthetic medicine

## Parkway Laboratory Services Central, Hong Kong

- laboratory testing and pathology services including but not limited to anatomical pathology and chemical pathology

## Gleneagles Hospital Hong Kong

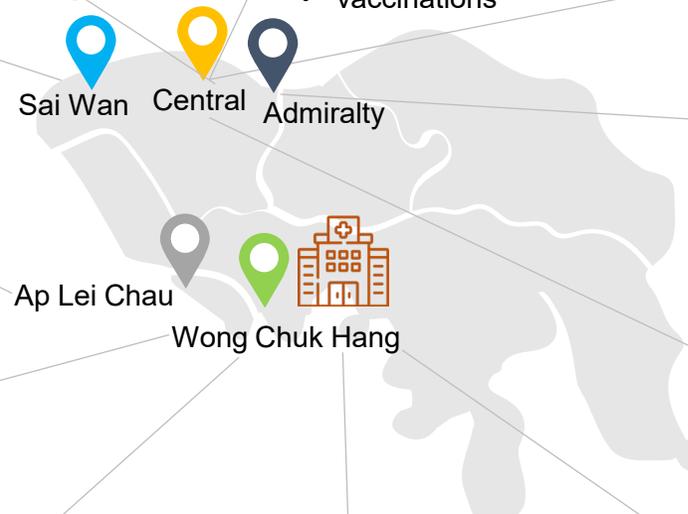
- a multi-specialty private hospital
- clinical services spanning over 35 specialties and subspecialties

## Gleneagles Clinical Trials Centre (with HKUMed)

- under Gleneagles Hospital Hong Kong
- clinical research and studies on treatments, procedures, drugs, vaccines, medical devices, etc

## Gleneagles Dispensary

- one-stop destination for medications, health supplements, home-use medical devices and general health advisory services



\*: newly opened in FY26



# Facilities Management

Manage & operate iconic facilities in HK



## Hong Kong Convention and Exhibition Centre (Management) Limited (100% interest)

- AOP declined due to increased depreciation and higher capital expenditure, subdued F&B revenue as a result of fewer events
- No. of events to 378 (FY25-1H: 426)
- Total attendance -4% YoY to 4.4M
- Focus on attracting high-value mega events, serving as a platform to enhance integration within the GBA, improving attendee engagement, and further strengthening HK's international image



## Kai Tak Sports Park Limited (25% interest)

- Recorded an AOL mainly due to higher operational expenses during the ramp-up phase
- Since its **grand opening in Mar 2025**, KTSP serves as the **flagship venue under the "Sports + Mega-events" initiatives**
- **29** sports events & **11** entertainment events were held at KTSP, attracting more than **7M** visitors precinct wide
- KTSP **ranked** third globally and **first in Asia in ticket sales** for 2025<sup>1</sup>, despite having only opened in March while other venues reported a full year of operations
- Kai Tak Mall achieved an occupancy rate of **c.90%** as at 31 Dec 2025



Notes:

1. According to leading industry magazine Pollstar



**Section 1**

**CTFS at a Glance**

**Section 2**

**Financial Update**

**Section 3**

**Business Operation Update**

**Section 4**

**Environment, Social & Governance (ESG)**

# ESG UPDATES

## OUR PERFORMANCE IN KEY ESG RATING ASSESSMENTS

### The Hang Seng Corporate Sustainability Index Assessment<sup>1</sup>



- Overall score 82.26
- Maintain the AA+ rating

### S&P Global ESG Score

S&P Global ESG Score

**50**/100

Data Availability: ■ Medium

Last updated: December 22, 2025

Updated annually or in response to major developments

#### Score breakdown

■ ESG Score | ■ Industry ESG Score Average

#### Environmental

CSA Score 39 | ESG Score 47 | Industry Average 40

#### Social

CSA Score 48 | ESG Score 50 | Industry Average 40

#### Governance & Economic

CSA Score 50 | ESG Score 52 | Industry Average 40

### MSCI ESG Rating

**MSCI**  
ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
-----	---	----	-----	---	----	-----

## ESG RECOGNITIONS



### (Left) Hong Kong Sustainability Award 2025

*Distinction Award – Large Organization Category*

### (Middle) TVB ESG Awards 2025 (Medium market capitalization)

1. *Best in ESG Report*
  2. *ESG Environmental Innovative Technology Award*
  3. *ESG Social Innovative Technology Award*
- (Medium market capitalisation)

### (Right) Hong Kong Corporate Governance & ESG Excellence Awards 2025

*ESG Excellence Award – 5. Others & GEM Companies*



<sup>1</sup>We have not been included in the Hang Seng Corporate Sustainability Benchmark Index (“HSSUSB”) since 10 March 2025

# ESG HIGHLIGHTS

## Strengthening Business-Unit ESG Disclosure



*CTF Life Releases Its First Voluntary ESG Disclosure Report*

By publishing its first voluntary ESG disclosure report, CTF Life has enhanced the CTFS Group's business-unit-level ESG transparency and strengthening alignment with group-wide reporting practices.

## Investing in Sustainable Industrial Logistics Assets



*Acquired a 100% equity interest in three industrial logistics properties in East China*

All properties incorporate sustainable design features and have achieved LEED Gold certification, enhancing operational efficiency and supporting tenants in their low-carbon transition. This acquisition reinforces CTFS's ESG commitment and aligns with our long-term sustainability ambitions under Breakthrough 2050.

# ESG HIGHLIGHTS

## COMMUNITY ENGAGEMENT RECOGNITIONS



### Hong Kong Volunteer Award 2025 *Outstanding Corporate Award*

Presented by the Home and Youth Affairs Bureau and the Agency for Volunteer Service, recognizing our commitment to fostering a strong culture of voluntarism across the organization.



### Caring Company and Caregiver-friendly Company

Awarded to CTFS and our subsidiaries, CTF Life, Hip Hing Construction Company Limited, Hong Kong Convention and Exhibition Centre (Management) Limited, Vibro, and Urban Parking, acknowledging our sustained effort in sustainability achievement and community engagement.

## KEY COMMUNITY ENGAGEMENT ACTIVITIES

### CTFS Volunteers Unite to Support the 15<sup>th</sup> National Game

As part of the CTF Group's volunteering initiative, a total of 34 CTFS volunteers, including volunteer leaders, from various business units, CTF Services, CTF Life, Hip Hing, and HKCEC, actively supported races at multiple sports venues during the 15<sup>th</sup> National Games



### CTFS Volunteers Provide Support After Tai Po Incident

Over 90 committed colleagues from CTFS Group offered 919 service hours to those affected by the Tai Po incident at The Runway 1331 in Kai Tak between December 5 to 19.



### Celebrating 24 Years of Volunteer Spirit

To celebrate the 24th anniversary of the CTFS Volunteer Alliance, we hosted an event in November at RMHC Sha Tin House featuring a fun table curling competition. The celebration gathered 80 active volunteers, Love Companion members, and RMHC families.



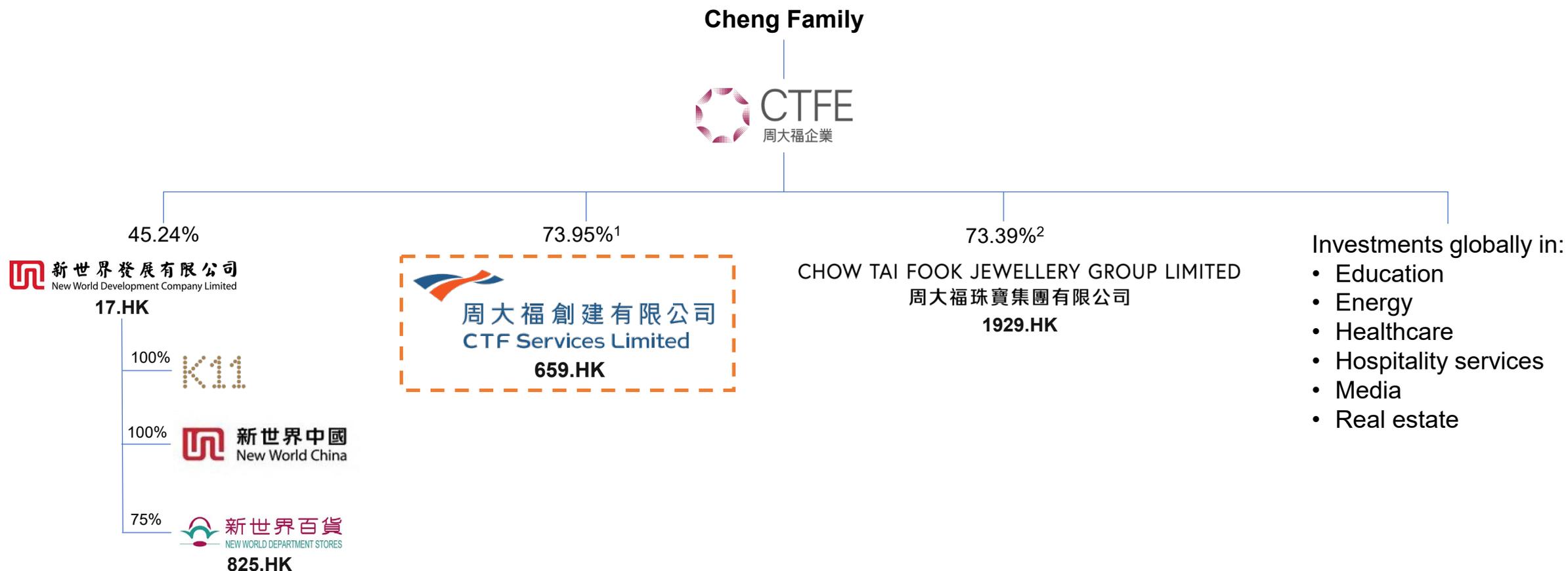


## Appendices

# Corporate Structure

Cohesive synergies among business units of the prominent shareholder

Since mid-November 2023, CTFS is majority owned by Chow Tai Fook Enterprises Limited and in turn by the Cheng Family, one of the most prominent families in Hong Kong. The Cheng Family's diversified investments are strategically interwoven to deliver a comprehensive and integrated service portfolio, effectively addressing a multitude of customer needs.



Notes:

1. As at 24 Feb 2026, including the interest held by Chow Tai Fook Enterprises Limited and its related entities
2. Source: HKEX's Shareholding disclosures. As at 5 Dec 2025, including the interest held by Chow Tai Fook Enterprises Ltd and its related entities.

# CTFS: A Clear Path Forward

## Ownership, Governance, and Operational Framework



### Shareholding Structure

- **Ownership Structure:** No longer the subsidiary of New World Development; directly owned by Chow Tai Fook Enterprises Limited, with no cross-shareholding



### Corporate Governance

- **Transparency:** Engages in minimal connected transactions, with full disclosure in annual reports
- **Fairness:** Connected transactions are governed by robust internal corporate governance standards and the Listing Rules. They must be approved by independent non-executive directors and independent shareholders, with all related directors and shareholders required to abstain from voting. These transactions are conducted on an arm's length basis, under fair terms and consideration, to prevent conflicts of interest and protect minority shareholders.

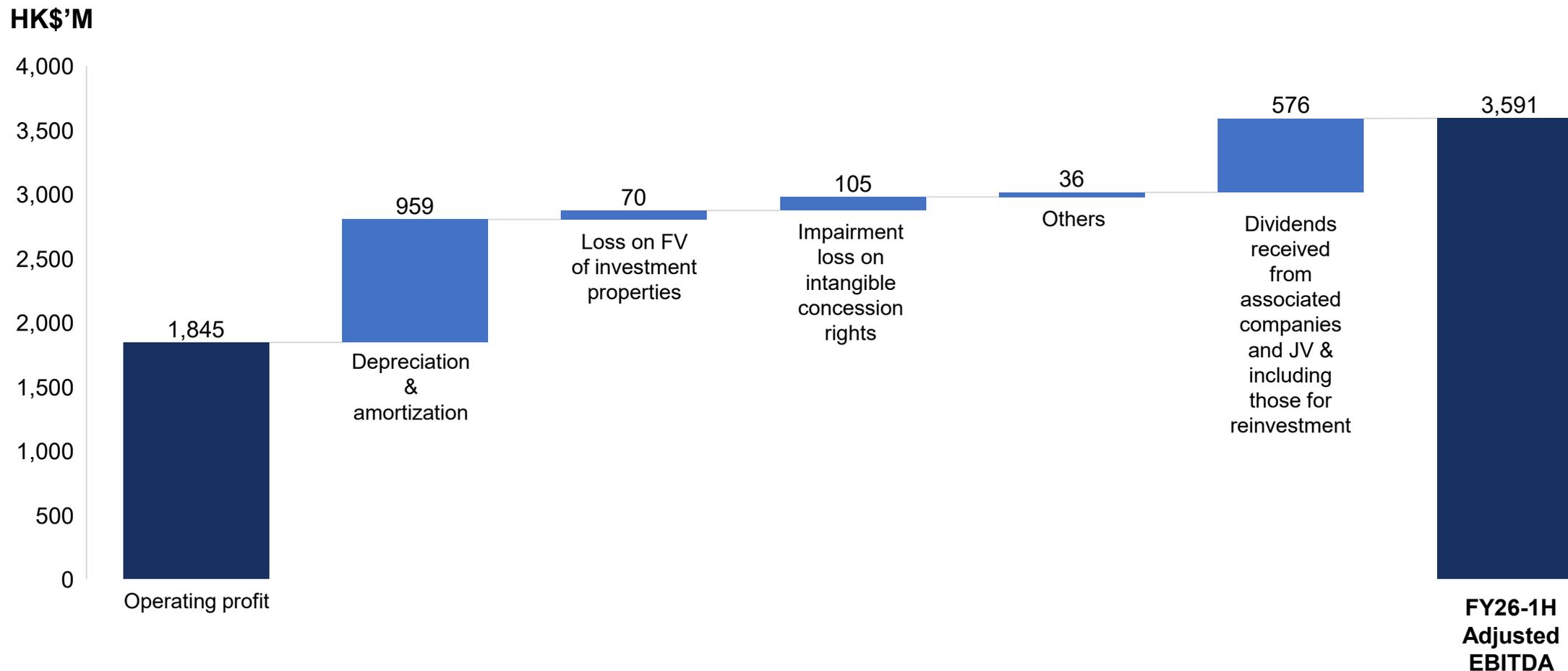


### Financial Management

- **Accounting Independence:** Maintains separate financial reporting systems
- **Financing & Debt Independence:** Secures funding based on its own creditworthiness and maintains a segregated liability structure to avoid cross-default risk

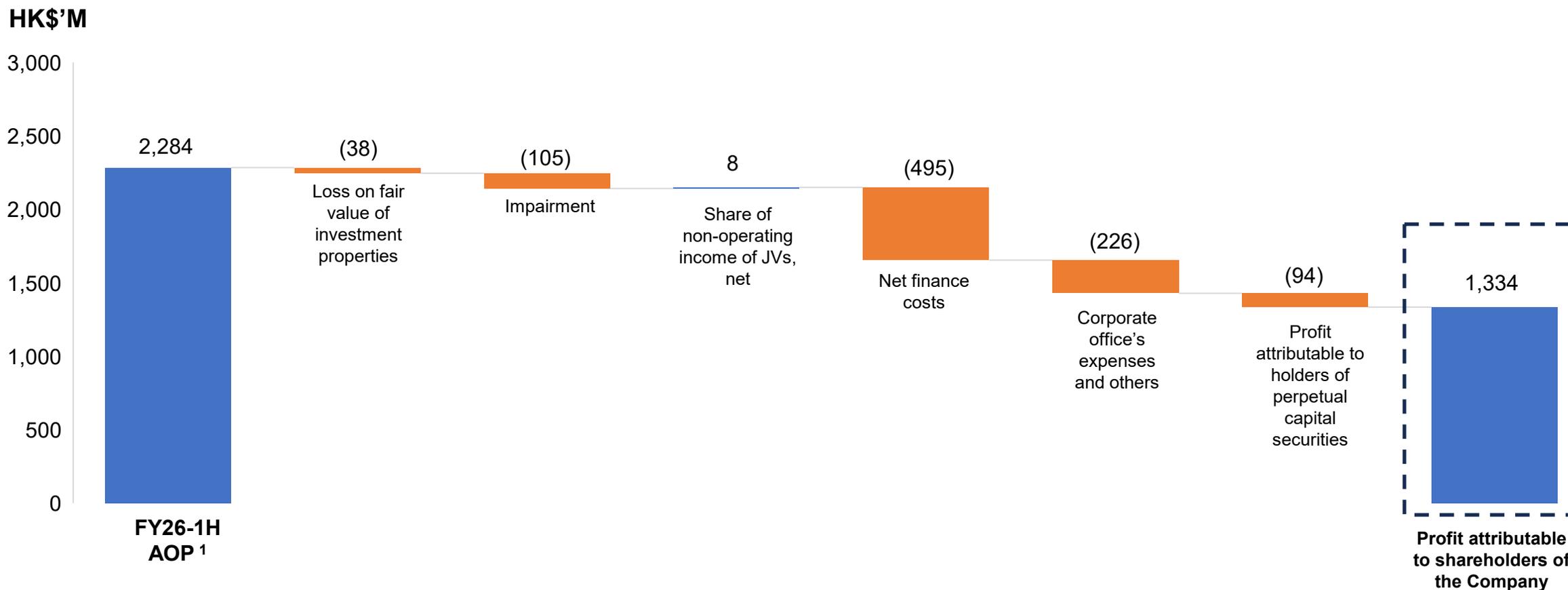
# FY26-1H Adjusted EBITDA Analysis

Adjusted EBITDA includes dividend from JVs/assocs is the operating cash flow proxy



# FY26-1H Financial Summary

Profit attributable to shareholders increased by 15% YoY

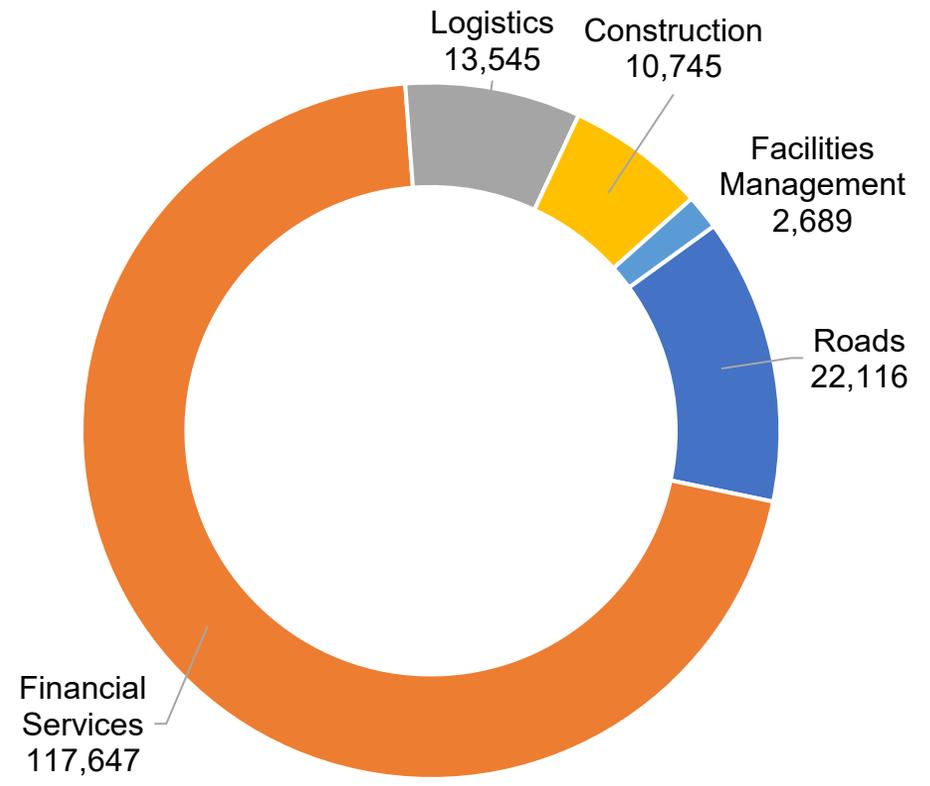


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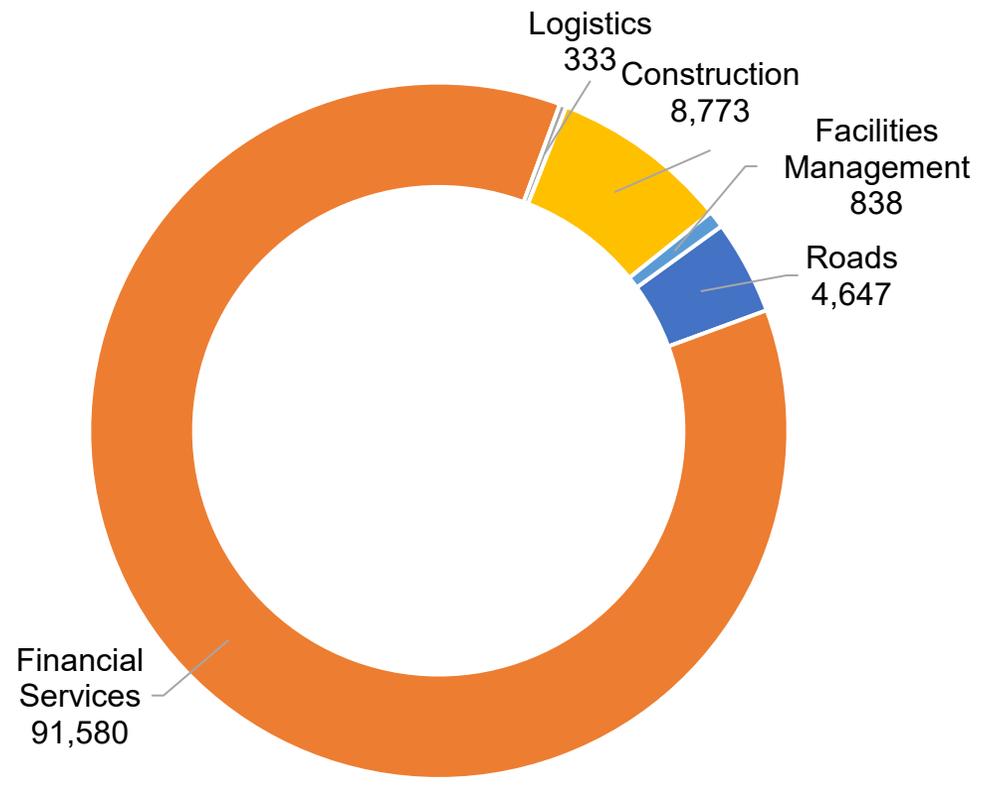
1. Attributable Operating Profit/(Loss) is a non-HKFRS measure used by the Executive Committee of the Company to assess the performance of the operating segments as detailed in note 2 to FY26-1H Results announcement. The overall AOP of the Group represents the profit available for appropriation before non-operating and unallocated corporate office items. It may not be comparable to similar measures presented by other companies.

# FY26-1H Assets and liabilities by segment

Assets by segment



Liabilities by segment



# Continual Strategic Portfolio Optimization to Create Long-Term Value



Build a stronger foundation for scalable growth

\*pending completion & subject to regulatory approvals

## FY18 to FY24

## FY25 to FY26

### Key Acquisitions

- Suiyuenan Expy
- Sui-yue Expy
- Changliu Expy
- Laogu Expy
- Guiwu Expy

- Chow Tai Fook Life Insurance Co Ltd (formerly known as FTLife Insurance)
- Seven logistic properties in Chengdu, Wuhan & Suzhou

- Hsin Chong Aster Building Services Ltd
- uSmart Inlet Group Ltd
- Blackhorn Group Ltd\*
- A logistic property in Dongguan
- Three logistics properties in Shanghai, Ningbo and Changzhou

### Businesses with stable, strong cash flow and growth potential

### Key Disposals

- |  |                                   |                    |
|--|-----------------------------------|--------------------|
| Hip Seng Group                                   | New World First Ferry             | Free Duty business |
| Wai Kee (partial)                                | NWS Transport                     | Hyva Group         |
| Urban Parking (BJ) Ltd                           | SUEZ NWS + Derun Environment      | ForVEI II S.r.l.   |
| Tianjin Orient Container Terminal                | Chengdu Jintang Power Plant       |                    |
| Tianjin Five Continents Int'l Container Terminal | Zhujiang Power Station – Phase II |                    |
| Xiamen Container Terminal Group                  | Healthcare Assets Mgt Ltd         |                    |
| Shares of BJ Capital Int'l Airport               |                                   |                    |
| Aircraft leasing business                        |                                   |                    |

### Non-controlling businesses with stronger cyclicality or weaker cash flow or uncertain outlook

# Appendix

CTF Life – Excellence in Insurance, Powered by Innovation



## MyWealth Savings Insurance Plan 2

### Builds wealth with protection and legacy planning

- 2/5/10-year premium terms, 8 currency options
- Reversionary & terminal bonuses: wealth accumulation
- Wealth Booster Option: adjust investment for higher returns
- Wealth Accumulation Switching Option: Flexible switching of Stable Assets
- Policy split, unlimited insured changes, Policy Continuation option: succession-ready



## WeShine Protection Linked Plan

### Flexible investment-linked plan with life coverage

- Life protection up to 500% of total premiums
- 170+ investment choices incl. ESG funds
- Premium holiday option: meet customers' needs
- Simplified underwriting up to USD 1.5M
- Free fund switching, direct management: best fit investment strategy



## FamCare 198 Critical Illness Protector



### Multi-stage illness protection for the whole family

- Coverage from 18 weeks gestation for baby with extra coverage for expectant mum
- Mental health & SEN outpatient benefits
- Unlimited top-up cover for Cancer, Heart Attack & Stroke
- Covers 198 conditions incl. rare diseases
- Extended cover to family members without underwriting

## MediChamp Insurance Plan



### Broad medical coverage with global access

- Full hospital & surgical coverage
- 3 coverage areas, 4 deductible options
- Renewal guaranteed till age 128
- Lifetime limit up to USD 17.5M
- Critical illness cover + free check-ups
- Comprehensive value-added medical services

# Appendix

## Board of Directors

ED



**Dr Cheng Kar Shun, Henry**  
*GBM, GBS*  
**Chairman**



**Mr Cheng Chi Ming, Brian**  
**Group Co-Chief Executive Officer**



**Mr Ho Gilbert Chi Hang**  
**Group Co-Chief Executive Officer**



**Mr Lam Jim**  
**Group Chief Operating  
and Financial Officer**



**Mr Cheng Chi Leong, Christopher**

NED



**Mr William Junior Guilherme Doo**  
*BBS, JP*



**Mr Lam Wai Hon, Patrick**  
**Alternate director to**  
**Mr William Junior Guilherme Doo**



**Mr Tsang On Yip, Patrick**  
*BBS*

INED



**Mr Shek Lai Him, Abraham**  
*GBS, JP*



**Mr Lee Yiu Kwong, Alan**



**Mrs Oei Wai Chi Grace Fung**



**Mr Wong Kwai Huen, Albert**  
*SBS, BBS, JP*



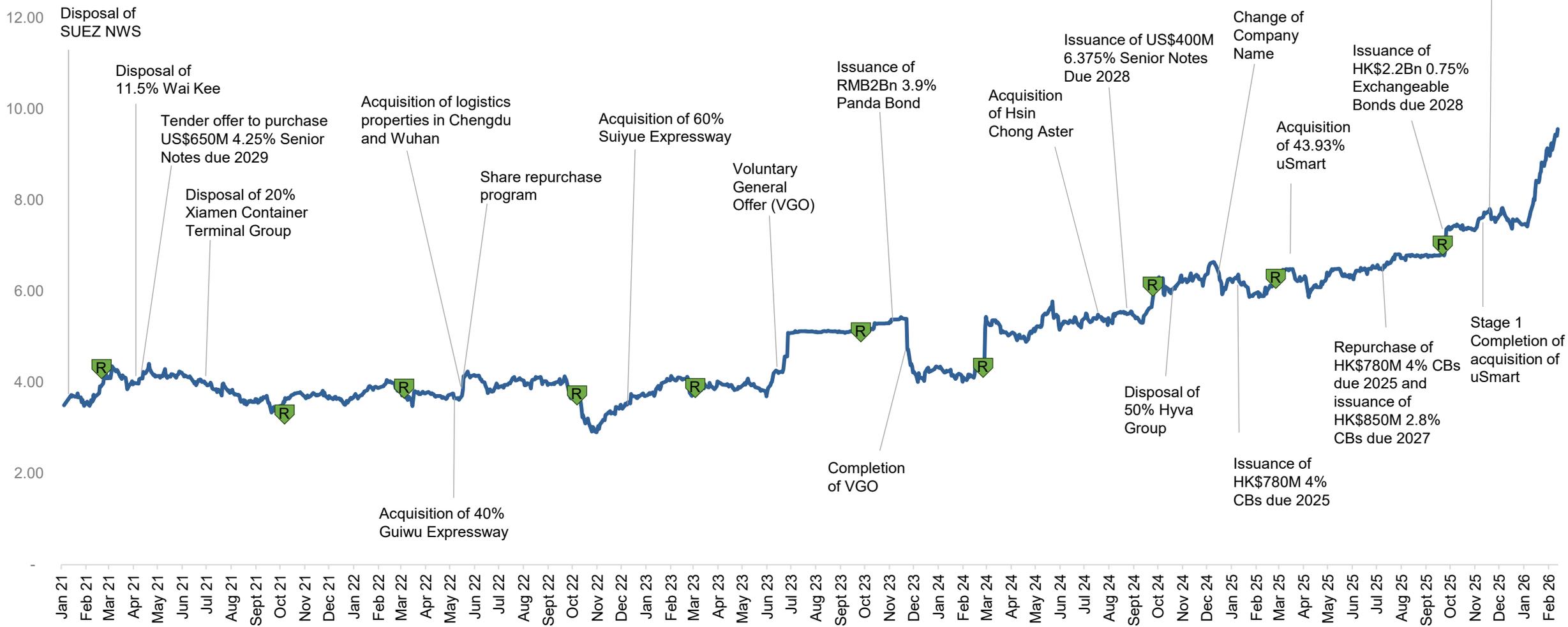
**Prof Chan Ka Keung, Ceajer**  
*GBS, SBS, JP*



**Ms Ng Yuen Ting, Yolanda**  
*MH*

# 5-year share performance of CTFS (Jan 2021 to Feb 2026)

(HK\$)





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