THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **New World Department Store China Limited**, you should at once hand this Circular together with the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

新世界百貨中國有限公司
New World Department Store China Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 825)

CONTINUING CONNECTED TRANSACTIONS — THE 2026 MASTER LEASING AGREEMENT, THE 2026 MASTER SERVICES AGREEMENT, THE 2026 MASTER COLLABORATION SERVICES AGREEMENT AND NOTICE OF EGM

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders

BALLAS CAPITAL

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 Independent Board Committee containing its recommendations in respect of the entering into of the 2026 Master Leasing Agreement, the 2026 Master Services Agreement and the 2026 Master Collaboration Services Agreement, the Transactions contemplated thereunder and the related New Annual Caps, to the Independent Shareholders is set out on pages 35 to 36 of this Circular. A letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 37 to 56 of this Circular.

A notice convening the EGM to be held as a hybrid meeting with a combination of an in-room 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 and an online virtual meeting via electronic facilities on Tuesday, 23 June 2026 at 11:30 a.m. is set out on pages 64 to 67 of this Circular. Whether or not you are able to attend the meeting physically or online, please submit your proxy appointment electronically or complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer agent of the Company at Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed (i.e. on or before 11: 30 a.m. on Sunday, 21 June 2026) for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person (whether physically or by means of electronic facilities) at the meeting or any adjournment thereof should you so wish and in such event, the proxy form shall be deemed to be revoked.

Hong Kong, 4 June 2026

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HYBRID MEETING

The Company will conduct the EGM as a hybrid meeting. Shareholders have the option to attend the EGM online in addition to the traditional physical attendance at the EGM. Shareholders participating in the EGM online using the Vistra eVoting Portal will be deemed present at, and will be counted towards the quorum of, the EGM and they will be able to **participate and view** a live broadcast, **submit questions** and **cast votes** on the resolutions in real time through the Vistra eVoting Portal.

The Vistra eVoting Portal will be open for registered Shareholders and non-registered Shareholders (see below for login details and arrangements) to log in from 11:00 a.m. on 23 June 2026 (i.e. approximately 30 minutes prior to the commencement of the EGM). Please refer to the User Guide for e-Meeting available at http://evoting.vistra.com/#/825 in relation to the procedures on online meeting.

For the beneficial owners whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited would like to attend the EGM in person physically or online, they should consult directly with their banks or brokers or custodians (as the case may be) for necessary arrangement.

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 branch share registrar and transfer agent in Hong Kong, 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).

Any Shareholder or its proxy or (in the case of a member being a corporation) its duly authorised representative seeking to attend and participate at the EGM and vote online shall be responsible for maintaining adequate facilities to enable them to do so. The inability of any such person to access, or continue to access, the Vistra eVoting Portal during the EGM 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.

Login details for registered Shareholders

Details regarding the EGM arrangements including login details to access the Vistra eVoting Portal are included in the Company's notification letter to registered Shareholders together with this Circular.

If the proxy (except when the chairman of the EGM is appointed as proxy) wishes to attend the EGM and vote online, the registered Shareholder appointing the proxy must provide a valid email address of the proxy to the Company's branch share registrar and transfer agent in Hong Kong, Tricor Investor Services Limited. If no valid email address is provided, the proxy cannot attend the EGM and vote online. The email address so provided will be used by Tricor Investor Services Limited for providing the login details for attending and voting at the EGM via Vistra eVoting Portal. If the proxy has not received the login details by email by 6:00 p.m. on Monday, 22 June 2026, the relevant registered Shareholder should contact Tricor Investor Services Limited, at (852) 2980 1333 from 9:00 a.m. to 6:00 p.m. (Monday to Friday, excluding Hong Kong public holidays) for the necessary arrangements.

Login details for non-registered Shareholders

Non-registered Shareholders who wish to attend and vote at the EGM using the Vistra eVoting Portal should (1) contact and instruct their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their shares are held (together, "**Intermediary**") to appoint themselves as proxy or corporate representative to attend the EGM and (2) provide their e-mail address to their Intermediary before the time limit required by the relevant Intermediary. Details regarding the EGM arrangements including login details to access the Vistra eVoting Portal will be sent by the Company's branch share registrar and transfer agent in Hong Kong, Tricor Investor Services Limited, to the e-mail addresses of the non-registered Shareholders provided by the Intermediary. Without the login details, non-registered Shareholders will not be able to participate and vote using the Vistra eVoting Portal. Non-registered Shareholders should therefore give clear and specific instructions to their Intermediary in respect of both (1) and (2) above.

Registered and non-registered 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 Tricor Investor Services Limited assume 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 the login details provided to the registered and non-registered Shareholders will be conclusive evidence that such votes were validly cast by each registered and non-registered Shareholder. The Company, its agents and Tricor Investor Services Limited take no responsibility for all or any loss or other consequence caused by or resulting from any unauthorised use of the login details.

VOTING BY PROXY IN ADVANCE OF THE EGM

Shareholders are encouraged to submit their completed proxy forms well in advance of the EGM. **Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person (whether physically or by means of electronic facilities) at the EGM or any adjournment thereof should they so wish.**

Submission of proxy forms for registered Shareholders

A proxy form for use at the EGM is enclosed with this Circular. The proxy form is also available on the websites of the Company (www.nwds.com.hk) and the Stock Exchange (www.hkexnews.hk).

The deadline for physical submission of the completed proxy forms is Sunday, 21 June 2026 at 11:30 a.m.. Completed proxy form must be returned to the Company's branch share registrar and transfer agent in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

In addition to the physical submission of the proxy form, the Shareholders have the option to submit their proxy appointment electronically through the Vistra eVoting Portal from Thursday, 4 June 2026 up to 11:30 a.m. on Sunday, 21 June 2026. Details regarding the submission of proxy forms electronically including login details to access the Vistra eVoting Portal are included in the Company's notification letter to registered Shareholders together with this Circular.

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 branch share registrar and transfer agent in Hong Kong, Tricor Investor Services Limited . If no valid email address is provided, your proxy cannot attend the EGM and vote online. The email address so provided will be used by 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 6:00 p.m. on Monday, 22 June 2026, you should contact Tricor Investor Services Limited at (852) 2980 1333 from 9:00 a.m. to 6:00 p.m. (Monday to Friday, excluding Hong Kong public holidays) for the necessary arrangements.

Submission of proxy forms for non-registered Shareholders

Non-registered Shareholders should contact their Intermediary as soon as possible to assist them in the appointment of proxy.

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

"2023 Master Collaboration Services Agreement"	the agreement in relation to the Collaboration Services Transactions entered into between the Company and CTFE on 28 April 2023
"2023 Master Leasing Agreement"	the agreement in relation to the Leasing Transactions entered into between the Company and NWD on 28 April 2023
"2023 Master Services Agreement"	the agreement in relation to the Services Transactions entered into between the Company and Mr. Doo on 28 April 2023
"2026 Master Agreements"	the 2026 Master Leasing Agreement, the 2026 Master Services Agreement and the 2026 Master Collaboration Services Agreement
"2026 Master Collaboration Services Agreement"	the agreement in relation to the Collaboration Services Transactions entered into between the Company and CTFE on 24 April 2026
"2026 Master Leasing Agreement"	the agreement in relation to the Leasing Transactions entered into between the Company and NWD on 24 April 2026
"2026 Master Services Agreement"	the agreement in relation to the Services Transactions entered into between the Company and Mr. Doo on 24 April 2026
"associate"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Company
"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
"Circular"	this circular, including the Appendix hereto

"Cleaning and Landscaping Services"	cleaning services including general cleaning, office and facility cleaning, recycling and environmental services, waste management and disposal, external wall and window cleaning, pest control and clinical waste management rendered at commercial buildings, residential buildings, public transportations and other public institutions and facilities and related services, landscaping and plant maintenance, the supply of plants and related services
"Collaboration Services"	the General Services and 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
"Collaboration Services Effective Date"	1 July 2026, which is conditional upon the 2026 Master Collaboration Services Agreement becoming unconditional as set out in the sub-paragraph headed "Conditionality" under the paragraph headed "The 2026 Master Collaboration Services Agreement" in this Circular
"Collaboration Services Transactions"	all existing and future transactions between members of the Group and members of the CTFE Group in respect of the provision of the Collaboration Services as contemplated under the 2026 Master Collaboration Services Agreement
"Company"	New World Department Store China Limited (新世界百貨中國有限公司), 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: 825), and is a subsidiary of NWD as at the Latest Practicable Date
"Concessionaire and Rental Services"	means all existing and future provision of concessionaire counter and rental-related services between members of the Group and members of the CTFE Group arising from the concessionaire arrangements or rental agreements 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 the Chinese Mainland properties owned by, leased to or operated by the Group from time to time

"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Contracting Services"	provision of services as main contractors, contractors, management contractors and project managers, building and general construction, civil engineering, building exterior and interior design, building repair, renovation, maintenance consultancy and other services, demolition, piling and foundation, building and property fitting out and decoration work, construction management and the supply of construction and building equipment and materials, electrical and mechanical engineering works, supply and installation of air-conditioning, heating and ventilation systems, fire services systems, plumbing and drainage systems, lift repair and maintenance services, electrical systems and system design and consultancy, computer aided drafting services and related services
"CTFE"	Chow Tai Fook Enterprises Limited (周大福企業有限公司), a company incorporated in Hong Kong with limited liability
"CTFE Group"	means (a) CTFE; (b) any other company which is its subsidiary or holding company or is a fellow subsidiary of any such holding company; and/or (c) any other company in the equity capital of which CTFE and such other companies referred to in (b) 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 (d) the subsidiaries of such other companies referred to in (b) and (c) above, but excluding the Group
"Definitive Agreement(s)"	the Definitive Leasing Agreement(s), the Definitive Services Agreement(s) and/or the Definitive Collaboration Services Agreement(s) (as the case may be)

"Definitive Collaboration Services Agreement(s)"	definitive agreement(s) which may be entered into between any member(s) of the Group and any member(s) of the CTFE Group from time to time in relation to any of the Collaboration Services Transactions at any time during the term of the 2026 Master Collaboration Services Agreement
"Definitive Leasing Agreement(s)"	definitive agreement(s) which may be entered into between any member(s) of the Group and any member(s) of the NWD Group from time to time in relation to any of the Leasing Transactions at any time during the term of the 2026 Master Leasing Agreement
"Definitive Services Agreement(s)"	definitive agreement(s) which may be entered into between any member(s) of the Group and any member(s) of the Services Group from time to time in relation to any of the Services Transactions at any time during the term of the 2026 Master Services Agreement
"Directors"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held as a hybrid meeting with a combination of an in-room 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 and an online virtual meeting via electronic facilities on Tuesday, 23 June 2026 at 11:30 a.m. for the purpose of considering and, if thought fit, approving the entering into of the 2026 Master Leasing Agreement, the 2026 Master Services Agreement and the 2026 Master Collaboration Services Agreement, the Transactions contemplated thereunder and the related New Annual Caps
"EGM CCT Matters"	the entering into of the 2026 Master Leasing Agreement, the 2026 Master Services Agreement and the 2026 Master Collaboration Services Agreement, the Transactions contemplated thereunder and the related New Annual Caps
"Fixed Lease Payments"	a fixed dollar amount of periodic rental fee in respect of a Definitive Leasing Agreement

"General Services"	means the provision of insurance services, 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 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, and such other types of services as CTFE and the Company may agree upon from time to time in writing
"Group"	the Company and its subsidiaries from time to time
"HKFRS 16"	the Hong Kong Financial Reporting Standard 16 issued by the Hong Kong Institute of Certified Public Accountants, which sets out the principles for the recognition, measurement, presentation and disclosure of leases
"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 of the Directors, comprising all of the independent non-executive Directors
"Independent Financial Adviser" or "Ballas Capital Limited"	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 SFO

"Independent Shareholders"	the Shareholders, other than NWD and its associates (in relation to matters regarding the 2026 Master Leasing Agreement) or Mr. Doo and his associates (in relation to matters regarding the 2026 Master Services Agreement), or CTFE and its associates (in relation to matters regarding the 2026 Master Collaboration Services Agreement), who do not have any material interest in the EGM CCT Matters to be considered at the EGM and are not required to abstain from voting at the EGM to consider and approve the EGM CCT Matters
"Latest Practicable Date"	28 May 2026, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained in this Circular
"Leasing Effective Date"	1 July 2026, which is conditional upon the 2026 Master Leasing Agreement becoming unconditional as set out in the subparagraph headed "Conditionality" under the paragraph headed "The 2026 Master Leasing Agreement" in this Circular
"Leasing Transactions"	all existing and future transactions between members of the Group and members of the NWD Group in respect of the leasing of premises and/or the provision of related services (as the case may be) by members of the Group to members of the NWD Group, and vice versa, as contemplated under the 2026 Master Leasing Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 of the Listing Rules
"Mr. Doo"	Mr. Doo Wai-hoi, William, the brother-in-law of Dr. Cheng Kar-shun, Henry (a Director)
"New Annual Caps"	the New Leasing Annual Caps, the New Services Annual Caps and/or the New Collaboration Services Annual Caps

"New Collaboration Services Annual Caps"	the annual cap amounts payable by the CTFE Group to the Group, and vice versa, in respect of the Collaboration Services Transactions for each of the three financial years ending 30 June 2029 as set out under the paragraph headed "The 2026 Master Collaboration Services Agreement – The New Collaboration Services Annual Caps"
"New Leasing Annual Caps"	the annual cap amounts payable by the Group to the NWD Group, and vice versa, in respect of the Leasing Transactions for each of the three financial years ending 30 June 2029 as set out under the paragraph headed "The 2026 Master Leasing Agreement – The New Leasing Annual Caps"
"New Services Annual Caps"	the annual cap amounts payable by the Group to the Services Group, and vice versa, in respect of the Services Transactions for each of the three financial years ending 30 June 2029 as set out under the paragraph headed "The 2026 Master Services Agreement – The New Services Annual Caps"
"Notice"	the notice of the EGM as set out in this Circular
"NWD"	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: 17) and is the holding company of the Company as at the Latest Practicable Date
"NWD Group"	NWD, its subsidiaries (other than the Group) and jointly-controlled entities from time to time
"Property Management and Rental Services"	property management, property sales and letting agency services, pre-marketing consultancy services, technical services, provision of car parking management, rental and licensing of the rights to use properties, including without limitation, spare spaces, office spaces and car parking spaces, and related services
"RMB"	Renminbi, the lawful currency of the People's Republic of China

"Services"	the Contracting Services, the Cleaning and Landscaping Services, the Property Management and Rental Services, and such other types of services as members of the Services Group and members of the Group may agree upon from time to time in writing
"Services Effective Date"	1 July 2026, which is conditional upon the 2026 Master Services Agreement becoming unconditional as set out in the subparagraph headed 'Conditionality' under the paragraph headed "The 2026 Master Services Agreement" in this Circular
"Services Group"	(1) Mr. Doo and his immediate family members (as defined under the Listing Rules) and (2) any company in the equity capital of which Mr. Doo and/or his immediate family member(s) (as defined under the Listing Rules) (individually or together) is/are or will be 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
"Services Transactions"	all existing and future transactions between members of the Group and members of the Services Group regarding the provision of Services by members of the Services Group to members of the Group, and vice versa, as contemplated under the 2026 Master Services Agreement
"SFO"	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
"Stores"	the department stores owned by the Group from time to time

"subsidiary"	has the meaning ascribed to it 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
"Transactions"	the Leasing Transactions, the Services Transactions and/or the Collaboration Services Transactions (as the case may be)
"Variable Lease and Service Payments"	a variable amount of payment linked to revenue generated from the leased property(ies) and/or the related service fee in respect of a Definitive Leasing Agreement
"%"	per cent.

新世界百貨中國有限公司
New World Department Store China Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 825)

Executive Directors:
Dr. Cheng Kar-shun, Henry GBM GBS *(Chairman)*
Ms. Huang Shaomei, Echo
Ms. Woo Yuk-kwan Rebecca
Ms. Chiu Wai-han, Jenny
Mr. Lau Fu-keung
Mr. Chan Yiu-ho

Independent Non-executive Directors
Mr. Cheong Ying-chew, Henry
Mr. Chan Yiu-tong, Ivan
Mr. Tong Hang-chan, Peter
Mr. Yu Chun-fai
Ms. Ho Pui-yun, Gloria

Registered office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong
10th Floor, Tower A
83 King Lam Street
Cheung Sha Wan, Kowloon
Hong Kong

4 June 2026

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS —
THE 2026 MASTER LEASING AGREEMENT,
THE 2026 MASTER SERVICES AGREEMENT,
THE 2026 MASTER COLLABORATION SERVICES AGREEMENT
AND
NOTICE OF EGM**

INTRODUCTION

The Board refers to the announcements of the Company in relation to (i) the entering into of the 2026 Master Leasing Agreement, the Leasing Transactions and the New Leasing Annual Caps dated 24 April 2026, (ii) the entering into of the 2026 Master Services Agreement, the Services Transactions and the New Services Annual Caps dated 24 April 2026, and (iii) the entering into of the 2026 Master Collaboration Services Agreement, the Collaboration Services Transactions and the New Collaboration Services Annual Caps dated 24 April 2026.

The purposes of this Circular are, among other things: (i) to provide you with further details of the EGM CCT Matters; (ii) to set out the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the matters set out in (i); (iii) to set out the recommendation and opinion of the

Independent Board Committee to the Independent Shareholders after taking into consideration of the advice of the Independent Financial Adviser in relation to the matters set out in (i); and (iv) to give you the notice of the EGM at which ordinary resolutions will be proposed to approve the matters set out in (i).

1. THE 2026 MASTER LEASING AGREEMENT

Background

Members of the Group and members of the NWD Group had in the past entered into certain leasing agreements for the leasing of premises by the relevant members of the Group from the relevant members of the NWD Group, and vice versa, in accordance with the 2023 Master Leasing Agreement and certain leasing agreements have not expired as at the Leasing Effective Date. The Group and the NWD Group wish to continue the leasing agreements and may from time to time enter into new leasing agreements for the leasing of premises and/or the provision of related services by the Group to the NWD Group, and vice versa. The 2023 Master Leasing Agreement will expire on 30 June 2026. On 24 April 2026, the Company and NWD entered into the 2026 Master Leasing Agreement and agreed to terminate the 2023 Master Leasing Agreement upon the 2026 Master Leasing Agreement becoming effective on the Leasing Effective Date.

The principal terms of the 2026 Master Leasing Agreement are set out below:

Date

24 April 2026

Parties

(1) the Company; and

(2) NWD

General terms for the Leasing Transactions

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

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

(a) in the ordinary and usual course of business of the Company and NWD;

(b) on normal commercial terms or better (as defined in the Listing Rules); and

(c) in compliance with all applicable provisions of the Listing Rules (including the New Leasing Annual Caps), the applicable laws, the 2026 Master Leasing Agreement and the relevant Definitive Leasing Agreement.

The consideration for each Definitive Leasing Agreement will be determined in the following manner:

(a) for lessor, the lessor will provide the lessee with a quote with reference to at least two market comparative quote(s) for similar property(ies) (with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period) and/or two comparable transactions with independent third parties; and

(b) for lessee, the lessee will obtain at least two market comparative quote(s) 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, and will consider the reasonableness of the rental quote with reference to available market comparables, the overall costs and the principal terms of the lease before deciding whether to accept the quote and proceed further. In the case of renewal of an existing lease, the Group will also consider the relocation costs and operational impact.

The quote provided by the Group (as lessor) and the quote accepted by the Group (as lessee) will be no less favourable to the Group as compared to those provided to/by the independent third parties for comparable services.

Conditionality

The 2026 Master Leasing Agreement is conditional upon the approval by the Independent Shareholders of the entering into of the 2026 Master Leasing Agreement, the Leasing Transactions and the New Leasing Annual Caps at the EGM.

Duration

The 2026 Master Leasing Agreement shall continue to be effective up to and including 30 June 2029. Subject to compliance with the then relevant requirements of the rules of any stock exchange to which either party to the 2026 Master Leasing 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 Master Leasing 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 Master Leasing Agreement.

Payment terms

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

Historical figures

The historical aggregate transaction amounts in relation to the Leasing Transactions (i) for fixed lease payments payable by the Group as lessee and (ii) for variable lease payments payable by the Group as lessee, for each of 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 for each of the two financial years ended 30 June 2024 and 2025 and the financial year ending 30 June 2026 are set out below:

	Financial year ended 30 June 2024 *(RMB)*	**Financial year ended 30 June 2025** *(RMB)*	**Six months ended 31 December 2025** *(RMB)*
(i) Fixed lease payments payable by the Group as lessee			
Historical aggregate transaction amounts *(approximately)*	146,677,000	62,540,000	3,693,000
(ii) Variable lease payments payable by the Group as lessee			
Historical aggregate transaction amounts *(approximately)*	86,426,000	73,615,000	30,300,000

	Financial year ended 30 June 2024 *(RMB)*	**Financial year ended 30 June 2025** *(RMB)*	**Financial year ending 30 June 2026** *(RMB)*
(i) Fixed lease payments payable by the Group as lessee			
Existing annual caps	534,000,000	523,000,000	436,000,000
Utilisation rates of the existing annual caps *(approximately)*	27.5%	12.0%	0.8%[Note]
(ii) Variable lease payments payable by the Group as lessee			
Existing annual caps	121,000,000	153,000,000	162,000,000
Utilisation rates of the existing annual caps *(approximately)*	71.4%	48.1%	18.7%[Note]

Note: 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 low utilisation rates and decrease in historical transaction amounts for fixed lease payments and variable lease payments payable by the Group as lessee were mainly due to the fact that the existing annual caps were determined on the assumption that the Group may open new Store(s) in each of the financial years ended/ending 30 June 2024, 2025 and 2026. Due to the then economic environment and the slower-than-expected market recovery, the Group did not implement such store opening plan as originally expected.

In particular, for fixed lease payments, given that the existing annual caps were determined on a HKFRS 16 basis with reference to the aggregate fixed lease payments under the full lease term of each Definitive Leasing Agreement expected to be newly entered into in the relevant year, the non-implementation of the store opening plan had a greater impact on the utilisation rates of the existing annual caps for fixed lease payments.

The historical aggregate transaction amounts in relation to the Leasing Transactions for the Group as lessor for each of the two financial years ended 30 June 2024 and 2025 and the six months ended 31 December 2025 were approximately RMB251,000, RMB290,000 and RMB152,000, respectively.

The New Leasing Annual Caps

The rental fees and/or related service fees payable by the Group as lessee under the Leasing Transactions comprises the Fixed Lease Payments and the Variable Lease and Service Payments.

In line with the Group's expansion strategies, the Company expects that the Group will in the next three years, under favourable market conditions and with the appropriate opportunity, enter into a Definitive Leasing Agreement to open one additional Store during such three-year period, the timing of which is uncertain, on terms and conditions similar to the existing Definitive Leasing Agreements. Given such timing uncertainty, the proposed annual caps for each year have been set on a standalone basis to cater for the possibility that such Definitive Leasing Agreement may be entered into in each year. The Group also estimates that the prevailing market rates of comparable property(ies) will be relatively constant over the next three years, and the rental fees and/or related service fees payable by the Group under the new Definitive Leasing Agreement(s) are expected to follow the same trend.

Having considered the historical transaction amounts and taking into account the factors mentioned above, the proposed annual caps for the Fixed Lease Payments and the Variable Lease and Service Payments payable by the Group as lessee under the Leasing Transactions for each of the three financial years ending 30 June 2029 are set out below:

	For the financial year ending 30 June		
	2027	**2028**	**2029**
	(RMB)	*(RMB)*	*(RMB)*
Fixed Lease Payments	417,000,000	389,000,000	369,000,000
Variable Lease and Service Payments	119,000,000	127,000,000	137,000,000

Pursuant to HKFRS 16, the Fixed Lease Payments payable by the Group as lessee under the Leasing Transactions will be recognised as right-of-use assets. The proposed annual caps for the Fixed Lease Payments are set on the total value of the right-of-use assets relating to the Definitive Leasing Agreements expected to be entered into by the Group in each year, which are calculated with reference to the aggregate of the total Fixed Lease Payments under the full lease term of each Definitive Leasing Agreement newly entered into each year, discounted by the Company's incremental borrowing rate.

Pursuant to HKFRS 16, the Variable Lease and Service Payments payable by the Group as lessee under the Leasing Transactions will be recognised as expenses incurred by the Group. The proposed annual caps for the Variable Lease and Service Payments are set on the total Variable Lease and Service Payments expected to be payable by the Group each year under the Leasing Transactions, with reference to the projected revenue generated from the leased property(ies) under the Leasing Transactions and the terms of the relevant Definitive Leasing Agreement.

Given that the transaction amounts in relation to the Leasing Transactions for the Group as lessor for each of the two financial years ended 30 June 2024 and 2025 and the six months ended 31 December 2025 constituted de minimis transactions for the purpose of Chapter 14A of the Listing Rules, the Group has only provided the proposed annual caps for the transaction amounts payable by the Group as lessee under the Leasing Transactions for each of the three financial years ending 30 June 2029 as set out above. The Company will closely monitor the aggregate transaction amounts in relation to the Leasing Transactions for the Group as lessor for each of the three financial years ending 30 June 2029 to ensure compliance with the reporting, announcement, annual review, independent shareholders' approval and circular requirements, if applicable, under Chapter 14A of the Listing Rules.

Reasons for and benefits of entering into the 2026 Master Leasing Agreement

Given that the relevant Stores have been operating at the premises owned by the NWD Group (save and except for certain of the premises which are for use as the office and car parks of the Group) for a number of years and the cost to be incurred and the adverse impact on the operation of the Stores in the event of their relocation will be substantial, the Directors believe that maintaining the lease agreements with the NWD Group will ensure the Group's stability in using the relevant premises. The Directors also believe that it is in the interests of the Company to enter into the 2026 Master Leasing Agreement so that the Group may regulate the existing and future leasing agreements with the NWD Group under a common framework agreement.

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

2. THE 2026 MASTER SERVICES AGREEMENT

Background

The relevant members of the Group had in the past entered into certain services agreements in relation to the Services Transactions with the relevant members of the Services Group in accordance with the 2023 Master Services Agreement and certain services agreements have not expired as at the Services Effective Date. The Group and the Services Group wish to continue the services agreements and may from time to time enter into new services agreements in respect of the Services Transactions. The 2023 Master Services Agreement will expire on 30 June 2026. On 24 April 2026, Mr. Doo and the Company entered into the 2026 Master Services Agreement and agreed to terminate the 2023 Master Services Agreement upon the 2026 Master Services Agreement becoming effective on the Services Effective Date.

The principal terms of the 2026 Master Services Agreement are set out below:

Date

24 April 2026

Parties

(1) the Company; and

(2) Mr. Doo

General terms for the Services Transactions

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

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

(a) in the ordinary and usual course of business of the Company and the Services Group;

(b) on normal commercial terms or better (as defined in the Listing Rules) and based on the prevailing market rates; and

(c) in compliance with all applicable provisions of the Listing Rules (including the New Services Annual Caps), the applicable laws, the 2026 Master Services Agreement and the relevant Definitive Services Agreement.

The consideration for each Definitive Services Agreement will be determined in the following manners:

(i) in respect of the Contracting Services:

- where the Group acts as bidder, 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) and making reference to at least one quote provided to independent third parties for similar services, if applicable;

- where the Group acts as bid inviter, through tender from all bidders (including independent third parties in the market), the winning bid of which will be the one with the lowest tender amount and is equal to or better than those offers of independent third parties and recommended by the operational and technical departments in accordance with the relevant policies taking into account of the independent professional advice;

- where the engagement is through direct appointment by member(s) of the Group, the service provider will be ascertained under the supervision of an independent consultant. If the price and terms offered by the Services Group are equal to or better than those offered by those independent service provider(s), the Group will probably award the contract to the Services Group; and

- where the engagement is through direct appointment by member(s) of the Services 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) and making reference to at least one quote provided to independent third parties for similar services, if applicable; and

(ii) in respect of the other Services: a quote will be provided by the selling party on a cost-plus basis (which could be varied according to the scale or, if applicable, the unique nature of the service agreed to be provided by the Group) by making reference to at least one quote provided to independent third parties for similar services, if applicable; the purchasing party may, through its operational and technical departments, consider either to accept the quote and proceed with the purchase or reject the quote and decline to proceed further, based on at least one, if applicable, quote for similar service(s) obtained from independent third parties in the market.

The quote/tender price provided by the Group (acting as bidder/selling party) and the quote/tender price accepted by the Group (act as bid inviter/purchasing party) will be no less favourable to the Group than those provided to or by independent third parties for comparable services.

Conditionality

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

Duration

The 2026 Master Services Agreement shall continue to be effective up to and including 30 June 2029. Subject to compliance with the then relevant requirements of the rules of any stock exchange to which either party to the 2026 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 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 Master Services Agreement.

Payment terms

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

Historical figures

The historical aggregate transaction amounts in relation to the Services Transactions for the Group for each of 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 for each of the two financial years ended 30 June 2024 and 2025 and the financial year ending 30 June 2026 are set out below:

	Financial year ended 30 June 2024 *(RMB)*	**Financial year ended 30 June 2025** *(RMB)*	**Six months ended 31 December 2025** *(RMB)*
Historical aggregate transaction amounts ***(approximately)***			
Amounts payable by the Group to the Services Group	13,909,000	126,000	Nil
Amounts payable by the Services Group to the Group	Nil	Nil	Nil
Total	13,909,000	126,000	Nil

	Financial year ended 30 June 2024 (RMB)	Financial year ended 30 June 2025 (RMB)	Financial year ending 30 June 2026 (RMB)
Existing annual caps	71,000,000	130,000,000	80,000,000
Utilisation rates of the existing annual caps *(approximately)*	19.6%	0.1%	0%[Note]

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

The New Services Annual Caps

The New Services Annual Caps for each of the three financial years ending 30 June 2029 are set out below:

	For the financial year ending 30 June		
	2027 *(RMB)*	**2028** *(RMB)*	**2029** *(RMB)*
New Services Annual Caps			
Amounts payable by the Group to the Services Group	68,000,000	58,000,000	57,000,000
Amounts payable by the Services Group to the Group	Nil	Nil	Nil
Total	68,000,000	58,000,000	57,000,000

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

(a) the historical annual or annualised amounts in respect of that category of the Services provided by the relevant members of the Services Group to the relevant members of the Group during the past financial years; and

(b) the projected annual or annualised amounts in respect of that category of Services to be provided by the relevant members of the Services Group to the relevant members of the Group, and vice versa, in the next three financial years.

The above-mentioned projected figures are determined based on the relevant historical transaction amounts and future expansion plans of the Stores and on the principal assumptions 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 Services Group and/or the Group. The low utilisation rates and the decrease in historical transaction amounts for the two financial years ended 30 June 2025 and the six months ended 31 December 2025 were mainly due to the fact that the relevant members of the Services Group were not engaged by the Group as service providers to the extent originally expected.

The New Services Annual Caps are higher than the relevant historical transaction amounts mainly because they reflect the Services projected to be required by the Group in connection with its existing and potential store projects during the three financial years ending 30 June 2029, based on the latest discussions with the Services Group and taking into account only those Services which are possible to be required during the relevant financial year, assuming that the relevant members of the Services Group will be engaged by the Group for all such Services. Potential projects with a low possibility of being launched during the relevant financial year have been excluded from the projection and have not been included in the New Services Annual Cap for that financial year.

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

The transactions contemplated under the 2026 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 Group and the Services Group. The 2026 Master Services Agreement is intended to streamline the continuing connected transactions between members of the Services Group and members of the Group. It provides a single basis on which the Company will comply with the reporting, announcement, annual review and independent shareholders' approval requirements, if applicable, 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 Services Transactions. The Directors also believe that it is in the interests of the Company to enter into the 2026 Master Services Agreement so that the Group may regulate the existing and future services agreements with the Services Group under a common framework agreement. The Definitive Services Agreements will be agreed on an arm's length basis, on normal commercial terms or better (as defined in the Listing Rules) or on terms no less favourable than terms available to or from independent third parties.

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

3. THE 2026 MASTER COLLABORATION SERVICES AGREEMENT

Background

Reference is made to the announcement of the Company in respect of the 2023 Master Collaboration Services Agreement in relation to the Collaboration Services Transactions dated 28 April 2023. Members of the Group had in the past entered into, and are expected to from time to time enter into, certain collaboration services agreements with members of the CTFE Group in respect of the Collaboration Services Transactions and certain collaboration services agreements have not expired as at the Latest Practicable Date.

The Group and the CTFE Group wish to continue the collaboration services agreements and they may from time to time enter into new agreements in respect of the Collaboration Services Transactions. Accordingly, on 28 April 2023, the Company and CTFE entered into the 2023 Master Collaboration Services Agreement in relation to the Collaboration Services Transactions. The initial term of the 2023 Master Collaboration Services Agreement will expire on 30 June 2026. On 24 April 2026, the Company and CTFE entered into the 2026 Master Collaboration Services Agreement in relation to the Collaboration Services Transactions and agreed to terminate the 2023 Master Collaboration Services Agreement upon the 2026 Master Collaboration Services Agreement becoming effective on the Collaboration Services Effective Date.

The principal terms of the 2026 Master Collaboration Services Agreement are set out below:

Date

24 April 2026

Parties

(1) the Company; and

(2) CTFE

General terms for the Collaboration Services Transactions

Relevant members of the Group may from time to time enter into Definitive Collaboration Services Agreement(s) with relevant members of the CTFE Group in relation to any Collaboration Services Transactions upon, and subject to, the terms and conditions in compliance with the 2026 Master Collaboration Services Agreement as may be agreed between relevant members of the Group and relevant members of the CTFE Group.

All existing agreements between relevant members of the Group and relevant members of the CTFE Group in respect of the Collaboration Services Transactions (to the extent which covers the Collaboration Services Transactions on or after the Collaboration Services Effective Date) will be treated as Definitive Collaboration Services Agreements made pursuant to the 2026 Master Collaboration Services Agreement as from the Collaboration Services Effective Date and shall continue to be subject to the terms of the 2026 Master Collaboration Services Agreement.

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

(a) in the ordinary and usual course of business of the Group and the CTFE Group;

(b) on normal commercial terms or better (as defined in the Listing Rules) and based on the prevailing market rates; and

(c) in compliance with all applicable provisions of the Listing Rules (including the New Collaboration Services Annual Caps), the applicable laws, the 2026 Master Collaboration Services Agreement and the relevant Definitive Collaboration Services Agreement.

The consideration for each Definitive Collaboration Services Agreement will be determined in the following manners: (i) in respect of the General Services: where the Group receives General Services from the CTFE Group, the Group will determine whether to accept the quote(s) from the CTFE Group with reference to the prevailing market rate or at the rate more favourable to the Group than any other third party for comparable services by considering at least one quote from independent third parties for similar services, if applicable, with particular consideration to, among other things, the uniqueness and proximity of the services provided, the familiarity of the Group and the rationale and requirements behind the services provided, the price of comparable services obtainable from the market from independent third parties and the time of delivery, and where the Group provides General Services to the CTFE Group, the quote(s) to be offered by the Group will be determined on a cost-plus basis by making reference to at least one quote provided to independent third parties for similar services if applicable; or (ii) in respect of the Concessionaire and Rental Services: (a) as to the concessionaire services where the Group receives concessionaire services from the CTFE Group, the Group will determine whether to accept the quote(s) from the CTFE Group with reference to at least one quote, if applicable, obtainable from independent third parties of comparable services; where the Group provides concessionaire services to the CTFE Group, 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, and 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 (b) as to the rental services, (1) 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; and (2) 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, and will consider the reasonableness of the rental quote with reference to the market comparables, the overall costs and the principal terms of the lease before deciding whether to accept the quote provided by the lessor and proceed further.

The quote offered/accepted by the Group under each Definitive Collaboration Services Agreement will be no less favourable to the Group as compared to those provided to/by the independent third parties for comparable services.

Conditionality

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

Duration

The 2026 Master Collaboration Services Agreement shall continue to be effective up to and including 30 June 2029. Subject to compliance with the then relevant requirements of the rules of any stock exchange to which either party to the 2026 Master Collaboration 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 Master Collaboration 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 Master Collaboration Services Agreement.

Payment terms

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

Historical figures

The historical aggregate transaction amounts paid by the Group to the CTFE Group, and vice versa, in relation to the 2023 Master Collaboration Services Agreement for each of 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 for each of the two financial years ended 30 June 2024 and 2025 and the financial year ending 30 June 2026 are set out below:

	Financial year ended 30 June 2024 *(RMB)*	**Financial year ended 30 June 2025** *(RMB)*	**Six months ended 31 December 2025** *(RMB)*
Historical aggregate transaction amounts *(approximately)*[1]			
Amounts payable by the Group to the CTFE Group	2,483,000	1,584,000	566,000
Amounts payable by the CTFE Group to the Group	609,000	395,000	74,000
Total	3,092,000	1,979,000	640,000

	Financial year ended 30 June 2024 *(RMB)*	**Financial year ended 30 June 2025** *(RMB)*	**Financial year ending 30 June 2026** *(RMB)*
Existing annual caps	3,200,000	3,400,000	3,600,000
Utilisation rates of the existing annual caps *(approximately)*	96.6%	58.2%	17.8%[2]

Notes:

(1) The historical aggregate transaction amounts shown in the table above represent transactions conducted under the 2023 Master Collaboration Services Agreement, being the provision of advertising, branding, marketing, loyalty and rewards program and promotion-related services and related services, and such other types of services as CTFE and the Company may agree upon from time to time in writing. The service scope under the 2026 Master Collaboration Services Agreement has been expanded and reorganised into two categories, namely Concessionaire and Rental Services and General Services. Accordingly, the historical aggregate transaction amounts shown in the table above do not include the transaction amounts of the Concessionaire and Rental Services, as such services were not covered under the 2023 Master Collaboration Services Agreement but contemplated under the 2026 Master Collaboration Services Agreement. The historical aggregate transaction amounts shown in the table above also do not represent the full scope of General Services contemplated under the 2026 Master Collaboration Services Agreement, but only represent the services actually covered and provided under the 2023 Master Collaboration Services Agreement, principally the provision of advertising, branding, marketing, loyalty and rewards programme and promotion-related services and related services. For the two financial years ended 30 June 2024 and 2025 and the six months ended 31 December 2025, (i) the

aggregate transaction amounts relating to the Concessionaire and Rental Services paid by the CTFE Group to the Group amounted to approximately RMB27,954,000, RMB20,461,000 and RMB8,921,000, respectively, and (ii) the aggregate transaction amounts relating to the General Services paid by the Group to the CTFE Group amounted to approximately RMB740,000, RMB1,279,000 and RMB708,000, respectively, and the aggregate transaction amounts relating to the General Services paid by the CTFE Group to the Group, amounted to nil, nil and nil, respectively.

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

The decrease in historical transaction amounts and the lower utilisation rates for the financial year ended 30 June 2025 and the six months ended 31 December 2025 were mainly due to the change in the Group's marketing strategy. The actual transactions under the 2023 Master Collaboration Services Agreement mainly comprised loyalty and rewards program-related services. In response to changes in market conditions, the Group adopted other promotional methods and placed less reliance on such services during the financial year ended 30 June 2025 and the six months ended 31 December 2025.

The New Collaboration Services Annual Caps

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

	For the financial year ending 30 June		
	2027	**2028**	**2029**
	(RMB)	*(RMB)*	*(RMB)*
New Collaboration Services Annual Caps			
Amounts payable by the Group to the CTFE Group	5,500,000	5,700,000	6,000,000
Amounts payable by the CTFE Group to the Group	49,700,000	56,800,000	64,800,000
Total	55,200,000	62,500,000	70,800,000

The New Collaboration Services Annual Caps have been determined based on (i) the expected transaction amounts involved in certain agreements entered into between members of the Group and members of the CTFE Group in respect of the provision of the Collaboration Services; (ii) the prevailing market conditions; and (iii) the estimated increase in the number of Collaboration Services Transactions and transaction amounts based on the estimated expansion of existing and future transactions and/or projects of members of the Group and the CTFE Group. The gradual increase of the New Collaboration Services Annual Caps for each of the three financial years ending 30 June 2027, 2028 and 2029 mainly reflects the expected increase in transaction amounts for the Concessionaire and Rental Services with the CTFE Group, along with the gradual recovery of the market environment and the potential increase in consumer demand for jewellery products and watches. The Group also expects that the opening of new Store(s) may give rise to additional concessionaire and rental-related transactions with the CTFE Group.

Reasons for and benefits of entering into the 2026 Master Collaboration Services Agreement

The transactions contemplated under the 2026 Master Collaboration 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 Group and the CTFE Group. The 2026 Master Collaboration Services Agreement is intended to streamline the continuing connected transactions between members of the Group and members of the CTFE Group in respect of the Collaboration Services Transactions. The 2026 Master Collaboration Services Agreement provides a single basis on which the Company will comply with the requirements under the Listing Rules and thereby reduce the administrative burden and costs on the Company to comply with such requirements in relation to the execution of the agreements in respect of the Collaboration Services Transactions.

The Directors believe that the entering into of the 2026 Master Collaboration Services Agreement would continue to attract new customers and help retain existing customers of the Group and thus enhance the sales and revenues of the Stores.

The Directors consider that the entering into of the 2026 Master Collaboration Services Agreement, of which its terms has been negotiated on an arm's length basis and on normal commercial terms or better (as defined in the Listing Rules), are fair and reasonable and in the interests of the Group and the Shareholders as a whole and that the New Collaboration Services Annual Caps are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

4. INTERNAL CONTROL PROCEDURES

To ensure that the 2026 Master Agreements and the Transactions adhere to normal commercial terms or better (as defined in the Listing Rules) and the amounts of the Transactions do not exceed the related New Annual Caps, the Group has implemented the following internal control procedures:

(1) **Definitive Agreement review and assessment**: Prior to entering into any Definitive Agreement under the scope of the 2026 Master Agreements, the relevant personnel of the Group will review and assess the terms of the relevant Definitive Agreements to ensure that they are consistent with the principles and provisions set out in the 2026 Master Agreements. The pricing policies and other terms of the Definitive 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 basis similar to that with independent third parties.

(2) **Transaction monitoring and reporting**: The finance department of the Group will consistently record and monitor the transaction amounts to ensure that the applicable New Annual Caps are not exceeded. Periodic reports, including lists of continuing connected transactions conducted during the reporting period and utilisation of the relevant New Annual Caps will be submitted to the Audit Committee for review.

(3) **Biannual review by internal audit function**: The internal audit department of the Group will perform a biannual review of the internal controls for the continuing connected transactions for the preceding financial year.

(4) **Annual review by external auditors and independent non-executive Directors**: The external auditor of the Company 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.

(5) **(in respect of the 2026 Master Services Agreement only) Tendering process and quotations**: In regard to participation in tenders or provision of quotations for the Contracting Services, members of the Group are required to follow the internal tender guidelines. These measures/procedures aim to ensure that the tender or quotation price and the terms of the tender or quotation to be offered by the Group are fair, reasonable and comparable to those offered by the Group to independent third parties.

5. INFORMATION OF THE GROUP, THE NWD GROUP, MR. DOO, THE SERVICES GROUP AND THE CTFE GROUP

The Group is principally engaged in department store and property investment operations in the Chinese Mainland.

To the best knowledge of the Directors, the NWD Group is principally engaged in property development, property investment, and investment in and/or operation of hotels and other strategic businesses.

Mr. Doo is the brother-in-law of Dr. Cheng Kar-shun, Henry (a Director).

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

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; 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.

6. LISTING RULES IMPLICATIONS

The 2026 Master Leasing Agreement

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

As all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) and all the amounts of the New Leasing Annual Caps are more than 5% and exceed HK$10,000,000, respectively, the entering into of the 2026 Master Leasing Agreement, the Transactions contemplated thereunder and the New Leasing Annual Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for the Company.

The 2026 Master Services Agreement

Mr. Doo is the brother-in-law of Dr. Cheng Kar-shun, Henry (a Director), and hence Mr. Doo and the Services Group are connected persons of the Company. The Services Transactions therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) and all the amounts of the New Services Annual Caps are more than 5% and exceed HK$10,000,000, respectively, the entering into of the 2026 Master Services Agreement, the Transactions contemplated thereunder and the New Services Annual Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for the Company.

The 2026 Master Collaboration Services Agreement

As at the Latest Practicable Date, NWD together with its subsidiaries hold approximately 74.99% of the total issued share capital of the Company. NWD is therefore a substantial shareholder of the Company and hence a connected person of the Company. As at the Latest Practicable Date, CTFE together with its subsidiaries hold approximately 45.24% of the total issued share capital of NWD. CTFE is therefore considered to be a connected person of the Company. The Collaboration Services Transactions therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As certain applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) and all the amounts of the New Collaboration Services Annual Caps are more than 5% and exceed HK$10,000,000, respectively, the entering into of the 2026 Master Collaboration Services Agreement, the Transactions contemplated thereunder and the New Collaboration Services Annual Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for the Company.

The Independent Board Committee has been established to consider the entering into of the 2026 Master Leasing Agreement, the 2026 Master Services Agreement and the 2026 Master Collaboration Services Agreement, the Transactions contemplated thereunder and the related New Annual Caps, and to advise the Independent Shareholders as to whether the entering into of the 2026 Master Leasing Agreement, the 2026 Master Services Agreement and the 2026 Master Collaboration Services Agreement, the Transactions contemplated thereunder and the related New Annual Caps are in the interests of the Company and the Shareholders as a whole.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

7. APPROVAL BY THE BOARD

The 2026 Master Leasing Agreement

Each of Dr. Cheng Kar-shun, Henry, Ms. Huang Shaomei, Echo, Ms. Chiu Wai-han, Jenny, Mr. Lau Fu-keung and Mr. Chan Yiu-ho are common directors of the Company and NWD. Therefore, Dr. Cheng Kar-shun, Henry, Ms. Huang Shaomei, Echo, Ms. Chiu Wai-han, Jenny, Mr. Lau Fu-keung and Mr. Chan Yiu-ho are considered to have material interests in the entering into of the 2026 Master Leasing Agreement. As such, all of them who were present at the meeting of the Board have abstained from voting on the relevant board resolutions.

The 2026 Master Services Agreement

Mr. Doo is the brother-in-law of Dr. Cheng Kar-shun, Henry (a Director). Having regard to their family relationship, Dr. Cheng Kar-shun, Henry is considered to have material interests in the entering into of the 2026 Master Services Agreement and therefore has abstained from voting on the relevant board resolutions.

The 2026 Master Collaboration Services Agreement

Dr. Cheng Kar-shun, Henry, being a Director, is also a director of CTFE. Therefore, Dr. Cheng Kar-shun, Henry is considered to have material interests in the entering into of the 2026 Master Collaboration Services Agreement and therefore has abstained from voting on the relevant board resolutions.

8. EXTRAORDINARY GENERAL MEETING

Set out on pages 64 to 67 of this Circular is the notice convening the EGM at which ordinary resolutions will be proposed to approve the EGM CCT Matters (namely the entering into of the 2026 Master Leasing Agreement, the 2026 Master Services Agreement and the 2026 Master Collaboration Services Agreement, the Transactions contemplated thereunder and the related New Annual Caps). At the EGM, the votes of the Independent Shareholders in relation to the entering into of the 2026 Master Leasing Agreement, the 2026 Master Services Agreement and the 2026 Master Collaboration Services Agreement, the Transactions contemplated thereunder and the related New Annual Caps will be taken by poll.

In accordance with the Listing Rules, any Shareholder and its associates with material interests in the EGM CCT Matters must abstain from voting on the resolutions to approve the EGM CCT Matters at the EGM.

In view of the interests of NWD in the Leasing Transactions, NWD and its associates will abstain from voting in respect of the resolutions to be proposed at the EGM to approve the entering into of the 2026 Master Leasing Agreement, the Leasing Transactions and the New Leasing Annual Caps.

In view of the interests of Mr. Doo in the Services Transactions, Mr. Doo and his associates will abstain from voting in respect of the resolutions to be proposed at the EGM to approve the entering into of the 2026 Master Services Agreement, the Services Transactions and the New Services Annual Caps.

In view of the interests of CTFE in the Collaboration Services Transactions, CTFE and its associates will abstain from voting in respect of the resolutions to be proposed at the EGM to approve the entering into of the 2026 Master Collaboration Services Agreement, the Collaboration Services Transactions and the New Collaboration Services Annual Caps.

A proxy form for use at the EGM is enclosed herein. The proxy form is also available on the websites of the Company (www.nwds.com.hk) and the Stock Exchange (www.hkexnews.hk).

Whether or not you are able to attend the EGM physically or online, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Hong Kong branch share registrar and transfer agent of the Company, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed (i.e. on or before 11:30 a.m. on Sunday, 21 June 2026) for holding the EGM or any adjournment thereof.

In addition to the physical submission of the proxy form, the Shareholders have the option to submit their proxy appointment electronically through the Vistra eVoting Portal. Please refer to "Guidance Notes for the EGM" set out on pages 1 to 3 of this Circular.

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

9. RECOMMENDATIONS

Your attention is drawn to:

(i) the letter from the Independent Board Committee set out on pages 35 to 36 of this Circular which contains its recommendation to the Independent Shareholders; and

(ii) the letter from the Independent Financial Adviser set out on pages 37 to 56 of this Circular which contains its recommendation to the Independent Board Committee and the Independent Shareholders.

The Independent Board Committee, having considered the entering into of the 2026 Master Leasing Agreement, the 2026 Master Services Agreement and the 2026 Master Collaboration Services Agreement, the Transactions contemplated thereunder and the related New Annual Caps, and taken into account the advice of the Independent Financial Adviser, considers that the entering into of the 2026 Master Leasing Agreement, the 2026 Master Services Agreement and the 2026 Master Collaboration Services Agreement 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 so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of all the resolutions to be proposed at the EGM as set out in the notice of the EGM to approve the EGM CCT Matters.

Taking into account the letter from the Independent Board Committee and all other factors stated above as a whole, the Directors are of the view that the entering into of the 2026 Master Leasing Agreement, the 2026 Master Services Agreement and the 2026 Master Collaboration Services Agreement 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 so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors also recommend the Independent Shareholders to vote in favour of all the resolutions as set out in the Notice to approve the EGM CCT Matters.

10. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the Appendix to this Circular.

Yours faithfully,
By order of the Board
Hui Ka-wai
Company Secretary

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

新世界百貨中國有限公司
New World Department Store China Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 825)

4 June 2026

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS — THE 2026 MASTER LEASING AGREEMENT, THE 2026 MASTER SERVICES AGREEMENT AND THE 2026 MASTER COLLABORATION SERVICES AGREEMENT

We refer to the circular of the Company dated 4 June 2026 (the "**Circular**") to the Shareholders, 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 by the Board as the members of the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the entering into of the 2026 Master Leasing Agreement, the 2026 Master Services Agreement and the 2026 Master Collaboration Services Agreement, the Transactions contemplated thereunder and the related New Annual Caps (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 so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Ballas Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of 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 Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote. Details of its advice, together with the principal factors taken into consideration in arriving at such, are set out in its letter set out on pages 37 to 56 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 13 to 34 of the Circular and the general information set out in the Appendix to the Circular. Having considered the EGM CCT Matters and the advice of the Independent Financial Adviser, 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 so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole.

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

Yours faithfully,
Mr. Cheong Ying-chew, Henry
Mr. Chan Yiu-tong, Ivan
Mr. Tong Hang-chan, Peter
Mr. Yu Chun-fai
Ms. Ho Pui-yun, Gloria
Independent Board Committee

BALLAS
CAPITAL

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

4 June 2026

To the Independent Board Committee and
the Independent Shareholders of
New World Department Store China Limited

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

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 Master Collaboration Services Agreement, the 2026 Master Leasing Agreement and the 2026 Master Services Agreement (collectively, the "**Agreements**") and the New Collaboration Services Annual Caps, the New Leasing Annual Caps and the New Services Annual Caps (collectively, the "**New Annual Caps**"). Details of the terms of the Agreements and the New Annual Caps are contained in the circular of New World Department Store China Limited ("**NWDS**") dated 4 June 2026 (the "**Circular**"). Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

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

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

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

As stated in the letter from the Board contained in the Circular (the "**Letter from the Board**"), (i) NWD is a substantial shareholder of NWDS and hence a connected person of NWDS; (ii) CTFE together with its subsidiaries hold approximately 45.24% of the total issued share capital of NWD and is therefore considered to be a connected person of NWDS; and (iii) Mr. Doo is the brother-in-law of Dr. Cheng Kar-shun, Henry (a Director) and hence Mr. Doo and the Services Group are connected persons of NWDS. As such, the Collaboration Services Transactions, the Leasing Transactions and the Services Transactions constitute continuing connected transactions of NWDS under Chapter 14A of the Listing Rules.

As stated in the Letter from the Board, the entering into of the Agreements together with the New Annual Caps are subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules for NWDS.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the entering into of the Agreements are in the ordinary and usual course of business of NWDS and its subsidiaries (the "**NWDS Group**") and the terms thereof are on normal commercial terms or better (as defined in the Listing Rules), and whether the Transactions contemplated under the Agreements and the New Annual Caps are fair and reasonable in so far as NWDS and the Independent Shareholders are concerned and in the interests of NWDS 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 NWDS.

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 executive 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 NWDS. 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 recommendations. 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 NWDS Group or any of its respective subsidiaries or associates.

INDEPENDENCE DECLARATION

Within two years prior to the Engagement, Ballas Capital Limited ("**Ballas Capital**") has been/was engaged as (a) the independent financial adviser of NWD 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 as set out in its announcements dated 24 April 2026; and (b) the independent financial adviser of CTF Services Limited (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**"). Other than the professional fees received under the Engagement which were negotiated between NWDS and Ballas Capital on an arm's length basis, Ballas Capital has not received any other professional fees from NWDS within two years prior to the Engagement.

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 NWDS in respect of the Agreements and the New Annual Caps. As at the Latest Practicable Date, we are not aware of any relationships or interests between Ballas Capital and NWDS 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 the Independent Board Committee and the Independent Shareholders in respect of the Agreements and the New Annual Caps.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice, we have considered the following principal factors and reasons:

1. Background and reasons for entering into of the Agreements

1.1 Information on the NWDS Group and the connected persons

The NWDS Group is principally engaged in department store and property investment operations in the Chinese Mainland.

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

As disclosed in the Letter from the Board, to the best knowledge of the Directors, CTFE is principally engaged in investment holding.

Mr. Doo is the brother-in-law of Dr. Cheng Kar-shun, Henry (a director of NWDS). The Services Group is principally engaged in the provision of services including (i) property investment and development, property leasing, property and facility management; (ii) security, guarding and event servicing services; (iii) cleaning; (iv) landscaping; (v) provision of environmental management services, mechanical and electrical engineering services; (vi) trading of building materials; and (vii) insurance consultancy and brokerage.

1.2 The 2026 Master Collaboration Services Agreement

Members of the NWDS Group had in the past entered into, and are expected from time to time to enter into, certain collaboration services agreements with members of the CTFE Group in respect of the Transactions and certain collaboration services agreements have not expired as at the Collaboration Services Effective Date. The NWDS Group and the CTFE Group wish to continue the collaboration services agreements and may from time to time enter into new agreements in respect of the Transactions. The 2023 Master Collaboration Services Agreement will expire on 30 June 2026. On 24 April 2026, NWDS and CTFE entered into the 2026 Master Collaboration Services Agreement and agreed to terminate the 2023 Master Collaboration Services Agreement upon the 2026 Master Collaboration Services Agreement becoming effective on the Collaboration Services Effective Date.

The transactions contemplated under the 2026 Master Collaboration 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 NWDS Group and the CTFE Group. The Directors believe that the entering into of the 2026 Master Collaboration Services Agreement would continue to attract new customers and help retain existing customers of the NWDS Group and thus enhance the sales and revenues of the Stores.

Given the above, in particular the nature of the transactions as contemplated under the 2026 Master Collaboration Services Agreement, the principal business of the NWDS Group as stated above and our analysis on the major terms of the said agreement (as elaborated below), we concur with the view of the management of NWDS that the entering into of the 2026 Master Collaboration Services Agreement falls within the ordinary and usual course of business of the NWDS Group and is in the interests of NWDS and the Shareholders as a whole.

1.3 The 2026 Master Leasing Agreement

Members of the NWDS Group and members of the NWD Group had in the past entered into certain leasing agreements for the leasing of premises by the relevant members of the NWDS Group from the relevant members of the NWD Group, and vice versa, in accordance with the 2023 Master Leasing Agreement and certain of the leasing agreements have not expired as at the Leasing Effective Date. The NWDS Group and the NWD Group wish to continue the leasing agreements and may from time to time enter into new leasing agreements for the leasing of premises and/or the provision of related services by the NWDS Group to the NWD Group, and vice versa. The 2023 Master Leasing Agreement will expire on 30 June 2026. On 24 April 2026, NWDS and NWD entered into the 2026 Master Leasing Agreement and agreed to terminate the 2023 Master Leasing Agreement upon the 2026 Master Leasing Agreement becoming effective on the Leasing Effective Date.

Given that the relevant Stores have been operating at the premises owned by the NWD Group (save and except for certain of the premises which are for use as the office and car parks of the NWDS Group) for a number of years and the cost to be incurred and the adverse impact on the operation of the Stores in the event of their relocation will be substantial, the Directors believe that maintaining the lease agreements with the NWD Group will ensure the NWDS Group's stability in using the relevant premises. The Directors also believe that it is in the interests of NWDS to enter into the 2026 Master Leasing Agreement so that the NWDS Group may regulate the existing and future leasing agreements with the NWD Group under a common framework agreement.

Given the above, in particular the nature of the transactions as contemplated under the 2026 Master Leasing Agreement, the principal business of the NWDS Group as stated above and our analysis on the major terms of the said agreement (as elaborated below), we concur with the view of the management of NWDS that the entering into of the 2026 Master Leasing Agreement falls within the ordinary and usual course of business of the NWDS Group and is in the interests of NWDS and the Shareholders as a whole.

1.4 The 2026 Master Services Agreement

The relevant members of the NWDS Group had in the past entered into certain services agreements in relation to the Services Transactions with the relevant members of the Services Group in accordance with the 2023 Master Services Agreement and certain of the services agreements have not expired as at the Services Effective Date. The NWDS Group and the Services Group wish to continue the services agreements and may from time to time enter into new services agreements in respect of the Services Transactions. The 2023 Master Services Agreement will expire on 30 June 2026. On 24 April 2026, Mr. Doo and NWDS entered into the 2026 Master Services Agreement and agreed to terminate the 2023 Master Services Agreement upon the 2026 Master Services Agreement becoming effective on the Services Effective Date.

The transactions contemplated under the 2026 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 NWDS Group and the Services Group. The 2026 Master Services Agreement is intended to streamline the continuing connected transactions between members of the Services Group and members of the NWDS Group. It provides a single basis on which NWDS will comply with the reporting, announcement, annual review and independent shareholders' approval requirements, if applicable, under the Listing Rules and thereby reduce the administrative burden and costs on NWDS to comply with such requirements in relation to the execution or renewal of agreements in respect of the Services Transactions.

Given the above, in particular the nature of the transactions as contemplated under the 2026 Master Services Agreement, the principal business of the NWDS Group as stated above and our analysis on the major terms of the said agreement (as elaborated below), we concur with the view of the management of NWDS that the entering into of the 2026 Master Services Agreement falls within the ordinary and usual course of business of the NWDS Group and is in the interests of NWDS and the Shareholders as a whole.

2. Major terms of the Agreements

2.1 The 2026 Master Collaboration Services Agreement

As disclosed in the Letter from the Board, with effect from the Collaboration Services Effective Date, the Transactions under the 2026 Master Collaboration Services Agreement shall be conducted (a) in the ordinary and usual course of business of NWDS and the CTFE Group; (b) on normal commercial terms or better (as defined in the Listing Rules) and based on the prevailing market rates; and (c) in compliance with all applicable provisions of the Listing Rules (including the Annual Caps), the applicable laws, the 2026 Master Collaboration Services Agreement and the relevant Definitive Agreement.

We have discussed with the management of NWDS and noted that, in respect of General Services, where the NWDS Group receives General Services from the CTFE Group, the NWDS Group will determine whether to accept the quote(s) from the CTFE Group with reference to the prevailing market rate or at a rate more favourable to the NWDS Group than that offered by any other third party for comparable services by considering at least one quote from independent third parties for similar services, if applicable, taking into account, among other things, the uniqueness and proximity of the services provided, the familiarity of the NWDS Group and the rationale and requirements behind the services provided, the price of comparable services obtainable from the market from independent third parties and the time of delivery, and where the NWDS Group provides General Services to the CTFE Group, the quote(s) to be offered by the NWDS Group will be determined on a cost-plus basis by making reference to at least one quote provided to independent third parties for similar services if applicable. In respect of concessionaire services, where the NWDS Group receives concessionaire services from the CTFE Group, the NWDS Group will determine whether to accept the quote(s) from the CTFE Group with reference to at least one quote, if applicable, obtainable from independent third parties of comparable services; where the NWDS Group provides concessionaire services to the CTFE Group, the relevant member(s) of the NWDS Group will provide a quote 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 NWDS Group than that charged by the NWDS Group to at least one independent third party for similar services, if applicable, and 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. As to the rental services, (1) 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; and (2) 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, and will consider the reasonableness of the rental quote with reference to the market comparables, the overall costs and the principal terms of the lease before deciding whether to accept the quote provided by the lessor and proceed further. The quote offered/accepted by the NWDS Group under each Definitive Leasing Agreement will be no less favourable to the NWDS Group as compared to those provided to/by the independent third parties for comparable services.

Based on the detailed annual cap breakdown provided by the management of NWDS, we note that the CTFE Annual Caps for FY2027, FY2028 and FY2029 are predominantly driven by the Concessionaire and Rental Services and the related buffer. The projected amount for the Concessionaire and Rental Services was approximately RMB40.1 million, approximately RMB46.1 million and approximately RMB53.0 million for FY2027, FY2028 and FY2029, respectively, and accounted for approximately 72.7%, 73.8% and 74.8% of the CTFE Annual Caps for FY2027, FY2028 and FY2029, respectively, while the buffer amount was approximately RMB9.9 million, approximately RMB11.0 million and approximately RMB12.2 million for FY2027, FY2028 and FY2029, respectively, and accounted for approximately 17.9%, 17.5% and 17.2% of the CTFE Annual Caps for FY2027, FY2028 and FY2029, respectively. The projected amount for General Services was approximately RMB5.2 million, approximately RMB5.4 million and approximately RMB5.6 million for FY2027, FY2028 and FY2029, respectively, and accounted for the remaining approximately 9.3%, 8.6% and 7.9% of the CTFE Annual Caps for FY2027, FY2028 and FY2029, respectively. Against this background, our detailed transaction-level review focused on the Concessionaire and Rental Services, while we have also considered whether the pricing policies and internal control framework described in the Letter from the Board are capable of governing the General Services.

We have obtained from NWDS and reviewed the transaction documents of the top 3 transactions in terms of transaction amounts for each of the two financial years ended 30 June 2024 ("**FY2024**") and 2025 ("**FY2025**") and the six months ended 31 December 2025 (the "**1H2026**"), being a total of 9 sample transactions, relating to the NWDS Group's historical Transactions with CTFE Group under the 2023 Master Collaboration Services Agreement for FY2024, FY2025 and 1H2026 (together, the "**Review Period**") and those with independent third parties concessionaires which are jewellers. We consider that the selected samples are fair and representative for the purpose of our assessment, given that they represented the largest transactions, which were selected by us independently from the full transaction list, for the Concessionaire and Rental Services during the Review Period. Based on our review of the concessionaire agreements and concessionaire rates of the selected samples and independent third parties comparables, we noted that the relevant terms offered by the NWDS Group to CTFE Group are no less favourable to the NWDS Group than those offered by the NWDS Group to the third party concessionaires. As such, we concur with the view of the management of the NWDS Group that there was a market reference to determine the pricing terms offered by the NWDS Group to the CTFE Group and are no less favourable to the NWDS Group.

Furthermore, we noted from the information provided by NWDS that (i) the CTFE Group did not provide any Concessionaire and Rental Services to the NWDS Group during the Review Period; (ii) the historical amount for General Services provided by CTFE Group to the NWDS Group during the Review Period amounted to only HK$3.2 million, HK$2.9 million and HK$1.3 million for FY2024, FY2025 and 1H2026, respectively; and (iii) the historical amount for General Services provided by the NWDS Group to the CTFE Group during the Review Period amounted to only HK$0.6 million, HK$0.4 million and HK$0.1 million for FY2024, FY2025 and 1H2026, respectively. In view of the small transaction amount, we did not conduct a historical sample review for this direction of the Transactions, but we have reviewed the relevant pricing policies set out in the Letter from the Board and consider that the pricing policies provide a reasonable and sufficient basis to ensure that the Transactions contemplated under the 2026 Master Collaboration Services Agreement will be conducted on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Given the above, we concur with the view of the Directors that the terms of the 2026 Master Collaboration Services Agreement are on normal commercial terms or better (as defined in the Listing Rules), fair and reasonable so far as NWDS and the Independent Shareholders are concerned and in the interests of NWDS and the Shareholders as a whole.

2.2 The 2026 Master Leasing Agreement

As disclosed in the Letter from the Board, with effect from the Leasing Effective Date, the Leasing Transactions shall be conducted (a) in the ordinary and usual course of business of NWDS and NWD; (b) on normal commercial terms or better (as defined in the Listing Rules); and (c) in compliance with all applicable provisions of the Listing Rules (including the New Leasing Annual Caps), the applicable laws, the 2026 Master Leasing Agreement and the relevant Definitive Leasing Agreement.

As disclosed in the Letter from the Board, the consideration for each Definitive Leasing Agreement will be determined in the following manner: (a) for lessor, the lessor will provide the lessee with a quote with reference to at least two market comparative quote(s) for similar property(ies) and/or two comparable transactions with independent third parties; and (b) for lessee, the lessee will obtain at least two market comparative quote(s) for similar property(ies) and/or review two comparable transactions with independent third parties and will consider the reasonableness of the rental quote with reference to the market comparables, the overall costs and the principal terms of the lease before deciding whether to accept the quote and proceed further. In the case of renewal of an existing lease, the NWDS Group will also consider the relocation costs and operational impact. The quote provided by the NWDS Group (as lessor) and the quote accepted by the NWDS Group (as lessee) will be no less favourable to the NWDS Group as compared to those provided to/by the independent third parties for comparable services.

We have obtained from NWDS and reviewed the Definitive Leasing Agreements of the three largest transactions in terms of transaction amounts for Variable Lease and Service Payments and Fixed Lease Payments respectively for each of FY2024, FY2025 and 1H2026 relating to the NWDS Group's historical Leasing Transactions for the Review Period (except for the Fixed Lease Payments for 1H2026 which only has one transaction with amount above HK$1 million) and rental rates of comparable properties in proximity. We consider that the selected samples are fair and representative for the purpose of our assessment, given that they represented the largest transactions, which were selected by us independently from the full transaction list, for the Leasing Transactions during the Review Period. Based on our review of the lease agreements and rental rates of selected samples and independent third parties comparables, we noted that the relevant terms offered to the NWDS Group by the NWD Group are no less favourable to the NWDS Group than as compared to those offered by the independent third parties. We further noted from the information provided by NWDS that the Leasing Transactions where the NWDS Group acted as lessor during the Review Period constituted de minimis transactions for the purpose of Chapter 14A of the Listing Rules and the NWDS Group has only provided the proposed annual caps for the transaction amounts payable by the NWDS Group as lessee under the Leasing Transactions. Accordingly, we did not select any lessor-side transaction as sample. Nonetheless, we have reviewed the relevant pricing policy in the Letter from the Board, pursuant to which the lessor will provide a quote with reference to at least two market comparative quotes for similar properties and/or two comparable transactions with independent third parties. We consider that the pricing policies provide a reasonable and sufficient basis to ensure that the Transactions contemplated under the 2026 Master Leasing Agreement will be conducted on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Given the above, we concur with the view of the Directors that the terms of the 2026 Master Leasing Agreement are on normal commercial terms or better (as defined in the Listing Rules), fair and reasonable so far as NWDS and the Independent Shareholders are concerned and in the interests of NWDS and the Shareholders as a whole.

2.3 The 2026 Master Services Agreement

As stated in the Letter from the Board, with effect from the Services Effective Date, the Services Transactions shall be conducted (a) in the ordinary and usual course of business of NWDS and the Services Group; (b) on normal commercial terms or better (as defined in the Listing Rules) and based on the prevailing market rates; and (c) in compliance with all applicable provisions of the Listing Rules (including the New Services Annual Caps), the applicable laws, the 2026 Master Services Agreement and the relevant Definitive Services Agreement.

As stated in the Letter from the Board, the consideration for each Definitive Services Agreement will be determined in the following manners: (i) in respect of the Contracting Services, where the NWDS Group acts as bidder, 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 NWDS Group) and making reference to at least one quote provided to independent third parties for similar services, if applicable; where the NWDS Group acts as bid inviter, through tender from all bidders (including independent third parties in the market), the winning bid of which will be the one with the lowest tender amount and is equal to or better than those offers of independent third parties and recommended by the operational and technical departments in accordance with the relevant policies taking into account the independent professional advice; where the engagement is through direct appointment by member(s) of the NWDS Group, the service provider will be ascertained under the supervision of an independent consultant. If the price and terms offered by the Services Group are equal to or better than those offered by those independent service provider(s), the NWDS Group will probably award the contract to the Services Group; and where the engagement is through direct appointment by member(s) of the Services 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 NWDS Group) and making reference to at least one quote provided to independent third parties for similar services, if applicable; and (ii) in respect of the other Services, a quote will be provided by the selling party on a cost-plus basis (which could be varied according to the scale or, if applicable, the unique nature of the service agreed to be provided by the NWDS Group) by making reference to at least one quote provided to independent third parties for similar services, if applicable; the purchasing party may, through its operational and technical departments, either accept the quote and proceed with the purchase or reject the quote and decline to proceed further, based on at least one, if applicable, quote(s) for similar service(s) obtained from independent third parties in the market. The quote/tender price provided by the NWDS Group (acting as bidder/selling party) and the quote/tender price accepted by the NWDS Group (act as bid inviter/purchasing party) will be no less favourable to the NWDS Group than those provided to or by independent third parties for comparable services.

The aggregate transaction amounts in relation to the Services Transactions for the NWDS Group for each of FY2024, FY2025 and 1H2026 were approximately RMB13,909,000, RMB126,000 and nil, respectively. We have obtained and reviewed the relevant information in respect of the Services Transactions conducted in FY2024 and noted that NWDS had appointed an independent consultant to review the initial proposed fees quoted by the Services Group for the mechanical and electrical renovation works at a particular store (the "**Store**"). We understand from the Company that the Services Group had been involved in the design of the Store when it was rented. In view of the urgency of the renovation and refurbishment works and the Services Group's familiarity with, and background knowledge of, the design and condition of the Store, the NWDS Group engaged the independent consultant to independently assess the fairness and reasonableness of the proposed fees of the Services Group in lieu of a full tender process. We concur with the view of the management of NWDS that the independent consultant's review can ensure that the proposed fees are no less favourable to the NWDS Group than those offered by independent third parties. We selected this sample transaction because it alone contributed approximately 94.9% of the total historical transaction amount of the Services Transactions conducted in FY2024, and the transaction amounts for FY2025 and 1H2026 were insignificant. As such, we consider this sample transaction to be sufficient and appropriate for the purpose of our assessment. We further noted that the independent consultant considered that the initial proposed fees were higher than the market level and recommended a reduction of a specified amount. We further noted that the NWDS Group subsequently reduced the proposed fees by the same amount recommended by the independent consultant. In light of the above, we concur with the Directors that such procedure helps ensure that the fees charged by the Services Group to the NWDS Group are no less favourable to the NWDS Group than the level supported by the independent consultant's review. For the Cleaning and Landscaping Services and the Property Management and Rental Services, we noted that the historical transaction amounts during the Review Period were insignificant, while no services were provided by the NWDS Group to the Services Group during the Review Period. We have reviewed the relevant pricing policies as set out in the Letter from the Board, in respect of the Contracting Services and the other Services, the consideration will generally be determined on a cost-plus basis, with reference to at least one quote provided to independent third parties for similar services, where applicable. We further note that, where the NWDS Group acts as bid inviter, the relevant contract will generally be awarded through a tender process, while in cases of direct appointment, the service provider will be ascertained under the supervision of an independent consultant, and the relevant contract will only be awarded if the price and terms offered are equal to or better than those offered by independent service providers. We also note that the quote or tender price provided or accepted by the NWDS Group will be no less favourable to the NWDS Group than those provided to or by independent third parties for comparable services. In addition, prior to entering into any Definitive Agreement, the NWDS Group will review and assess the relevant terms to ensure consistency with the principles and provisions of the 2026 Master Services Agreements. The pricing and other terms will be determined on normal commercial terms or better, negotiated on an arm's length basis and on terms similar to those with independent third parties. Based on the foregoing, we consider that the pricing policies provide a reasonable and sufficient basis to ensure that the Transactions contemplated under the 2026 Master Services Agreement will be conducted on terms that are fair and reasonable and in the interests of the Shareholders as a whole. In view of our review of the relevant agreement and independent consultant report for the selected transaction and the relevant pricing policies as set out in the Letter from the Board, we are of the view that the relevant terms offered by the Services Group to the NWDS Group, or vice versa, are no less favourable to the NWDS Group than those offered to or by the independent third parties, as the case may be.

Taking into account the above, we consider that the 2026 Master Services Agreement is on normal commercial terms or better (as defined in the Listing Rules), fair and reasonable so far as NWDS and the Independent Shareholders are concerned and in the interests of NWDS and the Shareholders as a whole.

3. The New Annual Caps

3.1 The Annual Caps under the 2026 Master Collaboration Services Agreement

The table below sets out (i) the respective historical transaction amounts of the Transactions under the 2023 Master Collaboration Services Agreement for FY2024, FY2025 and 1H2026; and (ii) the Annual Caps under the 2026 Master Collaboration Services Agreement (the "**CTFE Annual Caps**") for three years ending 30 June 2029, namely "**FY2027**", "**FY2028**" and "**FY2029**" respectively:

	FY2024 *RMB'000*	**FY2025** *RMB'000*	**1H2026** *RMB'000*
Historical aggregate transaction amounts *(approximately)*			
Amounts payable by the NWDS Group to the CTFE Group	2,483	1,584	566
Amounts payable by the CTFE Group to the NWDS Group	609	395	74
Total	3,092	1,979	640

	FY2027 *RMB'000*	**FY2028** *RMB'000*	**FY2029** *RMB'000*
New Collaboration Services Annual Caps			
Amounts payable by the NWDS Group to the CTFE Group	5,500	5,700	6,000
Amounts payable by the CTFE Group to the NWDS Group	49,700	56,800	64,800
Total	55,200	62,500	70,800

Note: The historical aggregate transaction amounts shown in the table above represent transactions conducted under the 2023 Master Collaboration Services Agreement, being the provision of advertising, branding, marketing, loyalty and rewards program and promotion-related services and related services, and such other types of services as CTFE and NWDS may agree upon from time to time in writing. The service scope under the 2026 Master Collaboration Services Agreement has been expanded and reorganised into two categories, namely Concessionaire and Rental Services and General Services. Accordingly, the historical aggregate transaction amounts shown in the table above do not include the transaction amounts of the Concessionaire and Rental Services, as such services were not covered under the 2023 Master Collaboration Services Agreement but contemplated under the 2026 Master Collaboration Services Agreement. The historical aggregate transaction amounts shown in the table above also do not represent the full scope of General Services contemplated under the 2026 Master Collaboration Services Agreement, but only represent the services actually covered and provided under the 2023 Master Collaboration Services Agreement, principally the provision of advertising, branding, marketing, loyalty and rewards programme and promotion-related services and related services. For FY2024, FY2025 and 1H2026, (i) the aggregate transaction amounts relating to the Concessionaire and Rental Services paid by the CTFE Group to the NWDS Group amounted to approximately RMB27,954,000, RMB20,461,000 and RMB8,921,000, respectively, and (ii) the aggregate transaction amounts relating to the General Services paid by the NWDS Group to the CTFE Group amounted to approximately RMB740,000, RMB1,279,000 and RMB708,000, respectively, and the aggregate transaction amounts relating to the General Services paid by the CTFE Group to the NWDS Group, amounted to nil, nil and nil, respectively.

As disclosed in the Letter from the Board, the CTFE Annual Caps have been determined based on (i) the expected transaction amounts involved in certain agreements entered into between members of the NWDS Group and members of the CTFE Group in respect of the provision of the Services; (ii) the prevailing market conditions; and (iii) the estimated increase in the number of Transactions and transaction amounts based on the estimated expansion of existing and future transactions and/or projects of members of the NWDS Group and the CTFE Group. The gradual increase of the New Collaboration Services Annual Caps for each of the three financial years ending 30 June 2027, 2028 and 2029 mainly reflects the expected increase in transaction amounts for the Concessionaire and Rental Services with the CTFE Group, along with the gradual recovery of the market environment and the potential increase in consumer demand for jewellery products and watches. The NWDS Group also expects that the opening of new Store(s) may give rise to additional rental-related transactions with the CTFE Group.

We have reviewed the relevant breakdown of the CTFE Annual Caps and discussed with the management of NWDS and noted that the proposed CTFE Annual Caps are mainly attributable to (i) the projected amount for Concessionaire and Rental Services from existing agreements between relevant members of the NWDS Group and relevant members of the CTFE Group. Such projected amounts accounted was approximately RMB40.1 million, approximately RMB46.1 million and approximately RMB53.0 million for FY2027, FY2028 and FY2029, respectively, and accounted for around 72.7%, 73.8%, and 74.8% of the CTFE Annual Caps for FY2027, FY2028 and FY2029 respectively; (ii) the buffer amount was approximately RMB9.9 million, approximately RMB11.0 million and approximately RMB12.2 million for FY2027, FY2028 and FY2029, respectively and accounted for around 17.9%, 17.5%, and 17.2% of the CTFE Annual Caps for FY2027, FY2028 and FY2029 respectively. We further note that the remaining approximately 9.3%, 8.6% and 7.9% of the CTFE Annual Caps for FY2027, FY2028 and FY2029, respectively, are derived from the projected amount for the General Services of approximately RMB5.2 million, approximately RMB5.4 million and approximately RMB5.6 million for FY2027, FY2028 and FY2029, respectively, in particular the expected amount for the loyalty and rewards program and property management services.

We note that the projected amount for the Concessionaire and Rental Services for FY2027 is lower than the historical transaction amount for FY2021, while the projected amount for FY2028 is comparable to the historical transaction amount for FY2021, being the year which recorded the highest annual transaction amount during the past five financial years. We further note that the projected amount for FY2029 represents an increase of approximately 12.8% over the historical transaction amount for FY2021, which is slightly above, but close to, the highest annual growth rate of approximately 11.7% recorded during the past five financial years. We consider the use of a five-year comparison timeframe to be reasonable as it captures a longer transaction history across different market conditions and business cycles, including periods before and after the COVID-19 pandemic, and therefore provides a more balanced basis to assess whether the projected amounts under the CTFE Annual Caps are within a reasonable historical range notwithstanding the lower annualised transaction amount for 1H2026.

In relation to the buffer, we have conducted an independent research (the "**Research**") on the range of buffer built in the annual caps of continuing connected transactions of companies listed on the Stock Exchange as extracted from their respective latest circulars published in the past six months and note that the buffer percentage ranges from nil to 32%. Given that the buffers underlying the CTFE Annual Caps represent around 17.9%, 17.5% and 17.2% of the CTFE Annual Caps for FY2027, FY2028 and FY2029 respectively, and falls within the aforesaid range, we are of the view that the buffer adopted is reasonable.

In relation to the projected fees for the loyalty and rewards program and property management services, we note that the projected amount for FY2027 is equivalent to the relevant historical transaction amount in FY2023, being the year which recorded the highest annual transaction amount during the past five financial years. For FY2028 and FY2029, the projected amounts are only approximately 4.6% and 9.4% above the FY2023 historical transaction amount respectively, and these increments are within the range of historical growth rates in the transaction amount for the loyalty and rewards program. Similar to the Concessionaire and Rental Services analysis above, we consider the use of a five-year comparison timeframe to be reasonable as it captures business volatility over a longer period and provides a meaningful basis for assessing the reasonableness of the projected fees.

Given the above, we are of the view that the basis for determining the CTFE Annual Caps under the 2026 Master Collaboration Services Agreement is fair and reasonable.

3.2 The 2026 Master Leasing Agreement

The table below sets out (i) the respective historical transaction amounts of the Leasing Transactions for FY2024, FY2025 and 1H2026; and (ii) the New Leasing Annual Caps for the Leasing Transactions contemplated under the 2026 Master Leasing Agreement during its renewed term (i.e. FY2027, FY2028 and FY2029 respectively):

	FY2024	**FY2025**	**1H2026**
	RMB'000	*RMB'000*	*RMB'000*
Historical transaction amounts – Fixed Lease Payments ***(approximately)***	146,677	62,540	3,693
Historical transaction amounts – Variable Lease and Service Payments ***(approximately)***	86,426	73,615	30,300

	FY2027	**FY2028**	**FY2029**
	RMB'000	*RMB'000*	*RMB'000*
Annual caps – Fixed Lease Payments	417,000	389,000	369,000
Annual caps – Variable Lease and Service Payments	119,000	127,000	137,000

As disclosed in the Letter from the Board, given that the transaction amounts in relation to the Leasing Transactions for the NWDS Group as lessor for each of FY2024, FY2025 and 1H2026 constituted de minimis transactions for the purpose of Chapter 14A of the Listing Rules, the NWDS Group has only provided the proposed annual caps for the transaction amounts payable by the NWDS Group as lessee under the Leasing Transactions for each of the three financial years ending 30 June 2029.

As disclosed in the Letter from the Board, the proposed annual caps for the Fixed Lease Payments and the Variable Lease and Service Payments payable by the NWDS Group as lessee under the Leasing Transactions are set having considered the historical transaction amounts and taking into account the factors mentioned in the Letter from the Board, in particular the expansion strategies of the NWDS Group, the prevailing market conditions and the prevailing market rates of comparable properties over the next three years.

Fixed Lease Payments

Pursuant to HKFRS 16, the Fixed Lease Payments payable by the NWDS Group as lessee under the Leasing Transactions will be recognised as right-of-use assets. The proposed annual caps for the Fixed Lease Payments are set on the total value of the right-of-use assets relating to the Definitive Leasing Agreements expected to be entered into by the NWDS Group in each year, which are calculated with reference to the aggregate of the total Fixed Lease Payments under the full lease term of each Definitive Leasing Agreement newly entered into each year, discounted by NWDS's incremental borrowing rate.

We have reviewed the relevant breakdown of the Fixed Lease Payments in the New Leasing Annual Caps and noted that in calculating the expected Fixed Lease Payments, the management of NWDS has mainly taken into account (i) the right-of-use assets arising from the expected additional space to be rented for an existing Beijing store in FY2027, the expected renewal of one of the existing leases upon expiry in FY2028, and room for one potential additional store during the three-year term, the timing of which is uncertain, amounting to approximately RMB345.7 million, RMB322.0 million and RMB305.9 million for FY2027, FY2028 and FY2029, respectively; and (ii) a buffer of 20%. We understand from the management of NWDS that, given that it is uncertain which year during the three-year term will the potential additional store be leased, the same potential store has been factored into each year's annual cap on a standalone basis. We further note that the assumed rental rates and lease term for such potential additional store were benchmarked against an existing rental contract. Given that the benchmark was based on an existing contract and the purpose of the additional factor is to cater for timing uncertainty during the three-year term rather than to imply that a new store will necessarily be opened in each financial year, we consider the basis for determining the Fixed Lease Payments of the New Leasing Annual Caps to be fair and reasonable.

As set out above, given that the 20% buffer proposed by NWDS falls within the range of buffer adopted by other listed companies based on the Research, we are of the view that the buffer adopted is reasonable.

Variable Lease and Service Payments

Pursuant to HKFRS 16, the Variable Lease and Service Payments payable by the NWDS Group as lessee under the Leasing Transactions will be recognised as expenses incurred by the NWDS Group. The proposed annual caps for the Variable Lease and Service Payments are set on the total Variable Lease and Service Payments expected to be payable by the NWDS Group each year under the Leasing Transactions, with reference to the projected revenue generated from the leased properties under the Leasing Transactions and the terms of the relevant Definitive Leasing Agreements.

We have reviewed the breakdown of the New Leasing Annual Caps and discussed with the management of NWDS and noted that the New Leasing Annual Caps mainly represented the sum of the expected Variable Lease and Service Payments payable by the NWDS Group as lessee for each of the existing Definitive Leasing Agreements for each of FY2027, FY2028 and FY2029, and a buffer of 20% to cater for the Variable Lease and Service Payments for the potential additional store. We noted that the FY2027 projection is lower than the historical transaction amount for FY2021, being the year which recorded the highest annual transaction amount during the past five financial years. The further increments in FY2028 and FY2029 of approximately 7.5% and 7.6%, respectively, per year to cater for the recovery of the retail market in Chinese Mainland and organic growth of the existing stores. We consider the use of a five-year comparison timeframe to be reasonable as it captures the transaction trend across different market conditions and business cycles, including pre-pandemic, pandemic and post-pandemic periods, and therefore provides a more balanced basis for assessing the reasonableness of the projected Variable Lease and Service Payments notwithstanding the lower annualised transaction amount for 1H2026.

As set out above, given that the 20% buffer proposed by NWDS falls within the range of buffer adopted by other listed companies based on the Research, we are of the view that the buffer adopted is reasonable.

On this basis, we are of the view that the basis for determining the Variable Lease and Service Payments of the New Leasing Annual Caps is fair and reasonable.

3.3 The 2026 Master Services Agreement

The table below sets out (i) the respective historical transaction amounts of the Services Transactions for FY2024, FY2025 and 1H2026; and (ii) the proposed annual caps for the Services Transactions contemplated under the 2026 Master Services Agreement during its renewed term (i.e. FY2027, FY2028 and FY2029 respectively):

	FY2024	**FY2025**	**1H2026**
	RMB'000	*RMB'000*	*RMB'000*
Historical aggregate transaction amounts *(approximately)*			
Amounts payable by the NWDS Group to the Services Group	13,909	126	Nil
Amounts payable by the Services Group to the NWDS Group	Nil	Nil	Nil
Total	13,909	126	Nil

	FY2027	**FY2028**	**FY2029**
	RMB'000	*RMB'000*	*RMB'000*
New Services Annual Caps			
Amounts payable by the NWDS Group to the Services Group	68,000	58,000	57,000
Amounts payable by the Services Group to the NWDS Group	Nil	Nil	Nil
Total	68,000	58,000	57,000

As disclosed in the Letter from the Board, each of the New Services Annual Caps has been determined by reference to (a) the historical annual or annualised amounts in respect of that category of the Services provided by the relevant members of the Services Group to the relevant members of the NWDS Group during the past financial years; and (b) the projected annual or annualised amounts in respect of that category of Services to be provided by the relevant members of the Services Group to the relevant members of the NWDS Group, and vice versa, in the next three financial years.

We have reviewed the breakdown of the New Services Annual Caps and discussed with the management of NWDS and noted that the New Services Annual Caps mainly comprise (a) the expected fees for potential electrical and mechanical engineering works and related services for renovation projects of several stores of the NWDS Group (i.e. Contracting Services), including six existing stores which have been operating since 2010, the expected additional space to be rented for an existing Beijing store in FY2027, and one potential additional store during the three-year term, the timing of which is uncertain, amounting to approximately 82.6%, 82.4% and 82.2% for FY2027, FY2028 and FY2029; and (b) a 20% buffer. We noted that less than 1% of the New Services Annual Caps for FY2027, FY2028 and FY2029 is attributable to other services to be provided by the Services Group to the NWDS Group. We further note that it is assumed that no services will be provided by the NWDS Group to the Services Group in determining the New Services Annual Caps. We noted that the New Services Annual Caps for FY2027, FY2028 and FY2029 represented a significant increase as compared to the historical transaction amount during the Review Period. We understand from the management of NWDS that this is due to the fact that in determining the New Services Annual Caps, it has taken into account the anticipated maximum number of electrical and mechanical engineering works projects of the NWDS Group that will be opened for tender (and for which the Services Group is eligible for submitting a tender) assuming a 100% tender success rate for the Services Group and the expected services fees for these projects are estimated based on NWDS's internal assessment and budget.

Furthermore, as mentioned above, given that the 20% buffer proposed by NWDS falls within the range of buffer adopted by other listed companies based on the Research, we are of the view that the buffer adopted is reasonable.

Given the above, we are of the view that the basis for determining the New Services Annual Caps is fair and reasonable.

4. Internal Control Procedures

As disclosed in the Letter from the Board, to ensure that the Agreements and the Transactions adhere to normal commercial terms or better (as defined in the Listing Rules) and the amounts of the Transactions do not exceed the related New Annual Caps, the NWDS Group has implemented, among others, the following internal control procedures: (i) prior review and assessment of the terms of each Definitive Agreement to ensure consistency with the principles and provisions of the relevant master agreement; (ii) ongoing recording and monitoring of the transaction amounts by the finance departments of the NWDS Group; (iii) periodic reporting to the Audit Committee on connected transaction lists and utilisation of the relevant annual caps; (iv) biannual review by internal audit department of the NWDS Group; and (v) annual review by the external auditors and the independent non-executive Directors of NWDS.

In addition, in respect of the 2026 Master Services Agreement, members of the NWDS Group are required to follow the internal tender guidelines in regard to participation in tenders or the provision of quotations for the Contracting Services. These procedures are intended to ensure that the tender or quotation price and the terms offered by the NWDS Group are fair, reasonable and comparable to those offered by the NWDS Group to independent third parties.

We consider that the above internal control measures together with the requirements set out below under the paragraph headed "5. Requirements by the Listing Rules regarding the transactions contemplated under the Agreements" are sufficient to ensure that the Transactions contemplated under the Agreements will be conducted on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

5. Requirements by the Listing Rules regarding the transactions contemplated under the Agreements

Pursuant to Rules 14A.55 to 14A.59 of the Listing Rules, the Transactions contemplated under the Agreements are subject to the following annual review requirements:

(a) each year the independent non-executive Directors must review the Transactions contemplated under the Agreements and confirm in the annual report that the Transactions have been entered into: (i) in the ordinary and usual course of business of NWDS; (ii) on normal commercial terms or better (as defined in the Listing Rules); and (iii) according to the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

(b) each year the auditors of NWDS must provide a letter to the Board confirming that the Transactions contemplated under the Agreements: (i) have received the approval of the Board; (ii) are, in all material respects, in accordance with the pricing policies of NWDS if the Transactions involve provision of goods or services by NWDS; (iii) have been entered into, in all material respects, in accordance with the relevant agreement governing the continuing connected transactions; and (iv) have not exceeded the New Annual Caps.

(c) NWDS must allow, and ensure that the relevant counterparty to the Agreements allow, NWDS'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) NWDS 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 NWDS cannot confirm the matters set out in paragraphs (a) and/or (b) above respectively.

In light of the reporting requirements attached to the Agreements, in particular, (i) the restriction of the value of the relevant Transactions by way of the New Annual Caps; and (ii) the ongoing review by the independent non-executive Directors and the auditors of NWDS on the terms of the Agreements and whether the New Annual Caps have been exceeded, we are of the view that appropriate measures are in place to govern the conduct of the Agreements and safeguard the interests of the Independent Shareholders.

RECOMMENDATION

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

(a) the entering into of the Agreements and the Transactions contemplated thereunder are in the ordinary and usual course of business of the NWDS Group and the terms thereof are on normal commercial terms or better (as defined in the Listing Rules) and are fair and reasonable;

(b) the entering into of the Agreements and the Transactions contemplated thereunder are in the interests of NWDS and the Shareholders as a whole; and

(c) the New Annual Caps are fair and reasonable and in the interests of NWDS 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 resolutions in relation to the Agreements and the New Annual Caps in relation thereto.

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. DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code were as follows:

(a) Long positions in shares

	Nature of interest	Number of shares held	Approximate percentage of shareholding as at the Latest Practicable Date
The Company			
(Ordinary shares)			
Mr. Lau Fu-keung	Personal interest	1,000	0.00%
Ms. Woo Yuk-kwan Rebecca	Personal interest	1,000	0.00%
NWD			
(ordinary shares)			
Dr. Cheng Kar-shun, Henry	Personal interest	5,168,909	0.21%
Ms. Chiu Wai-han, Jenny	Personal interest	29,899	0.00%
Mr. Lau Fu-Keung	Personal interest	1,000	0.00%

(b) Long positions in debentures

NWD (MTN) Limited ("NWD (MTN)")

	Amount of debentures issued by NWD (MTN) Personal interests *HK$*	Total *HK$*	Approximate percentage to the total amount of debentures in issue as at the Latest Practicable Date
Mr. Chan Yiu-ho	1,000,000	1,000,000	0.00%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code.

3. SUBSTANTIAL SHAREHOLDERS' INTEREST IN SECURITIES

As at the Latest Practicable Date, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to the kept by the Company under section 336 of the SFO, which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO:

	Number of shares held			
Name	**Beneficial interests**	**Corporate interests**	**Total**	**Approximate percentage of shareholding as at the Latest Practicable Date**
Cheng Yu Tung Family (Holdings) Limited ("**CYTFH**")(1)	–	1,264,400,000	1,264,400,000	74.99%
Cheng Yu Tung Family (Holdings II) Limited ("**CYTFH-II**")(2)	–	1,264,400,000	1,264,400,000	74.99%

Name	Number of shares held			Approximate percentage of shareholding as at the Latest Practicable Date
	Beneficial interests	Corporate interests	Total	
Chow Tai Fook Capital Limited ("**CTFC**")(3)	–	1,264,400,000	1,264,400,000	74.99%
Chow Tai Fook (Holding) Limited ("**CTFH**")(4)	–	1,264,400,000	1,264,400,000	74.99%
CTFE(5)	–	1,264,400,000	1,264,400,000	74.99%
NWD	1,218,900,000	45,500,000	1,264,400,000	74.99%

Notes:

(1) CYTFH holds 48.98% direct interest in CTFC and is accordingly deemed to have an interest in the shares of the Company 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 of the Company deemed to be interested by CTFC.

(3) CTFC holds 90.52% direct interest in CTFH and is accordingly deemed to have an interest in the shares of the Company deemed to be interested by CTFH.

(4) CTFH holds 100% direct interest in CTFE and is accordingly deemed to have an interest in the shares of the Company deemed to be interested by CTFE.

(5) CTFE together with its subsidiaries have interest in more than one-third of the issued shares of NWD and is accordingly deemed to have an interest in the shares of the Company interested by or deemed to be interested by NWD.

Save as disclosed above, the Company has not been notified of any other person (other than the Directors or chief executive of the Company) who, as at the Latest Practicable Date, had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any 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 financial statements of the Group were made up.

5. DIRECTORS' SERVICE CONTRACTS

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

6. DIRECTORS' INTERESTS IN ASSETS

Dr. Cheng Kar-shun, Henry is a member of the Cheng's family which holds interests in CYTFH and CYTFH-II which in turn indirectly control CTFE. CTFE is a substantial shareholder of NWD. NWD is a substantial Shareholder of the Company. The Group had entered into lease agreements regarding rental of properties between members of the NWD Group and members of the Group since 30 June 2025. The aggregate amount of such transactions is covered under the 2026 Master Leasing Agreement, subject to the passing of an ordinary resolution at the EGM by the Independent Shareholders to approve the 2026 Master Leasing Agreement, the Transactions contemplated thereunder and the related New Annual Caps.

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 have 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 financial statements of the Group were made up.

7. DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

8. DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

	Businesses which are considered to compete or likely to compete with the businesses of the Group		
Name of Director	**Name of entity**	**Description of business**	**Nature of interest of the Director in the entity**
Dr. Cheng Kar-shun, Henry	CTFE group of companies	Property investment	Director
	NWD group of companies	Property investment	Director
Ms. Huang Shaomei, Echo	NWD group of companies	Property investment	Director
Ms. Chiu Wai-han, Jenny	NWD group of companies	Property investment	Director
Mr. Lau Fu-keung	NWD group of companies	Property investment	Director
Mr. Chan Yiu-ho	NWD group of companies	Property investment	Director

9. COMMON DIRECTORS

As at the Latest Practicable Date, the following Directors were also directors of the companies which had interests or short positions in the shares or 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	CYTFH
	CYTFH-II
	CTFC
	CTFH
	CTFE
	NWD
Ms. Huang Shaomei, Echo	NWD
Ms. Chiu Wai-han, Jenny	NWD
Mr. Lau Fu-keung	NWD
Mr. Chan Yiu-ho	NWD

10. QUALIFICATION AND CONSENT OF EXPERT

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

Name	Qualification
Ballas Capital Limited	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Ballas Capital Limited has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its letter and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, Ballas Capital Limited did not have any direct or indirect interest in any assets which had since 30 June 2025 (being the date which the latest published audited financial statements of the Company were made up) 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. As at the Latest Practicable Date, Ballas Capital Limited was not beneficially interested in the share capital of any member of the Group, nor had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

11. MISCELLANEOUS

The English text of this Circular and the enclosed proxy form shall prevail over the Chinese text in the event of any inconsistency.

12. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.nwds.com.hk) for display for a period of not less than fourteen (14) days before the date of the EGM and on the date of the EGM:

(a) the 2026 Master Leasing Agreement;

(b) the 2026 Master Services Agreement;

(c) the 2026 Master Collaboration Services Agreement;

(d) the letter of recommendations 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" in this Circular;

(e) the letter of advice from Ballas Capital Limited 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" in this Circular; and

(f) the written consent of Ballas Capital Limited referred to in the paragraph headed "10. Qualification and Consent of Expert" in this appendix.

新世界百貨中國有限公司
New World Department Store China Limited
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 825)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of New World Department Store China Limited (the "**Company**") will be held as a hybrid meeting with a combination of an in-room meeting at the principal meeting place of Meeting Room N101, Level 1 (Expo Drive Entrance), Hong Kong Convention and Exhibition Centre, 1 Expo Drive, Wanchai, Hong Kong and an online virtual meeting via electronic facilities on Tuesday, 23 June 2026 at 11:30 a.m. for the purpose of considering and, if thought fit, with or without amendments, passing each of the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**:

   (a) the entering into of the 2026 Master Leasing Agreement (as defined and described in the circular of the Company dated 4 June 2026 (the "**Circular**"), a copy of the Circular marked "**A**" together with a copy of the 2026 Master Leasing Agreement marked "**B**" are tabled before the Meeting and initialed by the chairman of the Meeting for identification purpose) and the Leasing Transactions as defined and described in the Circular and the implementation thereof be and are hereby approved, ratified and confirmed;

   (b) the New Leasing Annual Caps as defined and described in the Circular in respect of the consideration payable under the 2026 Master Leasing Agreement for each of the three years ending 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 entering into of the 2026 Master Leasing Agreement and the transactions contemplated thereunder and all matters ancillary or incidental thereto."

2. "**THAT**:

(a) the entering into of the 2026 Master Services Agreement (as defined and described in the Circular, a copy of the Circular marked "**A**" together with a copy of the 2026 Master Services Agreement marked "**C**" are tabled before the Meeting and initialed by the chairman of the Meeting for identification purpose) and the Services Transactions as defined and described in the Circular and the implementation thereof be and are hereby approved, ratified and confirmed;

(b) the New Services Annual Caps as defined and described in the Circular in respect of the consideration payable under the 2026 Master Services Agreement for each of the three years ending 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 entering into of the 2026 Master Services Agreement and the transactions contemplated thereunder and all matters ancillary or incidental thereto."

3. "**THAT**

(a) the entering into of the 2026 Master Collaboration Services Agreement (as defined and described in the Circular, a copy of the Circular marked "**A**" together with a copy of the 2026 Master Collaboration Services Agreement marked "**D**" are tabled before the Meeting and initialed by the chairman of the Meeting for identification purpose) and the Collaboration Services Transactions as defined and described in the Circular and the implementation thereof be and are hereby approved, ratified and confirmed;

(b) the New Collaboration Services Annual Caps as defined and described in the Circular in respect of the consideration payable under the 2026 Master Collaboration Services Agreement for each of the three years ending 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 entering into of the 2026 Master Collaboration Services Agreement and the transactions contemplated thereunder and all matters ancillary or incidental thereto."

By order of the board of
New World Department Store China Limited
Hui Ka-wai
Company Secretary

Hong Kong, 4 June 2026

Notes:

1. The Meeting will be a hybrid meeting. Shareholders of the Company ("**Shareholders**") have the option to attend the Meeting online in addition to the traditional physical attendance at the Meeting. Shareholders participating in the Meeting online using the Vistra eVoting Portal will be deemed present at, and will be counted towards the quorum of, the Meeting and they will be able to view a live broadcast, submit questions and cast votes on the resolutions in real time through the Vistra eVoting Portal. For details of the electronic facilities for attendance and participation by electronic means at the Meeting, please refer to the circular of the Company dated 4 June 2026.

2. The record date for determining the entitlement of the Shareholders to attend, speak and vote at the Meeting will be Tuesday, 23 June 2026. The register of members of the Company will be closed from Wednesday, 17 June 2026 to Tuesday, 23 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to establish entitlements to attend and vote at the Meeting, all transfers of shares of the Company accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the branch share registrar and transfer agent of the Company in Hong Kong, Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 16 June 2026.

3. Any Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy does not need to be a Shareholder.

4. Where there are joint registered holders of any share, any one of such joint holders may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share, shall alone be entitled to vote in respect thereof.

5. A proxy form for use at the Meeting is enclosed.

6. To be valid, the proxy form, together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, must be deposited at the Hong Kong branch share registrar and transfer agent of the Company at Tricor Investor Services Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed (i.e. on or before 11:30 a.m. on 21 June 2026) for holding the Meeting or any adjournment thereof.

7. In addition to the physical submission of the proxy form, the Shareholders have the option to submit their proxy appointment electronically through the Vistra eVoting Portal from Thursday, 4 June 2026 up to 11:30 a.m. on Sunday, 21 June 2026. Please refer to the circular of the Company dated 4 June 2026 for details.

8. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person (whether physically or by means of electronic facilities) at the Meeting or any adjournment thereof and in such event, the proxy form shall be deemed to be revoked.

9. If a tropical cyclone warning signal number 8 or above or a black rainstorm warning signal or "extreme conditions" announced by the Government of the Hong Kong Special Administrative Region is/are in force in Hong Kong at any time between 7:00 a.m. and 11:30 a.m. on Tuesday, 23 June 2026, the Meeting will be automatically postponed. The Company will publish an announcement on its website and on the website of the Stock Exchange to notify shareholders of the Company of the date, time and location of the rescheduled meeting.

10. The ordinary resolutions as set out above will be determined by way of a poll.

11. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

12. As at the date of this notice, the executive Directors are Dr. Cheng Kar-shun, Henry, Ms. Huang Shaomei, Echo, Ms. Woo Yuk-kwan Rebecca, Ms. Chiu Wai-han, Jenny, Mr. Lau Fu-keung and Mr. Chan Yiu-ho; and the independent non-executive Directors are Mr. Cheong Ying-chew, Henry, Mr. Chan Yiu-tong, Ivan, Mr. Tong Hang-chan, Peter, Mr. Yu Chun-fai and Ms. Ho Pui-yun, Gloria.