

April 30, 2025

To the Independent Board Committee and the Independent Shareholders

Dear Sirs or Madams,

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS 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 relation to the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap, details of which are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated April 30, 2025 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

References are made to (i) the 2024 Announcement with respect to the 1H2025 QZ Framework Agreement and the Existing 2025 QZ Annual Cap; and (ii) the Announcement in relation to, amongst other things, the renewal of continuing connected transactions pursuant to the 2H2025 QZ Framework Agreement and the Revised 2025 QZ Annual Cap.

The 1H2025 QZ Framework Agreement will expire on June 30, 2025. Pursuant to the provisions of the 1H2025 QZ Framework Agreement, at any time prior to the expiry thereof, the parties may by mutual agreement renew the framework agreement for a period of not more than three years on the same terms and conditions, save that the parties shall determine new annual cap(s) to apply for each year of the renewed term. The Company intends to continue to enter into the Holiday Package Transactions contemplated under the 1H2025 QZ Framework Agreement after

June 30, 2025. However, as the pace of recovery of the tourism market in Saipan over the course of the next three years remains uncertain, the management of the Group is of the view that it would be difficult for the parties to reasonably determine realistic annual caps for a three-year period at this point in time. As such, the Company has proposed to renew the 1H2025 QZ Framework Agreement for a further period of six months and revise the Existing 2025 QZ Annual Cap in view thereof.

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). QZ Tours is thus a majority-controlled corporation of a deemed connected person of the Company under 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 2H2025 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 2025 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 and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether (i) the entering into of the 2H2025 QZ Framework Agreement is in the ordinary and usual course of business of the Group based on normal commercial terms; and (ii) the terms of the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to whether to vote in favour of the relevant resolutions to be proposed at the AGM to approve the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap. As the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regards.

OUR INDEPENDENCE

As at the Latest Practicable Date, Lego Corporate Finance Limited did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of Lego Corporate Finance Limited. In the last two years, there was no engagement between the Company and Lego Corporate Finance Limited. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we had received or will receive any fees or benefits from the Company or any other party to the transactions. Accordingly, we consider that we are eligible to give independent advice on the entering into of the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Company; (iii) the opinions expressed by and the representations of the Directors and the management of the Group (the “**Management**”); and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects at the time they were made and up to the Latest Practicable Date and may be relied upon. We have also assumed that all such statements of belief, opinions and intention of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and/or the Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the Management were true, accurate, complete and not misleading in all respects at the time they were made and continued to be so up to the date of the AGM.

We consider that we 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, representations made or opinion expressed by the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, the QZ Tours Group or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

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

1. Information on the parties to the 2H2025 QZ Framework Agreement

The Group

The Group is principally engaged in (i) hotel and resort operations in Guam and Saipan; (ii) travel retail business of luxury and leisure clothing and accessories in Guam, Saipan and Hawaii; and (iii) the provision of destination services including the operation of souvenir and convenience stores in Guam and Saipan, the operation of excursion tours in Saipan and the provision of land arrangement and concierge services in Saipan.

QZ Tours and QZ Tours Group

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.

2. Reasons for and benefits of the entering into of the 2H2025 QZ Framework Agreement

The Group has developed a close and long-term collaboration with QZ Tours since 2012. Before the COVID-19 pandemic, QZ Tours has been providing the Group with a stable volume of room nights for its hotels and resorts. Based on the review of the top customers list of the Group, we noted that QZ Tours remained the largest customer of the Group, accounting for approximately 5.2% of the total sales of the Group for the year ended December 31, 2024.

A framework agreement between the Group and QZ Tours provides flexibility for the Group to (subject to the 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, and regulates the Holiday Package Transactions within the boundary of the Listing Rules. In addition, the 2H2025 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. With QZ Tours' bulk purchase volume, the Directors believe that the Group could optimise its revenue and yield and hedge its risks against the cyclical and seasonal downside of the leisure tourism market in Saipan. Accordingly, the Directors consider, and we concur, that it is in the interest of the Group and the Shareholders as a whole to renew the existing framework agreement with QZ Tours so that the Group may continue to regulate current and future Holiday Package Transactions under a clear framework agreement.

Nevertheless, as the pace of recovery of the tourism market in Saipan over the course of the next three years remains uncertain, the Management consider that it would be difficult for the parties to reasonably determine realistic annual caps in relation to the Holiday Package Transactions beyond the year 2025. As such, the parties have agreed to enter into the 2H2025 QZ Framework Agreement for a term of six months from July 1, 2025 to December 31, 2025, pending further clarity as regards the resumption of direct and/or indirect flights to and from the key tourist origin cities in Mainland China.

Taking into consideration the above and in particular that (i) (a) hotel and resort operations in Guam and Saipan; and (b) the provision of destination services in Saipan including the operation of souvenir and convenience stores, the operation of excursion tours and the provision of land arrangement and concierge services are the Group's principal businesses and the Group has been conducting the Holiday Package Transactions to the QZ Tours Group for years; (ii) QZ Tours has been one of the Group's largest customers; (iii) the 2H2025 QZ Framework Agreement does not preclude the Group from choosing other tour operators; (iv) the Group and QZ Tours have established a long-standing business relationship and mutual understanding of the standards, requirements and specific needs of each other; and (v) the Group may continue to regulate current and future Holiday Package Transactions under a clear framework agreement, we are of the opinion that the renewal of the 2H2025 QZ Framework Agreement is within the ambit of the businesses currently run by the Group and is therefore conducted in the ordinary and usual course of the Group's businesses and in the interests of the Group and the Shareholders as a whole.

3. Principal terms of the 2H2025 QZ Framework Agreement

In view of the entering into of the 2H2025 QZ Framework Agreement for a further term of six months, the Company and QZ Tours have agreed to revise the Existing 2025 QZ Annual Cap to cover Holiday Package Transactions to take place during the six months ending December 31, 2025, while all the terms and conditions of the 2H2025 QZ Framework Agreement shall remain the same as the 1H2025 QZ Framework Agreement, details of which are disclosed in the section headed “Principal Terms of the 2H2025 QZ Framework Agreement” of the Letter from the Board.

Payment Term

In accordance with the terms of the individual sales agreements and/or purchase orders with QZ Tours in respect of Holiday Package Transactions, invoices will be issued to QZ Tours for each individual booking. Generally, a credit period of net 30 end of the month (i.e., payment is due 30 days after the end of the month in which the invoice was issued) is offered to QZ Tours. The same credit period is also offered to an independent tour operator customer of the Group with longstanding relationship with the Group and similar credit worthiness as QZ Tours.

In assessing the fairness and reasonableness of the payment term under the Holiday Package Transactions, we have reviewed the room rental agreements provided by the Company in respect of the Holiday Package Transactions with QZ Tours and independent tour operator customers in Mainland China, Japan and South Korea entered into for the period from April 1, 2023 to March 31, 2025 (the “**Review Period**”), which demonstrates the market condition post-COVID-19.

Based on our review, we noted that the credit term offered to QZ Tours is in line with that offered to other independent tour operator customer with similar credit worthiness as QZ Tours by the Group, save and except South Korean and other small tour operators (the credit period of which will vary on a case-by-case basis due to market practice depending on the time period between the invoice date and the arrival date of the customer). As such, the Board is of the view, and we concur, that the payment term offered to QZ Tours is fair and reasonable and on normal commercial terms.

Pricing Policy and Guidelines

As disclosed in the Letter from the Board, apart from the purchase volume of QZ Tours, the parties expressly acknowledged under the 2H2025 QZ Framework Agreement that, when making a decision on the terms and conditions of the Holiday Package Transactions, the Group would take into account various other factors. Such factors include, but are not limited to, the rates, terms and conditions offered by the Group's competitors to QZ Tours and other tour operators, as well as the general market conditions, trends, seasonality, pricing and marketing landscape in the leisure tourism market in Saipan.

Due to the size of the leisure tourism market in Saipan, the Group's hotels (especially Crowne Plaza Resort Saipan) have a limited number of direct competitors. Century Tours, a subsidiary of the Company, is engaged in destination-based concierge and travel management services in Saipan. As such, the Group would be kept updated on the rates and terms generally offered by competitors to tour operators such as Century Tours. In addition, due to the longstanding relationship between QZ Tours and the Group, QZ Tours would openly share the rates, terms and conditions offered by the Group's competitors with the Group during the negotiation process. The Hotel Manager would also receive up-to-date market information through the Hotel Association of Northern Mariana Islands on a monthly basis. Such market information is gathered through voluntary reporting by various hotels in Saipan, which includes occupancy rates, average length of stay, average room rate, room revenue, etc. The Mariana Visitors Authority (the "MVA") would also publish tourist arrival statistics for Saipan on its website on a monthly basis. With the benefit of such information on the general market conditions, trends, seasonality, pricing and market landscape in the leisure tourism market in Saipan, the Hotel Manager is well informed when conducting arms' length negotiations with customers (including QZ Tours and other independent tour operators), ensuring that the rates and terms offered by the Group commensurate with market practices.

Under the 2H2025 QZ Framework Agreement, the parties also acknowledged that 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 Group must specifically disregard the connected person relationship between the Group and QZ Tours. As Crowne Plaza Resort Saipan is managed by the Hotel Manager (an independent third party) as mentioned above, the policies and procedures determined by the Hotel Manager ensure that negotiations are carried out on an arm's length basis, and that the rates and terms (including levels of discounts, cancellation periods and other terms) offered to QZ Tours are no less favourable to the Company than those offered to independent customers with comparable bulk purchase volume. The procedures in place provide that wholesale contracts with travel agents will be negotiated through the regional Sales Manager, and there will be an internal control process ensuring that

wholesale contracts with any tour operator (including QZ Tours and other independent tour operators) will be subject to review and approval by the Sales Director who has the authority to sign the contract. As both the Sales Manager and the Sales Director are personnel of the Hotel Manager, the negotiation and approval process are conducted through independent third parties. As the owner of the hotel, the Group will be provided with daily flash reports prepared by the Hotel Manager setting out various information, including the total number of rooms sold and the average daily room rate for the hotel. When promotional rates are offered by the Hotel Manager from time to time for a particular period i.e., seasonal discounts, the Group will be informed in a timely manner. Monthly reports will also be provided by the Hotel Manager to the Group detailing the total number of rooms sold through different channels (e.g., wholesale package tours, corporate clients, etc.) and the average daily room rate for each sales channel, together with other detailed information such that the Group will be well informed on the revenue and profit/loss of the hotel for the relevant month and year-to-date.

As mentioned above, according to the Hotel Manager's sales policy, discounted wholesale rates will be offered by the Hotel Manager to all tour operators and wholesalers, but the levels of discounts, cancellation policies and other terms will vary based on volume.

In assessing the fairness and reasonableness of the pricing basis under the Holiday Package Transactions, we have reviewed (i) all the room rental agreements provided by the Company in respect of the Holiday Package Transactions with QZ Tours entered into for the Review Period; and (ii) six sets of randomly selected comparable agreements provided by the Company in respect of the sales of hotels and resorts room nights between the Group and other independent tour operators entered into for the Review Period, which demonstrates the market condition post-COVID-19.

We considered such review on a random sampling basis was sufficient and representative from the independent financial adviser's perspective and nothing has come to our attention that causes us to believe that such agreements did not follow the internal control measures, after taking into account that the sample agreements (i) covered all places of operation of tour operators, namely, Mainland China, South Korea and Japan; (ii) stipulated the room rates for all seasons, namely peak season, on season, shoulder season and off season; and (iii) stipulated the room rates for all room categories and capacity.

Based on the review of these comparable agreements, we noted that the pricing terms offered by the Group were in accordance to the pricing policies of the Group. The comparison shows that the room rates during different seasons can vary and discounted wholesale rates applied to the tour operators and wholesalers, but the levels of discounts, cancellation policies and other terms varied based on volume. We noted that the number of rooms reserved and actually purchased by QZ Tours for the Review Period were generally significantly higher than that reserved and purchased

by other independent tour operators. We further noted that the room rates offered to QZ Tours were generally lower than independent tour operators, from approximately 1% to 10% subject to the bulk purchase volume.

Taking into consideration the abovementioned, and particularly the following factors, we concur with the Management's view that the pricing terms offered by the Group were no more favourable to QZ Tours than those offered to other independent tour operators in the comparable transactions:

- (i) We have discussed with the Management and were given to understand that the rates and terms are pre-determined by the Hotel Manager (an independent third party) based on source market, seasonality and room types for each hotel, which apply to both QZ Tours and all other independent tour operators consistently, and there are policies and procedures (the "**Policies and Procedures**") determined by the Hotel Manager to ensure that negotiations are carried out on an arm's length basis (including levels of discounts). The wholesale contracts with travel agents will be negotiated through the regional Sales Manager, and there will be an internal control process ensuring that wholesale contracts with any tour operator (including QZ Tours and other independent tour operators) will be subject to review and approval by the Sales Director who has the authority to sign the contract. As both the Sales Manager and the Sales Director are personnel of the Hotel Manager, the negotiation and approval process are conducted through independent third parties.
- (ii) We have reviewed the Policies and Procedures, which provided the Hotel Manager with guidance to determine rates for the hotel accounts. We noted that the Policies and Procedures applied to all the hotels across the globe managed by the Hotel Manager and nothing has come to our attention that causes us to believe that the Hotel Manager did not follow the Policies and Procedures.
- (iii) The pricing terms the Group offered to QZ Tours were determined principally with reference to the level of its bulk bookings, which is commensurate with the practices of the global hotels and resorts industry. None of the other independent tour operators (including those which also placed bulk bookings with the Group) had placed bookings on a comparable level to that of QZ Tours during the Review Period. For the year ended December 31, 2024, QZ Tours contributed approximately 5.2% of the Group's total revenue, whereas the next largest tour operator of the Group accounted for only approximately 1.2% of the Group's total revenue.

- (iv) The Group also generally offers discount to other tour operators which place bulk bookings with the Group and such discount is primarily determined based on the level of purchase volume.

In addition to the aforementioned sample agreements, we have reviewed the internal control manual, the monthly connected transactions monitoring summary submitted to the Group Financial Controller, and the Audit Committee meeting minutes for the three years ended December 31, 2024. We noted that the Senior Finance Manager of the Group submitted the connected transactions monitoring summary (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 utilisation rate of the relevant annual cap) to the Group Financial Controller for review and assessment on a monthly basis, and the Audit Committee convened meeting in every six months to review the Holiday Package Transactions, which were in compliance with the internal control measures.

We further noted that the Audit Committee confirmed that the Holiday Package Transactions (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 favourable to the Group than terms available to or from independent third parties; and (iii) were in accordance with relevant agreements governing them on terms that were fair and reasonable and in the interest of the Shareholders as a whole. Accordingly, we understand the Group has a positive track record in respect of compliance with the pricing policies and the internal control measures. We consider the effective implementation of such internal control measures will help to ensure fair pricing of the Holiday Package Transactions. In light of the above, we concur with the Management's view that the pricing basis for the Holiday Package Transactions is fair and reasonable.

Based on the foregoing, we are of the view that the terms of the 2H2025 QZ Framework Agreement (including the payment and the pricing terms) are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interest of the Company as a whole.

4. Review of the historical transaction amount

The table below sets out the historical transaction amounts and the annual caps for the Holiday Package Transactions for the three years ended December 31, 2024 and the year ending December 31, 2025:

	For financial years ended/ending December 31,			
	2022	2023	2024	2025
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
Original annual caps	5,079	16,311	17,465	1,185
Actual aggregate amounts received				
from the QZ Tours Group	Nil	326	2,218	332 ^(Note)
Utilisation rates (%)	—	2.00	12.70	28.0

Note: For two months ended February 28, 2025

There was low utilisation of the original annual caps under the Original QZ Framework Agreement for the three years ended December 31, 2022, 2023 and 2024. As disclosed in the Letter from the Board, the low utilisation was 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. It was expected that flights to Saipan would gradually resume and Crowne Plaza Resort Saipan would be reopened in around March 2022, with Kanoa Resort to follow. However, due to the continued impact of the COVID-19 pandemic, Crowne Plaza Resort Saipan only reopened in late October 2022, and Kanoa Resort remained closed since July 2022. The pace of recovery of the tourism market in Saipan continued to remain sluggish throughout 2022 to 2024. Group tours from Mainland China to Saipan only resumed gradually from around August 2023, and direct flights between Hong Kong and Saipan only resumed in late April 2024. As such, the demand for Holiday Package Transactions remained low.

5. Revised 2025 QZ Annual Cap

For the financial
year ending
December 31,
2025
(US\$'000)

Revised 2025 QZ Annual Cap	2,108
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As disclosed in the Letter from the Board, in view of the entering into of the 2H2025 QZ Framework Agreement for a further term of six months from July 1, 2025 to December 31, 2025, there is a need to revise the Existing 2025 QZ Annual Cap (which only covered the Holiday Package Transactions under the 1H2025 QZ Framework Agreement for first six months of the year ending December 31, 2025) in order to cover Holiday Package Transactions to take place during the second half of the year.

In order to assess the fairness and reasonableness of the Revised 2025 QZ Annual Cap, we have obtained and reviewed the estimation of the Revised 2025 QZ Annual Cap prepared by the Company, and discussed with the Management regarding the basis and assumptions underlying the estimation of the Revised 2025 QZ Annual Cap. During our review of the calculation of the Revised 2025 QZ Annual Cap, we noted that the Revised 2025 QZ Annual Cap is determined based on (i) historical amounts of the Holiday Package Transactions; and (ii) the estimated level of demand for the Group's tourism products and services during the year ending December 31, 2025, taking into account the expected pace of recovery of the leisure tourism market in Saipan and the potential commencement of indirect flights from key tourist origin cities in Mainland China to Saipan via Seoul, South Korea in the second half of year 2025. Although flight service operated by United Airlines between Saipan and Tokyo, Japan, commenced in September 2022, it is noted that tourists from Mainland China rarely travel to Saipan via Japan as noted from statistical data published by the MVA and information provided by QZ Tours. Historically, QZ Tours would partner with airlines from time to time to provide charter flights between Hong Kong and Saipan or Seoul and Saipan for visitors travelling from Mainland China. However, QZ Tours does not have a partnership with United Airlines as United Airlines does not operate flights from Mainland China to Japan. As such, the availability of flights between Saipan and Japan have not been taken into account when determining the Revised 2025 QZ Annual Cap.

For illustrative purpose, the annualised actual aggregate amounts received from the QZ Tours Group for the year ending December 31, 2025 (which is calculated based on the amounts received from the QZ Tours Group of approximately US\$332,000 for two months ended February 28, 2025) amounts to approximately US\$1,992,000 (the "Annualised Service Fees"), which exceeds the

Existing 2025 QZ Annual Cap of approximately US\$1,185,000 for the year ending December 31, 2025. In addition, the actual aggregate amounts received from QZ Tours Group for the year ended December 31, 2024 was US\$2,218,000, also higher than the Existing 2025 QZ Annual Cap. As such, the Company considers the Existing 2025 QZ Annual Cap will not be sufficient to meet its requirements.

Based on the above and taking into account that (i) the actual aggregate amounts received from the QZ Tours Group for the year ended December 31, 2024 amounted to approximately US\$2,218,000, which represents approximately 105.2% of the Revised 2025 QZ Annual Cap of approximately US\$2,108,000; and (ii) the Annualised Service Fees of approximately US\$1,992,000 represents approximately 94.5% of the Revised 2025 QZ Annual Cap of approximately US\$2,108,000, we are of the view that the latest estimation of the expected amounts under Holiday Package Transactions for the year ending December 31, 2025 are fair and reasonable.

As disclosed in the Letter from the Board, there has been a gradual increase in the number of visitors from Mainland China (travelling via Hong Kong) since the second half of 2024, primarily attributable to the resumption of direct flights between Hong Kong and Saipan in late April 2024. However, direct flights between cities in Mainland China and Saipan have yet to resume as at the Latest Practicable Date. We have discussed with the Management and were given to understand that while the timeline for the resumption of direct flights between Mainland China and Saipan remains uncertain, the Management has been informed by the MVA that indirect flight service between key tourist origin cities in Mainland China and Saipan via Seoul, South Korea, may commence by partnering with a South Korean airline in the foreseeable future. We have reviewed the press releases dated February 3, 2025, March 3, 2025 and March 5, 2025 issued by the MVA (<https://mva.mymarianas.com/press-release-reports/>) and noted that the MVA has developed a sustainable tourism plan aimed at promoting Saipan as a unique and culturally rich destination, including initiatives to enhance local cultural events. The MVA launched its new marketing campaign, focusing on sports and leisure tourism in Saipan, in late February 2025 in Korea, and appointed a South Korean actress as an ambassador. An annual signature event of the MVA, Saipan Marathon, has been held on March 8, 2025, with runners from 19 countries and territories including Mainland China, South Korea and Japan. The 26th Annual Taste of The Marianas International Food Festival will be held every Saturday in May 2025 at American Memorial Park in Saipan, featuring some of the destination's best cuisine and entertainment. Having considered the aforementioned, and (i) the MVA has been working on improving the infrastructure and marketing strategies to promote and develop the Northern Mariana Islands as a premiere destination of choice for visitors by holding various cultural events across the Northern Mariana Islands, in particular Saipan throughout the year; and (ii) based on the statistics published by the MVA, visitors from Mainland China recorded an increase of approximately 137.2% in January

2025 as compared to January 2024, the Management is of the view, and we concur, that it is fair and reasonable for the Group to adjust the Existing 2025 QZ Annual Cap upward to correspond to the potential increase in availability of flights in the second half of year 2025.

In light of the above, we are of the view that the Revised 2025 QZ Annual Cap and the major factors considered as the bases of determining the Revised 2025 QZ Annual Cap are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

However, the Shareholders should note that as the Revised 2025 QZ Annual Cap is determined based on various factors relating to future events and assumptions which may or may not remain valid for the entire period up to December 31, 2025, and they do not represent any forecasts or estimations of the Group's financial performance. Consequently, we express no opinion as to how closely the actual future transaction amounts of the continuing connected transactions will correspond with the Revised 2025 QZ Annual Cap.

6. Internal control measures

As stated in the Letter from the Board, the internal control measures in connection with the Holiday Package Transactions are as follows:

- (i) The Audit Committee, which comprises only of the Group's independent non-executive Directors, continuously monitors and will continuously monitor the Group's continuing connected transactions on an on-going basis.
- (ii) On an annual basis, an annual review report on continuing connected transactions will be compiled by the Audit Committee. The Audit Committee will carefully consider 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 the Shareholders as a whole.
- (iii) The Audit Committee is also empowered with various functions and powers to safeguard the annual review of the continuing connected transactions, including but not limited to meeting every six months to review the reports on continuing connected transactions, authority to appoint any financial or legal adviser as it considers necessary for its review, power to require alterations, modifications or changes to the terms of the

continuing connected transactions in whatever manner as the independent non-executive Directors see fit to ensure all continuing connected transactions are carried out on an arm's length basis.

- (iv) Directors who may be perceived to have conflicts of interests, such as Directors who hold controlling interests in the connected persons, will not participate in any meetings or discussions of the Board and the Audit Committee, or be included in any decision making processes relating to such conflicting matters.
- (v) In addition, the Audit Committee is also empowered under the 2H2025 QZ Framework Agreement to consider and, if appropriate, give specific and express approval to all sales agreements and individual purchase orders exceeding HK\$3.0 million on an annual aggregate basis (being the de minimis threshold under Rule 14A.76(1) of the Listing Rules). The Hotel Manager has been informed of such policy, and if there is any proposed individual sales agreement or purchase order with QZ Tours exceeding HK\$3.0 million (on an annual aggregate basis), the Hotel Manager will promptly inform the Management accordingly. The Management will then request the Hotel Manager to provide all information relating to the sales agreement or purchase order (including the proposed contractual terms, booking information, prices offered to other tour operators, purchase volume of other tour operators, market information on seasonality etc.) to be submitted to the Audit Committee for consideration and approval. The Hotel Manager will not enter into such sales agreement or purchase order with QZ Tours unless the specific and express approval of the Audit Committee has been obtained.
- (vi) The Group has in place an internal monitoring mechanism to ensure that the relevant annual caps for the Group's continuing connected transactions, including the Revised 2025 QZ Annual Cap, would not be exceeded. On a monthly basis, a continuing connected transactions monitoring summary would 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 utilisation rate of the relevant annual cap. The summary will 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, flight availability, as well as the number of block seats secured by QZ Tours with the relevant airlines (as informed by QZ Tours). If the actual utilisation 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 shareholders' approval if required.

As the above internal control procedures would be reviewed by the Audit Committee and the auditors of the Group to ensure full compliance with the Listing Rules, we concur with the Directors' view that there are adequate internal control procedures and external supervision measures to ensure that the Holiday Package Transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

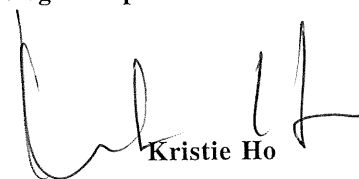
Having considered the principal factors and reasons described above, we are of the opinion that (i) the entering into of the 2H2025 QZ Framework Agreement is in the ordinary and usual course of business of the Group; and (ii) the terms of the 2H2025 QZ Framework Agreement are on normal commercial terms, and together with the adoption of the Revised 2025 QZ Annual Cap, are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM to approve the 2H2025 QZ Framework Agreement, the Holiday Package Transactions contemplated thereunder, and the Revised 2025 QZ Annual Cap.

Yours faithfully,

For and on behalf of

Lego Corporate Finance Limited



Kristie Ho
Managing Director

Ms. Kristie Ho is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. She has over 20 years of experience in the securities and investment banking industries.