

華富建業企業融資有限公司
Quam Capital Limited
於香港註冊成立之有限公司
Incorporated in Hong Kong with limited liability

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April 30, 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

RENEWAL OF CONTINUING CONNECTED TRANSACTION AND REVISION OF ANNUAL CAP

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Holiday Package Transactions contemplated under the 2H2026 QZ Framework Agreement, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated April 30, 2026 (the “**Circular**”), of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

Reference is made to the 2025 Announcement in relation to, among others, the framework agreement entered into on December 11, 2025 between the Company and QZ Tours in respect of the Holiday Package Transactions. As the highest applicable ratios in respect of the annual caps for the Holiday Package Transactions contemplated under the 1H2026 QZ Framework Agreement were more than 0.1% but less than 5%, the Holiday Package Transactions contemplated thereunder were exempt from the independent shareholders’ approval requirement under the Listing Rules.

As mentioned in the Circular, the 1H2026 QZ Framework Agreement will expire on June 30, 2026 and the Company intends to continue to enter into the Holiday Package Transactions contemplated under the 1H2026 QZ Framework Agreement after June 30, 2026. As such, the Company shall seek approval from the Independent Shareholders at the annual general meeting (the “**AGM**”) in relation to the renewal of the 1H2026 QZ Framework Agreement for a further period of six months ending December 31, 2026 (the “**2H2026 QZ Framework Agreement**”) and

revise the Existing 2026 QZ Annual Cap in view thereof. Since the Company would like to provide a more appropriate level of annual cap for the Holiday Package Transactions covering a further period of six months from July 1, 2026 to December 31, 2026, the Company will re-comply with the relevant Listing Rules requirements (including setting the annual cap, issuing announcement(s) and obtaining Independent Shareholders' approval) for the entering into the 2H2026 QZ Framework Agreement and the Revised 2026 QZ Annual Cap in relation to the Holiday Package Transactions contemplated under the 2H2026 QZ Framework Agreement.

As at the Latest Practicable Date, QZ Tours is owned as to 99% by Mr. Zhou Xindong, who is a son-in-law of Dr. Tan Siu Lin and a brother-in-law of Dr. Tan Henry. QZ Tours is thus a majority-controlled corporation of a deemed connected person of the Company under the Rule 14A.21(1)(a) of the Listing Rules, and thus a deemed connected person of the Company under Rule 14A.21(1)(b) of the Listing Rules. As such, the transactions contemplated under the 2H2026 QZ Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Revised 2026 QZ Annual Cap exceeds 5% and the total consideration is more than HK\$10,000,000 on an annual basis, the same is subject to the reporting, announcement, annual review, Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The AGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Holiday Package Transactions contemplated under the 2H2026 QZ Framework Agreement and the Revised 2026 QZ Annual Cap, and related matters.

At the AGM, any Shareholders with a material interest in the Holiday Package Transactions are required to abstain from voting on the resolution approving the Holiday Package Transactions and the Revised 2026 QZ Annual Cap. None of the Directors has a material interest in the 2H2026 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder and the Revised 2026 QZ Annual Cap, but each of Dr. Tan Siu Lin, Dr. Tan Henry, Mrs. Su Tan Jennifer Sze Tink and Mr. Tan Willie have voluntarily abstained from voting on the board resolutions of the Company approving the 2H2026 QZ Framework Agreement and the Revised 2026 QZ Annual Cap.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chan Leung Choi Albert, Mr. Ma Andrew Chiu Cheung and Mr. Wong Chun Tat, has been established to consider (i) whether the entering into the 2H2026 QZ Framework Agreement is in the ordinary and usual course of business of the Group, and in the interest of the Company and the Independent Shareholders as a whole; (ii) whether the terms of the 2H2026 QZ Framework

Agreement are on normal commercial terms and are fair and reasonable as far as the Company and the Independent Shareholders are concerned; (iii) whether the Revised 2026 QZ Annual Cap in respect of the Holiday Package Transactions have been fairly and reasonably arrived at; and (iv) how the Independent Shareholders should vote in respect of the proposed resolution at the AGM to approve the Holiday Package Transactions (including the Revised 2026 QZ Annual Cap). We have been appointed as an independent financial adviser to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regards.

THE INDEPENDENT FINANCIAL ADVISER

Except for being appointed as independent financial adviser to the Company in respect of the Holiday Package Transactions contemplated under the 2H2026 QZ Framework Agreement, we have not acted as an independent financial adviser or financial adviser in relation to any transactions of the Company or its connected person during the past two years. We were not aware of any relationships or interests between us and the Company or any other parties that could reasonably be regarded as hindrance to our 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 Holiday Package Transactions contemplated under the 2H2026 QZ Framework Agreement. We are not associated with the Company, its subsidiaries, its associates or their respective substantial shareholders or associates or any other parties to the Holiday Package Transactions, and accordingly, are eligible to give independent advice and recommendation on the 2H2026 QZ Framework Agreement and the transactions contemplated thereunder. Apart from normal professional fees payable to us in connection with this appointment as the independent financial adviser, no arrangement exists whereby we will receive any fees from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates or any other parties that could reasonably be regarded as relevant to our independence.

BASIS OF OUR OPINION

In formulating our opinion, we have considered and reviewed, among other things:

- (i) the 2H2026 QZ Framework Agreement;
- (ii) the 2025 Announcement;
- (iii) the Circular;
- (iv) the annual report of the Company for the financial year ended December 31, 2024 (the “**Annual Report 2024**”) and the annual results announcement of the Company for the financial year ended December 31, 2025 (the “**Annual Results 2025**”); and

- (v) the relevant market data and information available from public sources and the website of the Stock Exchange.

We have also relied on all relevant information and representations supplied, and the opinions expressed, by the Directors and the management of the Company (collectively, the “**Management**”) and discussed with them about the underlying assumptions in relation to the Holiday Package Transactions. We have assumed that all such information and representations contained or referred to in the Circular are true and accurate in all material respects as the date thereof. Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Circular and have also confirmed that, having made all reasonable enquiries and to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no material facts not contained in the Circular, the omission of which makes any statement in the Circular misleading. We have found no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Management, and they have confirmed that no material information has been withheld or omitted from the information provided and referred to in the Circular, which would make any statement therein misleading. Based on the reasonable steps we have taken as mentioned above, we have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading.

We consider that we have been provided with, and have reviewed, sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, nor have we conducted an independent investigation into the business affairs, operations, financial position or future prospects of each of the Company, and any of their respective subsidiaries and associates and parties acting in concert with them.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Holiday Package Transactions, we have taken into account the following principal factors and reasons:

1. Information of the Group

1.1. Background information of the Group

The Group is principally engaged in (i) the operation of hotels and resorts in Saipan and Guam (“**Hotels & Resorts Segment**”); (ii) luxury travel retail business in Saipan, Guam and Hawaii (“**Luxury Travel Retail Segment**”); and (iii) the provision of destination services including the operation of souvenir and convenience stores in Saipan and Guam, the operation of excursion tours in Saipan and the provision of land arrangement and concierge services in Saipan (“**Destination Services Segment**”).

1.2. Financial information of the Group

Set out below is a summary of the financial information of the Group for the financial years ended December 31, 2023 (“**FY2023**”), December 31, 2024 (“**FY2024**”) and December 31, 2025 (“**FY2025**”) as extracted from the Annual Report 2024 and the Annual Results 2025.

	FY2023	FY2024	FY2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	36,847	42,795	45,114
— Hotels and resorts	28,194	34,458	36,470
— Luxury travel retail	7,948	7,414	7,593
— Destination services	705	923	1,051
Operating loss	(18,183)	(14,454)	(12,954)
Net loss attributable to the owners of the Company for the year	(22,961)	(18,955)	(16,579)

	As at 31 December 2023	As at 31 December 2024	As at 31 December 2025
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Non-current assets	138,155	126,185	115,147
Current assets	19,168	13,929	12,888
Total assets	157,323	140,114	128,035
Non-current liabilities	37,019	48,112	57,759
Current liabilities	69,098	58,024	53,138
Total liabilities	106,117	106,136	110,897
Total equity	51,206	33,978	17,138

Comparison between FY2023 and FY2024

Revenue of the Group increased by approximately 16.1% from approximately US\$36.85 million for FY2023 to approximately US\$42.80 million for FY2024, which was mainly attributable to the increase in revenue generated from the Hotels & Resorts Segment of the Company. The Hotels & Resorts Segment was the largest revenue segment of the Company, accounting for approximately 76.5% and approximately 80.5% of the total revenue of the Company for FY2023 and FY2024 respectively. The revenue generated from the Hotels & Resorts Segment increased from approximately US\$28.19 million for FY2023 to approximately US\$34.46 million for FY2024, representing an increase of approximately 22.2%. According to the Annual Report 2024, such increase was mainly due to the increase in occupancy rates and average room rates of both Crowne Plaza Resort Guam and Crowne Plaza Resort Saipan, which contributed an increase in revenue of approximately US\$1.70 million and approximately US\$4.50 million respectively.

The operating loss of the Group was approximately US\$14.45 million for FY2024, representing a decrease in loss of approximately US\$3.73 million, or approximately 20.5%, from FY2023. The reduction of the operating loss for FY2024 was mainly due to the continuous implementation of effective cost-saving measures and improvement of operation efficiency. In particular, the staff costs and the food and beverage costs of FY2024 decreased by approximately US\$1.30 million and US\$0.60 million respectively, as compared to FY2023. Net loss attributable

to the owners of the Company decreased by approximately US\$4.00 million from approximately US\$22.96 million for FY2023 to approximately US\$18.96 million for FY2024, representing a decrease in net loss attributable to the owners of the Company of approximately 17.4%, which was mainly attributable to the increase of the revenue and the decrease of the operation costs as mentioned above.

Comparison between FY2024 and FY2025

Revenue of the Group for FY2025 increased by approximately 5.4% from approximately US\$42.8 million for FY2024 to approximately US\$45.1 million. For FY2025, the revenue of the Group from its business in Guam increased by approximately 14.1%, while the revenue of the Group from its business in Saipan decreased by approximately 5.5%, as compared to FY2024. According to the Annual Results 2025, the increase in revenue from its business in Guam was mainly due to the increase in occupancy rates and average room rates of Crowne Plaza Resort Guam. In addition, owing to the effort of the Guam Visitors Bureau (the “GVB”) in boosting the number of tourist arrivals in Guam, the revenue from the luxury travel retail business increased by 11.4%; while the decrease in business in Saipan was majorly due to the abrupt halt in the processing of the Commonwealth of the Northern Mariana Islands (the “CNMI”) Economic Vitality & Security Travel Authorisation Program (the “CNMI EVS-TAP”) of tourists from Mainland China and the reduction of flights from Seoul to Saipan, which substantially impacted the number of tourist arrivals.

The operating loss of the Group for FY2025 reduced by approximately US\$1.5 million, representing a decrease in loss of approximately 10.4%, which was due to the increase in revenue as discussed above, and the continuous efforts of the management of the Group in improving operation efficiency as well as enforcing effective cost-saving measures.

1.3. Outlook of the Group

The Group is an end-to-end tourism service provider, offering a one-stop tourism experience to tourists in Guam and Saipan, in particular. Businesses of the Group include (i) the operation of hotels and resorts in Saipan and Guam; (ii) luxury travel retail business in Saipan, Guam and Hawaii; and (iii) the provision of destination services, as discussed in the sub-section headed “1.1 Background information of the Group” above. The tourism market in Guam and Saipan was hit by the COVID-19 pandemic few years ago, which directly impacted the business of the Group. The Group’s businesses have been recovering since the impact of the COVID-19 pandemic gradually faded out.

For Guam, the GVB has been taking action in accordance with its Short-term Tactical Plan to address the decline in tourist arrivals and achieve sustainable recovery. The GVB successfully concluded the “One Guam Roadshow 2026” across Tokyo, Nagoya, and Osaka to strengthen collaboration and solidify Guam as a priority destination. While various South Korean low-cost carriers reduced or suspended daily flights from Seoul to Guam starting in May 2025 due to declined profitability and a plane crash in late 2024, airlines later upgraded to larger aircraft to increase seat capacity in response to US\$10.0 million in government incentives. Management believes the strong outbound travel momentum across Japan, South Korea, and Taiwan supports a favorable tourism outlook for Guam in 2026.

For Saipan, the Marianas Visitors Authority (the “MVA”) has been striving in maintaining and reaffirming connections and collaboration with its key tourism partners in South Korea, Japan and Mainland China by attending various international travel expo to intensify the continuous recovery of tourist arrivals from all target tourist origin markets. In mid-July 2025, the U.S. Customs and Border Protection resumed the processing of travelers’ applications under the CNMI EVS-TAP, whilst the CNMI Department of Public Lands issued a “Notice of Intent to Award” in relation to the granting of a Master Concession Agreement for Managaha Island to the Group. Managaha Island is located in Saipan’s lagoon. Such Master Concession Agreement grants the Group the right to operate businesses relating to the transportation to and from Managaha Island, non-motorized marine sports, recreational activities, F&B and souvenirs, which is expected to enhance the overall experience of the Group’s hotel guests and expand the excursion tours business in Saipan under the Destination Services Segment. These operations officially commenced on February 15, 2026.

Despite the local governments or tourist bureaus of Guam and Saipan are dedicated to stimulating their tourism and economic development, they are concurrently subject to other external factors that could hinder their growth and/or pace of recovery, including but not limited to conflicts happening in the Middle East, Russia-Ukraine conflicts, tariff policy imposed by the U.S. and geopolitical tensions. According to the statistics published by the respective GVB and MVA, visitor arrivals to Guam and Saipan remained below the pre-pandemic levels, slowing down the recovery of the Group’s business in Guam and Saipan.

Taking into account the movements of the Guam and the CNMI governments, the geopolitical tensions and recovery progress as discussed above, we expect that the business performance of the Group remains uncertain in the near term.

2. Background information of QZ Tours

QZ Tours is a tour operator based in Beijing. As part of its product offering, the QZ Tours Group charters flights from Mainland China to Saipan, procures local travel products and services from the Group and other independent suppliers, and sells them on to end-travelers through its extensive sales network and to other online travel agents and traditional travel agents. Aside from its business relationship with the Group, the QZ Tours Group has a diverse and sizeable base of accommodation and other travel service suppliers, including other hotels and resorts in Guam and Saipan.

The principal business activities of the QZ Tours Group include the operation of domestic, inbound and outbound leisure travel tours and arranging holidays for tourists from Mainland China.

As at the Latest Practicable Date, QZ Tours is owned as to 99% by Mr. Zhou Xindong, who is a son-in-law of Dr. Tan Siu Lin (chairman of the Board, non-executive Director and controlling shareholder of the Company) and a brother-in-law of Dr. Tan Henry (vice chairman of the Board, executive Director, chief executive officer and controlling shareholder of the Company), and as to 1% by Ms. Zheng Zhifang (an independent third party of the Group and its Directors).

3. The 2H2026 QZ Framework Agreement for Holiday Package Transactions

As mentioned in the 2025 Announcement and the Circular, the Company, on March 30, 2026, entered into the 2H2026 QZ Framework Agreement, commencing from July 1, 2026 and expiring on December 31, 2026.

Pursuant to the 2H2026 Framework Agreement, the QZ Tours Group shall enter into individual sales agreements and/or individual purchase orders, from time to time, (i) reserving bulk accommodation in the Group's hotels and resorts; (ii) purchasing meal coupons from the Group's on-site restaurants in the hotels and resorts and its self-operated excursion tours; and (iii) procuring destination-based, concierge and travel management services from the Group. These travel products and services are often bundled by the QZ Tours Group into holiday packages and on-sold to its customers.

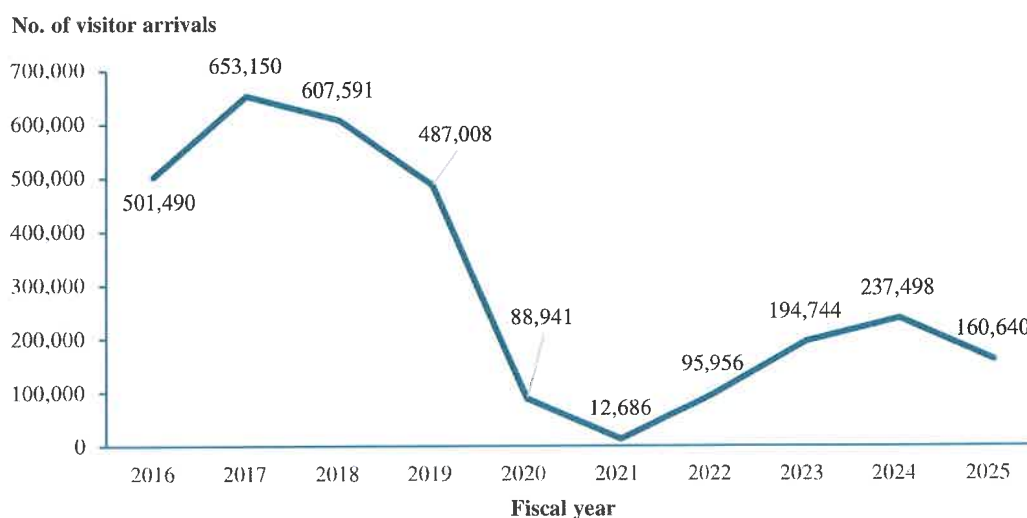
The 2H2026 QZ Framework Agreement does not restrict each of the parties from transacting with other China-based tour operators, giving the Group flexibility to select tour operators based on its operating needs and financial conditions.

3.1. Reasons for and benefits of the Holiday Package Transactions

According to the Letter from the Board, the Group has developed a close and long-term collaboration with QZ Tours since 2012. QZ Tours is one of the largest customers of the Group, accounting for approximately 5.2% and 2.6% of the total sales of the Group for FY2024 and FY2025, respectively. QZ Tours has been providing the Group with a stable volume of room nights for its hotels and resorts.

QZ Tours mainly enter into the Holiday Package Transactions with the Group for rooms and services for Crowne Plaza Resort Saipan, an InterContinental Hotels Group branded hotel, the business of which depends on the number of tourist arrivals in Saipan. Set out below is the chart on the visitor arrival to the Marianas, with Saipan as the main tourism island, published by the Department of Commerce of the CNMI for the fiscal years 2016 to 2025. Prior to the COVID-19 pandemic, the visitor arrivals were over 400,000 per year. In 2020, due to the impact of COVID-19 pandemic, the visitor arrivals dropped significantly to 88,941, and further reached at the lowest level of visitor arrivals at 12,686 in 2021. After the COVID-19 pandemic subsided, despite the number of visitor arrivals recovering to 237,498 in 2024, it was still significantly below the arrivals number prior to the COVID-19 pandemic. For 2025, the visitor arrivals declined again due to the adverse factors including the halt in the processing of the CNMI EVS-TAP of tourists from Mainland China and the reduction of flights from Seoul to Saipan.

Visitor arrivals to Marianas from fiscal year 2016 to fiscal year 2025



Source: Department of Commerce of the CNMI (<https://ver1.cnmicommerce.com/ei-visitor-arrivals>), Marianas Visitors Authority (<https://mva.mymarianas.com/press-release-reports>)

Having said that, according to the Letter from the Board, the Directors remain cautiously optimistic as regards the pace of recovery of the tourism market in Saipan in year 2026 with availability and potential increment of flights to and from Hong Kong and other key tourist origin markets such as South Korea and Japan. As such, it is expected that Crowne Plaza Resort Saipan will continue to operate throughout 2026 and remain well-positioned to capture any increase in demand. The Management of QZ Tours Group will continue to work with different airlines in Mainland China with the hope of resuming direct flight services from selected cities to Saipan in the foreseeable future.

The Board believes that QZ Tours' bulk purchase volume of rooms could optimize the Group's revenue and yield, as well as hedge its risks against the cyclical and seasonal downside of the leisure tourism market in Saipan. The 2H2026 QZ Framework Agreement provides flexibility for the Group to (subject to terms and conditions thereof and approval from the Audit Committee, if required) enter into the Holiday Package Transactions in the form of sales agreements or individual purchase orders based on the Group's operating conditions, meanwhile both the Group and the QZ Tours Group are not subject to any restriction on transacting with other China-based tour operators, by the 2H2026 QZ Framework Agreement.

Therefore, the Board is of the view, and we concur, that the Holiday Package Transactions and the renewal of the existing framework agreement with the QZ Tours Group is in the interests of the Company and its Shareholders as a whole, and is in the ordinary and usual course of business of the Group.

3.2. Principal terms of the Holiday Package Transactions

To assess the fairness and reasonableness of the terms of the 2H2026 QZ Framework Agreement for the Holiday Package Transactions, we have considered the following:

Date	:	March 30, 2026
Parties	:	(i) The Company (ii) QZ Tours
Term	:	Commencing from July 1, 2026 and expiring on December 31, 2026 (subject to and conditional upon the Company's compliance with the requirements of the Listing Rules)

Renewal : The parties may by mutual agreement renew the term of the 2H2026 QZ Framework Agreement for a period of not more than three years on the same terms and conditions (save that the parties shall determine and set out new annual cap(s) to apply for each year of the renewed term), subject always to compliance with the Listing Rules.

Holiday Package Transactions : At any time during the term, the Group may from time to time enter into sales agreements and/or individual purchase orders with the QZ Tours Group for so long as they comply with the provisions of the 2H2026 QZ Framework Agreement and the Listing Rules.

Any Group Company may enter into individual agreements in respect of Holiday Package Transactions with QZ Tours on terms to be agreed, provided always that such individual agreements are, inter alia, (i) in writing, (ii) in the Group's ordinary and usual course of business, (iii) on normal commercial terms, (iv) in compliance with all applicable provisions under the Listing Rules, (v) within the agreed annual caps (or upon the Company taking the appropriate actions to comply with the Listing Rules in respect of any amounts in excess), and (vi) no less favorable to the Group compared to those offered to other independent tour operators of comparable purchase value.

Termination : The 2H2026 QZ Framework Agreement (i) may be terminated by either party giving no less than a month's prior written notice; (ii) will be automatically terminated if QZ Tours ceases to be a connected person under the Listing Rules; (iii) may be terminated if either party commits a material breach that is either non-rectifiable or not rectified within 28 days; and (iv) may be terminated if either party becomes a subject of insolvency or liquidation.

Pricing Policy

: The parties acknowledged as follows:

1. When making a decision on the terms and conditions of the Holiday Package Transactions (including pricing, credit, payment and cancellation terms), the Group would take into account, based on arm's length commercial negotiations with QZ Tours, (i) the purchase volume of QZ Tours, (ii) the Group's projected occupancy and other operating conditions, (iii) the rates, terms and conditions offered by the Group's competitors to QZ Tours and other tour operators, (iv) the rates the Group offers through various booking channels and the Group's intended level of profits, and (v) the general market conditions, trends, seasonality, pricing and marketing landscape in the leisure tourism market in Saipan.
2. Further, any commercial terms that are different to those the Group offers to other independent tour operators must be offered to QZ Tours based on arm's length commercial negotiations principally with reference to its bulk purchase volume and the Group's operating conditions. In doing so, the Directors must specifically disregard the connected person relationship between the Group and QZ Tours.

Special conditions

: All sales agreements and individual purchase orders exceeding HK\$3.0 million on an annual aggregate basis must receive, and shall be conditional upon, specific and express approval from the audit committee of the Board (the "Audit Committee"), comprising only of the independent non-executive Directors of the Company.

For the pricing policy above, we have obtained and reviewed (i) all the room rental agreements entered into between the Company and QZ Tours Group in respect of the Holiday Package Transactions from January 2025 to February 2026; and compared against (ii) five sample room rental agreements entered into between the Company and independent tour operators randomly selected during same period for comparable transactions. During this review exercise, nothing has come to our attention that the Group's pricing policy had not been adhered to.

Generally, the Group would enter into sales agreements with tour operators on yearly or half-yearly basis, which would give those tour operators the right to reserve in bulk a number of "allocated" rooms. The number of rooms to be allocated to each tour operator and/or wholesaler depends on the Group's operating needs and their sales capability, such "allocated" rooms are

typically priced at a fixed rate categorized by seasonality. The number of rooms to be allocated and the rates to be offered to each tour operator and/or wholesaler are generally determined by a number of factors, such as the behavior of market peers, source market demand, and their historical purchase volume. Any reservation request exceeding the number of rooms allocated would be separately negotiated under individual purchase orders. The level of discount will be determined based on the level of bulk bookings by such tour operator and/or wholesaler. The higher the booking volume, the higher the level of discount to offer. Such pricing practice is commensurate with the practices of the global hotels and resorts industry.

Nevertheless, the pace of recovery of the tourism market in Saipan over the course of the next three years remains uncertain as we discussed above. Given that, the Management considers that it would be difficult for both parties to reasonably determine the realistic annual caps in relation to the Holiday Package Transactions beyond the year 2026. Therefore, the Group and the QZ Tours Group have reached an agreement to enter into the 2H2026 QZ Framework Agreement for a term of six months commencing from July 1, 2026 and ending on December 31, 2026, subject to further clarity as regards the resumption of direct flights to and from key tourist origin cities in Mainland China.

Other terms in the 2H2026 QZ Framework Agreement, such as cancellation policies, the notice period for the cancellation prior to the date of check-in offered to the QZ Tours Group is generally shorter (as short as 5 days) than other tour operators and wholesalers with relatively lower purchase volume. Such practice is commensurate with the practices of the global hotels and resorts industry.

Crowne Plaza Resort Saipan is being managed by the Hotel Manager who is empowered and authorized to determine and implement the pricing policy and guidelines for the Holiday Package Transactions to be entered into with the QZ Tours Group, in accordance with the terms of the 2H2026 QZ Framework Agreement as well as the relevant hotel management agreement for each hotel.

Under the terms of the hotel management agreements, while the Group has the right to approve the annual budget for each hotel, the Hotel Manager has the right to determine all policies and procedures relating to the operation of the hotel, including the prices for any services provided by each hotel (e.g. room rates) and sales policies. Such policies and procedures must be consistent with the approved annual budget, the relevant brand standards of the InterContinental Hotels Group as well as the industry standards for similar market-positioned hotels in the geographical area in which the relevant hotel is being operated.

Based on the above, we are also of the view that the terms of the 2H2026 Framework Agreement are on normal commercial terms and are fair and reasonable.

3.3. Annual caps

The Company and QZ Tours have previously agreed on the Existing 2026 QZ Annual Cap pursuant to the 1H2026 QZ Framework Agreement. In view of the entering into the 2H2026 QZ Framework Agreement for a further term of six months, the Company and QZ Tours have agreed to revise the Existing 2026 QZ Annual Cap to cover Holiday Package Transactions to take place during the second half of the year ending December 31, 2026.

The table below sets out the historical transaction amounts of the Holiday Package Transactions for the years ended December 31, 2023, 2024 and 2025, and six months ending June 30, 2026, the annual caps for the respective year/period and the proposed cap for the year ending December 31, 2026:

	For financial years ended 31 December			
	2023	2024	2025	2026
	US\$'000	US\$'000	US\$'000	US\$'000
Original annual caps	16,311	17,465	2,108	1,282
Actual aggregate amounts received from QZ Tours Group	326	2,218	1,157	401 (for 2 months ended February 28, 2026)
Utilization rate	2.0%	12.7%	54.9%	
Revised 2026 QZ Annual Cap				3,960

According to the Letter from the Board, the low utilization rate for FY2023 and FY2024 was mainly due to the fact that the original annual caps were determined towards the end of 2021 during the COVID-19 pandemic, when the Directors were cautiously optimistic that year 2022 would be a year of strong recovery for the global leisure travel industry in view of the increasing vaccination rates around the world. However, due to the continued impact of the COVID-19 pandemic, the pace of recovery of the tourism market in Saipan continued to remain sluggish. Group tours from Mainland China to Saipan only resumed gradually from around August 2023, whilst direct flights between Hong Kong and Saipan only resumed in late April 2024. The utilization rate for the financial year ended December 31, 2025 was noted low as well, of approximately 54.9%, which was mainly due to an abrupt suspension in the processing of

travelers' applications under the CNMI EVS-TAP by the U.S. Customs and Border Protection in April 2025. The recovery of tourist arrivals from Mainland China to the CNMI was halted and the direct flights from Hong Kong to Saipan were suspended from late April 2025 until late September 2025. However, since the direct flights resumed, the demand for the Holiday Package Transactions saw a 421% increase in the fourth quarter of 2025 as compared to the third quarter of 2025, according to the Letter from the Board. In addition, it is noted that there was an increasing trend in the utilization rate over the past three years, given that the Company has adjusted the annual caps to the level that was considered to be more realistic, based on the tourism market environment.

The utilization of the original annual cap for the year ending December 31, 2026 (which only covered the Holiday Package Transactions under the 1H2026 QZ Framework Agreement for the first six months of the year ending December 31, 2026), was over 30% for the two months ended February 28, 2026. As such, the Directors believed that it was necessary to update the assumptions when determining the Revised 2026 QZ Annual Cap (which will cover the Holiday Package Transactions for the full year ending December 31, 2026). Based on our review of the estimation of the Revised 2026 QZ Annual Cap prepared by the Management and our discussion with the Management, we understand that the Revised 2026 QZ Annual Cap for the Holiday Package Transactions with the QZ Tours Group was determined after having considered (i) the unaudited transaction amount with the QZ Tours Group, in particular, the latest amounts since the resumption of direct flights between Hong Kong and Saipan in late September 2025, including the two months ended February 28, 2026; and (ii) the estimated level of demand for the Group's tourism products and services during the year ending December 31, 2026, taking into account the expected pace of recovery of the leisure tourism market in Saipan, the Group's Managaha Island operations and the potential increase of direct flights from Hong Kong to Saipan as well as the commencement of direct flights from key tourist origin cities in Mainland China to Saipan in the second half of year 2026.

To assess the fairness and reasonableness of the Revised 2026 QZ Annual Cap, we have reviewed and discussed with the Management on the calculation basis and assumptions. We understand that the Revised 2026 QZ Annual Cap has been arrived at on the assumptions including (i) the existing direct flights from Hong Kong to Saipan (two flights per week) will remain in operation throughout year 2026, and the load factor for the blocked seats of each flight will be 80% and 90% for off-peak and peak season during the first half of 2026, respectively, and 100% for the second half of 2026; (ii) additional flights from Hong Kong to Saipan (two additional flights per week) will commence from May 2026, and the load factor for the blocked seats of each flight will be 72% for May 2026 and 100% for the second half of 2026; (iii) Crowne Plaza Resort Saipan and Century Hotel will continue to operate throughout 2026 and all passengers with flight bookings under the Holiday Package Transactions will stay at either Crowne Plaza Resort Saipan or Century Hotel, with a slight increase of passengers choosing to stay at Crowne Plaza Resort

Saipan; (iv) the Group's destination services in Saipan will continue to remain in full operation throughout 2026 and additional destination services relating to Managaha Island will be available during year 2026; and (v) the demand of optional activities under the Holiday Package Transactions will increase by 150% in the first half of 2026 as compared to 2025 in view of the Managaha Island Master Concession Agreement, and further increase by 100% in the second half of 2026.

We have reviewed the press releases of Marianas Visitors Authority in February and March 2026, which stated that the load factor, or percentage of seats sold, on Hong Kong Airlines' twice weekly direct flights from Hong Kong to Saipan remains healthy, and the market is anticipated to grow provided that the CNMI EVS-TAP continues without further interruption as experienced last year, and Hong Kong Airlines is anticipated to double its flight service in May 2026. Based on our discussion with the Management, we understand that the percentage for the blocked seats for the flights from Hong Kong to Saipan is estimated based on the factors including, among others, the historical rates and expected growth in market demand. Besides, we are of the view that the estimated increase in demand of optional activities under the Holiday Package Transactions is reasonable given that the Group has officially started the operations of transportation to and from Managaha Island, as well as non-motorized marine sports, recreational activities, food, beverages and souvenirs since February 15, 2026. Managaha Island is a popular day-trip destination for tourists and is about ten-minute boat ride from Crowne Plaza Resort Saipan and it is expected that the services provided by the Group would enhance the overall experience of the Group's hotel guests and expand the excursion tours business in Saipan under the Destination Services Segment.

Based on the above, given that the Management's assumptions and basis in setting the Revised 2026 QZ Annual Cap are supported, in particular, by (i) the substantial increase in demand for the Holiday Package Transactions following the resumption of direct flights between Hong Kong and Saipan in late September 2025; and (ii) the latest official information published by Marianas Visitors Authority and historical information, we are of the view that the Revised 2026 QZ Annual Cap for the Holiday Package Transactions has been determined on a fair and reasonable basis.

4. Internal control measures

According to the Letter from the Board, the Group has adopted the following internal control measures in respect of the Holiday Package Transactions that are carried out in accordance with the Group's pricing policies and to ensure the transactions are conducted on normal commercial terms.

- (i) The Audit Committee continuously monitors and will continuously monitor the Group's continuing connected transactions on an on-going basis.

- (ii) The Audit Committee will compile an annual review report on continuing connected transactions of the Group, including the Holiday Package Transactions, considering whether all of the continuing connected transactions of the Group are entered into in the ordinary and usual course of business of the Group, on normal commercial terms or, if applicable, on terms no less favorable to the Group than those available to or from (as appropriate) independent third parties, and are fair and reasonable to the Group and in the interests of the Company and Shareholders as a whole.
- (iii) The Audit Committee is empowered with various functions, powers and authority to maintain the effectiveness of its review of the continuing connected transactions of the Group, including but not limited to meeting every six months to review the reports on continuing connected transactions, appointing any financial or legal advisers as it considers necessary for its review, requiring alterations, modifications or changes to the terms of the continuing connected transactions of the Group in whatever manner as the independent non-executive Directors consider fit to ensure all continuing connected transactions are carried out on an arm's length basis.
- (iv) The Group has in place an internal monitoring mechanism to ensure that the relevant annual caps for the Group's continuing connected transactions will not be exceeded. On a monthly basis, a monitoring summary of the continuing connected transactions will be prepared by the Senior Finance Manager of the Group, detailing (i) the nature of the continuing connected transactions; (ii) the parties to the relevant transactions; (iii) the monthly amount of the relevant transactions; and (iv) the utilization rate of the corresponding annual cap.

The monitoring summary will then be submitted to the Group Financial Controller for review on a monthly basis in order to assess whether the relevant annual cap would potentially be exceeded based on the management forecast of upcoming transactions for the remainder of the year with reference to historical data, seasonality, etc. if the actual utilization rate has reached the threshold of 80% of the relevant annual cap, the Group Financial Controller will inform the Management, who will assess whether there is a need to revise the annual cap based on the estimated amount of upcoming transactions. If the Management decides that there is a need to increase the relevant annual cap, a revised annual cap will be proposed to the Board, and the Company will proceed to take steps to comply with all applicable requirements under the Listing Rules, including obtaining Independent Shareholders' approval if required.

According to the Annual Report 2024 and based on our discussion with the Management, we noted that the Company had received confirmation letters from the independent non-executive Directors that the continuing connected transactions of the Company for FY2024 and FY2025 (i)

were entered into in the ordinary and usual course of business of the Group; (ii) were either on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and (iii) were in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders as a whole.

For details of all relevant internal control measures of the Group, please refer to the Letter from the Board. We are of the view that appropriate measures have been in place to govern that the Holiday Package Transactions will be conducted in the interest of the Company and its Shareholders as a whole.

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the view that the (i) the entering into of the Holiday Package Transactions is in the ordinary and usual course of business of the Group, and in the interests of the Company and the Independent Shareholders as a whole; (ii) the terms of the Holiday Package Transactions are on normal commercial terms and are fair and reasonable as far as the Company and the Independent Shareholders are concerned; and (iii) the Revised 2026 QZ Annual Cap in respect of the Holiday Package Transactions have been fairly and reasonably arrived at.

Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee, to advise the Independent Shareholders, to vote in favor of the resolution(s) to approve the Holiday Package Transactions (including the Revised 2026 QZ Annual Cap) at the AGM.

Yours faithfully,
For and on behalf of
Quam Capital Limited



Leo Chan

Head of Corporate Finance



Simon Kwok

Director of Corporate Finance

Mr. Leo Chan is the Head of Corporate Finance of Quam Capital Limited and is licensed under the SFO as a Responsible Officer to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Chan has approximately 30 years of experience in corporate finance.

Mr. Simon Kwok is the Director of Corporate Finance of Quam Capital Limited and is licensed person under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Mr. Kwok has approximately 10 years of experience in corporate finance.