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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in New World Development Company Limited (新世界發展有限公司), you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**CONTINUING CONNECTED TRANSACTIONS —  
THE 2026 CTFE MASTER SERVICES AGREEMENT  
AND  
NOTICE OF EGM**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**

**BALLAS**  
C A P I T A L

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 9 to 23 of this circular. A letter from the Independent Board Committee is set out on pages 24 and 25 of this circular. A letter from the IFA containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 26 to 38 of this circular.

A notice convening the EGM to be held as a hybrid meeting at the principal meeting place of Meeting Room N101 (Expo Drive Entrance), Level 1, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 24 June 2026 at 11:30 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A proxy form is also enclosed. Whether or not you are able to attend the EGM or any adjourned meeting in person physically or online, you are requested to submit your proxy appointment electronically or complete the accompanying proxy form in accordance with the instructions printed thereon and return the same with the Company’s share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (excluding a public holiday) before the time appointed for holding the EGM (i.e. not later than Monday, 22 June 2026 at 11:30 a.m.) or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude Shareholders from attending and voting (whether physically or by means of electronic facilities) at the EGM if they so wish.

In the event of any inconsistency, the English version of this circular shall prevail over the Chinese version.

4 June 2026

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## GUIDANCE FOR THE EGM

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### HYBRID EGM

The Company will conduct a hybrid EGM with the combination of in-room meeting and virtual meeting using the Vistra eVoting Portal. A hybrid general meeting enables the Shareholders to attend the meeting either in person physically or via an online platform allowing them to attend, participate, submit questions and vote electronically and to view live streaming of the EGM.

Shareholders participating in the EGM via such online platform will also be counted towards the quorum. The inability of any Shareholder or his/her proxy or (in the case of a Shareholder being a corporation) its duly authorised representative to access, or continue to access, such online platform despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted at the meeting or any action taken pursuant to such business provided that a quorum is present throughout the meeting.

### HOW TO ATTEND AND VOTE?

Shareholders who wish to attend the EGM and exercise their voting rights can be achieved in one of the following ways:

- (1) attend the EGM in person physically and vote at the EGM venue; **OR**
- (2) attend the EGM via an online platform, namely, the Vistra eVoting Portal, which enables live streaming and interactive platform for Q&A and submission of their votes online; **OR**
- (3) appoint the chairman of the EGM or other persons as their proxies to vote on their behalf (whether physically or via Vistra eVoting Portal).

**Shareholders can refer to the notice of the EGM and the Online Meeting User Guide (by scanning the QR code provided on the Notification Letter) in relation to attending the EGM by electronic means.**

Shareholders should note that only one device is allowed per login. Please keep the login details in safe custody for use at the EGM and do not disclose them to anyone else. Neither the Company nor its share registrar assumes any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for attendance, voting or otherwise. The submission of the vote through the Vistra eVoting Portal using your login details will be conclusive evidence that the vote was cast by you as a Shareholder. The Company, its agents and its share registrar take no responsibility for all or any loss or other consequence caused by or resulting from any unauthorised use of the login details.

In the case of appointment of proxies submitted in electronic form, the proxy forms must be electronically submitted via Vistra eVoting Portal not less than 48 hours (excluding a public holiday) before the time appointed for the holding of the meeting (i.e. not later than Monday, 22 June 2026 at 11:30 a.m.) or at any adjournment thereof (as the case may

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## GUIDANCE FOR THE EGM

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be) by scanning the QR code provided on the Notification Letter or visiting the designated URL (<https://evoting.vistra.com/#/17>). Please use the username and password provided on the Notification Letter.

If your proxy (except when the chairman of the EGM is appointed as proxy) wishes to attend the EGM and vote online, you must provide a valid email address of your proxy to the Company's share registrar, Tricor Investor Services Limited. If no email address is provided, your proxy cannot attend the EGM and vote online. The email address so provided will be used by the Company's share registrar, Tricor Investor Services Limited, for providing the login details for attending and voting at the EGM via Vistra eVoting Portal. If your proxy has not received the login details by email by 11:30 a.m. on Tuesday, 23 June 2026, you should contact the Company's share registrar, Tricor Investor Services Limited, at (852) 2980 1333 for the necessary arrangements.

For corporate Shareholders who wish to (1) appoint proxy electronically to attend and vote at the EGM on their behalf or (2) appoint the corporate representative to attend the EGM and to vote online, please contact the Company's share registrar, Tricor Investor Services Limited, at (852) 2980 1333 by 6:00 p.m., Thursday, 18 June 2026 for the necessary arrangements (including the activation of the password provided on the Notification Letter).

For the beneficial owners whose shares are held through banks, brokers, custodians or HKSCC Nominees Limited would like to attend the EGM in person physically or online, they should consult directly with their banks, brokers, custodians or HKSCC Nominees Limited (as the case may be) for necessary arrangements. You will be asked to provide your email address which will be used by the Company's share registrar, Tricor Investor Services Limited, for providing the login details for attending the EGM online via the Vistra eVoting Portal.

In addition, the Company would like to remind all attending Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. The Shareholders can exercise their right to vote at the EGM online or by appointing the chairman of the EGM as their proxies, and return their proxy forms online via the Vistra eVoting Portal or by delivery to the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours (excluding a public holiday) before the time appointed for holding the EGM (i.e. not later than Monday, 22 June 2026 at 11:30 a.m.) or any adjournment thereof (as the case may be).

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## DEFINITIONS

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*In this circular, the following expressions have the meanings set out below unless the context otherwise requires:*

“2023 CTFE Master Services Agreement”	the master services agreement in relation to the CTFE Transactions entered into between CTFE and the Company on 28 April 2023 as disclosed in the announcement of the Company dated 28 April 2023
“2026 CTFE Master Services Agreement”	the master services agreement in relation to the CTFE Transactions entered into between CTFE and the Company on 24 April 2026
“associate”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Ballas Capital” or “Independent Financial Adviser” or “IFA”	Ballas Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the EGM CCT Matters
“Board”	the board of Directors
“Chinese Mainland”	the People’s Republic of China, and for the purpose of this circular only, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“close associate”	has the meaning ascribed to it under the Listing Rules
“Company”	New World Development Company Limited (新世界發展有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0017)
“Concessionaire and Rental Services”	the provision of concessionaire counter and rental-related services in respect of retailing counters for the sale of jewellery products and watches by relevant members of the Group to members of the CTFE Group at Chinese Mainland properties owned by, leased to or operated by the Group from time to time
“connected person”	has the meaning ascribed to it under the Listing Rules
“CTFE”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability, being a substantial shareholder of the Company

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## DEFINITIONS

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“CTFE Administrative Services”	the provision of office facilities, staff secondment, utilities and equipment support, administrative support and information technology system and other ancillary administrative services
“CTFE Annual Caps”	the annual cap amounts payable by the CTFE Group to the Group, and vice versa, in respect of the CTFE Transactions for each of the three financial years ending 30 June 2027, 2028 and 2029
“CTFE Contracting Services”	the provision of services as main contractors, 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, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management, 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
“CTFE Effective Date”	1 July 2026, which is conditional upon the 2026 CTFE Master Services Agreement becoming unconditional as set out in the sub-paragraph headed “Conditionality” under the paragraph headed “The 2026 CTFE Master Services Agreement” in this circular
“CTFE Group”	CTFE, (a) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company, and/or (b) any other company in the equity capital of which CTFE and such other companies referred to in (a) above taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in The Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary, and for the purpose of the 2026 CTFE Master Services Agreement and this circular, such term shall exclude members of the Group

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## DEFINITIONS

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“CTFE Services”	the CTFE Administrative Services, CTFE Contracting Services, General and Rental Services, Insurance, Medical and Health Care Services, Project Management and Consultancy Services, Concessionaire and Rental Services and such other types of services as the CTFE Group and the Group may agree upon from time to time in writing
“CTFE Transactions”	all existing and future transactions between members of the CTFE Group and members of the Group in respect of provision of CTFE Services
“Definitive CTFE Agreement(s)”	definitive agreement(s) which may be entered into between any member(s) of the CTFE Group and any member(s) of the Group from time to time in relation to any of the CTFE Transactions at any time during the term of the 2026 CTFE Master Services Agreement
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held as a hybrid meeting to, among other things, consider and, if thought fit, approve the entering into of the 2026 CTFE Master Services Agreement, the CTFE Transactions contemplated thereunder and the CTFE Annual Caps
“EGM CCT Matters”	the 2026 CTFE Master Services Agreement, the CTFE Transactions contemplated thereunder and the CTFE Annual Caps

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## DEFINITIONS

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“General and Rental Services”	the provision of information technology, provision of convention and exhibition facilities, related functions and services, food and beverage catering services, food processing, hiring, procurement and supply of plant, machinery, equipment and materials, property management and related accounting services, property sales and letting agency services, provision of services in relation to the leasing, tenancy, licensing, concession arrangements and any other similar collaboration agreements for real properties (including without limitation retail shops, shops-in-shops and counters), provision of car parking management and related services and rental and licensing of the rights to use properties, spare spaces, other spaces and car-parking spaces, buying and procurement services for sourcing goods, provision of supply chain management and consultancy services, sample production and import and export trading services, wholesaling, provision of freight forwarding and packaging and other logistics services, storage and warehousing services, design, marketing and sourcing services, merchandising agent services, general trading of merchandise, advertising, branding, marketing, loyalty and rewards program and promotion-related services and related services
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising all of the independent non-executive Directors
“Independent Shareholders”	the Shareholders, other than CTFE and its associates, who do not have any material interest in the 2026 CTFE Master Services Agreement and are not required to abstain from voting at the EGM to consider and approve the 2026 CTFE Master Services Agreement, the CTFE Transactions contemplated thereunder and the CTFE Annual Caps
“Insurance, Medical and Health Care Services”	the provision of insurance and related services, insurance underwriting services, insurance consultancy and advisory services, policy underwriting services, medical and health care services, rehabilitation and wellness enhancement and related services

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## DEFINITIONS

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“Latest Practicable Date”	21 May 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Leasing and Licensing Agreement”	the master leasing and licensing agreement in relation to the transactions entered into between the Company and Chow Tai Fook Jewellery Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1929) on 28 April 2023
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the Listing Rules
“Notification Letter”	the notification letter sent to Shareholders by the Company on 4 June 2026 in relation to attending the EGM by electronic means
“percentage ratios”	the percentage ratios set out in Rule 14.07 of the Listing Rules
“Project Management and Consultancy Services”	the provision of project management and consultancy services by the relevant members of the Group to members of the CTFE Group in relation to the planning, design and construction of property projects developed or owned by members of the CTFE Group from time to time, including but not limited to (a) the provision of advices on design plans and development schedules; co-ordination with architects and consultants on the preparation of tender documents and drawings; monitoring the approval of necessary construction permits and certificates; (b) overseeing the overall construction including the construction progress and managing the daily operation of construction sites; certifying periodic payments to suppliers and contractors; preparation of cash flow projection; and (c) arranging for hand-over of the completed works complete with full technical documentation for future maintenance and operation; approving final payments to consultants; and co-ordination with consultants on the compilation of final accounts
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“subsidiary”	any entity which falls within the definition of “subsidiary” under the Listing Rules or the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

**Directors:**

*Executive Directors:*

Dr. Cheng Kar-Shun, Henry *GBM GBS (Chairman)*  
Ms. Huang Shaomei, Echo (*Chief Executive Officer*)  
Ms. Cheng Chi-Man, Sonia  
Mr. Sitt Nam-Hoi  
Ms. Chiu Wai-Han, Jenny  
Mr. Ho Gilbert Chi-Hang  
Mr. Lau Fu-Keung (*Chief Financial Officer*)  
Mr. Chan Yiu-Ho

**Registered office:**

30th Floor  
New World Tower  
16–18 Queen's Road Central  
Hong Kong

*Non-executive Directors:*

Mr. Doo Wai-Hoi, William *BBS JP*  
(*Non-executive Vice-chairman*)  
Mr. Cheng Kar-Shing, Peter  
Mr. Cheng Chi-Heng  
Mr. Cheng Chi-Ming, Brian

*Independent Non-executive Directors:*

Mr. Lee Luen-Wai, John *BBS JP*  
Mr. Ip Yuk-Keung, Albert  
Mr. Chan Johnson Ow  
Mrs. Law Fan Chiu-Fun, Fanny *GBM GBS JP*  
Ms. Lo Wing-Sze, Anthea *BBS JP*  
Ms. Wong Yeung-Fong, Fonia

4 June 2026

*To the Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS —  
THE 2026 CTFE MASTER SERVICES AGREEMENT**

**INTRODUCTION**

Reference is made to the announcement dated 24 April 2026 in relation to, among other things, the 2026 CTFE Master Services Agreement.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with (i) information on the 2026 CTFE Master Services Agreement; and (ii) a notice of EGM at which a resolution will be proposed to consider, and, if thought fit, approve the EGM CCT Matters.

### **THE 2026 CTFE MASTER SERVICES AGREEMENT**

#### **Background**

On 28 April 2023, CTFE and the Company entered into the 2023 CTFE Master Services Agreement in relation to the CTFE Transactions. The initial term of the 2023 CTFE Master Services Agreement will expire on 30 June 2026.

On 24 April 2026, CTFE and the Company entered into the 2026 CTFE Master Services Agreement in relation to the CTFE Transactions and agreed to terminate the 2023 CTFE Master Services Agreement upon the 2026 CTFE Master Services Agreement becoming effective on the CTFE Effective Date.

The principal terms of the 2026 CTFE Master Services Agreement are summarised below:

#### **Date**

24 April 2026

#### **Parties**

- (a) CTFE; and
- (b) the Company

#### **Conditionality**

The 2026 CTFE Master Services Agreement is conditional upon the approval by the Independent Shareholders of the 2026 CTFE Master Services Agreement, the CTFE Transactions and the CTFE Annual Caps at the EGM.

#### **General terms for the CTFE Transactions**

The relevant members of the CTFE Group may from time to time enter into Definitive CTFE Agreement(s) with the relevant members of the Group in respect of any CTFE Transaction upon, and subject to, the terms and conditions in compliance with the 2026 CTFE Master Services Agreement as may be agreed between the relevant members of the CTFE Group and the relevant members of the Group. All existing agreements between relevant members of the CTFE Group and relevant members of the Group in respect of the CTFE Transactions (to the extent which cover the CTFE Transactions on or after the CTFE Effective Date) will be treated as Definitive CTFE Agreements made pursuant to the 2026 CTFE Master Services Agreement as from the CTFE Effective Date and shall continue to be subject to the terms of the 2026 CTFE Master Services Agreement.

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## LETTER FROM THE BOARD

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With effect from the CTFE Effective Date, the CTFE Transactions shall be conducted:

- (a) in the ordinary and usual course of business of the CTFE Group and the Group;
- (b) on normal commercial terms or better (as defined in the Listing Rules) and based on the then prevailing market rates; and
- (c) in compliance with all applicable provisions of the Listing Rules (including the CTFE Annual Caps), the applicable laws, the 2026 CTFE Master Services Agreement and the relevant Definitive CTFE Agreement.

The CTFE Services may be provided by members of the Group to members of the CTFE Group, and vice versa, depending on the nature of the relevant services. Unless otherwise specified below, the pricing policies for each type of CTFE Services apply, with necessary modifications, to both directions of provision of services. The consideration for each Definitive CTFE Agreement will be determined in the following manners:

- (a) in respect of the CTFE Administrative Services: the consideration will be fixed at a monthly fee based on the estimated amount of work to be done. The fee will be determined with reference to at least one market comparable obtained at the best endeavour of the parties from time to time;
- (b) in respect of the CTFE Contracting Services:
  - where the member(s) of the Group participates in a tender or quotation with all bidders (including independent third parties in the market), the tender price will be determined 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) by making reference to at least one quote provided to independent third parties for similar services, if applicable. The winning bid will be the one with the lowest tender amount 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 procedure(s) on the condition that the bidder conformed to all the essential requirements (including but not limited to relevant experience, capability and historical relationship) as set out in the bid invitation;
  - where the engagement is through direct appointment by member(s) of the CTFE 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 member(s) of the Group, with reference to the Group's prevailing cost structure and historical profit margin for at least one project of a similar nature and scale undertaken for independent third-party customers, taking into account project complexity, risk profile and resource requirements, which is in line with the basis for engagements by independent third parties for projects of similar nature and size;

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## LETTER FROM THE BOARD

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- where a member of the CTFE Group is nominated as contractor designated by ultimate employer (which may or may not be a member of the Group), consideration to such member of the CTFE Group will be ascertained by an independent professional quantity surveyor appointed by the ultimate employer; and
  - where the Group has the right to select contractor(s), consideration to such contractor(s) will be ascertained under the supervision of an in-house qualified professional quantity surveyor. The Group will, at its best endeavour, obtain two quotations from independent third-party contractors on its list of preapproved contractors (which is subject to periodic review and update by its management to ensure the contractors' quality standards). If the price and terms offered by the CTFE Group are equal to or better than those offered by the independent service providers, the Group may probably award the contract to the CTFE Group. For projects which involve consideration of a substantial amount, the member(s) of the CTFE Group will participate in a tender from all bidders (including independent third parties in the market). In determining the winning bid, the Group will generally take into account several factors, such as (i) the tender amount offered by the bidders; (ii) market reputation, past performance, relevant experiences and technical competencies of the bidders; (iii) quality of service terms offered by the bidders; and (iv) previous business relationship with the bidders etc. The procedures for tender and bidding will be conducted in accordance with the Group's internal tender procedure(s) on the condition that the bidder conformed to all the essential requirements (including but not limited to relevant experience, capability and historical relationship) set out in the bid invitation;
- (c) in respect of the General and Rental Services:
- for lessor, the lessor will provide the lessee a quote after it has, at its best endeavour, obtained two market comparative quotes for similar property(ies) (with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period) and/or reviewed two comparable transactions with independent third parties;
  - for lessee, the lessee will, at its best endeavour, obtain two market comparative quotes for similar property(ies) (with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period) and/or review two comparable transactions with independent third parties before deciding whether to accept the quote provided by the lessor and proceed further;

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## LETTER FROM THE BOARD

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- for the provision of procurement services: the consideration will be fixed on the basis of the member(s) of the Group performing a thorough analysis on the specific project and the related construction material requirements, including the types of materials required such as ironmongery, tiles, rebar, etc., the collection of cost and other data which includes quotations from suppliers for materials and the estimated usage of different types of materials, and make references to at least one recent job quotation, as applicable, offered to/obtained from independent third party for similar services and the historical purchase price, and any quotation(s) offered by the Group to the CTFE Group or any quotation(s) offered to the Group by the CTFE Group will be on terms no less favourable to the Group as compared to those offered to/by independent third parties for comparable services, as applicable. Related market information, such as material price trend will also be retrieved from public source and database for reference; and
  - for the provision of other services: the consideration will be fixed at an amount with reference to the prevailing market rate, which will be determined with reference to at least one market comparable offered to/by independent third party, if applicable;
- (d) in respect of the Insurance, Medical and Health Care Services: the consideration will be fixed on the basis to meet the target profitability requirement measured by profit margin, which is determined with reference to the Group's overall pricing framework for comparable insurance, medical and health care products provided to independent corporate customers, having regard to underwriting factors including risk exposure, claims history, reinsurance terms and administrative costs. In delivering the cost basis for the group life insurance policy and related medical and health care services to be offered, the relevant member of the Group will consider, among other things, (i) the sum assured/risk exposure; (ii) the demographic of the insured profile (including but not limited to age, occupation and geographical location); (iii) the reinsurance terms; (iv) the expense on the insurance policy; (v) the relevant underwriting information; and (vi) the relevant insurance claims history of the insured entity. Where such services are provided by the CTFE Group to the Group, the Group will, depending on the nature and complexity of the relevant insurance, medical and health care services, obtain one or more quotations, if applicable, from independent third-party service providers for comparable services, and any quotation from the CTFE Group accepted by the Group will be on terms no less favourable to the Group than those offered by independent third parties for comparable services;
- (e) in respect of the Project Management and Consultancy Services: the consideration will be fixed on the basis of cost plus a prevailing market rate which could be varied according to the size or, if applicable, the unique nature of the project management project and/or the extent of services required and will be determined by conducting research on at least one market comparable by the parties from

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## LETTER FROM THE BOARD

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time to time. The cost element will include all direct costs incurred such as equipment costs, staff costs, public liability insurance and other indirect or common costs allocated on revenue or other equitable basis;

- (f) in respect of the Concessionaire and Rental Services: a quote will be provided by the relevant member(s) of the Group on a cost-plus basis, taking into account the estimated or actual costs to be incurred by the Group and a profit margin which shall be no less favourable to the Group than that charged by the Group to at least one independent third party for similar services, if applicable; the relevant member(s) of the CTFE Group may, through its operational and technical departments and based on the relevant policies and other quote(s) for similar arrangement(s) obtained from independent third parties in the market, either accept the quote and proceed with the concessionaire counter arrangement or reject the quote and decline to proceed further; and
- (g) in respect of the other CTFE Services: the consideration will be fixed at an amount with reference to the prevailing market rate compared to the relevant immediately expired Definitive CTFE Agreement(s). Such prevailing market rate will be determined with reference to at least one market comparable obtained at the best endeavour of the parties from time to time.

The consideration offered by or accepted by the Group under each Definitive CTFE Agreement shall be no less favourable to the Group than that offered by the Group to, or offered to the Group by, independent third parties for comparable services.

### **Duration**

The 2026 CTFE Master Services Agreement shall be effective up to and including 30 June 2029, unless terminated earlier in accordance with the 2026 CTFE Master Services Agreement. Subject to compliance with the then relevant requirements of the rules of any stock exchange to which any of the parties to the 2026 CTFE Master Services Agreement is subject to, including, but not limited to, the Listing Rules or, alternatively, any waiver obtained from strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, the 2026 CTFE Master Services Agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier in accordance with the 2026 CTFE Master Services Agreement.

### **Payment terms**

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

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**LETTER FROM THE BOARD**

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**Historical figures and the CTFE Annual Caps**

The aggregate transaction amounts paid by the CTFE Group to the Group, and vice versa, under the 2023 CTFE Master Services Agreement for the two financial years ended 30 June 2024 and 2025 and the six months ended 31 December 2025, as well as the existing annual caps and utilisation rates of the existing annual caps in respect of the CTFE Transactions for the two financial years ended 30 June 2024 and 30 June 2025 and the financial year ending 30 June 2026 are set out below:

	<b>For the financial year ended 30 June 2024 <i>HK\$' million</i></b>	<b>For the financial year ended 30 June 2025 <i>HK\$' million</i></b>	<b>For the six months ended 31 December 2025 <i>HK\$' million</i></b>
<b>Historical aggregate transaction amounts (approximately)<sup>(1)</sup></b>			
Services by the Group to the CTFE Group	531.4	247.0	74.8
Services by the CTFE Group to the Group	<u>468.0</u>	<u>864.5</u>	<u>904.6</u>
<b>Total</b>	<u><u>999.4</u></u>	<u><u>1,111.5</u></u>	<u><u>979.4</u></u>
	<b>For the financial year ended 30 June 2024 <i>HK\$' million</i></b>	<b>For the financial year ended 30 June 2025 <i>HK\$' million</i></b>	<b>For the financial year ending 30 June 2026 <i>HK\$' million</i></b>
Existing annual caps	<u>3,087.7</u>	<u>3,538.0</u>	<u>3,887.3</u>
Utilisation rates of the existing annual caps (approximately)	<u>32.4%</u>	<u>31.4%</u>	<u>25.2%<sup>(2)</sup></u>

*Notes:*

- (1) The historical aggregate transaction amounts shown in the table above do not include the transaction amounts of the Concessionaire and Rental Services and the leasing and licensing transactions recorded under the Master Leasing and Licensing Agreement, as those services were not covered under the 2023 CTFE Master Services Agreement but contemplated under the 2026 CTFE Master Services Agreement. For the two financial years ended 30 June 2024 and 2025 and the six months ended 31 December 2025, the aggregate transaction amounts relating to the Concessionaire and Rental Services paid by the CTFE Group to the Group amounted to approximately HK\$30.4 million, HK\$22.3 million and HK\$9.8 million, respectively, and the aggregate transaction amounts relating to the leasing and licensing transactions recorded under the Master Leasing and Licensing Agreement paid by the CTFE Group to the Group amounted to approximately HK\$78.5 million, HK\$79.5 million and HK\$39.9 million, respectively.

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## LETTER FROM THE BOARD

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- (2) The utilisation rate for the financial year ending 30 June 2026 is calculated based on (i) the historical aggregate transaction amount for the six months ended 31 December 2025 divided by (ii) the existing annual cap for the financial year ending 30 June 2026.

The CTFE Annual Caps for each of the three financial years ending 30 June 2027, 2028 and 2029 are set out below:

	<b>For the financial year ending 30 June 2027 <i>HK\$' million</i></b>	<b>For the financial year ending 30 June 2028 <i>HK\$' million</i></b>	<b>For the financial year ending 30 June 2029 <i>HK\$' million</i></b>
<b>CTFE Annual Caps</b>			
CTFE Services by the Group to the CTFE Group	632.2	625.5	556.0
CTFE Services by the CTFE Group to the Group	<u>2,640.0</u>	<u>4,296.9</u>	<u>4,355.4</u>
<b>Total</b>	<u><u>3,272.2</u></u>	<u><u>4,922.4</u></u>	<u><u>4,911.4</u></u>

Each of the CTFE Annual Caps has been determined by reference to:

- (a) the historical annual or annualised amounts under the 2023 CTFE Master Services Agreement provided by the Group to the CTFE Group, and vice versa, for the two financial years ended 30 June 2024 and 2025 and the six months ended 31 December 2025;
- (b) the historical annual or annualised amounts relating to the Concessionaire and Rental Services and the leasing and licensing transactions recorded under the Master Leasing and Licensing Agreement for the two financial years ended 30 June 2024 and 2025 and the six months ended 31 December 2025, notwithstanding that such services were not covered under the 2023 CTFE Master Services Agreement but are contemplated under the 2026 CTFE Master Services Agreement; and
- (c) the projected annual or annualised amounts in respect of the CTFE Services to be provided by the Group to the CTFE Group, and vice versa, in the three financial years ending 30 June 2027, 2028 and 2029.

A significant portion of the CTFE Annual Caps for the services provided under the 2026 CTFE Master Services Agreement by members of the CTFE Group to members of the Group mainly relates to the provision of contracting services. The CTFE Annual Caps for the services provided under the 2026 CTFE Master Services Agreement (i) by members of the CTFE Group to members of the Group and (ii) by members of the Group to members of the CTFE Group are determined based on the relevant historical figures, taking into account the anticipated business growth of the CTFE Group and the Group, number of new property projects expected to be held by the Group (including but not limited to, the number of new projects that the Group expects to tender for), the ongoing projects of the

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## LETTER FROM THE BOARD

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Group, the estimated future demand, the inflation factor and adjustments for non-recurring or extraordinary items, and on the principal assumption that, for the duration of the projected period, there will not be any adverse change or disruption in market conditions, operation and business environment or government policies which may materially affect the businesses of the CTFE Group and/or the Group.

The historical aggregate transaction amount of services provided by the Group to the CTFE Group for the six months 31 December 2025 was relatively low primarily because the actual transaction amount is subject to the development cycle and payment milestones of the relevant projects. As the timing of project commencement, progress and payment recognition may vary from project to project, the transaction amount for the six-month period is not necessarily representative of, or capable of being annualised to, the full-year transaction amount for the financial year ending 30 June 2026.

The CTFE Annual Caps are higher than the relevant historical transaction amounts for the two financial years ended 30 June 2024 and 2025 and the six months ended 31 December 2025 mainly because the CTFE Annual Caps reflect, among others, the anticipated maximum number of new property projects of the Group in respect of which tenders will be held by the Group assuming a 100% tender success rate. As the CTFE Group may or may not be successful in tendering for such projects, the actual transaction amount may be lower than the projected figures. The increase in the annual cap for the financial year ending 30 June 2027 for the services provided by the Group to the CTFE Group when compared to the annualised historical amount of services provided by the Group to the CTFE Group for the financial year ending 30 June 2026 is primarily attributed to an expected increase in the number of projects that are likely to materialise and require services from the CTFE Group during the financial year ending 30 June 2027.

The proposed annual cap for the financial year ending 30 June 2027 is lower than those for the two financial years ending 30 June 2028 and 2029 mainly because, as the financial year ending 30 June 2027 is the nearest financial year, the Group is able to make a more certain and accurate assessment of the projects that are likely to materialise and require services from the CTFE Group during that year. Potential projects which have a relatively low possibility of being launched during the financial year ending 30 June 2027 have been excluded from the projection for that year. In contrast, as the two financial years ending 30 June 2028 and 2029 are subject to greater uncertainty in terms of project timing and implementation, the proposed annual caps for those years have taken into account a broader range of potential projects and assumed that the relevant members of the CTFE Group will be engaged for providing the relevant CTFE Services for all potential projects.

### **Reasons for and benefits of entering into of the 2026 CTFE Master Services Agreement**

The transactions contemplated under the 2026 CTFE Master Services Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the CTFE Group and the Group. The 2026 CTFE Master Services Agreement is intended to streamline the continuing connected transactions between members of the CTFE Group and members of the Group. The 2026 CTFE Master Services Agreement provides a single basis on which the Company will comply with the

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## LETTER FROM THE BOARD

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reporting, announcement and independent shareholders' approval requirements in compliance with the Listing Rules and thereby reduce the administrative burden and costs on the Company to comply with such requirements in relation to the execution or renewal of the agreements in respect of the provision of the CTFE Services.

The Directors (including the independent non-executive Directors) consider that the 2026 CTFE Master Services Agreement has been negotiated on an arm's length basis and within the ordinary and usual course of business of the Group, on normal commercial terms or better (as defined in the Listing Rules) and that the terms thereof are fair and reasonable and in the interests of the Group and the Shareholders as a whole and that the CTFE Annual Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

### INTERNAL CONTROL PROCEDURES

To ensure that the 2026 CTFE Master Services Agreement and the CTFE Transactions contemplated thereunder adhere to normal commercial terms or better (as defined in the Listing Rules) and the amounts of the CTFE Transactions do not exceed the CTFE Annual Caps, the Company has implemented the following internal control procedures:

- (1) **Definitive CTFE Agreement review and assessment:** Prior to entering into any Definitive CTFE Agreement under the scope of the 2026 CTFE Master Services Agreement, the relevant personnel of the Group will review and assess the terms of the Definitive CTFE Agreements to ensure that they are consistent with the principles and provisions set out in the 2026 CTFE Master Services Agreement. The pricing policies and other terms of the Definitive CTFE Agreements will be determined by the relevant personnel of the Group on normal commercial terms or better (as defined in the Listing Rules), 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 by members of the Group for contracting services and the tender review process for tenders held by the Group, members of the Group are required to follow the respective 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/to the Group are fair, reasonable and comparable to those offered by/to the Group to/by independent third parties.

In determining the tender or quotation price to be submitted by members of the Group, 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.

For tenders held by the Group, the Group will conduct the tender review and selection process in accordance with its internal tender procedures. Subject to the relevant bidder satisfying the essential requirements set out in the bid invitation,

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## LETTER FROM THE BOARD

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the Group will generally evaluate and select the winning bidder based on factors including: (i) the tender amount offered by the bidders; (ii) the market reputation, past performance, relevant experience and technical competencies of the bidders; (iii) the quality of service terms offered by the bidders; and (iv) the previous business relationship between the Group and the bidders. The winning bidder will be the one after considering the overall commercial terms and service capability of the bidders, with a view to ensuring that the terms offered by the winning bidder and accepted by the Group are fair and reasonable and on normal commercial terms or better (as defined in the Listing Rules) and no less favourable to the Group than those offered by bidders that are independent third parties, where applicable.

- (3) **Transactions monitoring and reporting:** The finance department of the Group will consistently record and monitor the amounts of the CTFE Transactions to ensure that the CTFE Annual Caps are not exceeded. Periodic reports, which are compiled twice a year, including lists of continuing connected transactions conducted during the reporting period and utilisation of the CTFE Annual Caps will be submitted to the Audit Committee for review.
- (4) **Biannual review by internal audit function:** The group audit and management services department of the Group will perform a biannual review of the internal controls for the continuing connected transactions for the preceding financial year.
- (5) **Annual review by external auditors and independent non-executive Directors:** The Company's external auditor along with the independent non-executive Directors will perform annual review of the continuing connected transactions for the preceding financial year in accordance with the Listing Rules.

### APPROVAL BY THE BOARD

Each of Dr. Cheng Kar-Shun, Henry, Mr. Ho Gilbert Chi-Hang, Mr. Cheng Kar-Shing, Peter and Mr. Cheng Chi-Heng is a director of CTFE. Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy, collectively hold a majority interest in each of Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited. Having regard to their family relationship and/or their directorships in CTFE, each of Dr. Cheng Kar-Shun, Henry, Ms. Cheng Chi-Man, Sonia, Mr. Ho Gilbert Chi-Hang, Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Heng and Mr. Cheng Chi-Ming, Brian were considered to have material interests in the entering into of the 2026 CTFE Master Services Agreement. As such, all of them (except for Mr. Doo Wai-Hoi, William who was not present at the meeting of the Board) have abstained from voting on the resolutions approving the entering into of the 2026 CTFE Master Services Agreement at the meeting of the Board.

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## LETTER FROM THE BOARD

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### INFORMATION ON CTFE AND THE GROUP

#### CTFE

As of the date of this circular and based on publicly available information, CTFE is a wholly-owned subsidiary of Chow Tai Fook (Holding) Limited; Chow Tai Fook (Holding) Limited is an approximately 90.52%-owned subsidiary of Chow Tai Fook Capital Limited; and Chow Tai Fook Capital Limited is owned as to approximately 48.98% and approximately 46.65% by Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, respectively. To the best knowledge of the Directors, CTFE is principally engaged in investment holding.

#### The Group

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

### LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, CTFE is a substantial shareholder of the Company and therefore a connected person of the Company. The CTFE Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since all the amounts and the highest of all the applicable percentage ratios of the CTFE Annual Caps exceed HK\$10,000,000 and is more than 5%, respectively, the entering into of the 2026 CTFE Master Services Agreement, the CTFE Transactions and the CTFE Annual Caps are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for the Company.

#### EGM

The Company will convene and hold the EGM as a hybrid meeting at the principal meeting place of Meeting Room N101 (Expo Drive Entrance), Level 1, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 24 June 2026 at 11:30 a.m. to consider and, if thought fit, approve the EGM CCT Matters. A notice of EGM is set out on pages EGM-1 to EGM-3 of this circular.

Any Shareholder with a material interest in the EGM CCT Matters and its/his/her associates will be required to abstain from voting on the ordinary resolution at the EGM for the approval of the EGM CCT Matters. As at the Latest Practicable Date:

- (a) CTFE together with its subsidiaries hold approximately 45.24% of the issued share capital of the Company. As CTFE is a party to the 2026 CTFE Master Services Agreement, CTFE and its subsidiaries have a material interest in the EGM CCT Matters, and therefore, will be required to abstain from voting on the ordinary resolution at the EGM for approving the EGM CCT Matters;

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## LETTER FROM THE BOARD

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- (b) Dr. Cheng Kar-Shun, Henry (i) was interested in 5,168,909 Shares (representing approximately 0.21% of the issued share capital of the Company); and (ii) is a director of CTFE and the chairman and an executive Director of the Company; and (iii) CTFE is a majority-controlled company (within the meaning of the Listing Rules) and an associate of Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy.

As Dr. Cheng Kar-Shun, Henry has a material interest in the EGM CCT Matters, he will be required to abstain from voting on the ordinary resolution at the EGM for approving the EGM CCT Matters;

- (c) Mr. Cheng Kar-Shing, Peter (i) held 213,444 Shares (representing approximately 0.01% of the issued share capital of the Company) and jointly held 141,641 Shares (representing approximately 0.01% of the issued share capital of the Company) with his spouse and (ii) is a director of CTFE and a non-executive Director of the Company. As set out in paragraph (b)(iii) above, CTFE is a majority-controlled company (within the meaning of the Listing Rules) and therefore an associate of, among others, Mr. Cheng Kar-Shing, Peter.

As Mr. Cheng Kar-Shing, Peter has a material interest in the EGM CCT Matters, he will be required to abstain from voting on the ordinary resolution at the EGM for approving the EGM CCT Matters;

- (d) Ms. Cheng Chi-Man, Sonia (i) held 825,672 Shares (representing approximately 0.03% of the issued share capital of the Company) and (ii) is an executive Director of the Company. Dr. Cheng Kar-Shun, Henry is the father and therefore an associate of Ms. Cheng Chi-Man, Sonia. As set out in paragraph (b)(iii) above, CTFE is a majority-controlled company (within the meaning of the Listing Rules) of Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy.

As Ms. Cheng Chi-Man, Sonia has a material interest in the EGM CCT Matters, she will be required to abstain from voting on the ordinary resolution at the EGM for approving the EGM CCT Matters;

- (e) Mr. Cheng Chi-Heng (i) held 133,444 Shares (representing approximately 0.01% of the issued share capital of the Company) and (ii) is a director of CTFE and a non-executive Director of the Company. Mr. Cheng Kar-Shing, Peter is the father and therefore an associate of Mr. Cheng Chi-Heng. As set out in paragraph (b)(iii) above, CTFE is a majority-controlled company (within the meaning of the Listing Rules) of Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter, Mrs. Sun Cheng Lai-Ha, Cecilia and Mrs. Doo Cheng Sau-Ha, Amy.

As Mr. Cheng Chi-Heng has a material interest in the EGM CCT Matters, he will be required to abstain from voting on the ordinary resolution at the EGM for approving the EGM CCT Matters; and

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## LETTER FROM THE BOARD

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- (f) Mr. William Junior Guilherme Doo's spouse held 10,000 Shares (representing approximately 0.00% of the issued share capital of the Company). However, none of CTFE, Mrs. Doo Cheng Sau-Ha, Amy, Dr. Cheng Kar-Shun, Henry, Mr. Cheng Kar-Shing, Peter and Mrs. Sun Cheng Lai-Ha, Cecilia is an associate of Mr. William Junior Guilherme Doo's spouse. Mr. William Junior Guilherme Doo's spouse does not have any interests in the shares of CTFE and is not a director of CTFE. Accordingly, Mr. William Junior Guilherme Doo's spouse does not have a material interest in, and will not be required to abstain from voting on the ordinary resolution at the EGM for approving the EGM CCT Matters.

However, given (i) CTFE is a majority-controlled company (within the meaning of the Listing Rules) and therefore an associate of, among others, Mrs. Doo Cheng Sau-Ha, Amy; and (ii) the family relationship between Mrs. Doo Cheng Sau-Ha, Amy and Mr. William Junior Guilherme Doo's spouse, Mr. William Junior Guilherme Doo's spouse will voluntarily abstain from voting on ordinary resolution at the EGM for approving the EGM CCT Matters.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the EGM CCT Matters that is required to abstain from voting on the resolution to be proposed at the EGM to approve the EGM CCT Matters.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into or binding upon such Shareholders who are required to abstain from voting on the resolution to be proposed at the EGM to approve the EGM CCT Matters; and (ii) no obligation or entitlement of such Shareholders as at the Latest Practicable Date, whereby he/she/it has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his/her/its Shares to a third party, either generally or on a case-by-case basis.

In accordance with Rule 13.39(4) of the Listing Rules, the chairman of the EGM will direct that the proposed resolution set out in the notice convening the EGM be voted by poll, except where the chairman of the EGM, in good faith, decides to allow a resolution which relates to purely a procedural or administrative matter to be voted on by a show of hands.

After the conclusion of the EGM, the results of the poll will be released on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.nwd.com.hk](http://www.nwd.com.hk). A proxy form for use in connection with the EGM is also enclosed. If you are unable to attend the EGM in person, you are requested to complete and return the accompanying proxy form in accordance with the instructions printed thereon to the Company's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong; or submit the proxy form electronically through the Vistra eVoting Portal as soon as possible and in any event not later than 48 hours (excluding a public holiday) before the time appointed for holding of the EGM (i.e. not later than Monday, 22 June 2026 at 11:30 a.m.) or any adjournment thereof (as the case may be).

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## LETTER FROM THE BOARD

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The register of members of the Company will be closed from Thursday, 18 June 2026 to Wednesday, 24 June 2026, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the EGM, all share transfers accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 17 June 2026.

Completion and return of the proxy form will not preclude you from attending and voting in person physically or online at the EGM (or any adjournment thereof) should you so wish. In such event, the proxy form will be deemed to be revoked.

### RECOMMENDATION

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lee Luen-Wai, John, Mr. Ip Yuk-Keung, Albert, Mr. Chan Johnson Ow, Mrs. Law Fan Chiu-Fun, Fanny, Ms. Lo Wing-Sze, Anthea and Ms. Wong Yeung-Fong, Fonia, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the EGM CCT Matters.

Your attention is drawn to the advice of the Independent Board Committee set out in its letter on pages 24 and 25 of this circular. Your attention is also drawn to the letter of advice from the IFA to the Independent Board Committee and the Independent Shareholders in respect of the EGM CCT Matters set out on pages 26 to 38 in this circular.

The Independent Board Committee, having taken into account the reasons for and the benefits of entering into of the 2026 CTFE Master Services Agreement, the CTFE Transactions contemplated thereunder, the basis of determining the CTFE Annual Caps, and the advice of the IFA, considers that the EGM CCT Matters (namely, the 2026 CTFE Master Services Agreement, the CTFE Transactions contemplated thereunder and the CTFE Annual Caps) are in the ordinary and usual course of business of the Group, on normal commercial terms or better (as defined in the Listing Rules), fair and reasonable and in the interests of the Group and the Shareholders as a whole, and recommends the Independent Shareholders to vote in favour of the ordinary resolution approving the EGM CCT Matters.

### ADDITIONAL INFORMATION

Your attention is drawn to the general information set out in the appendix to this circular.

Yours faithfully,  
By order of the Board  
**Lau Fu-Keung     Hui Ka-Wai**  
*Joint Company Secretaries*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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The following is a full text of the letter from the Independent Board Committee prepared for the purpose of inclusion in this circular.



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

4 June 2026

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS — THE 2026 CTFE MASTER SERVICES AGREEMENT**

We refer to the circular dated 4 June 2026 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular have the same meanings when used herein unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider the EGM CCT Matters, namely, the 2026 CTFE Master Services Agreement, the CTFE Transactions contemplated thereunder and the CTFE Annual Caps, and to advise the Independent Shareholders as to whether, in our opinion, the EGM CCT Matters are in the ordinary and usual course of business of the Group, on normal commercial terms or better (as defined in the Listing Rules), fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Ballas Capital has been appointed as the IFA to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the EGM CCT Matters and whether the EGM CCT Matters are in the ordinary and usual course of business of the Group, on normal commercial terms or better (as defined in the Listing Rules), and in the interests of the Group and the Shareholders as a whole and to advise the Independent Shareholders on how to vote.

We wish to draw your attention to the letter from the Board as set out on pages 9 to 23 of the Circular which contains, among others, information on the EGM CCT Matters as well as the letter from the IFA as set out on pages 26 to 38 of the Circular which contains its advice in respect of the EGM CCT Matters.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having taken into account the reasons for and the benefits of entering into of the 2026 CTFE Master Services Agreement, and the CTFE Transactions contemplated thereunder, the basis of determining the CTFE Annual Caps, and the advice of the IFA, we consider that the EGM CCT Matters are in the ordinary and usual course of business of the Group, on normal commercial terms or better (as defined in the Listing Rules), fair and reasonable and in the interests of the Group and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM in relation to the EGM CCT Matters.

Yours faithfully,  
*Independent Board Committee*  
**Mr. Lee Luen-Wai, John**  
**Mr. Ip Yuk-Keung, Albert**  
**Mr. Chan Johnson Ow**  
**Mrs. Law Fan Chiu-Fun, Fanny**  
**Ms. Lo Wing-Sze, Anthea**  
**Ms. Wong Yeung-Fong, Fonia**



Room 1005, Jubilee Centre  
46 Gloucester Road  
Wanchai, Hong Kong

4 June 2026

*To: To the Independent Board Committee and the Independent Shareholders of  
New World Development Company Limited*

Dear Sir or Madam,

## **CONTINUING CONNECTED TRANSACTIONS THE 2026 CTFE MASTER SERVICES AGREEMENT**

### **INTRODUCTION**

We refer to our engagement (the “**Engagement**”) as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the 2026 CTFE Master Services Agreement, the CTFE Transactions contemplated thereunder and the CTFE Annual Caps, details of which are set out in the circular of the Company to the Shareholders dated 4 June 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

As at the Latest Practicable Date, CTFE is a substantial shareholder of the Company and therefore a connected person of the Company. The CTFE Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since all the amounts and the highest of all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) of the CTFE Annual Caps exceed HK\$10,000,000 and are more than 5%, respectively, the entering into of the 2026 CTFE Master Services Agreement, the CTFE Transactions and the CTFE Annual Caps are subject to the reporting, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lee Luen-Wai, John, Mr. Ip Yuk-Keung, Albert, Mr. Chan Johnson Ow, Mrs. Law Fan Chiu-Fun, Fanny, Ms. Lo Wing-Sze, Anthea and Ms. Wong Yeung-Fong, Fonia, has been established to advise the Independent Shareholders as to whether the entering into of the 2026 CTFE Master Services Agreement, the CTFE Transactions contemplated thereunder and the CTFE Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM.

In our capacity as the Independent Financial Adviser, our role is to advise the Independent Board Committee and the Independent Shareholders as to (i) whether the entering into of the 2026 CTFE Master Services Agreement and the CTFE Transactions

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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contemplated thereunder is in the ordinary and usual course of business of the Group, on normal commercial terms or better and fair and reasonable; (ii) whether the entering into of the 2026 CTFE Master Services Agreement and the CTFE Transactions contemplated thereunder is in the interests of the Company and the Shareholders as a whole; and (iii) whether the CTFE Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **BASIS OF OUR OPINION**

In formulating our opinion, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company.

The Directors have confirmed in the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and that there are no other matters the omission of which would make any statement in the Circular misleading. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the EGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Group or any of its respective subsidiaries or associates.

### **INDEPENDENCE DECLARATION**

Within two years prior to the Engagement and up to the date of this letter, Ballas Capital Limited (“**Ballas Capital**”) has been/was engaged as (a) the independent financial adviser of the Company in respect of (i) a connected transaction as disclosed in its circular dated 2 August 2024; (ii) a connected transaction as disclosed in its announcement dated 26 September 2024; (iii) a connected transaction exempt from announcement and independent shareholders’ approval requirements in June 2025; and (iv) the continuing connected transactions in relation to long duration agreements as set out in its announcement dated 24 April 2026 (the “**Other NWD Engagements**”). Other than the professional fees received under the Engagement and the Other NWD Engagements which were negotiated between the Company and Ballas Capital on an arm’s length basis, Ballas Capital has not received any other professional fees from the Company within two years prior to the Engagement and up to the date of this letter.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Furthermore, within two years prior to the Engagement and up to the date of this letter, Ballas Capital has been/was engaged as (a) the independent financial adviser of New World Department Store China Limited (“NWDS”) (stock code: 00825) in respect of the continuing connected transactions as set out in the announcement of NWDS dated 24 April 2026; and (b) the independent financial adviser of CTF Services Limited (“CTFS”) (stock code: 00659) in respect of (i) various option adjustments as disclosed in its announcements dated 19 April 2024, 20 November 2025 and 23 December 2025, respectively; and (ii) the continuing connected transactions as set out in its announcement dated 29 September 2025 (the “Other Engagements”). As the Other Engagements were for the role of an independent financial adviser, the Other Engagements would not affect the independence of Ballas Capital for acting as the independent financial adviser to the Company in respect of the 2026 CTFE Master Services Agreement, the CTFE Transactions contemplated thereunder and the CTFE Annual Caps.

As at the Latest Practicable Date, we are not aware of any relationships or interests between Ballas Capital and the Company or any other parties that could be reasonably regarded as a hindrance to Ballas Capital’s independence as defined under Rule 13.84 of the Listing Rules to act as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the 2026 CTFE Master Services Agreement, the CTFE Transactions contemplated thereunder and the CTFE Annual Caps.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating and giving our independent financial advice to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors:

#### 1. Information on the Group and the CTFE Group

##### *1.1 Information on the Group*

The Company is a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 0017). The Group is principally engaged in property development, property investment, and investment in and/or operation of hotels and other strategic businesses.

##### *1.2 Information on CTFE and the CTFE Group*

As at the Latest Practicable Date and based on publicly available information, CTFE is a wholly-owned subsidiary of Chow Tai Fook (Holding) Limited; Chow Tai Fook (Holding) Limited is an approximately 90.52%-owned subsidiary of Chow Tai Fook Capital Limited; and Chow Tai Fook Capital Limited is owned as to approximately 48.98% and approximately 46.65% by Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited, respectively. To the best knowledge of the Directors, CTFE is principally engaged in investment holding.

## **2. Background and reasons of the Transactions**

On 28 April 2023, CTFE and the Company entered into the 2023 CTFE Master Services Agreement in relation to the CTFE Transactions. The initial term of the 2023 CTFE Master Services Agreement will expire on 30 June 2026. On 24 April 2026, CTFE and the Company entered into the 2026 CTFE Master Services Agreement in relation to the CTFE Transactions and agreed to terminate the 2023 CTFE Master Services Agreement upon the 2026 CTFE Master Services Agreement becoming effective on the CTFE Effective Date.

We have discussed with the management of the Company and understand that the transactions contemplated under the 2026 CTFE Master Services Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the CTFE Group and the Group. The 2026 CTFE Master Services Agreement is intended to streamline the continuing connected transactions between members of the CTFE Group and members of the Group. The 2026 CTFE Master Services Agreement provides a single basis on which the Company will comply with the reporting, announcement and independent Shareholders' approval requirements in compliance with the Listing Rules and thereby reduce the administrative burden and costs on the Company to comply with such requirements in relation to the execution or renewal of the agreements in respect of the provision of the CTFE Services.

Pursuant to the 2026 CTFE Master Services Agreement, the CTFE Services cover a wide range of services including CTFE Administrative Services, CTFE Contracting Services, General and Rental Services, Insurance, Medical and Health Care Services, Project Management and Consultancy Services, Concessionaire and Rental Services, and such other types of services as CTFE and the Company may agree upon from time to time in writing.

On the other hand, the Group has been and will continue to provide services to the CTFE Group. The Company is of the view that the provision of the relevant services is a furtherance of the Group's business, whilst the 2026 CTFE Master Services Agreement allows the Group the flexibility, but not the obligation, to provide such services.

In conclusion, we are of the view that the entering into of the 2026 CTFE Master Services Agreement is in the ordinary course of business of the Group and in the interests of the Group and the Shareholders as a whole.

## **3. Principal terms of the 2026 CTFE Master Services Agreement**

Pursuant to the 2026 CTFE Master Services Agreement, the relevant members of the CTFE Group may from time to time enter into Definitive CTFE Agreement(s) with the relevant members of the Group in respect of any CTFE Transaction upon, and subject to, the terms and conditions in compliance with the 2026 CTFE Master Services Agreement as may be agreed between the relevant members of the CTFE Group and the relevant members of the Group. All existing agreements between relevant members of the CTFE Group and relevant members of the Group in respect of the CTFE Transactions (to the extent which cover the CTFE Transactions on or after the CTFE Effective Date) will be treated as

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Definitive CTFE Agreements made pursuant to the 2026 CTFE Master Services Agreement as from the CTFE Effective Date and shall continue to be subject to the terms of the 2026 CTFE Master Services Agreement. With effect from the CTFE Effective Date, the CTFE Transactions shall be conducted (a) in the ordinary and usual course of business of the CTFE Group and the Group; (b) on normal commercial terms or better (as defined in the Listing Rules) and based on the then prevailing market rates; and (c) in compliance with all applicable provisions of the Listing Rules (including the CTFE Annual Caps), the applicable laws, the 2026 CTFE Master Services Agreement and the relevant Definitive CTFE Agreement.

As disclosed in the letter from the Board contained in the Circular (the “**Letter from the Board**”), the pricing policies are set out below:

- a) in respect of the CTFE Administrative Services: the consideration will be fixed at a monthly fee based on the estimated amount of work to be done, with reference to at least one market comparable obtained at the best endeavour of the parties from time to time;
- b) in respect of the CTFE Contracting Services: where the Group participates in a tender or quotation with all bidders (including independent third parties in the market), the tender price will be determined 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), by making reference to at least one quote provided to independent third parties for similar services, if applicable. The winning bid will generally be the lowest tender amount or the recommended bid with better technical knowhow and capability, in accordance with the employer’s tender procedures; where the engagement is through direct appointment by the CTFE Group, the consideration will be on a cost-plus basis, with reference to the Group’s prevailing cost structure and historical profit margin for at least one project of a similar nature and scale undertaken for independent third-party customers, taking into account project complexity, risk profile and resource requirements, which is in line with the basis for engagements by independent third parties for projects of similar nature and size; where a member of the CTFE Group is nominated as contractor designated by ultimate employer, the consideration will be ascertained by an independent professional quantity surveyor appointed by the ultimate employer; and where the Group has the right to select contractor(s), the Group will obtain two quotations from independent third-party contractors on its list of pre-approved contractors and compare them with the terms offered by the CTFE Group;
- c) in respect of the General and Rental Services: for lessor/lessee arrangements, the parties will obtain two market comparative quotes and/or review two comparable transactions with independent third parties; for procurement services, the consideration will be fixed after analysis of the project requirements, and make references to at least one recent job quotation, as applicable, offered to/obtained from independent third party for similar services and the historical purchase price, and any quotation(s) offered by the Group to the CTFE Group or any

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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quotation(s) offered to the Group by the CTFE Group will be on terms no less favourable to the Group as compared to those offered to/by independent third parties for comparable services, as applicable; and for the provision of other services, the consideration will be fixed at an amount with reference to the prevailing market rate, which will be determined with reference to at least one market comparable offered to/by independent third party, if applicable;

- d) in respect of the Insurance, Medical and Health Care Services: the consideration will be fixed on the basis to meet the target profitability requirement measured by profit margin, which is determined with reference to the Group's overall pricing framework for comparable insurance, medical and health care products provided to independent corporate customers, having regard to underwriting factors including risk exposure, claims history, reinsurance terms and administrative costs. Where such services are provided by the CTFE Group to the Group, the Group will, depending on the nature and complexity of the relevant insurance services, obtain one or more quotations, if applicable, from independent third-party service providers for comparable services, and any quotation from the CTFE Group accepted by the Group will be on terms no less favourable to the Group than those offered by independent third parties for comparable services;
- e) in respect of the Project Management and Consultancy Services: the consideration will be fixed on the basis of cost plus a prevailing market rate which could be varied according to the size or, if applicable, the unique nature of the project and/or the extent of services required;
- f) in respect of the Concessionaire and Rental Services: a quote will be provided by the relevant member(s) of the Group on a cost-plus basis, taking into account the estimated or actual costs to be incurred by the Group and a profit margin which shall be no less favourable to the Group than that charged by the Group to at least one independent third party for similar services, if applicable; the relevant member(s) of the CTFE Group may, through its operational and technical departments and based on relevant policies and other quotes for similar arrangements obtained from independent third parties in the market, either accept the quote and proceed or reject the quote; and
- g) in respect of the other CTFE Services: the consideration will be fixed at an amount with reference to the prevailing market rate compared to the relevant immediately expired Definitive CTFE Agreement(s), with reference to at least one market comparable obtained at the best endeavour of the parties from time to time.

The consideration offered by or accepted by the Group under each Definitive CTFE Agreement shall be no less favourable to the Group than that offered by the Group to, or offered to the Group by, independent third parties for comparable services.

### *3.1 Our work done*

Based on the detailed annual cap breakdown provided by the management of the Company, we note that the services to be provided by the CTFE Group to the Group account for approximately 80.7%, 87.3% and 88.7% of the total CTFE Annual Caps for FY2027, FY2028 and FY2029, respectively. We further note that, within such services, CTFE contracting services are the dominant component, accounting for approximately 89.7%, 94.4% and 94.4% of the relevant directional cap for FY2027, FY2028 and FY2029, respectively, and approximately 72.4%, 82.4% and 83.7% of the total CTFE Annual Caps for the corresponding years. Against this background, our work focused on the review of the relevant tender procedures, selected historical transactions and the underlying project schedules supporting the projected CTFE contracting services. Apart from the due diligence on CTFE contracting services as detailed below, we have also discussed with the management of the Company and reviewed the pricing policies set out in the Letter from the Board in respect of other services (i) provided by the CTFE Group to the Group; and (ii) provided by the Group to the CTFE Group. Based on the detailed annual cap breakdown, we note that none of these individual service categories represents a significant percentage of the overall CTFE Annual Caps comparable to CTFE contracting services. Accordingly, while our detailed transaction-level review focused on CTFE contracting services as the principal driver of the CTFE Annual Caps, we have considered whether the pricing policies and internal control framework described in the Letter from the Board are capable of governing such other service categories.

We have discussed with the Company and reviewed the list of tenders held by the Company during the two financial years ended 30 June 2024 (“**FY2024**”) and 2025 (“**FY2025**”) and the six months ended 31 December 2025 (the “**1H2026**”) (together, the “**Review Period**”) and selected all three projects which were newly awarded by the Company to the CTFE Group (the “**Selected Projects**”).

We have reviewed the Company’s tender manual which set out guidelines for the tender procedures, such as the duty and composition of the tender committee, the approval process based on project value, selection criteria for and number of tenderers to invite for tender and tender assessment and evaluation. Pursuant to the tender manual, tenders of projects with contract sum exceeding HK\$500,000 are approved by the tender committee, and approval from the independent non-executive Directors will be sought before awarding any contract to the CTFE Group with contract sum exceeding HK\$100,000,000.

Further, as part of the tender evaluation, the Group would evaluate, among other criteria, tender offers, background, qualification, historical performance, track record, reputation, financial standing and operational capabilities of the respective tenderers and the winning bid will be the one with the lowest tender amount in accordance with the internal tender procedure(s) on the condition that the bidder conformed to all the essential requirements (including but not limited to relevant experience, capability and historical relationship) set out in the bid invitation.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have reviewed the relevant documents of the Selected Projects, including the tenderer list with all qualifying tenderers and the tender committee memo comparing the tender offers between all bidders and the final assessment setting out the decision process and reason of award, and noted that the Company has complied with the tender procedure manual and adhered to the guidelines for tender procedure. We also noted from the tender committee memo that the terms of the Selected Projects awarded to the CTFE Group were no less favourable to the Group as compared to those offered by the other independent third party tenderers.

In addition, we understand from the management of the Company that once a contractor was appointed as the contractor and/or consultant to a property development and investment project of the Group, a designated project team from the Group will continue to monitor the ongoing costs incurred by the selected contractor/consultant on the relevant project and project related costs will either be ascertained by an independent professional quantity surveyor to be appointed by the Group or an in-house qualified professional quantity surveyor before relevant payments are made to the contractor and/or consultant for their work. For the Selected Projects which already commenced the payment stage, we reviewed the relevant documents of such project, including the subcontractor payment certificate issued by an independent professional quantity surveyor and we note that the project related costs were ascertained by a qualified professional quantity surveyor. We have further noted the internal control measures as disclosed in the Letter from the Board, regarding definitive CTFE Agreement review and assessment, tendering process and quotations, transactions monitoring and reporting, biannual review by internal audit function, and annual review by external auditors and independent non-executive Directors. In particular, we noted that prior to entering into any Definitive CTFE Agreement under the scope of the 2026 CTFE Master Services Agreement, the relevant personnel of the Group will review and assess the terms of the Definitive CTFE Agreements to ensure that they are consistent with the principles and provisions set out in the 2026 CTFE Master Services Agreement. Furthermore, the Group is required to follow its internal tender guidelines when submitting tenders/quotations or when conducting tender review for tenders held by the Group, so as to ensure that the price and terms offered by or to the Group are fair, reasonable and comparable to those offered by or to independent third parties. In determining the tender or quotation price and in selecting the winning bidder, the Group will take into account factors such as comparable tenders or quotations, estimated costs, expected profit margin, project complexity, risk profile, resource requirements, overall commercial terms and service capability, with a view to ensuring that the accepted terms are on normal commercial terms or better and no less favourable to the Group than those offered by independent third parties, where applicable. In respect of the annual review of the continuing connected transactions by the independent non-executive Directors and the auditor of the Company, we reviewed the relevant disclosures in the annual report of the Company for FY2025 (the “**Annual Report**”), as set out in the section headed ‘5. Requirements by the Listing Rules regarding the CTFE Transactions contemplated under the 2026 CTFE Master Services Agreement’ in this letter.

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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**3.2 Our view**

In conclusion, based on our review of (i) the pricing policies set out in the Letter from the Board for the CTFE Services; (ii) the underlying documents of the Selected Projects in respect of CTFE contracting services, being the principal driver of the CTFE Annual Caps; (iii) the pricing policies for each type of CTFE Services disclosed in the Letter from the Board; and (iv) the internal control measures such as the review and assessment of terms of the Definitive CTFE Agreements by relevant personnel and the tendering or quotation procedures to be applied before entering into the relevant transactions, we are of the view that the Group’s pricing policy together with the internal control procedures provide a reasonable and sufficient basis to ensure that the CTFE Transactions contemplated under the 2026 CTFE Master Services Agreement are in the ordinary and usual course of business of the Group and will be conducted on normal commercial terms or better (as defined in the Listing Rules) that are no less favourable to the Group than those available to independent third parties.

**4. The CTFE Annual Caps**

The tables below set out (i) the aggregate historical transaction amounts of the CTFE Transactions for FY2024, FY2025 and 1H2026; and (ii) the proposed CTFE Annual Caps for the three financial years ending 30 June 2027 (“FY2027”), 2028 (“FY2028”) and 2029 (“FY2029”):

	<b>Historical transaction amounts</b>			<b>Annual caps</b>		
	<b>FY2024</b>	<b>FY2025</b>	<b>1H2026</b>	<b>FY2027</b>	<b>FY2028</b>	<b>FY2029</b>
	<i>HK\$'</i>	<i>HK\$'</i>	<i>HK\$'</i>	<i>HK\$'</i>	<i>HK\$'</i>	<i>HK\$'</i>
	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>	<i>million</i>
	<i>(note)</i>	<i>(note)</i>	<i>(note)</i>			
<b>Historical aggregate transaction amounts (approximately)/annual caps of the CTFE Transactions</b>						
Services by the Group to the CTFE Group	531.4	247.0	74.8	632.2	625.5	556.0
Services by the CTFE Group to the Group	<u>468.0</u>	<u>864.5</u>	<u>904.6</u>	<u>2,640.0</u>	<u>4,296.9</u>	<u>4,355.4</u>
<b>Total</b>	<u><u>999.4</u></u>	<u><u>1,111.5</u></u>	<u><u>979.4</u></u>	<u><u>3,272.2</u></u>	<u><u>4,922.4</u></u>	<u><u>4,911.4</u></u>

*Note:* The historical aggregate transaction amounts shown in the table above do not include the transaction amounts of the Concessionaire and Rental Services and the leasing and licensing transactions recorded under the Master Leasing and Licensing Agreement, as those services were not covered under the 2023 CTFE Master Services Agreement but contemplated under the 2026 CTFE Master Services Agreement. For the two financial years ended 30 June 2024 and 2025 and the six months ended 31 December 2025, the aggregate transaction amounts relating to the Concessionaire and Rental Services paid by the CTFE Group to the Group amounted to approximately HK\$30.4 million, HK\$22.3 million and HK\$9.8 million, respectively, and the

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aggregate transaction amounts relating to the leasing and licensing transactions recorded under the Master Leasing and Licensing Agreement paid by the CTFE Group to the Group amounted to approximately HK\$78.5 million, HK\$79.5 million and HK\$39.9 million, respectively.

We note that the historical aggregate transaction amounts under the 2023 CTFE Master Services Agreement were approximately HK\$999.4 million, HK\$1,111.5 million and HK\$979.4 million for FY2024, FY2025 and 1H2026, respectively. We further note from the Letter from the Board that such historical aggregate transaction amounts did not include the transaction amounts relating to the Concessionaire and Rental Services and the leasing and licensing transactions recorded under the Master Leasing and Licensing Agreement, which amounted to approximately HK\$108.9 million, HK\$101.8 million and HK\$49.7 million, respectively, for the corresponding periods. On such basis, the historical aggregate transaction amounts (“**Combined Historical Amounts**”) on a more comparable basis would have been approximately HK\$1,108.3 million, HK\$1,213.3 million and HK\$1,029.1 million, respectively. Annualising the Combined Historical Amount for 1H2026 implies an annualised amount of approximately HK\$2,058.2 million. On this basis, the CTFE Annual Caps for FY2027, FY2028 and FY2029 represent increases of approximately 59%, 139% and 139%, respectively. In this regard, we understand from the management of the Company that such increase is principally attributable to (i) the project timeline and construction progress of the ongoing projects, as the relevant transaction amounts to be recognised in a given financial period depend on the stage of completion of the relevant projects; and (ii) the inclusion of estimated fees from projects on hand which may be awarded to the CTFE Group. We further understand that the CTFE Group is included in the Group’s list of pre-approved contractors and may participate in the tender/bidding process for such projects. As such, we consider it reasonable for the Company to take into account the potential transaction amounts relating to such projects when determining the CTFE Annual Caps.

As explained above, based on the detailed annual cap breakdown provided by the management of the Company, we note that the services to be provided by the CTFE Group to the Group represent the majority of the overall CTFE Annual Caps, accounting for approximately 80.7%, 87.3% and 88.7% of the total CTFE Annual Caps for FY2027, FY2028 and FY2029, respectively. Within such services, CTFE contracting services are the dominant component, accounting for approximately 89.7%, 94.4% and 94.4% of the relevant directional cap for FY2027, FY2028 and FY2029, respectively, and approximately 72.4%, 82.4% and 83.7% of the total CTFE Annual Caps for the corresponding years.

We have reviewed the breakdown of the projected amount for the CTFE contracting services in the calculation of the CTFE Annual Caps and discussed with the management of the Company. We note that, in determining the annual caps for the CTFE contracting services, the management of the Group has prepared the project schedules, which set out, among others, the estimated contract values on a project-by-project basis for FY2027, FY2028 and FY2029. We have reviewed the project schedules and note that the projected amount for the CTFE contracting services mainly comprises (i) the expected fees to be recognised in accordance with the completion progress of the existing projects; and (ii) the expected fees to be incurred from the Company’s projects on hand which may be awarded to the CTFE Group. We understand from the management of the Company that the expected fees for ongoing projects are estimated based on the latest progress and construction

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schedule of the relevant projects, while the expected fees for projects not yet awarded are estimated with reference to the expected timing and project size of the relevant projects. We further understand that such project-by-project estimations are prepared by in-house qualified professional quantity surveyor within project management team and reviewed by senior management of the Company. Having considered the project-by-project nature of the estimation, the involvement of personnel responsible for the relevant projects and the review by senior management, we consider such basis of estimation to be reasonable.

We further note that the balance of the CTFE Annual Caps is attributable to other service categories contemplated under the 2026 CTFE Master Services Agreement. We have reviewed the underlying schedules prepared by the relevant business units of the Group and discussed with the management of the Company the basis of the relevant projections. We note that such projections are generally supported by identified counterparties, existing and potential arrangements and/or specific projects, as applicable.

Having considered (i) the historical transaction amounts under the 2023 CTFE Master Services Agreement; (ii) the Combined Historical Amounts after taking into account the Concessionaire and Rental Services and the leasing and licensing transactions recorded under the Master Leasing and Licensing Agreement; (iii) the project schedules for the CTFE contracting services; (iv) the basis of estimation of the projected CTFE contracting services as discussed with the management of the Company; and (v) the relevant pricing policies and internal control procedures, including the annual review by the independent non-executive Directors and the auditors for the latest available financial year, we consider that the basis adopted by the Company in determining the CTFE Annual Caps is reasonable, and the CTFE Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned.

### **5. Requirements by the Listing Rules regarding the CTFE Transactions contemplated under the 2026 CTFE Master Services Agreement**

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the CTFE Transactions contemplated under the 2026 CTFE Master Services Agreement are subject to the following annual review requirements:

- (a) each year the independent non-executive Directors must review the CTFE Transactions contemplated under the 2026 CTFE Master Services Agreement and confirm in the annual report that the CTFE Transactions have been entered into:
  - in the ordinary and usual course of business of the Group;
  - on normal commercial terms or better; and
  - according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

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- (b) each year the auditors of the Company must provide a letter to the Board confirming that the CTFE Transactions contemplated under the 2026 CTFE Master Services Agreement:
- have received the approval of the Board;
  - are, in all material respects, in accordance with the pricing policies of the Company if the CTFE Transactions involve provision of goods or services by the Company;
  - have been entered into, in all material respects, in accordance with the relevant agreement governing the continuing connected transactions; and
  - have not exceeded the related CTFE Annual Caps.
- (c) the Company must allow, and ensure that the relevant counterparties to the 2026 CTFE Master Services Agreement allow, the Company's auditors sufficient access to their records for the purpose of reporting on the transactions. The Board must state in the annual report whether its auditors have confirmed the matters stated in paragraph (b) above; and
- (d) the Company must promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent non-executive Directors and/or the auditors of the Company cannot confirm the matters set out in paragraphs (a) and/or (b) above respectively.

We have reviewed the continuing connected transactions section in the Annual Report and noted that the independent non-executive Directors had reviewed the continuing connected transactions and confirmed that such transactions had been entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in accordance with the relevant agreements on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole. We also noted that the auditor of the Company had issued an unqualified letter in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules. In light of the reporting requirements attached to the 2026 CTFE Master Services Agreement, in particular, (i) the restriction of the value of the relevant transactions by way of the related CTFE Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of the Company on the terms of the 2026 CTFE Master Services Agreement and the related CTFE Annual Caps not being exceeded, we are of the view that appropriate measures are in place to govern the conduct of the 2026 CTFE Master Services Agreement and safeguard the interests of the Shareholders.

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### RECOMMENDATION

Having considered the principal factors and reasons above, we are of the view that:

- (a) the entering into of the 2026 CTFE Master Services Agreement, and the CTFE Transactions contemplated thereunder is in the ordinary and usual course of business of the Group and the terms thereof are normal commercial terms and fair and reasonable;
- (b) the entering into of the 2026 CTFE Master Services Agreement and the CTFE Transactions contemplated thereunder is in the interests of the Company and the Shareholders as a whole; and
- (c) the related CTFE Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend the Independent Shareholders to vote in favour of the resolution in relation to the entering into of the 2026 CTFE Master Services Agreement, the CTFE Transactions contemplated thereunder and the related CTFE Annual Caps.

Yours faithfully,  
For and on behalf of  
**Ballas Capital Limited**

**Heidi Cheng**      **Cathy Leung**  
*Managing Director*      *Director*

*Note:* Ms. Heidi Cheng of Ballas Capital Limited has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2004, and Ms. Cathy Leung of Ballas Capital Limited has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2019.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS BY DIRECTORS

- (a) As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he/she was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

### (I) Long positions in shares

	Number of shares			Total	Approximate % of shareholding as at the Latest Practicable Date
	Personal interests	Spouse interests	Corporate interests		
<b>The Company</b> (Ordinary shares)					
Dr. Cheng Kar-Shun, Henry	5,168,909	—	—	5,168,909	0.21
Mr. Cheng Kar-Shing, Peter	213,444	141,641 <sup>(1)</sup>	—	355,085	0.01
Mr. Cheng Chi-Heng	133,444	—	—	133,444	0.01
Ms. Cheng Chi-Man, Sonia	825,672	—	—	825,672	0.03
Ms. Chiu Wai-Han, Jenny	29,899	—	—	29,899	0.00
Mr. Lau Fu-Keung	1,000	—	—	1,000	0.00
<b>New World Department Store China Limited</b> (Ordinary shares of HK\$0.10 each)					
Mr. Lau Fu-Keung	1,000	—	—	1,000	0.00
<b>Sun Legend Investments Limited</b> (Ordinary shares)					
Mr. Cheng Kar-Shing, Peter	—	—	9,500,500 <sup>(2)</sup>	9,500,500	50.00

*Notes:*

- (1) These shares were jointly held by Mr. Cheng Kar-Shing, Peter and his spouse.
- (2) These shares were beneficially owned by a controlled corporation of Mr. Cheng Kar-Shing, Peter.

**(II) Long positions in debentures**

**(i) NWD Finance (BVI) Limited (“NWD Finance”)**

	<u>Amount of debentures issued in US\$ by NWD Finance</u>				Approximate % of the total amount of debentures in issue as at the Latest Practicable Date
	Personal interests US\$	Spouse interests US\$	Corporate interests US\$	Total US\$	
Mr. Doo Wai-Hoi, William	—	91,875,000	10,000,000 <sup>(1)</sup>	101,875,000	4.64
Mr. Cheng Kar-Shing, Peter	4,000,000	—	—	4,000,000	0.18
Mr. Ip Yuk-Keung, Albert	—	750,000 <sup>(2)</sup>	—	750,000	0.03

*Notes:*

- (1) These debentures were beneficially owned by a company which was wholly owned by Mr. Doo Wai-Hoi, William.
- (2) These debentures were jointly held by Mr. Ip Yuk-Keung, Albert and his spouse.

*(ii) NWD (MTN) Limited (“NWD (MTN)”)*

	Amount of debentures issued by NWD (MTN)				Approximate % of the total amount of debentures in issue as at the Latest Practicable Date
	Personal interests	Spouse interests	Corporate interests	Total	
	HK\$	HK\$	HK\$	HK\$	
Mr. Doo Wai-Hoi, William	—	202,800,000 <sup>(1)</sup>	—	202,800,000	1.01
Mr. Ip Yuk-Keung, Albert	—	3,900,000 <sup>(2)</sup>	—	3,900,000	0.02
Mr. Chan Yiu-Ho	1,000,000	—	—	1,000,000	0.00

*Notes:*

- (1) These debentures were issued in US\$ and had been translated into HK\$ using the rate of US\$1.0 = HK\$7.8.
- (2) These debentures were jointly held by Mr. Ip Yuk-Keung, Albert and his spouse, and were issued in US\$ and had been translated into HK\$ using the rate of US\$1.0 = HK\$7.8.

Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any interest or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### 3. COMMON DIRECTORS

The following is a list of Directors who, as at the Latest Practicable Date, were also directors of the companies which had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Common Director	Name of Company
Dr. Cheng Kar-Shun, Henry Mr. Cheng Kar-Shing, Peter	Cheng Yu Tung Family (Holdings) Limited ("CYTFH")
Dr. Cheng Kar-Shun, Henry Mr. Cheng Kar-Shing, Peter	Cheng Yu Tung Family (Holdings II) Limited ("CYTFH-II")
Dr. Cheng Kar-Shun, Henry Mr. Cheng Kar-Shing, Peter	Chow Tai Fook Capital Limited ("CTFC")
Dr. Cheng Kar-Shun, Henry Mr. Cheng Kar-Shing, Peter Mr. Cheng Chi-Heng	Chow Tai Fook (Holding) Limited ("CTFHL")
Dr. Cheng Kar-Shun, Henry Mr. Cheng Kar-Shing, Peter Mr. Cheng Chi-Heng Mr. Ho Gilbert Chi-Hang	CTFE

### 4. INTERESTS IN ASSETS OF THE GROUP

Dr. Cheng Kar-Shun, Henry, Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Heng, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Chi-Ming, Brian are members of the Cheng's family which holds interest in CYTFH and CYTFH-II which in turn indirectly control CTFE, a substantial shareholder of the Company. Mr. Ho Gilbert Chi-Hang is a director of CTFE, a substantial shareholder of the Company. The Group has entered into the following transactions with CTFE and/or its associates since 30 June 2025:

lease agreements regarding rental of properties between members of the CTFE Group and members of the Group, the transactions under which form part of the transactions contemplated under the 2026 CTFE Master Services Agreement.

As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 30 June 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

## 5. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors, the interests and short positions of substantial shareholders and other persons in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO were as follows:

### Long positions in shares

Name	Number of shares			Approximate % of shareholding as at the Latest Practicable Date
	Beneficial interests	Interests of controlled corporation	Total	
CYTFH <sup>(1)</sup>	—	1,140,728,609	1,140,728,609	45.33
CYTFH-II <sup>(2)</sup>	—	1,140,728,609	1,140,728,609	45.33
CTFC <sup>(3)</sup>	2,300,000	1,138,428,609	1,140,728,609	45.33
CTFHL <sup>(4)</sup>	—	1,138,428,609	1,138,428,609	45.24
CTFE <sup>(5)</sup>	1,035,392,823	103,035,786	1,138,428,609	45.24

#### Notes:

- (1) CYTFH holds 48.98% direct interest in CTFC and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTFC.
- (2) CYTFH-II holds 46.65% direct interest in CTFC and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTFC.
- (3) CTFC holds 90.52% direct interest in CTFHL and is accordingly deemed to have an interest in the shares deemed to be interested by CTFHL.
- (4) CTFHL holds 100% direct interest in CTFE and is accordingly deemed to have an interest in the shares interested by or deemed to be interested by CTFE.
- (5) CTFE together with its subsidiaries.

## 6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group, excluding contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation other than statutory compensation.

## 7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since 30 June 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

## 8. COMPETING INTEREST

As at the Latest Practicable Date, according to the Listing Rules, the following Directors had interests in the following businesses which were considered to compete or were likely to compete, either directly or indirectly, with the businesses of the Group other than those businesses where the Directors were appointed as directors to represent the interests of the Group:

Name of Director	Businesses which were considered to compete or likely to compete with the businesses of the Group		Nature of interest of the Director in the entity
	Name of entity	Description of business	
Dr. Cheng Kar-Shun, Henry	Cheung Hung Development (Holdings) Limited	Property investment and development	Director
	CTFE group of companies	Property investment and development, hotel operations, facilities management, property and carpark management, property agency, strategic investment, and food and beverage	Director
	FSE Lifestyle Services Limited group of companies	Property and carpark management	Director
	Ramada Property Limited	Property and hotel property investment	Director
Mr. Doo Wai-Hoi, William	Fortune Success Limited group of companies	Property investment	Director
	FSE Lifestyle Services Limited group of companies	Property and carpark management	Director
	Fungseng Prosperity Holdings Limited group of companies	Property investment and management	Director
	Lifestyle International Holdings Limited group of companies	Department stores operations and property investment	Director
	Oriental Triumph Inc. group of companies	Property and hotel property investment	Director and shareholder
	Perfect Fine Group Limited group of companies	Property investment	Director
	Silver Success Company Limited group of companies	Hotel property investment	Director

Name of Director	Businesses which were considered to compete or likely to compete with the businesses of the Group		Nature of interest of the Director in the entity
	Name of entity	Description of business	
	Supreme Harvest Development Limited group of companies	Property investment and development	Director
Mr. Cheng Kar-Shing, Peter	CTFE group of companies	Property investment and development, hotel operations, facilities management, property and carpark management, property agency, strategic investment, and food and beverage	Director
Mr. Cheng Chi-Heng	CTFE group of companies	Property investment and development, hotel operations, facilities management, property and carpark management, property agency, strategic investment, and food and beverage	Director
Mr. Cheng Chi-Ming, Brian	CTF Services Limited group of companies	Facilities management, property and carpark management, property agency, property investment, strategic investment, and food and beverage	Director
Mr. Ho Gilbert Chi-Hang	CTFE group of companies	Property investment and development, hotel operations, facilities management, property and carpark management, property agency, strategic investment, and food and beverage	Director

Name of Director	Businesses which were considered to compete or likely to compete with the businesses of the Group		Nature of interest of the Director in the entity
	Name of entity	Description of business	
Ms. Huang Shaomei, Echo	Chow Tai Fook Business Development (Wuhan) Co., Ltd.	Property investment, development and management	Director
	Chow Tai Fook Chuangdi Real Estate (Wuhan) Co., Ltd.	Property investment and development, estate agency and carpark management	Director
	Guangzhou Junfu Real Estate Development Co., Ltd.	Hotel operations, property investment and management	Director
	Guangzhou Xinyu Operation Management Co., Ltd.	Hotel operations, property investment and management	Director
	Guangzhou Xinyuxian Yinghui Business Management Co., Ltd.	Carpark leasing and management	Director
	Shenzhen Fusheng Investments Co., Ltd.	Hotel operations, property investment and management	Director
	Tianjin New World Huan Bo Hai Real Estate Development Co., Ltd.	Property investment and management	Director
	Wuhan Xinhuiye Real Estate Co., Ltd.	Property investment and development and carpark management	Director
Mr. Lee Luen-Wai, John	Lippo Limited	Property investment, development and management	Director
	Lippo China Resources Limited	Property investment, development and management	Director
	Hongkong Chinese Limited	Property investment, development and management	Director
Ms. Lo Wing-Sze, Anthea	Menswinton Limited	Hotel operations and hotel property investment	Director and shareholder
	Bothtrend Investments Limited	Hotel operations and hotel property investment	Director and shareholder

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates have interest in any business apart from the business of the Group, which was considered to compete or is likely to compete, either directly or indirectly, with that of the Group.

As the Board is independent of the boards of the above-mentioned entities and none of the above Directors can control the Board, the Group is therefore capable of carrying on its businesses independently of, and at arm's length from the businesses of these entities.

## 9. INTERESTS IN CONTRACTS OR ARRANGEMENTS

Save for contracts amongst group companies, and save for the Directors who are deemed materially interested in the 2026 CTFE Master Services Agreement, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular and which is significant in relation to the businesses of the Group.

## 10. EXPERT AND CONSENT

The following sets out the qualifications of the expert who has been named in this circular:

<b>Name</b>	<b>Qualification</b>
Ballas Capital	A corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The IFA has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or reports and references to its name, in the form and context in which they respectively appear.

As at the Latest Practicable Date, the IFA did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the IFA did not have any interest, directly or indirectly, in any assets which since 30 June 2025, the date to which the latest published audited consolidated financial statements of the Group were made up, had been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## 11. MISCELLANEOUS

- (a) The English text of this circular and the enclosed proxy form shall prevail over the Chinese text.
- (b) The registered office of the Company is situated at 30th Floor, New World Tower, 16–18 Queen's Road Central, Hong Kong.

**12. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the respective websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company (<https://www.nwd.com.hk>) for display for a period of fourteen (14) days from the date of this circular:

- (a) the 2026 CTFE Master Services Agreement;
- (b) the written consent as referred to under the paragraph headed “Expert and Consent” in this appendix;
- (c) the letter of recommendation from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Board Committee” of this circular;
- (d) the letter of advice from the IFA to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” of this circular; and
- (e) this circular.



新世界發展有限公司

New World Development Company Limited

(incorporated in Hong Kong with limited liability)

(Stock Code: 0017)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**Meeting**”) of New World Development Company Limited (新世界發展有限公司) (the “**Company**”) will be held as a hybrid meeting at the principal meeting place of Meeting Room N101 (Expo Drive Entrance), Level 1, Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong on Wednesday, 24 June 2026 at 11:30 a.m. for the purpose of considering and, if thought fit, with or without amendments, passing the following resolution as ordinary resolution:

### ORDINARY RESOLUTION

**“THAT:**

- (a) the 2026 CTFE Master Services Agreement (as defined and described in the Circular, a copy of the Circular marked “A” together with a copy of the 2026 CTFE Master Services Agreement marked “B” are tabled before the Meeting and initialled by the chairman of the Meeting for identification purpose) and the CTFE Transactions as defined and described in the Circular and the implementation thereof be and are hereby approved, ratified and confirmed;
- (b) the CTFE Annual Caps as defined and described in the Circular in respect of the consideration payable under the 2026 CTFE Master Services Agreement for each of the three financial years ending 30 June 2027, 30 June 2028 and 30 June 2029 be and are hereby approved; and
- (c) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents and agreements and do all such acts and things as he/she or they may in his/her or their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or give effect to the 2026 CTFE Master Services Agreement and the transactions contemplated thereunder and all matters ancillary or incidental thereto.”

By order of the Board  
**Lau Fu-Keung     Hui Ka-Wai**  
*Joint Company Secretaries*

Hong Kong, 4 June 2026

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## NOTICE OF EGM

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*Notes:*

### 1. **Hybrid Meeting**

The Company will conduct a hybrid Meeting with the combination of in-room meeting and virtual meeting using the Vistra eVoting Portal which allows shareholders to participate in the Meeting online in a convenient and efficient way from anywhere with an internet connection. Shareholders will be able to view the live video broadcast of the Meeting and participate in voting and submit questions online via their mobile phones, tablet, or computers. The live broadcast option can also broaden the reach of the Meeting to shareholders who do not wish to attend physically or for other overseas shareholders who are unable to attend in person physically.

#### **How to attend and vote?**

Shareholders who wish to attend the Meeting and exercise their voting rights can be achieved in one of the following ways:

- (1) attend the Meeting in person physically and vote at the Meeting venue; OR
- (2) attend the Meeting via an online platform, namely, the Vistra eVoting Portal, which enables live streaming and interactive platform for Q&A and submission of their votes online; OR
- (3) appoint the chairman of the Meeting or other persons as their proxies to vote on their behalf (whether physically or via Vistra eVoting Portal).

Your proxy's authority and instruction will be revoked if you attend and vote in person physically at the Meeting or via the Vistra eVoting Portal.

For corporate shareholders who wish to (1) appoint proxy electronically to attend and vote at the Meeting on their behalf or (2) appoint the corporate representative to attend the Meeting and to vote online, please contact the Company's share registrar, Tricor Investor Services Limited (the "**Share Registrar**"), at (852) 2980 1333 by 6:00 p.m., Thursday, 18 June 2026 for the necessary arrangements (including the activation of the password provided on the notification letter sent to the shareholders by the Company on 4 June 2026 (the "**Notification Letter**")).

For the beneficial owners whose shares of the Company are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited would like to attend the Meeting in person physically or online, they should consult directly with their banks or brokers or custodians (as the case may be) for necessary arrangements. You will be asked to provide your email address which will be used by the Share Registrar for providing the login details for attending the Meeting online via the Vistra eVoting Portal.

2. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
3. To be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed or a notorially certified copy thereof, must be lodged with the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 48 hours (excluding a public holiday) before the time appointed for the Meeting (i.e. not later than Monday, 22 June 2026 at 11:30 a.m.) or any adjournment thereof (as the case may be).

In the case of appointment of proxies submitted in electronic form, the proxy forms must be electronically submitted via Vistra eVoting Portal not less than 48 hours (excluding a public holiday) before the time appointed for the holding of the Meeting (i.e. not later than Monday, 22 June 2026 at 11:30 a.m.) or at

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## NOTICE OF EGM

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any adjournment thereof (as the case may be) by scanning the QR code provided on the Notification Letter or visiting the designated URL (<https://evoting.vistra.com/#/17>). Please use the username and password provided on the Notification Letter.

If your proxy (except when the chairman of the Meeting is appointed as proxy) wishes to attend the Meeting and vote online, you must provide a valid email address of your proxy to the Share Registrar. If no email address is provided, your proxy cannot attend the Meeting and vote online. The email address so provided will be used by the Share Registrar for providing the login details for attending and voting at the Meeting via Vistra eVoting Portal. If your proxy has not received the login details by email by 11:30 a.m. on Tuesday, 23 June 2026, you should contact the Share Registrar at (852) 2980 1333 for the necessary arrangements.

4. In the case of joint holders of a share, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto. If more than one of such joint holders are present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. The register of members of the Company will be closed from Thursday, 18 June 2026 to Wednesday, 24 June 2026, both days inclusive, during which period no transfer of shares will be effected. In order to determine the entitlement to attend and vote at the Meeting, all share transfers accompanied by the relevant share certificates, must be lodged with the Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 17 June 2026. The record date for attending and voting at the Meeting is Wednesday, 24 June 2026.
6. Voting on the above resolution will be taken by poll.
7. If a tropical cyclone warning signal no. 8 or above is hoisted, or a black rainstorm warning signal or “extreme conditions caused by a super typhoon” announced by the Government of the Hong Kong Special Administrative Region is/are in force in Hong Kong at any time between 7:30 a.m. to 11:30 a.m. on Wednesday, 24 June 2026, the Meeting will not be held on that day but will be automatically postponed. The Company will publish an announcement on its website and on the website of the Stock Exchange to notify members of the Company of the date, time and location of the rescheduled meeting.
8. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
9. As at the date of this notice, the Board comprises (a) eight executive Directors, namely, Dr. Cheng Kar-Shun, Henry, Ms. Huang Shaomei, Echo, Ms. Cheng Chi-Man, Sonia, Mr. Sitt Nam-Hoi, Ms. Chiu Wai-Han, Jenny, Mr. Ho Gilbert Chi-Hang, Mr. Lau Fu-Keung and Mr. Chan Yiu-Ho; (b) four non-executive Directors, namely, Mr. Doo Wai-Hoi, William, Mr. Cheng Kar-Shing, Peter, Mr. Cheng Chi-Heng and Mr. Cheng Chi-Ming, Brian; and (c) six independent non-executive Directors, namely, Mr. Lee Luen-Wai, John, Mr. Ip Yuk-Keung, Albert, Mr. Chan Johnson Ow, Mrs. Law Fan Chiu-Fun, Fanny, Ms. Lo Wing-Sze, Anthea and Ms. Wong Yeung-Fong, Fonia.