
LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the letter of advice from the Independent Board Committee to the Independent Shareholders, which has been prepared for the purpose of this circular.



佳華百貨控股有限公司
Jiahua Stores Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 00602)

27 June 2023

To: the Independent Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL ACQUISITION
AND CONNECTED TRANSACTION
IN RELATION TO THE CONNECTED LEASE AGREEMENTS**

We refer to the circular of the Company dated 27 June 2023 (the “Circular”) of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used herein.

We have been appointed by the Board to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the Connected Lease Agreements and the transactions contemplated, thereunder was entered into in the ordinary and usual course of business of the Group on normal commercial terms, and the terms of the Connected Lease Agreements and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Having considered the terms of the Connected Lease Agreements and the advice of Independent Financial Adviser in relation thereto as set out on pages 22 to 55 of this Circular, we are of the opinion that the Connected Lease Agreements was entered into in the ordinary and usual course of business of the Group; on normal commercial terms, and the terms of the Connected Lease Agreements and the transactions contemplated thereunder are in the interests of the Company and its Shareholders as a whole and are fair and reasonable so far as the Independent Shareholders are concerned.

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Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Connected Lease Agreements and the transactions thereunder.

Yours faithfully,
Independent Board Committee

Mr. Chin Kam Cheung

Mr. Sun Ju Yi

Mr. Ai Ji

Independent Non-executive Director

