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PARKSON 百盛
PARKSON RETAIL GROUP LIMITED
百盛商業集團有限公司
(a company incorporated in the Cayman Islands with limited liability)
(Stock Code: 3368)

MAJOR TRANSACTION:
(1) RENEWAL OF TENANCY IN CHENGDU CITY,
SICHUAN PROVINCE, THE PRC;
AND
(2) SUPPLEMENTAL AGREEMENT TO THE
CHENGDU RENEWAL AGREEMENT

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

A letter from the Board is set out on pages 4 to 19 of this circular.

The transactions being the subject matter of this circular has been approved in writing by a closely allied group of Shareholders who together hold more than 50% of the voting rights of the Company which have been accepted in lieu of holding of a general meeting pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only.

25 November 2025

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	means the board of Directors.
“Chengdu No.1”	means Chengdu No.1 Commerce Co., Ltd.* (成都市第一城商業有限公司), a company established in the PRC.
“Chengdu Original Tenancy Agreement”	means the tenancy agreement in respect of the Chengdu Property dated 25 December 2006 as amended and supplemented by agreement in writing from time to time.
“Chengdu Property”	means the property located at No. 2 Zongfu Road, Jinjiang District, Chengdu City, Sichuan Province, the PRC, comprised of the basement, level 1 to level 5 of the Times Square Complex.
“Chengdu Renewal Agreement”	means the renewal agreement to the Chengdu Original Tenancy Agreement in respect of the Chengdu Property entered into between the Landlords and Sichuan Parkson on 6 November 2025.
“Chengdu Tenancy”	means the tenancy for the Chengdu Property as renewed pursuant to the Chengdu Renewal Agreement and the Supplemental Agreement.
“Company”	means Parkson Retail Group Limited 百盛商業集團有限公司, a company incorporated in the Cayman Islands.
“Directors”	means the directors of the Company.
“Group”	means the Company and its subsidiaries.
“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong.
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC.
“IFRS 16”	means the “International Financial Reporting Standard 16 – Leases” issued by the International Accounting Standards Board, which sets out principles for lease recognition, measurement and disclosure.

DEFINITIONS

“Landlords”	means Sichuan Tairan, Sichuan Kedi and Chengdu No.1, collectively.
“Latest Practicable Date”	means 20 November 2025, being the latest practicable date for ascertaining certain information for the purpose of inclusion in this circular.
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Model Code”	means the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules.
“PRC”	means the People’s Republic of China and, for the purposes of this circular only, excludes Hong Kong, Macau Special Administrative Region and Taiwan.
“RMB”	means Renminbi, the lawful currency of the PRC.
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).
“Shareholders”	means holders of the Shares.
“Shares”	means ordinary shares of nominal value of HK\$0.02 each in the capital of the Company.
“Sichuan Kedi”	means Sichuan Kedi Real Estate Co., Ltd.* (四川科迪置業有限公司), a company incorporated in the PRC.
“Sichuan Parkson”	means Sichuan Shishang Parkson Retail Development Co., Ltd.* (四川時尚百盛商業發展有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company.
“Sichuan Tairan”	means Sichuan Tairan Real Estate Group Co., Ltd.* (四川省泰然置業集團有限公司), a company incorporated in the PRC.
“Specific Unit”	means the unit located on the level 1 of the same building of the Chengdu Property and specified in the Supplemental Agreement.

DEFINITIONS

“Supplemental Agreement”	means the supplement agreement to the Chengdu Renewal Agreement in respect of the Specific Unit entered into between Sichuan Tairan and Sichuan Parkson on 6 November 2025.
“sq. m.”	means square metre.
“Term”	means the term of the Chengdu Renewal Agreement and the Supplemental Agreement, being from 1 October 2027 to 30 September 2047.
“VAT”	means value-added tax.
“%”	means per cent.

* *For identification only. For ease of reference, the names of the PRC established companies or entities have generally been included in this circular in both Chinese and English languages and in the event of inconsistency, the Chinese language shall prevail.*

LETTER FROM THE BOARD

PARKSON 百盛
PARKSON RETAIL GROUP LIMITED
百盛商業集團有限公司

(a company incorporated in the Cayman Islands with limited liability)

(Stock Code: 3368)

Executive Directors:

Tan Sri Cheng Heng Jem (*Chairman*)
Ms. Juliana Cheng San San

Non-executive Director:

Dato' Sri Dr. Hou Kok Chung

Independent non-executive Directors:

Dato' Fu Ah Kiow
Mr. Yau Ming Kim, Robert
Datuk Koong Lin Loong

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Room 1010, 10th Floor Harcourt House
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Hong Kong

25 November 2025

To the Shareholders

Dear Sir/Madam,

MAJOR TRANSACTION:
(1) RENEWAL OF TENANCY IN CHENGDU CITY,
SICHUAN PROVINCE, THE PRC;
AND
(2) SUPPLEMENTAL AGREEMENT TO THE
CHENGDU RENEWAL AGREEMENT

INTRODUCTION

References are made to the Company's announcement dated 6 November 2025. The purpose of this circular is to provide you with, among other things, (i) further information regarding the Chengdu Renewal Agreement and the renewal of the Chengdu Tenancy; (ii) further information regarding the Supplemental Agreement; and (iii) other information as required under the Listing Rules.

LETTER FROM THE BOARD

The Board is pleased to announce that on 6 November 2025, Sichuan Parkson had entered into (a) the Chengdu Renewal Agreement with Sichuan Tairan, Sichuan Kedi and Chengdu No.1 and (b) the Supplemental Agreement with Sichuan Tairan, pursuant to which the parties had agreed to the terms of the renewed tenancy for the Chengdu Property. Prior to the entering into of the Chengdu Renewal Agreement and the Supplemental Agreement, Sichuan Parkson has been occupying the Chengdu Property, as tenant, for its retail business since 2006, with the current tenancy expiring on 30 September 2027.

1. CHENGDU RENEWAL AGREEMENT

A summary of the principal terms of the Chengdu Renewal Agreement and other relevant information is as follows:

Date	:	6 November 2025
Parties	:	Tenant: Sichuan Parkson Landlords: Sichuan Tairan; Sichuan Kedi; and Chengdu No.1
Property	:	The basement, level 1 to level 5 (excluding the Specific Unit) of the Times Square Complex located at No. 2 Zongfu Road, Jinjiang District, Chengdu City, Sichuan Province, the PRC; reference to “Chengdu Property” in respect of the Chengdu Renewal Agreement does not include the Specific Unit.
Total gross area	:	28,610.39 sq. m.
Tenancy term (i.e. the “ Term ”)	:	1 October 2027 to 30 September 2047
Rent and payment terms	:	Rent payable by Sichuan Parkson during the tenancy term will be the higher of: (i) guaranteed rent – includes rent and fixed management fee; and (ii) turnover rent which is based on certain percentage shares of the sales revenue generated by Sichuan Parkson from its business at the Chengdu Property. (a) The guaranteed rent is payable monthly in advance, together with the fixed management fee.

LETTER FROM THE BOARD

Sichuan Parkson shall make payment to the Landlords within ten (10) days upon receipt of invoice issued by the Landlords (except for the first month's rent, which is payable within seven (7) days from the commencement of the Term).

The total amount payable for each calendar year during the tenancy term are as follows:

Years	Annual Rental (RMB, tax included)	Annual Management Fee (RMB, tax included)	Annual total (RMB, tax included)
Year 1	25,416,883.00	8,583,117.00	34,000,000.00
Year 2	26,016,883.00	8,583,117.00	34,600,000.00
Year 3	26,616,883.00	8,583,117.00	35,200,000.00
Year 4	27,216,883.00	8,583,117.00	35,800,000.00
Year 5	27,816,883.00	8,583,117.00	36,400,000.00
Year 6	28,416,883.00	8,583,117.00	37,000,000.00
Year 7	29,016,883.00	8,583,117.00	37,600,000.00
Year 8	29,616,883.00	8,583,117.00	38,200,000.00
Year 9	30,216,883.00	8,583,117.00	38,800,000.00
Year 10	30,816,883.00	8,583,117.00	39,400,000.00
Year 11	31,416,883.00	8,583,117.00	40,000,000.00
Year 12	31,416,883.00	8,583,117.00	40,000,000.00
Year 13	31,416,883.00	8,583,117.00	40,000,000.00
Year 14	31,416,883.00	8,583,117.00	40,000,000.00
Year 15	31,416,883.00	8,583,117.00	40,000,000.00
Year 16	31,416,883.00	8,583,117.00	40,000,000.00
Year 17	31,416,883.00	8,583,117.00	40,000,000.00
Year 18	31,416,883.00	8,583,117.00	40,000,000.00
Year 19	31,416,883.00	8,583,117.00	40,000,000.00
Year 20	<u>31,416,883.00</u>	<u>8,583,117.00</u>	<u>40,000,000.00</u>
Total	<u>595,337,660.00</u>	<u>171,662,340.00</u>	<u>767,000,000.00</u>

- (b) The turnover rent is calculated annually and is calculated based on the type of products sold in the Chengdu Property, ranging from 1.5% to 6% of the net sales revenue (after tax) of Sichuan Parkson. The term “net sales revenue” refers to the sales revenue divided by 113%, with VAT rate regulated by the PRC government.

LETTER FROM THE BOARD

Sichuan Parkson agreed to grant access for the Landlords to review real-time sales data and to report accurate operating revenue of previous month to the Landlords by the tenth (10th) day of each calendar month.

If, after auditing, the turnover rent amount exceeds the guaranteed rent, Sichuan Parkson shall pay the excessive portion of the turnover rent over the guaranteed rent within ten (10) days upon receipt of the legally valid specific VAT invoice issued by the Landlords if Sichuan Parkson has no objection on the amount payable (it essentially means that the total rent payable for that financial year will be the turnover rent. And accordingly, if the turnover rent amount is less than the guaranteed rent, Sichuan Parkson is not required to pay any additional rent, implying that the total rent payable for that financial year will be the guaranteed rent).

Deposit : The deposit of RMB5 million made under the Chengdu Original Tenancy Agreement shall be transferred entirely to the Chengdu Renewal Agreement, therefore no additional deposit is required to be made by Sichuan Parkson under the Chengdu Renewal Agreement.

According to the Chengdu Renewal Agreement, if (i) any of the Landlords, in breach of the Chengdu Renewal Agreement, terminates the agreement before the Term expires, (ii) any of the Landlords breaches the agreement resulting in Sichuan Parkson rescinds the agreement in accordance with its terms, or (iii) the agreement becomes invalid for reasons attributable to the Landlords, then the Landlords will refund the deposit of RMB5 million and pay a compensation of RMB50 million to Sichuan Parkson.

The deposit is fully refundable when the Term expires under PRC legal principles, if there is no breach on the part of Sichuan Parkson.

Save as disclosed above, the Chengdu Renewal Agreement does not provide that Sichuan Parkson shall be entitled to the refund of the RMB5 million deposit.

LETTER FROM THE BOARD

- Use : Operation of department store, including but not limited to the sale of (as primary business) of gold and jewelry, accessories, computers, mobile phones, watches and eyewear, sports and cultural goods, books and audio-visual products, pharmaceuticals, home appliances, clothing and footwear, cosmetics and toys; and the provision of services such as catering, bathing, film and television, entertainment, bars, cafés, tea houses, Chinese and Western pastries, photography, color printing and photo development, beauty and hairdressing, wedding services, supermarkets, bowling, fitness centers, billiard rooms, business activity centers, as well as the establishment of offices and warehouses, and other commercial activities within the business scope that comply with national laws and regulations.
- Right to sub-let : Sichuan Parkson possesses independent operational rights and usage rights, and may determine the business mode and operate within the Chengdu Property through self-operation, joint operation, sub-letting part(s) of the Chengdu Property, but Sichuan Parkson may not sub-lease the entire usage right of the Chengdu Property to a third party unless otherwise agreed by the Landlords.
- Renewal : If Sichuan Parkson wishes to renew the Chengdu Tenancy, it shall serve a written request to the Landlords no less than ninety (90) days prior to the expiration of the tenancy term, in which case the parties shall negotiate the terms of renewal.
- Otherwise, the Chengdu Tenancy will automatically terminate upon expiration of the tenancy term, and the Landlords may then lease the Chengdu Property to a third party. However, the terms offered to such third party must not be more favorable than those previously offered to the Sichuan Parkson. Should more favorable terms be extended to the third party, Sichuan Parkson shall retain the right of first refusal on such terms.

LETTER FROM THE BOARD

Termination : Save as expressly provided, neither party may terminate the Chengdu Renewal Agreement prior to the expiration of the Term.

The circumstances under which either party may terminate the Chengdu Renewal Agreement include:

- (a) land requisition or forced demolition by the government;
- (b) the normal operation of Sichuan Parkson has been unlawfully interfered with, obstruction or disruption by administrative departments, organisations or individuals because of Sichuan Tairan, Sichuan Kedi and Chengdu No.1, rendering Sichuan Parkson unable to conduct its business as usual;
- (c) the occurrence of force majeure events resulting in the inability to continue operations;
- (d) mutual agreement between Sichuan Parkson and the Landlords; and
- (e) the implementation or promulgation of national policies, laws, or regulations that make continued performance of the Chengdu Renewal Agreement impossible.

Sichuan Parkson is also entitled to terminate the Chengdu Renewal Agreement prior to the expiration of the Term free from any liability if, during the Term: (i) Sichuan Parkson's recorded loss at the Chengdu Property for four (4) consecutive years, or (ii) accumulated losses over six (6) years, or (iii) if the total accumulated loss exceeds RMB50 million (subject to confirmation by an audit report issued by a qualified accounting firm appointed by Sichuan Parkson). Where Sichuan Parkson intends to exercise such termination right, it shall notify the Landlords in writing ninety (90) days in advance. The Chengdu Renewal Agreement shall be terminated upon expiration of ninety (90) days from the date on which such written notice is delivered to the Landlords.

LETTER FROM THE BOARD

Further, in the event where the Landlords fail to renew the land use rights of the Chengdu Property by the respective expiry dates in July 2042 in respect of such land use rights resulting in Sichuan Parkson not being able to continue its operations at the Chengdu Property, Sichuan Parkson will be entitled to terminate the Chengdu Renewal Agreement and will not be obligated to pay rent after the termination.

Assignment : Within the Term, Sichuan Parkson may assign its rights, obligations and liabilities under the Chengdu Renewal Agreement to its related company, provided that: (i) a written notification is delivered to the Landlords; (ii) the transferee shall assume all rights and obligations; (iii) it shall continue to use the “Parkson” trademarks; and (iv) it is capable of operating the premises.

Sichuan Parkson may request that a supplemental agreement to be executed between the Landlords and the related company of Sichuan Parkson.

A “related company” refers to any company that is directly or indirectly controlled by the same ultimate parent entity as Sichuan Parkson or the shareholder of Sichuan Parkson, or any company in which such ultimate parent entity holds an equity interest.

Effective date : The Chengdu Renewal Agreement shall become effective upon the Company obtaining the Shareholders’ approval on the Chengdu Renewal Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

2. SUPPLEMENTAL AGREEMENT

The Board is pleased to announce that on 6 November 2025, Sichuan Parkson and Sichuan Tairan entered into the Supplemental Agreement, pursuant to which the parties agreed to supplement the terms of the Chengdu Renewal Agreement in respect of the Specific Unit. Prior to the entering into of the Supplemental Agreement, Sichuan Parkson has been occupying the Chengdu Property, including the Specific Unit, as tenant for its retail business since 2006 under the Chengdu Original Tenancy Agreement, with the current lease term expiring on 30 September 2027. Upon the Chengdu Renewal Agreement taking effect, Sichuan Parkson will continue to occupy the Chengdu Property for a further term of 20 years. The Supplemental Agreement supplements the Chengdu Renewal Agreement by leasing the Specific Unit, located at a prominent location on level 1 of the Chengdu Property, which both parties have agreed that the Supplemental Agreement shall have the same legal effect as the Chengdu Renewal Agreement.

Any matters not expressly provided for herein shall be governed by the relevant provisions in the Chengdu Renewal Agreement.

A summary of the principal terms of the Supplemental Agreement and other relevant information is as follows:

Date	:	6 November 2025
Parties	:	Tenant: Sichuan Parkson Landlord: Sichuan Tairan
Property	:	the Specific Unit, located at a prominent location on level 1 of the Chengdu Property
Total gross area	:	152.93 sq. m.
Tenancy term	:	1 October 2027 to 30 September 2047 (which is the same as the tenancy term of the Chengdu Renewal Agreement)
Rent and payment terms	:	The rental payable by Sichuan Parkson shall be in the form of fixed guaranteed rental of RMB1,468,128.00 per annum for a term of 20 years amounting to a total of RMB29,362,560.00.

The guaranteed fixed rental shall be paid monthly in advance. Sichuan Parkson shall make payment to Sichuan Tairan by the fifteenth (15th) day of each calendar month (except that payment shall be paid within seven (7) days from the commencement of the Term for the first month).

LETTER FROM THE BOARD

The Specific Unit is not subject to any turnover rent arrangement.

Right to sub-let : Sichuan Parkson possesses independent operational rights and usage rights, and may determine the business mode and operate within the Specific Unit through self-operation or joint operation, to sub-lease or sub-let part or entirety of the Specific Unit.

Termination : Where the Chengdu Renewal Agreement is terminated prior to its expiration or become void, this Supplemental Agreement shall likewise be terminated or become void. However, termination of the Supplemental Agreement will not terminate the Chengdu Renewal Agreement or render the Chengdu Renewal Agreement void.

Where Sichuan Parkson terminates the Chengdu Renewal Agreement prior to the expiration of the Term according to the terms in the Chengdu Renewal Agreement, due to (i) Sichuan Parkson's recorded loss at the Chengdu Property for four (4) consecutive years, or (ii) accumulated losses over six (6) years, or (iii) if the total accumulated loss exceeds RMB50 million (subject to confirmation by an audit report issued by a qualified accounting firm appointed by Sichuan Parkson), Sichuan Parkson may, by delivering written notification to Sichuan Tairan, unilaterally terminate this Supplemental Agreement without incurring any liability.

Save as disclosed above, the Supplemental Agreement does not provide a mechanism for either party to terminate the Supplemental Agreement prior to the expiry of the Term.

Effective date : The Supplemental Agreement shall become effective upon the Company obtaining the Shareholders' approval on the Supplemental Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

3. BASIS FOR DETERMINATION OF THE RENT AND OTHER INFORMATION

The terms of the Chengdu Renewal Agreement and the Supplemental Agreement were determined after arm's length negotiations between Sichuan Parkson and the Landlords, with reference to the prevailing market rates for properties of similar nature (i.e. leased to a single anchor brand similar to Parkson) to the Chengdu Property, and also located in core business districts, as adjusted based on differences in various aspects such as location and environment, age and maintenance, size, decoration standard, floors and other physical characteristics.

The Board has primarily considered the valuation report for the Chengdu Property prepared by an independent property valuer, as set out in Appendix II to this circular, together with prevailing market practices adopted by industry peers for tenancies of comparable scale and duration to the Chengdu Tenancy. In the valuation report, the comparable properties selected for benchmarking purposes include multi-storey retail premises located in core commercial districts of Chengdu City, leased to single anchor tenants similar in nature to Sichuan Parkson. While there may be differences between the Chengdu Property and the selected comparables, particularly in terms of location, building age, size, and physical attributes, the Board considers that the adjustment ranges applied by the independent property valuer are reasonable and appropriate. It is noted that the rental comparables assessed in the valuation report are based solely on fixed rent arrangements and do not incorporate varying rent structures.

The annual market rent of the Chengdu Property in existing state as at 30 September 2025 was of RMB28 million, and the rent payable under the Chengdu Renewal Agreement comprises fixed and varying components, which is in line with the market practice on large-scale tenancies for retail operations.

The mechanism on the rent payable by Sichuan Parkson during the tenancy term being the higher of: (i) guaranteed rent – includes rent and fixed management fee; and (ii) turnover rent which is based on certain percentage shares of the sales revenue generated by Sichuan Parkson from its business at the Chengdu Property has been adopted, and the turnover rent rate that based on specific percentage of the net sales revenue (1.5% to 6%) was also similar, in the Chengdu Original Tenancy Agreement.

The Board is of the view that adopting the turnover rent arrangement, as finalised through arm's length negotiations with the respective Landlords based on their individual circumstances and commercial considerations, is consistent with prevailing market practice. In the case of Sichuan Parkson, the turnover rent, being calculated on the net sales revenue (after tax) of Sichuan Parkson at percentages from 1.5% to 6% depending on the type of products sold, reflects an industry-standard approach. These percentages and the applicable revenue thresholds were determined through negotiations with the Landlords, taking into account the projected operating margin from the Chengdu Property and the overall commercial terms of the Chengdu Renewal Agreement and the Supplemental Agreement.

LETTER FROM THE BOARD

Regarding the fixed guaranteed rent component, the annual rental amounts for years 1 through 10 are subject to mild annual positive adjustment rates, decreasing progressively from 2.4% to 1.9% per annum. The annual guaranteed rent payable from year 11 onwards is fixed. The rental growth rate was concluded after arm's length negotiations with the Landlords. For the Chengdu Tenancy, the historical compound annual growth rate of rent has been approximately 3%, while the compound annual growth rate during the renewal period is about 1%. This rental growth level is consistent with that of the other properties leased by the Group.

With respect to the turnover rent arrangement, the Company anticipates a gradual rebound in overall consumer confidence and expects inflation and consumer price index in Sichuan Province to remain moderate in the foreseeable future. Accordingly, even if Sichuan Parkson is required to pay rental based on the turnover rent mechanism, the resulting rental obligations are not expected to materially exceed the annual guaranteed rent.

The 20-year lease term for the Chengdu Tenancy was agreed upon following arm's length negotiations between the Landlords and Sichuan Parkson, taking into account the benefits of long-term stability and predictability for the parties. Operating a department store involves substantial investment and therefore, entering into long-term tenancy arrangements is essential to ensure cost efficiency and to mitigate risks such as pre-matured amortisation of renovation expenditure. Such 20-year duration is also in line with prevailing market practice and supports the Group's strategic direction for its retail operations. Securing a long-term tenancy arrangement enables the Group to pursue more stable and resilient performance, thereby enhancing long-term value for shareholders. The Chengdu Renewal Agreement and the Supplemental Agreement include an additional five-year term beyond the expiry dates of the respective land use rights in July 2042 with predetermined fixed rental rates. Although this extended period currently lacks property title coverage, the locked-in rental provide protection against future market fluctuations. In the event the Landlords successfully renew the land use rights, Sichuan Parkson securing this extended tenancy term helps in ensuring its operational continuity during the property rights transition period. In the event where the Landlords fail to renew the land use rights by the respective expiry dates in July 2042 resulting in Sichuan Parkson not being able to continue its operations at the Chengdu Property, Sichuan Parkson will be entitled to terminate the Chengdu Renewal Agreement and will not be obligated to pay rent after the termination.

The Board considers that entering into the Chengdu Tenancy more than 22 months before the expiry of the Chengdu Original Tenancy Agreement may safeguard the continuity and stability of the Group's profitable department store currently operated at the Chengdu Property. Consumers have become accustomed to shopping at Sichuan Parkson's department store located at the Chengdu Property. If Sichuan Parkson fails to secure tenancy renewal when the Chengdu Original Tenancy Agreement expires, the relocation may disrupt established consumer habits at the department store, and more importantly, will result in the Group incurring substantial expenditure on aspects such as relocation, renovation of the new premises, promotion to raise awareness of the new location, and rebuilding local customer base.

LETTER FROM THE BOARD

The “National Economy Sustained Stable Growth with Growing Positive Factors in the First Three Quarters” (《前三季度國民經濟運行穩中有進平穩向好》) published by the National Bureau of Statistics of China (https://www.stats.gov.cn/sj/zxfb/202410/t20241018_1957044.html) indicated steady growth in household income and stable macroeconomic performance during the first three quarters of 2025. Further, the emerging medium-to-long-term policy framework of the 15th Five-Year Plan period (2026-2030) is positioned to systematically transform substantial market potential into tangible growth momentum for the consumer industry and to stimulate and revitalise consumption by stabilising employment rate to boost household purchase power and consumer confidence, while simultaneously encouraging innovation and competition to enrich the market with premium offerings and diverse retail experience. In light of the above, coupled with the anticipated economic recovery in the PRC, which are expected to contribute to future business growth, the Board is of the view that the terms and conditions under the renewed Chengdu Tenancy (including, where applicable, rent and management fees) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The rent and other amounts payable by Sichuan Parkson under the renewed Chengdu Tenancy are expected to be financed by its net sales revenue and the internal resources of the Group.

4. INFORMATION ON THE PARTIES

The Group, Sichuan Parkson and the Landlords

The Group

The principal activities of the Group are the operation and management of a network of department stores, shopping malls, outlets and supermarkets mainly in the PRC.

Sichuan Parkson

Sichuan Parkson is an indirect wholly-owned subsidiary of the Company principally engaged in the operation of two department stores in Sichuan.

Sichuan Tairan

Sichuan Tairan is a company established in the PRC and its scope of business primarily includes development and operation of real estate and property in the PRC.

To the best knowledge and belief of the Directors, and having made all reasonable enquiries, the equity interest of Sichuan Tairan is directly owned as to 97.5% by Tang Bing (唐冰) and 2.5% by Zhang Lin Mei (張鄰梅).

LETTER FROM THE BOARD

Sichuan Kedi

Sichuan Kedi is a company established in the PRC and its scope of business primarily includes development and operation of real estate and property in the PRC.

To the best knowledge and belief of the Directors, and having made all reasonable enquiries, the equity interest of Sichuan Kedi is directly owned as to 30% by Peng Hong (彭虹), 28% by Peng Xi (彭西), 27% by Peng Min (彭民) and 15% by Yan Yong Jian (嚴勇建).

Chengdu No.1

Chengdu No.1 is a company established in the PRC and its scope of business primarily includes retail sales and property agency and management in the PRC.

To the best knowledge and belief of the Directors, and having made all reasonable enquiries, the equity interest of Chengdu No.1 is directly owned as to 90% by Sichuan Defeng Investment and Management Co., Ltd.* (四川省德豐投資管理有限公司) and 10% by Su Yu (蘇渝).

The equity interest of Sichuan Defeng Investment and Management Co., Ltd.* (四川省德豐投資管理有限公司) is owned as to 55.556% by Su Yu (蘇渝) and 44.444% by Yuan Li (袁理).

Sichuan Guojia Real Estate Co., Ltd. (四川省國嘉地產有限公司) (“**Sichuan Guojia**”) is the legal owner of a gross floor area of 135.31 sq. m. of the Chengdu Property and it has leased such portion of the Chengdu Property to Chengdu No.1. The equity interest of Sichuan Guojia is owned as to 80% by Sichuan Defeng Investment and Management Co., Ltd.* (四川省德豐投資管理有限公司), 8% by Su Yu (蘇渝) and 12% by Yuan Li (袁理).

Save as disclosed above, to the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Landlords and their respective ultimate beneficial owners are third parties independent of, and not connected with, the Company and its connected persons (as defined under the Listing Rules).

5. REASONS FOR AND BENEFITS OF ENTERING INTO THE CHENGDU RENEWAL AGREEMENT AND THE SUPPLEMENTAL AGREEMENT

The Group has maintained a long-standing presence in Chengdu, operating two department stores across the city for over 20 years. This sustained footprint has enabled the Group to build strong brand equity, customer loyalty, and institutional goodwill. The Chengdu Property, in particular, has evolved into a strategic retail asset, attracting a wide range of mixed brands and fostering valuable relationships with government and commercial stakeholders. Its performance has contributed meaningfully to the Group’s regional success and supports its broader positioning in important and highly-populated cities in the PRC.

LETTER FROM THE BOARD

Chengdu, as the most populous city in Sichuan Province, continues to demonstrate rising commercial prospects. Its dynamic consumer base and competitive retail landscape make it a key strategic battleground for national and international enterprises. The Chengdu Property is located in the heart of the city's core commercial district, offering exceptional visibility, sustained foot traffic, and seamless connectivity via metro lines. Surrounded by premium office towers, residential developments, and complementary retail offerings, the site benefits from a stable and diverse customer base and remains highly attractive for flagship operations.

The proposed lease renewal is underpinned by strategic, operational, and financial considerations. With some of the major competitors of the Group relocating from the core commercial district of Chengdu, the Chengdu Tenancy demonstrates the Group's resilience and strength. It also ensures continuity of operations and avoids the disruption and cost associated with relocation, including renovation, logistics, and customer attrition. As a key anchor tenant, the Group, via Sichuan Parkson, plays a pivotal role in driving mall traffic and ecosystem synergy, reinforcing its importance to both the landlord and surrounding tenants.

The Board is of the view that the terms of the Chengdu Renewal Agreement and the Supplemental Agreement, each taken as a whole, are fair and reasonable. Having taken into account the above reasons and benefits, the Board considers that the entering into of the Chengdu Renewal Agreement, the Supplemental Agreement and the transactions contemplated thereunder respectively are in the interests of the Company and the Shareholders as a whole.

6. FINANCIAL EFFECTS OF THE RENEWAL OF THE CHENGDU TENANCY AND THE SUPPLEMENTAL AGREEMENT

Pursuant to IFRS 16, the Group is required to recognise the Chengdu Property as a right-of-use asset. Upon commencement of the renewed tenancy term of the Chengdu Tenancy, the Group will recognise the right-of-use asset of approximately RMB251.8 million, and a lease liability amounting to approximately RMB251.8 million.

Set out below is the accounting treatment of the Group in relation to the right-of-use asset in respect of the Chengdu Property.

The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the respective tenants. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After commencement, the tenants shall measure the right-of-use assets using a cost model, unless:

- (i) the right-of-use asset is an investment property and the relevant tenant fair values its investment property under International Accounting Standard 40; or
- (ii) the right-of-use asset relates to a class of plant, property and equipment ("PPE") to which the relevant tenant applies IAS 16's revaluation model, in which case all right-of-use asset relating to that class of PPE can be revalued.

LETTER FROM THE BOARD

Under the cost model, a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment. A lease liability is initially measured at the present value of the rent payable over the relevant lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the relevant tenant shall use their incremental borrowing rate.

Pursuant to IFRS 16, the Group will recognise the depreciation charge for the right-of-use asset over the useful life on a straight-line basis, and interest expense on the lease liabilities in profit or loss for the Chengdu Property. The annual depreciation amount for the Chengdu Property is approximately RMB15.1 million. The turnover rent, if becomes payable by the Group, will be recognised as expenses incurred by the Group.

7. IMPLICATIONS UNDER LISTING RULES

Pursuant to IFRS 16, the Group is required to recognise the Chengdu Property as a right-of-use asset. Thus, the entering into of the Chengdu Renewal Agreement and the Supplemental Agreement, and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules. The consideration for the acquisition of the right-of-use asset recognised by the Group pursuant to IFRS 16 is approximately RMB251.8 million, calculated based on the present value of the aggregated rent payments to be made under the Chengdu Renewal Agreement and the Supplemental Agreement in accordance with IFRS 16.

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the consideration for the acquisition of the right-of-use asset recognised by the Group pursuant to IFRS 16 is more than 25% but less than 100%, the entering into of the Chengdu Renewal Agreement and the Supplemental Agreement, in aggregation, constitutes a major transaction for the Company, and is therefore subject to announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Written approval of closely allied group of Shareholders

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, no Shareholder or any of their respective associates has any material interest in the Chengdu Tenancy, the Chengdu Renewal Agreement or the Supplemental Agreement. Accordingly, none of the Shareholders is required to abstain from voting in favour of the resolutions to approve the entering into of the Chengdu Renewal Agreement, the Supplemental Agreement and the transactions contemplated thereunder respectively.

LETTER FROM THE BOARD

A closely allied group of Shareholders interested in an aggregate of 1,448,270,000 Shares, representing approximately 54.97% of the total number of issued shares of the Company, has given its written approval on the entering of the Chengdu Renewal Agreement and the Supplemental Agreement, and the transactions contemplated thereunder. The written approval of the aforesaid group of Shareholders had been accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules.

The aforesaid Shareholders are (i) East Crest International Limited which holds 9,970,000 Shares, representing 0.38% of the total number of issued shares of the Company; and (ii) PRG Corporation Limited which holds 1,438,300,000 Shares, representing 54.59% of the total number of issued shares of the Company. PRG Corporation Limited is a wholly-owned subsidiary of East Crest International Limited.

8. RECOMMENDATION

The Directors, including the independent non-executive Directors, consider that the terms of the Chengdu Renewal Agreement and the Supplemental Agreement, each taken as a whole, are fair and reasonable, and also having taken into account the above reasons and benefits, consider that the entering into of the Chengdu Renewal Agreement and the Supplemental Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

Had an extraordinary general meeting been convened for the approval of the entering into of the Chengdu Renewal Agreement and the Supplemental Agreement, the Directors, including the independent non-executive Directors, would have recommended the Shareholders to vote in favour of the same.

9. FURTHER INFORMATION

Your attention is also drawn to the additional information of the Group as set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
PARKSON RETAIL GROUP LIMITED
Tan Sri Cheng Heng Jem
Executive Director and Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2024, 2023 and 2022, and for the six months ended 30 June 2025 are disclosed in the following documents which had been published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.parksongroup.com.cn), and can be accessible by the links as follows:

- interim report of the Company for the six months ended 30 June 2025 (pages 6 to 43)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0912/2025091200279.pdf>
- annual report of the Company for the year ended 31 December 2024 (pages 108 to 264)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0410/2025041000441.pdf>
- annual report of the Company for the year ended 31 December 2023 (pages 103 to 260)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0410/2024041000319.pdf>
- annual report of the Company for the year ended 31 December 2022 (pages 100 to 260)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0413/2023041300920.pdf>

2. STATEMENT OF INDEBTEDNESS**Borrowings**

As at the close of business on 30 September 2025, being the latest practicable date for the purpose of this statement of indebtedness, the Group had aggregate outstanding secured interest-bearing borrowings of approximately RMB3,017 million.

Bank borrowings denominated in RMB of approximately RMB2,370 million bear a floating interest rate of the loan prime rate (LPR) of the People's Bank of China per annum. Bank borrowings denominated in Malaysian Ringgit of approximately RMB647 million bear a floating interest rate at a range of 3.25% to 5.75% per annum over KLIBOR.

As at 30 September 2025, the Group's bank borrowings are secured by (i) mortgages over the Group's investment property, which has a net carrying amount of approximately RMB508 million; (ii) mortgages over the Group's buildings, which has a net carrying amount of approximately RMB1,293 million; (iii) mortgages over the Group's leasehold land, which has an aggregate carrying amount of approximately RMB296 million; and (iv) the pledge of trade receivables of approximately RMB1,020 million and unrealised receivables of approximately RMB61 million which will be due within 48 months.

As at 30 September 2025, items (i), (ii), (iii) are provided to secure the Group's bank borrowings denominated in RMB, and item (iv) is provided to secure the Group's bank borrowings denominated in Malaysian Ringgit.

Save as disclosed above, the Group has no other bank borrowings loans, no matter guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) or unsecured.

Lease Liabilities

As at 30 September 2025, the Group had current and non-current lease liabilities of approximately RMB498 million and RMB2,629 million, respectively, of which approximately RMB2,121 million were secured by rental deposits of approximately RMB77 million, and others were unsecured and unguaranteed.

General

Save as aforesaid and apart from intra-group liabilities, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptance (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 30 September 2025.

For the purpose of the above statement of indebtedness, foreign currency amounts denominated other than RMB have been translated into RMB at the rates of exchange prevailing at the close of business on 30 September 2025.

3. WORKING CAPITAL

The Directors are of the opinion that, taking into account the Group's available financial resources including internally generated cash flows, credit facilities and cash on hand, the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

The Company has received confirmation letters from the Company's auditors confirming that (i) in their opinion, the above statement as to the sufficiency of working capital has been made by the Directors after due and careful enquiry; and (ii) the persons or institutions providing finance have confirmed in writing the existence of such facilities as of 30 September 2025 that are shown to be required by the Company's working capital forecast.

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 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a leading nationwide lifestyle retail operator in the PRC. The Parkson brand was introduced to the Beijing market in the early 1990's and has been operating and managing a diversified collection of retail formats – including department stores, shopping malls, outlets, “Parkson Beauty” concept stores and supermarkets.

The global economic environment faces persistent headwinds characterised by heightened uncertainties. It is entering a “low growth, high volatility” new normal, shaped by escalating trade conflicts and policy volatility. Even though the economy of the PRC has demonstrated strong resilience and vitality, the consumption market in the PRC is going through a landscape of moderate consumption recovery and deepening consumption fragmentation.

In addition, over these last several years, the PRC consumer spending behavior is undergoing continuous evolution. The PRC consumers' spending is becoming more focused on cost-effectiveness and placing higher emphasis on quality, brand recognition, services, emotional and experiential aspects.

The PRC government has implemented targeted stimulus measure, including fiscal incentives and sector-specific support policies to boost economic activities. China's current retail and consumption policy framework is guided by the 14th Five-Year Plan (2021–2025), which emphasises the upgrading of commercial circulation and the advancement of digital, intelligent as well as omni-channel retail and service consumption. In addition, new measures were introduced by the municipal governments, including public consumption vouchers as well as subsidies and special-purpose bonds for service providers in consumption-related sectors, which emphasised on service consumption, household spending and the expansion of consumption-led growth. These initiatives are directly relevant to the Group's core business, as they align with the Group's strategic objectives by fostering a more favourable consumption environment, enhancing appeal of department stores, driving customer traffic and sales, and supporting the development of experiential retail formats. The Group will proactively monitor and leverage these initiatives to capture emerging opportunities and focus on implementing a series of operational improvement plans to transform the stores from mere “commodity marketplaces” into “dynamic epicenters for lifestyle innovation”. These include refining the brand portfolio, curating product selections, and designing experiential spatial layouts and scenario-based environment that align with evolving consumer preferences while providing them with emotional value and experiences.

Looking ahead, the Group is well-positioned to seize growth opportunity in markets that we have established presence to grow its pipeline of potential new retail stores across the PRC. The Group is committed to becoming an outstanding commercial space operator, with a mission to deliver exceptional shopping and lifestyle experiences to our customers.

The Group’s strategy, grounded on the principle of “pursue progress in stability; discard the old to implement the new”, will guide the Group in navigating the complexities of China’s retail landscape. By balancing stability with innovation, dismantling outdate practices, and strategically embracing change, the Group will position itself to not only survive but also thrive in the coming years. This approach will enable the Group to stay at the forefront of the industry, meet the evolving needs of customers, and continue delivering long-term value to Shareholders.

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of the rental value of the property to be leased to the Group, as at 30 September 2025.



27/F, One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

25 November 2025

The Board of Directors
Parkson Retail Group Limited
Room 1010, 10th Floor
Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

Dear Sirs,

Instructions, Purpose & Valuation Date

In accordance with the instructions of Parkson Retail Group Limited (the “**Company**”) for us to provide our opinion of the market rent of the property to be leased to Sichuan Shishang Parkson Retail Development Co., Ltd. (四川時尚百盛商業發展有限公司) (“**Sichuan Parkson**”) an indirect wholly-owned subsidiary of the Company, (collectively the “**Group**”) in the People’s Republic of China (the “**PRC**”) (as more particularly described in the attached valuation report), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing the Company with our opinion of market rent of the property as at 30 September 2025 (the “**Valuation Date**”).

Valuation Basis

Our valuation of the property represents its market rent which in accordance with HKIS Valuation Standards 2024 published by the Hong Kong Institute of Surveyors (“**HKIS**”) is defined as “the estimated amount for which an interest in real properties should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

In valuing the property, we have complied with the requirements set out in the HKIS Valuation Standards, the RICS Global Valuation Standards and the International Valuation Standards.

We confirm that the valuation is undertaken in accordance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Valuation Assumption

Our valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special consideration or concessions granted by anyone associated with the letting, or any element of value available only to a specific lessor or lessee.

Our valuation of the property has been made on the assumption that the lessor leases or lets the property on the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the market rent of the property.

Unless otherwise stated, our valuation of the property is on a 100% interest basis.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a letting.

Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and onerous nature which could affect its rent.

Method of Valuation

In valuing the property, we have adopted Market Comparison Method which is universally considered the most acceptable method for assessing the rent of most forms of real estate. This involves the analysis of recent market rental evidences of similar properties to compare with the property under assessment. Each comparable is analysed on the basis of its unit rent; each attribute of the comparable is then compared with the property and where there is a difference, the unit rent is adjusted in order to arrive at the appropriate unit rent for the property.

Source of Information

We have relied to a very considerable extent on the information provided by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of the property, tenancy information, particulars of occupancy, site and floor area and all other relevant matters.

In the course of our valuation of the property, we have also relied on the information and advice given by the Company and the PRC legal opinion of the Company's legal adviser, Shanghai DEHEHANTONG Law Firm (上海德禾翰通律師事務所)(the "**PRC Legal Adviser**"), regarding the title to the property and the interest in the property.

Dimensions, measurements and areas included in the valuation report are based on information provided to us and are therefore only approximation. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration in English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult the PRC Legal Adviser regarding the legality and interpretation of these documents.

Title Investigation

We have been provided with the copies of title documents relating to the property in the PRC. We have not been able to conduct title searches and have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the property in the PRC and we have therefore relied on the advice given by the Group regarding the interests of the Group in the property in the PRC.

In the course of our valuation, we have relied to a considerable extent on the information given by the Company and the PRC Legal Adviser in respect of the title to the property in the PRC.

In valuing the property, we have assumed that the owner of the property has an enforceable title to the property and has free and uninterrupted rights to use, occupy, assign or lease the property for the whole or part of the unexpired term as granted. We have not verified the authentication of the real estate title certificates and we assume that the copy of relevant documents provided by the Company are true and accurate.

Site Inspection

Our valuers, Grace Lam (MHKIS, MRICS, R.P.S (GP), over 30 years' experience of property valuation) from Hong Kong Office, Lucy Liang (CIREA, 12 years' experience of property valuation) and Amber Fan (Master degree in Valuation, 1 year's experience of property valuation) from Chengdu Office, inspected the exterior and, wherever possible, the interior of the property on 24 September 2025. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the property is free of rot, infestation or any other structural defects. No tests were carried out to any of the services.

Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the copies of documents handed to us are correct.

Currency

Unless otherwise stated, all monetary sums stated in our valuation are in Renminbi (“RMB”), the official currency of the PRC.

Other Disclosure

We hereby confirm that Cushman & Wakefield Limited and the valuers conducting the valuation have no pecuniary or other interests that could conflict with the proper valuation of the property or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

We confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Listing Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Intended Use and User of Report

This valuation report is issued only for the use of the Company for incorporation into its circular.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Grace Lam
MHKIS, MRICS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services, Greater China

Note: Ms. Grace Lam is a member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam joined Cushman & Wakefield Limited in 1993, and has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuation competently.

VALUATION REPORT

Property to be leased to the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market rent in existing state as at 30 September 2025
Relevant parts of Level LG1 to Level 5 of Time Square Complex, No. 2 Zongfu Road, Jinjiang District, Chengdu, Sichuan Province, the PRC (中國四川省成都市錦江區總府路2號-1至5層部份時代廣場)	Time Square Complex (時代廣場) is a commercial podium with 5 storeys above ground and 1 storey underground. The podium is erected on a parcel of land of 18,986.38 sq. m. According to the information provided by the Company, the property was completed in 2005 and has a total leasable area of 28,763.32 sq. m. The property is located at No. 2 Zongfu Road, Jinjiang District, Chengdu. Developments nearby are mainly commercial and office in nature. The land use rights of the property have been granted for commercial use (Please see Notes 2 and 5).	As at the Valuation Date, the property was operated as a shopping center.	RMB28,000,000 (RENMINBI TWENTY-EIGHT MILLION) for the first year, inclusive of value-added tax (“VAT”) but exclusive of building management fee (Please see Note 1 below)

Notes:

- (1) The rental valuation is conducted subject to the following terms already agreed between the landlord and the tenant:

Part I of Property: Relevant parts of Level LG1 to Level 5 of Time Square Complex, No. 2 Zongfu Road, Jinjiang District, Chengdu, Sichuan Province, the PRC
(中國四川省成都市錦江區總府路2號-1至5層部份時代廣場)

Total Leasable Area: 28,610.39 sq. m.

Lease Term: 1 October 2027 to 30 September 2047

Annual Rent for 1st Year: Guaranteed portion and variable portion, inclusive of VAT but exclusive of building management fee

Rent Payable:

Year	Annual rent payable (inclusive of VAT but exclusive of building management fee)	Growth Rate
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(a) Guaranteed portion

1	First fixed amount	–
2	Second fixed amount	2.36% of Year 1 rent
3	Third fixed amount	2.31% of Year 2 rent
4	Fourth fixed amount	2.25% of Year 3 rent
5	Fifth fixed amount	2.20% of Year 4 rent
6	Sixth fixed amount	2.16% of Year 5 rent
7	Seventh fixed amount	2.11% of Year 6 rent
8	Eighth fixed amount	2.07% of Year 7 rent
9	Ninth fixed amount	2.03% of Year 8 rent
10	Tenth fixed amount	1.99% of Year 9 rent
11-20	Eleventh fixed amount	1.95% of Year 10 rent

(b) Variable portion

The difference between the turnover rent which is based on certain percentage share of the sales revenue generated by Sichuan Parkson from its business at the subject property, over the guaranteed rent.

Part II of Property: Relevant parts of Level 1 of Time Square Complex, No. 2 Zongfu Road, Jinjiang District, Chengdu, Sichuan Province, the PRC
(中國四川省成都市錦江區總府路2號1層部份時代廣場)

Total Leasable Area: 152.93 sq. m.

Lease Term: 1 October 2027 to 30 September 2047

Basis of Rent: Guaranteed fixed rent, inclusive of VAT but exclusive of building management fee

Remarks: In assessing the rental value of the property, we have made the assumption that the VAT rates remain unchanged throughout the lease period. Pursuant to the prescribed terms set out above, our opinion of the annual rent of Year 1 is RMB28,000,000, inclusive of VAT but exclusive of building management fee, at an all inclusive basis including guaranteed fixed and variable rents following the rental growth structure specified in the lease agreement.

- (2) According to six Certificates of Land Use Rights issued by the Chengdu Municipal Bureau of Land and Resources the land use rights of, a site of 1,538.73 sq. m. have been vested in Sichuan Kedi Real Estate Co., Ltd. (四川科迪置業有限公司) for commercial use. The details of the certificates are shown as follows:

No.	Certificate No.	Land Area (sq. m.)	Land Tenure
			Expiry Date
1.	(2006)9504	104.57	5 July 2042
2.	(2006)9503	785.36	5 July 2042
3.	(2006)9505	149.51	5 July 2042
4.	(2006)9506	166.43	5 July 2042
5.	(2006)9507	166.43	5 July 2042
6.	(2006)9508	166.43	5 July 2042

- (3) According to seven Certificates of Building Ownership issued by the Chengdu Municipal Housing Administration Bureau, the property with a gross floor area (“GFA”) of 14,133.42 sq. m. has been vested in Sichuan Kedi Real Estate Co., Ltd. (四川科迪置業有限公司) and the property with a gross floor area of 135.31 sq. m. has been vested in Sichuan Guojia Real Estate Co., Ltd. (四川省國嘉地產有限公司), all for commercial use. The details of the certificates are shown as follows:

No.	Certificate No.	GFA (sq. m.)
1.	1226294	135.31
2.	1434617	2,155.75
3.	1434585	2,377.02
4.	1434589	2,646.03
5.	1434596	2,646.03
6.	1434612	1,662.56
7.	1434615	2,646.03

- (4) Referring to the Certificates of Building Ownership in Note (3), Sichuan Guojia Real Estate Co., Ltd. (四川省國嘉地產有限公司) is the legal owner of the corresponding portion of the property. According to the lease agreement provided by the Company, Sichuan Guojia Real Estate Co., Ltd. (四川省國嘉地產有限公司) leased the relevant portion of the property to Chengdu No. 1 Commerce Co., Ltd. (成都市第一城商業有限公司).

- (5) According to eight Certificates of Real Estate Ownership issued by the Chengdu Municipal Bureau of Land and Resources, the real estate ownership of the property with a site area of 8,699.03 sq. m. and a total gross floor area of 198.98 sq. m. has been vested in Su, Yu (蘇渝), the real estate ownership of the property with a site area of 8,748.62 sq. m. and a total gross floor area of 14,295.61 sq. m. has been vested in Sichuan Tairan Real Estate Group Co., Ltd. (四川省泰然置業有限責任公司) all for commercial use. The details of the certificates are shown as follows:

No.	Certificate No.	Land Area (sq. m.)	GFA (sq. m.)	Land Tenure
				Expiry Date
1.	(2017)0127329	8,699.03	198.98	3 July 2042
2.	(2019)0491311	8,748.62	2,157.93	3 July 2042
3.	(2019)0453596	8,748.62	1,665.04	3 July 2042
4.	(2019)0491325	8,748.62	2,379.61	3 July 2042
5.	(2019)0491315	8,748.62	2,646.70	3 July 2042
6.	(2019)0491317	8,748.62	2,646.70	3 July 2042
7.	(2019)0470958	8,748.62	2,646.70	3 July 2042
8.	(2019)0470308	8,748.62	152.93	3 July 2042

- (6) Referring to the Certificates of Real Estate Ownership disclosed in Note (5), Su, Yu (蘇渝) is the legal owner of the corresponding portion of the property. According to the lease agreement provided by the Company, Su, Yu (蘇渝) leased the relevant portion of the property to Chengdu No. 1 Commerce Co., Ltd. (成都市第一城商業有限公司).
- (7) According to the lease agreement, the state-owned land use rights of the property under lease will expire in July 2042. Pursuant to the lease terms, the legal owners of the property shall, in accordance with the applicable national regulations, complete the renewal procedures for the real estate ownership certificate with the relevant authorities prior to the expiry date and shall bear all related costs.

In the event that, due to reasons attributable to any of the legal owners of the property (excluding reasons arising from changes in government policies of the relevant authorities), the renewal of the real estate ownership certificate has not been completed before July 2042 (except where the renewal application documents have already been duly submitted to the relevant authorities), and such failure results in Sichuan Shishang Parkson Retail Development Co., Ltd. (四川時尚百盛商業發展有限公司) being unable to continue its normal business operations and thereby suffering significant losses, the legal owners of the property shall be liable to pay Sichuan Shishang Parkson Retail Development Co., Ltd. (四川時尚百盛商業發展有限公司) a penalty of RMB50,000,000 or an amount equivalent to the annual rent for the leased premises in the year immediately prior to termination, whichever is higher. Sichuan Shishang Parkson Retail Development Co., Ltd. (四川時尚百盛商業發展有限公司) shall also have the right to terminate the lease.

As instructed by the Company, we have assumed that the legal owners of the property will successfully renew the real estate ownership certificates with the relevant authorities before they expire, in accordance with national regulations, and will bear all related costs.

- (8) We have adopted Market Comparison Method by identifying relevant rental comparables in the nearby developments. Comparable properties are selected based on the following criteria: (i) the lease of comparable properties took place within three years; (ii) comparable properties are located in core business districts of Chengdu; (iii) the nature of the comparable properties is similar to the property (i.e. leased to a single anchor brand similar to Parkson). We have examined the current market and the rental comparables identified by us are considered exhaustive based on the above criteria. The unit monthly rents of the retail comparables approximately range from RMB43 to RMB60 per month per sq. m., inclusive of VAT.

Rental Comparable	Approximately	Unit Rent (RMB/sq. m./month)
	Leased Area (sq. m.)	
1. A multi-storey retail unit in Wuhou district	4,000	43
2. A multi-storey retail unit in Jinjiang district	49,000	60
3. A multi-storey leisure and entertainment unit in Gaoxin district	5,800	47

The rental comparables are from our internal proprietary database, hence building names are not disclosed as restricted by confidential agreements to third parties.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to reflect the differences in several aspects, including but not limited to location, size, level and other physical characteristics between the property and the comparable properties. The general basis of adjustment is that if the property is similar to comparable properties, no adjustment is necessary. If the property is better than the comparable properties, an upward adjustment is made. Alternatively, if the property is inferior or less desirable than the comparable properties, a downward adjustment is made.

The major adjustments arrive at our valuation:

Adjustment	Range
Time	-2% to 0%
Location & Environment	15% to 25%
Accessibility	-5% to 10%
Age & Maintenance	-4% to 0%
Size	-2% to 4%
Building Facilities	3% to 6%
Decoration Standard	-5% to 5%
Level	-2% to 67%
Frontage	0% to 5%

The unit rent of each comparable property was individually adjusted to reflect its differences from the property in key aspects such as location, size, level, and other physical characteristics. After due adjustments, equal weighting was assigned to the three comparable properties to derive the unit market rent of the property. As a result, we have adopted a unit market rent of RMB80.60 per sq. m. per month for a total leasable area of 28,763.32 sq. m., equivalent to an annual rent of RMB27,819,883, rounded at RMB28,000,000 for the first year, inclusive of VAT but exclusive of building management fee, at an inclusive basis including fixed and variable rents following the rental growth structure specified in the lease agreement.

Based on our independent adjustment of the rental comparables as mentioned above, we are of the view that our opinion of the market rent of the property to be fair and reasonable.

- (9) We have been provided with a legal opinion on the title the property issued by the Group's PRC Legal Adviser which contains, inter-alia, the following information:
- a. The lease agreements and its supplemental agreements are legally binding on both the lessors and the lessee. However, the state-owned land use rights of the property involved will expire in July 2042. Upon expiry, the validity and performance of the above-mentioned agreements are subject to uncertainties arising from the renewal of the state-owned land use rights;
 - b. Sichuan Kedi Real Estate Co., Ltd. (四川科迪置業有限公司) and Sichuan Tairan Real Estate Group Co., Ltd. (四川省泰然置業有限責任公司) are the legal owners of the corresponding portions of the property, and have the right to legally possess, use, benefit from and otherwise dispose of such portion of the property including the right to lease it to third parties. As the corresponding portions of the property are subject to registered mortgages, the exercise of such rights is subject to the terms and conditions between the companies and the mortgagees;
 - c. Sichuan Guojia Real Estate Co., Ltd. (四川省國嘉地產有限公司) is the legal owner of the corresponding portion of the property and has the right to legally possess, use, benefit from and otherwise dispose of such portion of the property including the right to lease it to third parties;
 - d. Su, Yu (蘇渝) is the legal owner of the corresponding portion of the property and has the right to legally possess, use, benefit from and otherwise dispose of such portion of the property including the right to lease it to third parties; and
 - e. Chengdu No. 1 Commerce Co., Ltd. (成都市第一城商業有限公司) has the right to sublease to Sichuan Shishang Parkson Retail Development Co., Ltd. (四川時尚百盛商業發展有限公司) from Sichuan Guojia Real Estate Co., Ltd. (四川省國嘉地產有限公司) and Su, Yu (蘇渝).

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 Group. 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' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

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/or debentures (as the case may be) of the Company or any of its associated corporations (within the meaning of the SFO) which will be required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or chief executive is taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company under section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(a) Long positions of Tan Sri Cheng Heng Jem in the share capital of the Company:

Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate Percentage of Shareholding
Corporate interest	PRG Corporation Limited ("PRG Corporation")	PRG Corporation	1,438,300,000 ordinary shares	54.59%
Corporate interest	East Crest International Limited ("East Crest")	East Crest	9,970,000 ordinary shares	0.38%

Notes:

1. Tan Sri Cheng Heng Jem, together with his wife, Puan Sri Chan Chau Ha alias Chan Chow Har, through their interests and a series of companies in which they have a substantial interest, are entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of Parkson Holdings Berhad ("PHB"). Since PHB is entitled to exercise or control the exercise of 100% of the voting power at general meeting of PRG Corporation through East Crest, pursuant to the SFO, he is deemed to be interested in both the 1,438,300,000 Shares held by PRG Corporation and the 9,970,000 Shares held by East Crest in the Company.
2. Based on the issued and paid-up capital of the Company as at the Latest Practicable Date.

APPENDIX III

GENERAL INFORMATION

- (b) Long positions of Tan Sri Cheng Heng Jem in the share capital of the Company's associated corporations (as defined in the SFO):

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities Beneficially Owned	Approximate % of Shareholding Interest
PHB	Beneficial interest and corporate interest	Tan Sri Cheng Heng Jem together with his spouse, Puan Sri Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations	Tan Sri Cheng Heng Jem together with his spouse, Puan Sri Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations	626,917,128 ordinary shares	54.56%
East Crest	Corporate interest	PHB	PHB	1,600,000,000 ordinary shares	100%
Puncak Pelita Sdn. Bhd.	Corporate interest	PHB	PHB	2 ordinary shares	100%
Parkson Properties Holdings Co., Ltd.	Corporate interest	PHB	PHB	2 ordinary shares	100%
Parkson Vietnam Investment Holdings Co., Ltd.	Corporate interest	PHB	PHB	2 ordinary shares	100%
Prime Yield Holdings Limited	Corporate interest	PHB	PHB	1 ordinary share	100%
Corporate Code Sdn. Bhd.	Corporate interest	PHB	PHB	2 ordinary shares	100%
PRG Corporation	Corporate interest	East Crest	East Crest	1 ordinary share	100%
Smart Spectrum Limited	Corporate interest	East Crest	East Crest	1 ordinary share	100%
Serbadang Holdings Sdn. Bhd.	Corporate interest	East Crest	East Crest	2 ordinary shares	100%
Parkson Services Pte. Ltd.	Corporate interest	East Crest	East Crest	100 ordinary shares	100%
Parkson Retail Asia Limited	Beneficial interest and corporate interest	Tan Sri Cheng Heng Jem and through East Crest	Tan Sri Cheng Heng Jem and through East Crest	458,433,300 ordinary shares	68.03%
Parkson Properties Hanoi Co., Ltd.	Corporate interest	Parkson Properties Holdings Co., Ltd.	Parkson Properties Holdings Co., Ltd.	1 ordinary share	100%
Parkson TSN Holdings Co., Ltd.	Corporate interest	Parkson Vietnam Investment Holdings Co., Ltd.	Parkson Vietnam Investment Holdings Co., Ltd.	2 ordinary shares	100%
Dyna Puncak Sdn. Bhd.	Corporate interest	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares	100%
Gema Binari Sdn. Bhd.	Corporate interest	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares	100%
Prestasi Serimas Sdn. Bhd.	Corporate interest	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2,000,000 ordinary shares	100%
Centro Retail Pte. Ltd.	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	2 ordinary shares (SGD) 1 ordinary share (MYR)	100%
PT. Tozy Sentosa (Put into bankruptcy on 17 May 2021)	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	45,000 Series A common shares	100% (in aggregate)

APPENDIX III

GENERAL INFORMATION

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities Beneficially Owned	Approximate % of Shareholding Interest
		Centro Retail Pte. Ltd.	Centro Retail Pte. Ltd.	5,000 Series A common shares	
		Parkson Retail Asia Limited	Parkson Retail Asia Limited	30,355,850 Series B preference shares	100%
Parkson Corporation Sdn. Bhd.	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	82,000,002 ordinary shares	100%
Parkson Myanmar Co., Pte. Ltd.	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	1 ordinary share (SGD) 1 ordinary share (MYR)	100%
Parkson Yangon Company Limited	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	1,900,000 ordinary shares	100% (in aggregate)
		Parkson Myanmar Co., Pte. Ltd.	Parkson Myanmar Co., Pte. Ltd.	100,000 ordinary shares	
Parkson HBT Properties Co., Ltd.	Corporate interest	Parkson TSN Holdings Co., Ltd.	Parkson TSN Holdings Co., Ltd.	2,100,000 capital (USD)	100%
Idaman Erajuta Sdn. Bhd.	Corporate interest	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	2 ordinary shares	100%
Magna Rimbun Sdn. Bhd.	Corporate interest	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	2 ordinary shares	100%
True Excel Investments Limited	Corporate interest	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	1 ordinary share	100%
Parkson Branding Sdn. Bhd.	Corporate interest	Gema Binari Sdn. Bhd.	Gema Binari Sdn. Bhd.	7,000,000 ordinary shares	100%
Parkson SGN Co., Ltd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	4,500,000 capital (USD)	100%
Parkson Cambodia Holdings Co., Ltd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	1 ordinary share	100%
Parkson Edutainment World Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	1,000,000 ordinary shares	100%
Parkson Lifestyle Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	61,000,000 ordinary shares	100%
Parkson Haiphong Co., Ltd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	30,000,920 capital (USD)	100%
Parkson Unlimited Beauty Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	37,873,500 ordinary shares	100%
Parkson Private Label Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	15,000,000 ordinary shares	100%
Parkson Trading (Vietnam) Company Limited	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	300,000 capital (USD)	100%
Solid Gatelink Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	33,400,000 ordinary shares	100%
Parkson Vietnam Co., Ltd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	10,340,000 capital (USD)	100%
Parkson Myanmar Investment Company Pte. Ltd.	Corporate interest	Parkson Myanmar Co., Pte. Ltd.	Parkson Myanmar Co., Pte. Ltd.	2,100,000 ordinary shares	70%
Festival City Sdn. Bhd.	Corporate interest	Idaman Erajuta Sdn. Bhd.	Idaman Erajuta Sdn. Bhd.	500,000 ordinary shares	100%

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Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities Beneficially Owned	Approximate % of Shareholding Interest
Megan Mastika Sdn. Bhd.	Corporate interest	Magna Rimbun Sdn. Bhd.	Magna Rimbun Sdn. Bhd.	300,000 ordinary shares	100%
True Excel Investments (Cambodia) Co., Ltd.	Corporate interest	True Excel Investments Limited	True Excel Investments Limited	1,000 ordinary shares	100%
Parkson (Cambodia) Co., Ltd.	Corporate interest	Parkson Cambodia Holdings Co., Ltd.	Parkson Cambodia Holdings Co., Ltd.	1,000 ordinary shares	100%
Parkson Vietnam Management Services Co., Ltd.	Corporate interest	Parkson Vietnam Co., Ltd.	Parkson Vietnam Co., Ltd.	100,000 capital (USD)	100%
Dimensi Andaman Sdn. Bhd.	Corporate interest	Megan Mastika Sdn. Bhd.	Megan Mastika Sdn. Bhd.	54,019,999 ordinary shares	100%

Note: Based on the relevant information of the respective companies as at the Latest Practicable Date.

- (c) Short positions of Tan Sri Cheng Heng Jem in the share capital of the Company's associated corporations (as defined in the SFO):

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate % of Shareholding (Ordinary Shares)
PHB	Corporate interest	Tan Sri Cheng Heng Jem together with his spouse, Puan Sri Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations	Tan Sri Cheng Heng Jem together with his spouse, Puan Sri Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations	40,000,142 ordinary shares	3.48%

Note: Based on the total number of issued shares of PHB as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and/or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company under section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, so far as is known to any Directors or chief executives of the Company, the following persons (other than the Directors and chief executive of the Company) had, or were deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group:

Name of Shareholder	Long/Short Position	Nature of Interest	Number of Shares	% of Shareholding (Direct/Indirect)
PHB	Long	Corporate interest	1,448,270,000 (Note 1)	54.97%
Puan Sri Chan Chau Ha alias Chan Chow Har	Long	Corporate interest	1,448,270,000 (Note 2)	54.97%
PRG Corporation	Long	Beneficial interest	1,438,300,000 (Note 1)	54.59%
Chan Kin	Long	Corporate interest	955,975,517 (Note 3)	36.28%
Argyle Street Management Holdings Limited	Long	Interest of controlled corporation	955,975,517 (Note 3)	36.28%
Argyle Street Management Limited	Long	Investment manager	955,975,517 (Note 3)	36.28%
ASM Connaught House General Partner Limited	Long	Corporate interest	955,584,517 (Note 3)	35.70%
ASM Connaught House Fund II LP	Long	Corporate interest	955,584,517 (Note 3)	35.70%
Bishan Street Limited ("Bishan")	Long	Beneficial interest and security interest	933,845,517 (Note 3)	35.44%
Wang Hung Roger	Long	Beneficial interest and trustee	429,935,500 (Note 4)	16.32%
Wang Hsu Vivine H	Long	Interest of spouse and trust beneficiary	429,935,500 (Note 5)	16.32%
GEICO Holdings Limited	Long	Corporate interest	421,646,346 (Note 6)	16.00%

Name of Shareholder	Long/Short Position	Nature of Interest	Number of Shares	% of Shareholding (Direct/Indirect)
Golden Eagle International Retail Group Limited	Long	Corporate interest	421,646,346 (Note 6)	16.00%
Wang Dorothy S L	Long	Beneficiary of a trust	421,646,346	16.00%
Wang Janice S Y	Long	Beneficiary of a trust	421,646,346	16.00%

Notes:

1. PRG Corporation is a wholly-owned subsidiary of East Crest which is in turn wholly-owned by PHB. By virtue of the SFO, PHB is deemed to be interested in the Shares held by PRG Corporation in the Company.
2. Puan Sri Chan Chau Ha alias Chan Chow Har is the wife of Tan Sri Cheng Heng Jem and is deemed to be interested in 1,448,270,000 Shares which Tan Sri Cheng Heng Jem is deemed to be interested in for the purposes of the SFO.
3. According to disclosure of interest filings available on the Stock Exchange's website, Mr. Chan Kin is deemed to be interested in the Shares held by several corporations which he directly or indirectly controls. Out of these 955,975,517 Shares, 9,645,517 Shares are interests in cash-settled unlisted derivatives.

Bishan and ASM Connaught House Fund LP beneficially owned 9,645,517 and 11,565,500 Shares respectively. Bishan also held 924,200,000 securities interest on the Shares among the 933,845,517 Shares it is interested in.

Bishan was held indirectly by Argyle Street Management Limited as the Investment Manager through ASM Connaught House Fund II LP, ASM Connaught House Fund LP and several other controlled corporations. ASM Connaught House General Partner II Limited and ASM Connaught House General Partner Limited were two wholly controlled corporations of Argyle Street Management Holding Limited. Mr. Chan Kin has 100% control over Argyle Street Management Limited through his 50.43% control over Argyle Street Management Holding Limited. Accordingly, Mr. Chan Kin, Argyle Street Management Holding Limited and Argyle Street Management Limited were deemed to be interested in an aggregate holding of 955,975,517 Shares by virtue of the SFO.

4. The capacities of Wang Hung Roger in holding the 429,935,500 Shares (Long position) were as to 8,289,154 Shares (Long position) as beneficial owner and 421,646,346 Shares (Long position) as trustee.
5. Wang Hsu Vivine H is the wife of Wang Hung Roger and is deemed to be interested in 429,935,500 Shares held by Wang Hung Roger.
6. Golden Eagle International Retail Group Limited is wholly-owned by GEICO Holdings Limited. By virtue of the SFO, GEICO Holdings Limited is deemed to be interested in the Shares held by Golden Eagle International Retail Group Limited in the Company.

As at the Latest Practicable Date, as far as the Directors are aware, each of the following persons, not being a Director or the chief executive of the Company, was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of a member of the Group other than the Company:

Substantial Shareholder	Member of the Group	% of Equity Interest Held
Wuxi Supply and Marketing Group Co., Ltd. (“ Wuxi Supply and Marketing ”) ¹	Wuxi Sanyang Parkson Plaza Co., Ltd. (“ Wuxi Parkson ”)	40%
Guizhou Shenqi Enterprise Co., Ltd. (“ Guizhou Shenqi ”) ²	Guizhou Shenqi Parkson Retail Development Co., Ltd. (“ Guizhou Parkson ”)	40%
E-Land Fashion Hong Kong Limited (“ E-Land Hong Kong ”)	Parkson Newcore Retail Shanghai Ltd. (“ Parkson Newcore ”) ³	51%
E-Land Hong Kong	Nanchang Parkson Newcore Retail Ltd. (“ Nanchang Newcore ”) ³	100%
Koh Wee Lit	Habitat Blue Sdn. Bhd.	40.55%
Bernice Cheong Nyuk Siew	Habitat Blue Sdn. Bhd.	16.67%

Notes:

- Wuxi Supply and Marketing owns 40% of the equity interest of Wuxi Parkson.
- Guizhou Shenqi, owns 40% of the equity interest of Guizhou Parkson.
 - Zhang Pei, Zhang Zhi Jun and Zhang Ya, own 30%, 40% and 30% of the equity interest in Guizhou Shenqi Enterprise, representing a 12%, 16% and 12% indirect equity interest in Guizhou Parkson, respectively.
- Parkson Newcore owns 100% of the equity interest in Nanchang Newcore. E-Land Hong Kong owns 51% of the equity interest in Parkson Newcore, and thus E-Land Hong Kong is indirectly interested in 51% of the equity interest in Nanchang Newcore.

Save as disclosed herein, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, there was no other person, other than the Directors or chief executive of the Company and (in the case of the other members of the Group) other than the Company, who had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

As at the Latest Practicable Date, Tan Sri Cheng Heng Jem, an executive Director and chairman of the Board, was the director of PHB, and Juliana Cheng San San, an executive Director, was the director of PRG Corporation. Save as disclosed herein, no Director was a director or any employee of a company which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors have any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or which may be terminated by the Company or the relevant Group member within one year without payment of compensation other than statutory compensation).

5. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, 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 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

6. DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors was materially interested in any contract or arrangement subsisting as of the Latest Practicable Date which is significant in relation to the business of the Group.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or the chief executive of the Company and their respective associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group which would fall to be disclosable under the Listing Rules.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was involved in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

9. 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 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

10. MATERIAL CONTRACTS

The Group did not enter into any contract which was or might be material other than those entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries within the two years immediately preceding and including the Latest Practicable Date.

11. MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed hereinabove, there was no material acquisition or disposal of subsidiaries, associates and joint ventures by the Group during the year ended 31 December 2024 and up to and including the Latest Practicable Date.

12. EXPERTS AND CONSENTS

Name	Qualification
Cushman & Wakefield Limited	Independent property valuer
Shanghai Dehehantong Law Firm	PRC legal adviser

As at the date of this circular, each of the above experts has given and has not withdrawn its written consent to the issue of the circular with the inclusion of its letter or opinion or advice and the references to its name in the form and context in which it appears.

As at the Latest Practicable Date, none of the above experts was beneficially interested in the share capital of any member of the Group nor did it have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

13. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (www.parksongroup.com.cn) for a period of 14 days from the date of this circular:

- (a) the Chengdu Renewal Agreement;
- (b) the Supplemental Agreement;
- (c) the valuation reports from Cushman & Wakefield Limited, the text of which is set out in Appendix II to this circular; and
- (d) the letters of consent from the experts referred to in paragraph 12 in this appendix.

14. MISCELLANEOUS

- (a) The registered office of the Company is situated at P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is at Room 1010, 10th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.
- (c) The principal share registrar and transfer office of the Company in the Cayman Islands is Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands.
- (d) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) The secretary of the Company is Yuen Wing Yan, Winnie, FCG, HKFCG (PE).
- (f) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.