THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Jiahua Stores Holdings Limited** (the "**Company**"), you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

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This circular is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

佳華百貨控股有限公司

Jiahua Stores Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00602)

MAJOR TRANSACTION
HISTORICAL TRANSACTIONS IN RELATION TO VARIATION AND EXTENSION OF TERMS TO THE LEASE AGREEMENT

Capitalised terms used on this cover shall have the same meanings as those defined in this circular, unless the content requires otherwise.

A letter from the Board is set out on pages 4 to 16 of this circular.

The Transactions being the subject matter of this circular have been approved in writing by the controlling Shareholder 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 June 2026

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

"Announcement"	the announcement published by the Company dated 4 June 2026 in relation to the Transactions
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Company"	Jiahua Stores Holdings Limited (佳華百貨控股有限公司) (stock code: 00602), an exempted company incorporated in Cayman Islands on 4 September 2006 and the issued shares of which are listed on the main board of the Stock Exchange
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS 16"	the Hong Kong Financial Reporting Standard 16 – Leases issued by the Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Landlord"	Shenzhen Zhongpengzhan Industrial Co., Ltd.* (深圳市中鵬展實業有限公司), a company incorporated in the PRC and is held as to 50% by Mr. Wu Ru Feng (吳如鋒) and 50% by Mr. Zhuang Chaoming (莊潮明)
"Latest Practicable Date"	23 June 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
"Lease Agreement"	the Lease Agreement entered into between the Landlord and the Tenant dated 8 November 2017 in respect of the leasing of Gongming Premises

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Zhuang"	Mr. Zhuang Lu Kun, an executive Director, spouse of Mrs. Zhuang which as at the Latest Practicable Date held 467,985,000 Shares, and together with Mrs. Zhuang held 535,485,000 Shares, representing approximately 51.61% of the total issued shares of the Company
"Mrs. Zhuang"	Mrs. Zhuang Su Lan, spouse of Mr. Zhuang, which as at the Latest Practicable Date held 67,500,000 Shares, and together with Mr. Zhuang held 535,485,000 Shares, representing approximately 51.61% of the total issued shares of the Company
"PRC"	the People's Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
"Share(s)"	Shares of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Shenzhen Baijiahua" or "Tenant"	Shenzhen Baijiahua Department Stores Company Limited (深圳市百佳華百貨有限公司), a company incorporated in the PRC, a wholly-owned subsidiary of the Company, being the tenant under the Lease Agreement
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Supplemental Lease Agreement I"	the supplemental agreement entered into between the Landlord and the Tenant dated 15 November 2023 in respect of the downward adjustment of rent and extension of terms regarding the leasing of Gongming Premises pursuant to the Lease Agreement
"Supplemental Lease Agreement II"	the supplemental agreement entered into between the Landlord and the Tenant dated 15 July 2025 in respect of the extension of terms regarding the leasing of Gongming Premises pursuant to the Lease Agreement

"Transactions"	the entering into the Supplemental Lease Agreement I and the Supplemental Lease Agreement II
"%"	per cent.

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

Executive Directors:
Mr. Zhuang Lu Kun *(Chairman)*
Mr. Zhuang Pei Zhong
Mr. Zhuang Xiao Xiong

Independent non-executive Directors:
Mr. Chin Kam Cheung
Mr. Sun Ju Yi
Mr. Ai Ji
Madam Ying Chi Kwan

Registered office:
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P.O. Box 2681
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Suite 715, 7th Floor
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5 Canton Road
Tsimshatsui
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Hong Kong

25 June 2026

To the Shareholders,

Dear Sirs or Madams,

MAJOR TRANSACTION
HISTORICAL TRANSACTIONS IN RELATION TO VARIATION AND EXTENSION OF TERMS TO THE LEASE AGREEMENT

1. INTRODUCTION

Reference is made to the announcement of the Company dated 4 June 2026 in relation to the variation and extension of terms to the Lease Agreement by the Supplemental Lease Agreement I in 2023 and the Supplemental Lease Agreement II in 2025.

The purpose of this circular is to provide you with further details of the Supplemental Lease Agreement I, the Supplemental Lease Agreement II and the transaction contemplated thereunder, the financial information of the Gongming Premises, the valuation report of the Gongming Premises, and other information as required under the Listing Rules.

2. THE LEASE AGREEMENT

Set out below are the principal terms of the Lease Agreement entered into on 8 November 2017, which was subsequently supplemented by the Supplemental Lease Agreement I and the Supplemental Lease Agreement II:

Parties: (i) The Landlord as the landlord of the Gongming Premises; and

(ii) The Tenant as the tenant of the Gongming Premises

Premises: The Gongming Premises, being No. 1 Changchun South Road West, Gongming Street, Guangming District, Shenzhen, Guangdong Province, the PRC (中華人民共和國廣東省深圳市光明區公明街道長春南路西1號) with a total of area of 21,843 sq.m. owned by the Landlord.

Term: 16 November 2017 to 15 November 2027 (both days inclusive). The Gongming Premises should be delivered upon date of execution of the Lease Agreement.

Rent: An initial monthly rent of RMB2,184,300 per month.

A 5% increment on the initial monthly rent for every 3 years as shown in the table below:

Period	**Rent per month**
16 November 2020 to 15 November 2023	RMB2,293,515
16 November 2023 to 15 November 2026	RMB2,408,191
16 November 2026 to 15 November 2027	RMB2,528,600

Monthly rent is payable by way of bank transfer on the 5th day before the commencement of each month and financed by internal resources of the Company.

Deposit: A rental deposit of RMB4,368,600 payable by the Tenant to the Landlord 3 days after the execution of the Lease Agreement.

Usage: For commercial purpose. The usage of the Gongming Premises should not be altered.

Sub-let:	Where the Tenant subleases part of the Gongming Premises to a third party for operation purposes, the Landlord shall provide its assistance and the Tenant shall provide the relevant documentation to the Landlord. The term of any sublease granted by the Tenant to a third party shall not exceed the remaining term of this Lease Agreement. The Tenant undertakes that the Landlord shall bear no liability for any disputes arising from the sublease agreement between the Tenant and the third party.
Decoration:	If the Tenant intends to renovate and decorate the Gongming Premises, the Tenant should submit a written application together with the decoration proposal and blueprint to the Landlord for approval. The renovation and decoration plans are subject to approval and final inspection of relevant departments.
Renewal:	If the Tenant decides to continue to rent the Gongming Premises upon the expiration of the Term, the Tenant shall submit a written application for lease renewal to the Landlord 3 months prior to the date of expiration of the Term. Subject to the same conditions, the Tenant shall have the priority to renew the Lease Agreement. If both parties are unable to reach an agreement 60 days prior to the expiry of the Lease Agreement, this shall be deemed a waiver of the right to renewal.
Other terms:	Upon expiration of the Term or early termination of the Lease Agreement due to breach of contract by the Tenant, all fixtures added to the Gongming Premises by the Tenant shall become property of the Landlord with no charge. If the Landlord does not accept such fixtures, the Tenant must remove them within a specified period; otherwise, the Landlord shall have the right to require the Tenant to pay the corresponding removal costs.

Termination:

The Landlord has the right to terminate the Lease Agreement and take possession of the Gongming Premises in the event the Tenant caused any of the following circumstances, (i) non-payment or failure to pay as agreed in accordance to the terms of the Lease Agreement, the rent or other charges for a period of up to 15 days; (ii) unauthorized demolition and alteration of the main structure of the building; (iii) using the Gongming Premises to engage in illegal activities; (iv) revoke of the Tenant's license, permit sealed by the state authorities and inability to conduct operations; (v) unauthorized usage of the Gongming Premises as guarantee; (vi) any fundamental breach of the contract by the Tenant. Should the above circumstances occur, the Tenant shall compensate the Landlord for losses equivalent to three months' rent and other payable fees and the security deposit shall by forfeited; and

In the event the Tenant wishes to early terminate the Lease Agreement, the Tenant shall provide the Landlord with 90 days' prior written notice and shall not interfere with the Landlord's continuous and uninterrupted operation of the leased premises and the Lease Agreement shall be terminated as of the date of the Landlord's written consent to the termination, and the Landlord shall have the right to forfeit the security deposit. If the Tenant unilaterally terminates this Agreement without the Landlord's consent, the Landlord shall have the right to forfeit the security deposit, and the Tenant shall also compensate the Landlord for losses equivalent to six months' rent;

The Tenant has the right to terminate the Lease Agreement with 30 days prior written notice in the event the Landlord caused any of the following circumstances, (i) the Tenant is unable to normally use the Gongming Premises due to bankruptcy; (ii) the Tenant is unable to use the Gongming Premises due to the dissolution; (iii) the Tenant is unable to use the Gongming Premises due to the revocation of the Landlord's business license; (iv) the Tenant is unable to use the Gongming Premises due to reasons attributable to the Landlord or issues related to the ownership of the the Gongming Premises. Both parties should complete the relevant clearance procedures in a timely manner; the security deposit shall be refunded without interest, after deduction of any outstanding charges; and

In the event the Landlord unilaterally terminates the Agreement early, the Landlord shall provide the Tenant with 90 days' prior written notice and the Agreement shall be terminated as of the date of the Tenant's written consent to the termination and the Landlord shall refund the Tenant's security, net of any fees owed by the Tenant without interest. If the Landlord terminates the Agreement unilaterally without the Tenant's consent, the Landlord shall refund double the security deposit and shall compensate the Tenant for losses equivalent to six months' rent.

3. THE SUPPLEMENTAL LEASE AGREEMENT I

On 15 November 2023, the Tenant and the Landlord entered into the Supplemental Lease Agreement I in adjusting downward the rent from 16 November 2023 onwards and to extend the lease term for an additional two years up to 15 November 2029 (both days inclusive).

Key Terms of the Supplemental Lease Agreement I

Parties: (i) The Landlord as the landlord of the Gongming Premises; and

(ii) The Tenant as the tenant of the Gongming Premises

Date: 15 November 2023

Rent: The monthly rent shall be as follow:

Period	Rent per month
16 November 2023 to 15 November 2027	RMB764,505
16 November 2027 to 15 November 2029	RMB802,730.25

Extended Term: 16 November 2017 to 15 November 2029 (both days inclusive)

Save for the above variation of terms, the other terms of the Lease Agreement remain unchanged.

4. THE SUPPLEMENTAL LEASE AGREEMENT II

On 15 July 2025, the Tenant and the Landlord entered into the Supplemental Lease Agreement II to further extend the lease term for an additional two years up to 15 November 2031.

Key Terms of the Supplemental Lease Agreement II

Parties:	(i) The Landlord as the landlord of the Gongming Premises; and (ii) The Tenant as the tenant of the Gongming Premises
Rent:	The monthly rent shall be as follow:

Period	**Rent per month**
16 November 2029 to 15 November 2031	RMB842,921.37

Renewal:	Upon the expiration of the term (i.e. on 15 November 2031) for a period of ten years from the date of the Supplemental Lease Agreement II (i.e. from 15 July 2025 to 15 July 2035), the Tenant shall have the priority to renew the Lease.
Extended Term:	16 November 2017 to 15 November 2031

Save for the above variation of terms, the other terms of the Lease Agreement remains unchanged.

5. INFORMATION ON THE PARTIES

Information of the Tenant

Shenzhen Baijiahua, the Tenant is a wholly-owned subsidiary of the Company and is principally engaged in operation and management of retail stores and other related businesses in the PRC.

Information of the Landlord

The Landlord, Shenzhen Zhongpengzhan Industrial Co., Ltd.* (深圳市中鹏展實業有限公司), is a company incorporated in the PRC and is held as to 50% by Mr. Wu Ru Feng (吳如鋒) and 50% by Mr. Zhuang Chaoming (莊潮明), with principal business, including but not limited to, the establishment of industrial enterprises and carrying out domestic commerce and materials supply.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

6. INFORMATION ON THE GONGMING PREMISES

The Gongming Premises represent certain retail spaces for the operation of Gongming Supermarket as well as the Gongming Shopping mall which is located at No. 1 Changchun South Road West, Gongming Street, Guangming District, Shenzhen, Guangdong Province, the PRC (中華人民共和國廣東省深圳市光明區公明街道長春南路西1號), the PRC, leased by the Tenant.

7. FINANCIAL INFORMATION OF THE GONGMING PREMISES

Set out below is the unaudited financial information of the Gongming Premises for the two years ended 31 December 2021 and 2022 (i.e. the two financial years immediately preceding the entering into the Supplemental Lease Agreement I in 2023):

	For the year ended 31 December 2021	**For the year ended 31 December 2022**
	RMB' million	*RMB' million*
Revenue	91.8	43.7
Net (loss) before tax	(9.8)	(13.0)
Net (loss) after tax	(9.8)	(13.0)

Set out below is the unaudited financial information of the Gongming Premises for the two years ended 31 December 2023 and 2024 (i.e. the two financial years immediately preceding the entering into the Supplemental Lease Agreement II in 2025):

	For the year ended 31 December 2023	**For the year ended 31 December 2024**
	RMB' million	*RMB' million*
Revenue	33.9	32.4
Net (loss) before tax	(12.5)	(12.3)
Net (loss) after tax	(12.5)	(12.3)

Financial Effect of entering into the Supplemental Lease Agreement I and Supplemental Lease Agreement II

In respect of the Supplemental Lease Agreement I

Pursuant to HKFRS 16, the entering into of the Supplemental Lease Agreement I by the Tenant constitutes a lease modification. The Tenant is required to remeasure the lease liability arising from the modification and make a corresponding adjustment to the right

of-use asset. The modification resulted in a reduction of both the lease liability and the right-of-use asset by approximately RMB11.6 million.

In respect of the Supplemental Lease Agreement II

Pursuant to HKFRS 16, the entering into of the Supplemental Lease Agreement II by the Tenant constitutes a lease modification. The Tenant is required to remeasure the lease liability arising from the modification and make a corresponding adjustment to the right of-use asset. The modification resulted in an addition of both the lease liability and the right-of-use asset by approximately RMB12.6 million.

8. REASONS AND BENEFITS FOR THE ENTERING INTO THE TRANSACTIONS

The Group is principally engaged in operation and management of retail stores and other related businesses in the PRC.

The Group has been operating a number of shopping malls and supermarkets across Shenzhen, the PRC. Lease term (including tenure and rental amount) of each rental premises of the Group will be subjected to review from time to time, depending on the then market conditions.

As the then management of the Group anticipated to continue renting the Gongming Premises for operation of the shopping mall and supermarket, the Group decided to extend the term of the Lease Agreement in 2023 and 2025. Furthermore, taking into consideration the then market condition (amidst the aftermath of the outbreak of COVID-19), the Group renegotiated the rent payable to the Landlord together with the extension of terms in 2023 and also further extended the terms of the Lease Agreement in 2025. To effect such variation and extension of terms, the Group entered into the Supplemental Lease Agreement I and Supplemental Lease Agreement II in 2023 and 2025 respectively.

The terms of the Supplemental Lease Agreement I and Supplemental Lease Agreement II, including the rental charge, were determined after arm's length negotiations between the parties and with reference to the research of then market rent of similar properties by the admin department of the Company, the standard terms of the lease agreements adopted for leasing of properties and the rental payment made by the Group under the Lease Agreement. The entering into of the Supplemental Lease Agreement I and Supplemental Lease Agreement II were necessary for the operation of the Group and in the ordinary and usual course of business of the Group. Therefore, the Board considers that the terms of the Supplemental Lease Agreement I and Supplemental Lease Agreement II were on normal commercial terms and are fair and reasonable and the entering into of the Supplemental Lease Agreement I and Supplemental Lease Agreement II were in ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

9. LISTING RULES IMPLICATIONS

The Supplemental Lease Agreement I

Pursuant to HKFRS 16, the entering into of the Supplemental Lease Agreement I by the Tenant constitutes a lease modification. The Tenant is required to remeasure the lease liability arising from the modification and make a corresponding adjustment to the right-of-use asset. The modification resulted in a reduction of both the lease liability and the right-of-use asset by approximately RMB11.6 million.

As certain applicable percentage ratios as defined under the Listing Rules in respect of the modification of right-of-use asset to be derecognized by the Group under the Supplemental Lease Agreement I exceed 25% but is less than 75%, the entering into of the Supplemental Lease Agreement I constitute a major transaction of the Company and would be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Supplemental Lease Agreement II

Pursuant to HKFRS 16, the entering into of the Supplemental Lease Agreement II by the Tenant constitutes a lease modification. The Tenant is required to remeasure the lease liability arising from the modification and make a corresponding adjustment to the right-of-use asset. The modification resulted in an addition of both the lease liability and the right-of-use asset by approximately RMB12.6 million and such increase in right-of-use asset will be considered as acquisition of the right-of-use asset of the Group under the Listing Rules.

As certain applicable percentage ratios as defined under the Listing Rules in respect of the acquisition of right-of-use asset to be recognized by the Group under the Supplemental Lease Agreement II exceed 25% but is less than 100% the entering into of the Supplemental Lease Agreement II constitute a major transaction of the Company and would be subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

10. WRITTEN SHAREHOLDERS' APPROVAL

Under Rule 14.44 of the Listing Rules, shareholders' approval for the Transactions may be obtained by way of written shareholders' approval in lieu of holding a general meeting if (1) no shareholder is required to abstain from voting if the company were to convene a general meeting for the approval of the transactions; and (2) written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of the Announcement and the then dates of entering into the Supplemental Lease Agreement I and the Supplemental Lease Agreement II, no Shareholder has material interest in the Supplemental Lease Agreement I and the Supplemental Lease Agreement II and the transactions contemplated thereunder, and no Shareholder would be required to abstain from voting at a general meeting of the Company for approving the same if the Company were to convene such a general meeting.

As at the date of the Announcement and the then dates of entering into the Supplemental Lease Agreement I and the Supplemental Lease Agreement II, Mr. Zhuang and Mrs. Zhuang together hold 535,485,000 Shares which represent approximately 51.61% of the total issued shares of the Company and voting rights in general meetings of the Company.

As no Shareholder is required to abstain from voting on the Transactions if the Company were to convene a general meeting for the approval of the Transactions, the Transactions could be and has been approved by written shareholders' approvals from Mr. Zhuang and Mrs. Zhuang as at the date of the Announcement. As confirmed by Mr. Zhuang and Mrs. Zhuang, should written approvals were requested by the Company at the time when the Supplemental Lease Agreement I and Supplemental Lease Agreement II were entered into, they would approve the Transactions respectively.

11. THE OVERSIGHT

Due to an inadvertent oversight, the Company failed to make timely disclosure of the entering into of the Supplemental Lease Agreement I and the Supplemental Lease Agreement II and seek for Shareholders' approval. Such failure was unintentional and was due to a misunderstanding by the management of the Company. The Lease Agreement was entered into in 2017, pursuant to the then accounting standard, such lease arrangement was classified as operating lease and did not constitute a notifiable transaction under the Listing Rules thus the management of the Company did not realize that the variation of lease term would constitute a notifiable transaction to the Company. Furthermore, as the two extensions would not be effective until 2027 thus the management of Company considered that the entering into of the Supplemental Lease Agreement I and the Supplemental Lease Agreement II would not immediately constitute a notifiable transaction under the Listing Rules and therefore were unaware that the requirements under Chapter 14 of the Listing Rules are applicable.

The Company would like to express deep regrets for its inadvertent and unintentional oversight of the requirements of the Listing Rules. The Company had no intention of withholding any information relating to the Supplemental Lease Agreement I and the Supplemental Lease Agreement II.

12. REMEDIAL MEASURES

To adhere to prudent corporate governance practice, the Directors have confirmed, approved and ratified the Transactions and the publication of the Announcement. To avoid any similar delay in the future, the Company has implemented the following measures:

(i) the Company will review and enhance the regulatory compliance procedures and its internal controls so as to ensure that all existing and further transactions of the Company fully comply with the Listing Rules;

(ii) the Company will maintain close cooperation with its professional advisers in relation to regulatory compliance; and

(iii) the Company shall, as and when appropriate and necessary, consult external legal advisers and/or other professional advisers before entering into possible notifiable transactions.

In particular, the following measures have been, or will be, implemented to strengthen internal controls and prevent any recurrence of the incident and so as to ensure that all existing and further transactions of the Company fully comply with the Listing Rules:

(i) a memorandum was also issued to the administrative department on 9 June 2026 by the Board (the "**Memo**"), reiterating that all lease agreements, including any supplemental agreements or variations to existing lease terms, must be submitted to the finance department and the company secretary of the Company (the "**Company Secretary**") for review no less than one month prior to the intended date of execution;

(ii) an internal review and approval memorandum (the "**RA Memo"**) would be prepared and attached to each draft lease-related agreement by the administrative department circulated for internal approval. The RA Memo will be circulated together with the draft lease-related agreement to the finance department. After reviewing the draft lease-related agreement, the relevant size tests and the right-of-use asset calculation, the finance department will affix its departmental chop on the RA Memo to confirm that it has reviewed and approved the execution of the relevant lease-related agreement;

(iii) a guideline regarding the recognition and derecognition on right-of-use assets as well as the respective Listing Rules Requirements (including but not limited to the accounting standards HKFRS 16 interpretation, details on size test calculation, disclosure and approval requirements) (the "**Guideline**"), will be provided to the administrative department as well as members of the Board for their on-going reference to relevant Listing Rules compliance;

(iv) training on the implications of lease terms in relation to right-of-use assets and the Listing Rules will be provided to the administrative department and relevant personnel (including all Directors). This initiative will strengthen internal oversight of the approval and execution process for lease agreements and will be completed before the end of August 2026;

(v) the Board will ensure that external professional advisers are readily accessible to the finance department and the Company Secretary for consultation on matters relating to the appropriate accounting treatment of lease arrangements and the applicable Listing Rules disclosure and shareholder approval requirements, the Company has maintained close contact with various financial advisers and will actively consult them on the respective issues relating to the Listing Rules, as and when necessary;

(vi) the Company is planning to seek another new independent non-executive director with extensive Listing Rules compliance knowledge and strong financial advisory background as soon as possible, in replacing the long-serving directors on board, so as to strengthen the Company's expertise in Listing Rules compliance;

(vii) the Company is planning to set up a Compliance Committee comprising tentatively executive Director Mr. Zhuang Pei Zhong, and independent non-executive Director, Madam Ying Chi Kwan together with Company Secretary of the Company, Mr. Ho Yuet Lee, Leo, on or before the end of 2026 to conduct final review of all upcoming tenancy agreements (including any variation of terms) of the Company before execution. The Compliance Committee shall comprise two Directors (at least one of whom shall be an independent non-executive Director) and the Company Secretary; and

(viii) the RA Memo, together with the draft lease-related agreements, size test and the right-of-use asset calculation, will be submitted to the Compliance Committee for review. No lease-related agreement shall be executed unless and until such approval has been obtained from the Compliance Committee. After obtaining approval from the Compliance Committee, the lease-related agreement will be executed by one of the executive Directors.

With the implementation of the above-mentioned measures, going forward, the Company will make appropriate disclosures and obtain Shareholders' approvals, if necessary, in a timely manner so as to comply with the requirements of the Listing Rules as appropriate.

13. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the entering into of the Supplemental Lease Agreement I and the Supplemental Lease Agreement II and the transactions contemplated thereunder is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Had a general meeting been convened for approval of the Supplemental Lease Agreement I and the Supplemental Lease Agreement II, the Directors (including the independent non-executive Directors) would recommend the Shareholders to vote in favour of the Supplemental Lease Agreement I and the Supplemental Lease Agreement II.

14. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Jiahua Stores Holdings Limited
Mr. Zhuang Lu Kun
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group:

(i) For the year ended 31 December 2020 has been disclosed on pages 70 to 214 of the Company's 2020 annual report published on 23 April 2021.

(ii) For the year ended 31 December 2021 has been disclosed on pages 69 to 202 of the Company's 2021 annual report published on 27 April 2022.

(iii) For the year ended 31 December 2022 has been disclosed on pages 68 to 190 of the Company's 2022 annual report published on 26 April 2023.

(iv) For the year ended 31 December 2023 has been disclosed on pages 67 to 190 of the Company's 2023 annual report published on 29 April 2024.

(v) For the year ended 31 December 2024 has been disclosed on pages 65 to 182 of the Company's 2024 annual report published on 29 April 2025.

(vi) For the year ended 31 December 2025 has been disclosed on pages 70 to 186 of the Company's 2025 annual report published on 21 April 2026.

The aforesaid financial information of the Company have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and of the Company (http://www.szbjh.com/).

Please see below the hyperlinks to the relevant financial information of the Company:

(i) the annual report of the company for the year ended 31 December 2020 published on 23 April 2021:

https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0423/2021042300795.pdf

(ii) the annual report of the company for the year ended 31 December 2021 published on 27 April 2022:

https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042700162.pdf

(iii) the annual report of the company for the year ended 31 December 2022 published on 26 April 2023:

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042602015.pdf

(iv) the annual report of the company for the year ended 31 December 2023 published on 29 April 2024:

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042900467.pdf

(v) the annual report of the company for the year ended 31 December 2024 published on 29 April 2025:

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042900759.pdf

(vi) the annual report of the company for the year ended 31 December 2025 published on 21 April 2026:

https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0421/2026042100859.pdf

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 May 2026, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had the following indebtedness:

	Note	**As at 31 May 2026** *RMB'000* (unaudited)
Bank borrowings, secured and guaranteed	1	159,792
Amount due to a director, unsecured and unguaranteed		59
Lease liabilities, unsecured and unguaranteed		561,538
		721,389

Note:

1. Included in the balances are bank borrowings of RMB135,792,000, which are secured by certain investment properties and trade receivables of the Group as at 31 May 2026 and guaranteed by a related party of the Group, and RMB24,000,000, which are secured by certain property, plant and equipment of the Group and guaranteed by certain subsidiaries of the Group, respectively.

Save as disclosed above, as at the close of business on 31 May 2026, the Group did not have any other outstanding loan capital issued and outstanding or agreed to be issued, bank overdrafts, other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptances credits, debentures, mortgages, charges, lease liabilities, hire purchase commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL SUFFICIENCY

In assessing the working capital sufficiency of the Group, the directors of the Company (the "**Directors**") have prepared a cash flow forecast covering a period for the next 12 months from the date of publication of this circular (the "**Cash Flow Forecast**"). The Directors have given careful consideration to the Group's future liquidity, operating performance and available sources of financing. The following considerations have been taken into account in the Cash Flow Forecast:

(i) As at 31 May 2026, the Group had undrawn revolving loan facility of RMB80,000,000 with a related company, namely Shenzhen Baijiahua Group Company Limited ("**BJH Group**"), in which Mr. Zhuang Lu Kun and his spouse, Mrs. Zhuang Su Lan have beneficial interests; and

(ii) The Group has also obtained the financial support from BJH Group to provide continuing financial support to the Company including but not limited to additional funds lending and defer lease payments to BJH Group and its subsidiary as and when needed, so as to enable the Group to meet its obligations and liabilities as and when they fall due and to continue its day-to-day business operations as a viable going concern notwithstanding any present or future financial difficulties.

The Directors, after due and careful consideration, are of the opinion that, taking into account the Transactions and assuming the successful implementation of plans and measures described above, the Group will have sufficient financial resources to meet its financial obligations as and when they fall due and will have sufficient working capital for its present requirements for at least the next 12 months from the date of publication of this circular.

The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

The Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 December 2025 (being the date to which the latest published audited financial results of the Group were made up) up to and including the Latest Practicable Date.

5. ACQUISITIONS AFTER THE DATE OF THE LATEST PUBLISHED AUDITED ACCOUNTS

Save for the transaction contemplated under the long-term lease agreement entered into between Shenzhen Baijiahua Commercial Management Limited (深圳市百佳華商業管理有限公司) ("**Shenzhen Baijiahua Commercial**") as tenant and Shenzhen Chuangjian Technology Co., Ltd. (深圳創健科技實業有限公司) as landlord and the 6 individual lease agreements entered into between Shenzhen Baijiahua Commercial as tenant with six respective landlords (details of which is disclosed in the circular of the Company dated 27 March 2026), since 31 December 2025 (the date to which the latest published audited accounts of the Group have been made up), no member of the Group has acquired or agreed to acquire or is proposing to acquire a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the auditor's report or next published accounts of the Group.

6. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In 2025, China's retail industry will continue to face challenges and opportunities. In the era of cost-effectiveness, consumers pay more attention to the cost and value of products, and retail operators need to grasp accurately the needs of consumers and provide higher-quality products and services. At the same time, the rise of emerging channels has also brought new development opportunities to retail enterprises. Retailers need to actively expand emerging pipelines and increase market share. In addition, retail companies also need to strengthen product innovation and supply chain management, improve efficiency, and reduce costs to cope with fierce market competition.

For the year ended 31 December 2025, the Group's total revenue was approximately RMB402.9 million, recording an increase of approximately 6.3% year-on-year ("**YOY**"); gross profit of sales of goods was approximately RMB31.7 million, representing a YOY increase of approximately 29.6%. Loss attributable to owners of the Company was approximately RMB70.0 million, representing a YOY increase of approximately 25.6%. At the end of the year, there were 9 retail stores and 3 shopping malls. The increase in revenue was mainly due to the additional efforts to boost up direct sales of commodity goods by launching promotional campaign, increase sales incentives, and active business invitation of leasing of shop premises.

During the year ended 31 December 2025, it was mainly for upgrading stores to increase revenue, the streamline of manpower and maintenance of key employees, as to retain strength to meet future challenges. Commodity sales increased by approximately RMB39.5 million, commissions from concessionaire sales decreased by approximately RMB4.2 million, rental income from sub-leasing of shop premises increased by approximately RMB1.8 million, rental income from investment properties increased by approximately RMB0.2 million, and rental income from sub-leasing of shopping malls decreased by approximately RMB13.3 million. The Group adopts a proactive and stable business strategy, provides value-added services to physical retail stores, and seeks and develops potential profit opportunities for other investment projects,

and begins to plan the preparatory work for the expansion of its branch network and shopping mall in the coming year.

The year 2026 ahead will have both opportunity and challenge existed, the Group has prepared to cope with all difficulties, to make use of our core competency in the industry. Looking ahead, China is still under the fast pace of development stage. The macroeconomic condition has significant impact to the industry. Rapid growth in information technology has direct and critical effect to the industry. The Directors are confident towards the future. The mission of the Group is to become one of the major operators in the retail industry.

UNAUDITED PROFIT AND LOSS STATEMENTS OF THE GONGMING PREMISES

In accordance with Rule 14.67(6)(b)(i) of the Listing Rules, the Company is required to include in this Circular a profit and loss statement for the three preceding financial years on the identifiable net income stream in relation to such assets which must be reviewed by the reporting accountants to ensure that such information has been properly complied and derived from the underlying books and records.

The unaudited profit and loss statements of identifiable net income stream attributable to the Gongming Premises for the years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2025 (the "**Relevant Periods**") (the "**Unaudited Profit and Loss Statements**") prepared by the directors of the Company is set out below:

	Year ended 31 December			Six months ended 30 June
	2022	**2023**	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	43,747	33,877	32,357	13,755
Cost of inventories sold	(37,947)	(20,483)	(19,167)	(7,037)
	5,800	13,394	13,190	6,718
Other operating income and gain	7,383	6,609	5,596	3,625
Selling and distribution costs	(20,232)	(27,633)	(27,602)	(10,666)
Administrative expenses	(187)	(103)	(197)	(30)
Other operating expenses	(114)	(7)	(52)	(1,853)
Finance costs	(5,605)	(4,718)	(3,261)	(940)
Loss before income tax expense	(12,955)	(12,458)	(12,326)	(3,146)

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules, the directors of the Company engaged BDO Limited, the reporting accountants of the Company, to perform certain agreed-upon procedures on the Unaudited Profit And Loss Statements as shown above in accordance with Hong Kong Standard on Related Services 4400 (Revised) "Agreed-Upon Procedures Engagements" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

The reporting accountants obtained the Unaudited Profit and Loss Statements, which were prepared by the management of the Company in relation to the major transaction of the Supplemental Lease Agreement II of the Gongming Premises, and found them to be arithmetically accurate.

In respect of the Unaudited Profit and Loss Statements, the reporting accountants compared the amounts shown on the Unaudited Profit and Loss Statements to the corresponding amounts in the underlying books and records of the Group for the Relevant Periods and found them to be in agreement.

The above agreed-upon procedures engagement conducted by the reporting accountants is not an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the reporting accountants on the Unaudited Profit and Loss Statements.

The finding on the agreed-upon procedures were reported solely for the information of the Directors and should not be used or relied upon by any other parties for any other purposes.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

(1) Introduction to Unaudited Pro Forma Financial Information of The Group

Capitalised terms used herein shall have the same meanings as those defined in this circular. The following is an illustrative unaudited pro forma financial information including unaudited pro forma consolidated statement of assets and liabilities of the Group (the "Unaudited Pro Forma Financial Information"), which has been prepared by the directors of the Company in accordance with Rule 4.29 of the Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of the Group upon completion of the major acquisition in relation to the Supplemental Lease Agreement II (the "Transaction") as if it had taken place on 31 December 2025 for the unaudited pro forma consolidated statement of assets and liabilities.

The Unaudited Pro Forma Financial Information are prepared based on:

(a) the audited consolidated statement of financial position of the Group as at 31 December 2025 as set out in the Group's published annual report dated 26 March 2026;

(b) the unaudited pro forma adjustments relating to the Transaction that are (i) directly attributable to the Transaction and not relating to future events or decisions; and (ii) factually supportable.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company for illustrative purpose only and is based on a number of assumptions, estimates, uncertainties and currently available information.

Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the actual assets and liabilities and financial performance of the Group that would have been attained has the Transaction been completed on 31 December 2025, nor purport to predict the Group's future financial position.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the published annual report of the Group for the year ended 31 December 2025, and other financial information included elsewhere in the Circular.

This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Transaction been completed as at 31 December 2025, where applicable, or at any future date.

(2) Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of The Group as at 31 December 2025

	The Group's assets and liabilities as at 31 December 2025	Pro forma adjustments				Unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2a*	*Note 2b*	*Note 2c*	*Note 2d*	
Assets and liabilities						
Non-current assets						
Property, plant and equipment	88,892	–	–	–	–	88,892
Right-of-use assets	256,559	(270)	12,647	(12,377)	–	256,559
Investment properties	214,300	–	–	–	–	214,300
Intangible assets	3,577	–	–	–	–	3,577
Deposits paid and prepayments	37,768	–	–	–	–	37,768
Investment in an associate	–	–	–	–	–	–
Deferred tax assets	65,721	–	–	–	(103)	65,618
	666,817	(270)	12,647	(12,377)	(103)	666,714
Current assets						
Inventories and consumables	2,638	–	–	–	–	2,638
Trade and loan receivables	36,686	–	–	–	–	36,686
Deposits paid, prepayments and other receivables	21,436	–	–	–	–	21,436
Tax recoverable	66	–	–	–	–	66
Pledged bank deposit	2,000	–	–	–	–	2,000
Cash and cash equivalents	26,523	–	–	–	–	26,523
	89,349	–	–	–	–	89,349

	The Group's assets and liabilities as at 31 December 2025	Pro forma adjustments				Unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2025
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2a*	*Note 2b*	*Note 2c*	*Note 2d*	
Current liabilities						
Trade payables	72,414	–	–	–	–	72,414
Contract liabilities	13,195	–	–	–	–	13,195
Deposits received, other payables and accruals	184,022	–	–	–	–	184,022
Amount due to a director	59	–	–	–	–	59
Lease liabilities	69,485	1,060	647	–	–	71,192
Borrowings	8,532	–	–	–	–	8,532
Provision for taxation	8,900	–	–	–	–	8,900
	356,607	1,060	647	–	–	358,314
Net current liabilities	(267,258)	(1,060)	(647)	–	–	(268,965)
Total assets less current liabilities	399,559	(1,330)	12,000	(12,377)	(103)	397,749
Non-current liabilities						
Lease liabilities	333,309	(14,121)	12,000	–	–	331,188
Borrowings	135,893	–	–	–	–	135,893
Deferred tax liabilities	69,266	–	–	–	–	69,266
	538,468	(14,121)	12,000	–	–	536,347
Net liabilities	(138,909)	12,791	–	(12,377)	(103)	(138,598)

Notes to the Unaudited Pro Forma Financial Information of the Group:

1. The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2025 included in the Group's published annual report dated 26 March 2026 ("Consolidated Financial Statements"), being the most recently published financial information of the Group.

2. The Unaudited Pro Forma Financial Information is prepared in a manner consistent with both the format and accounting policies adopted by the Group in its Consolidated Financial Statements.

   (a) The adjustments are set forth to illustrate the effect of excluding the results on the assets and liabilities arising from the Transaction. As the Transaction had been completed on 15 July 2025, the assets and liabilities resulting from the Transaction have been recognised in the consolidated financial statements of the Group for the year ended 31 December 2025. In particular, the adjustments reflect the following:

      (i) the decrease of right-of-use assets of approximately RMB270,000, being the combining effect of (a) the decrease in depreciation charged on the right-of-use assets of approximately RMB493,000 as if the related right-of-use assets had been depreciated based on the terms of Lease Agreement; (b) the exclusion of the adjustment of approximately RMB12,647,000 as a result of lease modification recognised; and (c) the exclusion of impairment loss recognised of approximately RMB11,884,000;

      (ii) the increase of current portion of lease liabilities of approximately RMB1,060,000 and decrease of non-current portion of lease liabilities of approximately RMB14,121,000, being the combining effect of (a) the decrease of interest expense of approximately RMB414,000 recognised based on the terms of Lease Agreement; and (b) the exclusion of the adjustment as a result of lease modification recognised approximately RMB12,647,000.

   (b) The adjustment represents the recognition of the assets and liabilities arising from the Transaction as at 31 December 2025 as if the Transaction had been completed on 31 December 2025. In accordance with the terms of Supplemental Lease Agreement II, upon the completion, the Transaction is a lease modification that is not accounted for as a separate lease in accordance with HKFRS 16 Leases. For the purpose of the Unaudited Pro Forma Financial Information, the adjustments reflect the following:

      (i) the increase in lease liability of approximately RMB12,647,000, comprising the current portion of approximately RMB647,000 and non-current portion of approximately RMB12,000,000, being the effect of the remeasurement of the lease liability, pursuant to the Supplemental Lease Agreement II, by discounting the revised lease payments using a revised discount rate at the pro forma effective date of the modification as if the Transaction had been completed on 31 December 2025;

      (ii) the increase in right-of-use assets of approximately RMB12,647,000, being the effect of the corresponding adjustments of the carrying amount of right-of-use assets from the remeasurement of lease liabilities.

      The pro forma impact for the Transaction has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the impact to the Group had the Transaction been completed on the actual date of completion.

   (c) In the preparation of the Unaudited Pro Forma Financial Information of the Group, the directors of the Company had performed an impairment assessment of the non-financial assets, including the right-of-use assets, in accordance with HKAS 36 Impairment of Assets when there is impairment indicator at the end of each reporting period. Impairment is

determined by assessing the recovering amount of the cash-generating unit, to which the asset belongs when it is not possible to estimate the recoverable amount individually. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss will be recognised.

Based on the information available to the directors when preparing the Unaudited Pro Forma Financial Information, impairment of right-of-use assets of approximately RMB12,377,000 has been recognised by the Group as if the Transaction had been completed on 31 December 2025. The impairment was determined based on the recoverable amount of the cash-generating unit, based on the value in use calculation. The impairment amount has been allocated pro rata to each category of non-financial assets, including the right-of-use assets.

(d) For the purpose of preparing the Unaudited Pro Forma Financial Information, upon the completion of the Transaction, the deferred tax assets of approximately RMB103,000 have been decreased in respect of the lease liability, while no material impact on the deferred tax liability in respect of the right-of-use asset, applying an Enterprise Income Tax rate of the People's Republic of China at 25%. These adjustments are made as if the lease modification had been effective on 31 December 2025.

(e) The transaction-related costs, including fees to legal advisers, valuer, and other expenses, are insignificant and have not been taken into account for the purpose of preparing the Unaudited Pro Forma Financial Information.

3. Saved as aforesaid, no other adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

(B) INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountants' assurance report received from BDO Limited, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the directors of Jiahua Stores Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jiahua Stores Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities of the Group as at 31 December 2025 and related notes as set out on pages III-1 to III-4 of Appendix III of the Company's circular dated 25 June 2026 (the "Circular") in connection with the major acquisition in relation to the supplemental agreement dated 15 July 2025 in respect of the extension of terms for the Gongming premises (the "Transaction"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on page III-1 to III-4 of Appendix III of the Circular.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Transaction on the Group's assets and liabilities as at 31 December 2025 as if the Transaction had taken place on 31 December 2025. As part of this process, information about the Group's assets and liabilities has been extracted by the directors of the Company from the Company's consolidated financial statements for the year ended 31 December 2025, on which an auditor's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 31 December 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Company; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited
Certified Public Accountants
Hong Kong

25 June 2026

MANAGEMENT DISCUSSION AND ANALYSIS OF THE GONGMING PREMISES

Set forth below is the management discussion and analysis of the Gongming Premises for each of the three years ended 31 December 2022, 2023 and 2024 and for the six months ended 30 June 2025 (collectively, the "**Reporting Period**") based on the financial information on the Gongming Premises set out in Appendix II to this circular.

The Gongming Premises is located at No. 1 Changchun South Road West, Gongming Street, Guangming District, Shenzhen, Guangdong Province, the PRC (中華人民共和國廣東省深圳市光明區公明街道長春南路西1號) with a total area of 21,843 sq.m. with usage of commercial purposes. The Group has been renting the Gongming Premises from the Landlord since 2017 for sub-letting such space to the Group's tenants.

FINANCIAL REVIEW

During the Reporting Period, the Gongming Premises derived its revenue mainly contributed by (i) rental income from sub-leasing of Gongming Premises; and (ii) supermarket operations, which amounted to RMB43.7 million, RMB33.9 million, RMB32.4 million, and RMB13.8 million, respectively for the three years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025. The Gongming Premises recorded other operating income and gain amounted to RMB7.4 million, RMB6.6 million, RMB5.6 million and RMB3.6 million respectively for the three years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025 mainly from administration and management fee income from suppliers and other miscellaneous income.

Selling and distribution cost of the Gongming Premises comprised mainly utilities expenses, depreciation, and staff costs, which amounted to RMB20.2 million, RMB27.6 million, RMB27.6 million and RMB10.7 million respectively for the three years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025. The Group also recorded finance costs comprised mainly of interest on lease liabilities derived from Gongming Premises amounting to RMB5.6 million, RMB4.7 million, RMB3.3 million and RMB0.9 million, respectively for the three years ended 31 December 2022, 2023 and 2024, and the six months ended 30 June 2025.

Taking into consideration the revenue generated from the Gongming Premises and the associated direct costs, the Gongming Premises generated a loss before income tax expenses of RMB13.0 million, RMB12.5 million, RMB12.3 million and RMB3.1 million respectively for the three years ended 31 December 2022, 2023 and 2024 and the six months ended 30 June 2025.

The following is the text of a valuation report prepared for inclusion in this circular, received from Valor Appraisal & Advisory Limited, an independent property valuer, in connection with its opinion of the market rent of the property interests leased to the Group, as at 16 November 2023.



Valor Appraisal & Advisory Limited
Unit C, 4/F, China Insurance Building,
48 Cameron Road, Tsim Sha Tsui, Kowloon,
Hong Kong
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Date: 25 June 2026

The Board of Directors
Jiahua Stores Holdings Limited
Suite 715, 7/F, Ocean Centre
5 Canton Road, Tsimshatsui
Kowloon, Hong Kong

Dear Sirs,

INSTRUCTIONS

In accordance with your instructions for us to provide our opinion of the market rent of the properties (the "**Property**") in the People's Republic of China (the "**PRC**") leased to Jiahua Stores Holdings Limited (the "**Company**") or its subsidiaries (hereinafter together referred to as the "**Group**"), we confirm that we have carried out property inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market rent of the Property as at 16 November 2023.

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

BASIS OF VALUATION

Our valuation is carried out on a market rent basis. Market rent is defined as "the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and 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".

VALUATION METHODOLOGY

In valuing the market rent of 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.

VALUATION CONSIDERATIONS

In valuing the market rent of the Property, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the seller sells the Property on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the value and market rent of the Property.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the properties have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our valuation for any outstanding or additional land premium, charges, mortgages or amounts owing on the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value and market rent.

TITLE INVESTIGATION

We have been, in some instances, shown copies of various title documents and other documents relating to the Property and have made relevant enquiries. We have not examined the original documents to verify the existing title to the Property and any material encumbrances that might be attached to the property interests or any lease amendments. However, we have relied considerably on the information given by the Company's PRC legal adviser, Guangdong

Pinfang Law Firm (廣東品方律師事務所), concerning the validity of the title of Shenzhen Zhongpengzhan Industrial Co., Ltd. (深圳市中鵬展實業有限公司) (the "**Landlord**") to the Property located in the PRC.

All legal documents provided by the Company have been used for reference only. No responsibility regarding legal title to the Property is assumed in this valuation report.

LIMITING CONDITIONS

We have inspected the exterior, and wherever possible, the interior of the properties but no structural survey had been made. In the course of our inspections, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

The site inspection of the Property were carried out on 8 June 2026 by Mr. Haydn Y.C. Lee, who is a professional member of Royal Institution of Chartered Surveyors, Chartered Financial Analyst charterholder and member of CPA Australia. He has over 17 years' experience in valuation of properties in HKSAR and mainland China.

We have relied to a considerable extent on information provided by the Company and the Landlord, and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the Property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company and the Landlord. We have also been advised by the Company and the Landlord that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Liability in connection with this valuation is limited to the client to whom this valuation is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

This valuation is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our valuation report in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

EXCHANGE RATE

Unless otherwise stated, all monetary amounts stated in this valuation are in Renminbi (RMB).

"Property Particulars and Opinion of Value" are herewith attached.

Yours faithfully,
For and on behalf of
Valor Appraisal & Advisory Limited

Haydn Y. C. Lee
MRICS CFA CPA (Aust.)
Director

Mr. Haydn Y.C. Lee is a professional member of Royal Institution of Chartered Surveyors, Chartered Financial Analyst charterholder and member of CPA Australia. He has over 17 years' experience in valuation of properties in HKSAR and mainland China.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property interests leased for owner occupation by the Group in the PRC

Property	Description and Tenure	Particular of Occupancy	Market Rent in Existing State as at 16 November 2023
Floors 1–4, Baijiahua Shopping Mall (Gongming Store), No. 1 Changchun South Road West, Gongming Street, Guangming District, Shenzhen, Guangdong Province, the PRC (中華人民共和國廣東省深圳市光明區公明街道長春南路西1號百佳華商場(公明店)一至四層)	The property comprises Floors 1–4 of a 4-storey shopping mall completed in 2002. The total gross floor area of the property is approximately 21,843 sq.m. The property is located at Changchun South Road West, Gongming Street, Guangming District. Developments in the vicinity are mainly residential and commercial developments of various ages.	As at the valuation date, the property was occupied by the Group for commercial use.	RMB1,020,000 (Renminbi One Million Twenty Thousand) per month

Notes:

(1) The right-of-use assets of the property is estimated to be approximately RMB41.9 million.

(2) The immovable property right certificate of the property had not yet been registered as at the valuation date.

(3) We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, *inter alia*, the following:

(i) On 9 July 2002, the Bao'an Branch of the Shenzhen Municipal Bureau of Planning and Land Resources (深圳市規劃與國土資源局寶安分局), the Heshuikou Village Committee of Gongming Town, Bao'an District, Shenzhen (深圳市寶安區公明鎮合水口村委), and Shenzhen Zhongpengzhan Industrial Co., Ltd. signed a Land Acquisition Compensation Agreement (Agreement No.: Shenzhen Planning and Land Resources Bao'an Branch [2002] No. 64). According to the agreement, the Bao'an Branch of the Shenzhen Municipal Bureau of Planning and Land Resources legally acquired the land use rights of the property from the Heshuikou Village Committee of Gongming Town, Bao'an District, Shenzhen, and then transferred it to Shenzhen Zhongpengzhan Industrial Co., Ltd. Upon verification, as of the date of the legal opinion, after the aforementioned Land Acquisition Compensation Agreement (Shenzhen Planning and Land Resources Bao'an Branch [2002] No. 64) came into effect, no further application for land use rights transfer and immovable property right certificate procedures was submitted, and the immovable property right certificate of the property has not yet been obtained;

(ii) Although Shenzhen Zhongpengzhan Industrial Co., Ltd. has not yet completed all the necessary administrative and legal procedures to obtain the land use rights of the property, it has obtained the relevant approvals required for the land use rights procedures. There are no legal obstacles to its continued application for land use rights transfer and immovable property right certificate, either in terms of procedure or substance. There are no special legal obstacles to the subsequent issuance of certificates for such property rights; and

(iii) Upon verification, the property is free from any legal obstacles such as mortgages and seizures. Shenzhen Zhongpengzhan Industrial Co., Ltd. Is entitled to lease out the property to Shenzhen Baijiahua Department Stores Company Limited (深圳市百佳華百貨有限公司).

(4) The rental valuation is conducted on the assumption that the property is let for a term of 6 years from 16 November 2023 with tenancy details as below:

Landlord:	Shenzhen Zhongpengzhan Industrial Co., Ltd.
Tenant:	Shenzhen Baijiahua Department Stores Company Limited
Lease Term:	6 years (16 November 2023 – 15 November 2029)
Monthly Rent for 1st Year:	RMB764,505, inclusive of value-added tax

(5) We have adopted market comparison method to select the relevant rent comparable. We have made reference to some rent comparables to the subject property and nearby development. We have collected and considered three comparable rental evidences of Floor 1 commercial premises in neighbouring area based on the criteria that they are in similar commercial usage and located in the same district in the same city as the subject property.

Selection criteria of comparables are as follows:

1. Premises for which rental evidences are available;

2. Premises located in Guangming District of Shenzhen;

3. Premises with commercial usage;

4. Floor 1 premises; and

5. Premises with a gross floor area of more than 200 sq.m.

3 comparables were selected based on the above-mentioned selection criteria. We noted that the unit monthly rental of commercial space in neighbouring area was in the range of RMB94 to RMB100 per sq.m. for Floor 1 commercial premises. Various factors such as location, size and floor level have been considered in comparing the comparables and the subject property. The general basis of adjustment is if the subject property is better than the comparable properties, an upward adjustment is made. Alternatively, if the subject property is inferior or less desirable than the comparable properties, a downward adjustment is made. We consider the locations of the comparables are superior or inferior to the property, and hence adjustments of -10% to +10% are made. We consider the size of the comparables is superior to the property, and hence adjustment of -25% are made. A 10% discount is applied to account for the quoted price nature of the comparables. We consider the factor of floor level between the comparables and Floor 1 of the subject property is similar. The location, size and quoted price adjustments are based on professional judgment. The current unit monthly rental adopted for Floor 1 of the subject property is RMB67 per sq.m which is the average adjusted unit monthly rental of comparables. Since the search for comparable rents was done in early June of 2026, we have applied a time adjustment to account for the difference between comparable rents at the valuation date (16 November 2023) and the current comparable rents (Early June of 2026). This time adjustment is calculated to be +12%, with reference to average quarterly rents of Shenzhen retail premises published by global real estate services firms. After time adjustment, the unit monthly rental adopted for Floor 1 of the subject property is RMB75 per sq.m.

Regarding the floor level adjustment, we have made reference to floor level adjustment coefficients for commercial premises in the Appendix to the Shenzhen Land Price Calculation Rules (《深圳市地價計算規則》附表) (the "**Calculation Rules**") issued by the Shenzhen Municipal Planning and Natural Resources Bureau (深圳市規劃與自然資源局) on 31 December 2020. The discounts for Floor 2 commercial premises, Floor 3 commercial premises and Floor 4 commercial premises to Floor 1 commercial premises in the Calculation Rules are 40%, 50% and 60% respectively. The unit monthly rentals adopted for Floor 2, Floor 3 and Floor 4 of the subject property are RMB45 per sq.m, RMB38 per sq.m, and RMB30 per sq.m respectively.

Details of the comparables are listed as follows:

	Comparable 1	**Comparable 2**	**Comparable 3**
Location	Floor 1 Shop, COFCO Yunjing Garden (South District), Matian Street, Guangming District, Shenzhen (深圳市光明區中糧雲景花園(南區)馬田街道1層商舖)	Floor 1 Shop, Zhigu Haoting, No. 3 Wangsheng Road, Gongming Street, Guangming District, Shenzhen (深圳市光明區公明街道望勝路3號智穀豪庭1層商舖)	Floor 1 Shop, No. 206-5, Minsheng Avenue, Guangming District, Shenzhen (深圳市光明區民生大道206-5號1層商舖)
Approximate walk distance from the property *(km)*	0.8	0.6	0.8
Usage	Commercial	Commercial	Commercial
Gross Floor Area *(sq.m.)*	270	260	320
Monthly Rental *(RMB)*	27,000	26,000	30,000
Unit Monthly Rental *(RMB/sq.m.)*	100	100	94
Location Adjustment	-10%	+10%	+10%
Size Adjustment	-25%	-25%	-25%
Quoted Price Adjustment	-10%	-10%	-10%
Floor Level Adjustment	0%	0%	0%
Adjusted monthly rental for Floor 1 premises as at early June of 2026 *(RMB/sq.m.)*	55	75	70
Time Adjustment	+12%	+12%	+12%
Adjusted monthly rental for Floor 1 premises as at 16 November 2023 *(RMB/sq.m.)*	62	84	79

(6) A summary of adjusted unit monthly rents of comparable properties and initial unit monthly rent of the property is listed as follows:

Gross Floor Area of the Property *(sq.m.)*	**Monthly Market Rent in Existing State of the Property as at 16 November 2023** *(RMB)*	**Initial Monthly Rent of the Property** *(RMB)*	**Adjusted Unit Monthly Rents for Floor 1 Premises of the Comparable Properties as at 16 November 2023** *(RMB/sq.m.)*	**Initial Unit Monthly Rent of the Property** *(RMB/sq.m.)*
21,843	1,020,000	764,505	62-84	35

The following is the text of a valuation report prepared for inclusion in this circular, received from Valor Appraisal & Advisory Limited, an independent property valuer, in connection with its opinion of the market rent of the property interests leased to the Group, as at 15 July 2025.



Valor Appraisal & Advisory Limited
Unit C, 4/F, China Insurance Building,
48 Cameron Road, Tsim Sha Tsui, Kowloon,
Hong Kong
Tel: +852 3468 8488 Fax: +852 3971 0998

滙來評估及顧問有限公司
香港九龍尖沙咀金馬倫道48號
中國保險大廈4樓C室
電話：+852 3468 8488 傳真：+852 3971 0998

Date: 25 June 2026

The Board of Directors
Jiahua Stores Holdings Limited
Suite 715, 7/F, Ocean Centre
5 Canton Road, Tsimshatsui
Kowloon, Hong Kong

Dear Sirs,

INSTRUCTIONS

In accordance with your instructions for us to provide our opinion of the market rent of the properties (the "**Property**") in the People's Republic of China (the "**PRC**") leased to Jiahua Stores Holdings Limited (the "**Company**") or its subsidiaries (hereinafter together referred to as the "**Group**"), we confirm that we have carried out property inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market rent of the Property as at 15 July 2025.

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

BASIS OF VALUATION

Our valuation is carried out on a market rent basis. Market rent is defined as "the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and 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".

VALUATION METHODOLOGY

In valuing the market rent of 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.

VALUATION CONSIDERATIONS

In valuing the market rent of the Property, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the seller sells the Property on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the value and market rent of the Property.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the properties have enforceable titles to the properties and have free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our valuation for any outstanding or additional land premium, charges, mortgages or amounts owing on the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value and market rent.

TITLE INVESTIGATION

We have been, in some instances, shown copies of various title documents and other documents relating to the Property and have made relevant enquiries. We have not examined the original documents to verify the existing title to the Property and any material encumbrances that might be attached to the property interests or any lease amendments. However, we have relied considerably on the information given by the Company's PRC legal adviser, Guangdong

Pinfang Law Firm (廣東品方律師事務所), concerning the validity of the title of Shenzhen Zhongpengzhan Industrial Co., Ltd. (深圳市中鵬展實業有限公司) (the "**Landlord**") to the Property located in the PRC.

All legal documents provided by the Company have been used for reference only. No responsibility regarding legal title to the Property is assumed in this valuation report.

LIMITING CONDITIONS

We have inspected the exterior, and wherever possible, the interior of the properties but no structural survey had been made. In the course of our inspections, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

The site inspection of the Property were carried out on 8 June 2026 by Mr. Haydn Y.C. Lee, who is a professional member of Royal Institution of Chartered Surveyors, Chartered Financial Analyst charterholder and member of CPA Australia. He has over 17 years' experience in valuation of properties in HKSAR and mainland China.

We have relied to a considerable extent on information provided by the Company and the Landlord, and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the Property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company and the Landlord. We have also been advised by the Company and the Landlord that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Liability in connection with this valuation is limited to the client to whom this valuation is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

This valuation is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our valuation report in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

EXCHANGE RATE

Unless otherwise stated, all monetary amounts stated in this valuation are in Renminbi (RMB).

"Property Particulars and Opinion of Value" are herewith attached.

Yours faithfully,
For and on behalf of
Valor Appraisal & Advisory Limited

Haydn Y. C. Lee
MRICS CFA CPA (Aust.)
Director

Mr. Haydn Y.C. Lee is a professional member of Royal Institution of Chartered Surveyors, Chartered Financial Analyst charterholder and member of CPA Australia. He has over 17 years' experience in valuation of properties in HKSAR and mainland China.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property interests leased for owner occupation by the Group in the PRC

Property	Description and Tenure	Particular of Occupancy	Market Rent in Existing State as at 15 July 2025
Floors 1–4, Baijiahua Shopping Mall (Gongming Store), No. 1 Changchun South Road West, Gongming Street, Guangming District, Shenzhen, Guangdong Province, the PRC (中華人民共和國廣東省深圳市光明區公明街道長春南路西1號百佳華商場(公明店)一至四層)	The property comprises Floors 1–4 of a 4-storey shopping mall completed in 2002. The total gross floor area of the property is approximately 21,843 sq.m. The property is located at Changchun South Road West, Gongming Street, Guangming District. Developments in the vicinity are mainly residential and commercial developments of various ages.	As at the valuation date, the property was occupied by the Group for commercial use.	RMB939,000 (Renminbi Nine Hundred Thirty-Nine Thousand) per month

Notes:

(1) The right-of-use assets of the property is estimated to be approximately RMB45.2 million.

(2) The immovable property right certificate of the property had not yet been registered as at the valuation date.

(3) We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, *inter alia*, the following:

(i) On 9 July 2002, the Bao'an Branch of the Shenzhen Municipal Bureau of Planning and Land Resources (深圳市規劃與國土資源局寶安分局), the Heshuikou Village Committee of Gongming Town, Bao'an District, Shenzhen (深圳市寶安區公明鎮合水口村委), and Shenzhen Zhongpengzhan Industrial Co., Ltd. signed a Land Acquisition Compensation Agreement (Agreement No.: Shenzhen Planning and Land Resources Bao'an Branch [2002] No. 64). According to the agreement, the Bao'an Branch of the Shenzhen Municipal Bureau of Planning and Land Resources legally acquired the land use rights of the property from the Heshuikou Village Committee of Gongming Town, Bao'an District, Shenzhen, and then transferred it to Shenzhen Zhongpengzhan Industrial Co., Ltd. Upon verification, as of the date of the legal opinion, after the aforementioned Land Acquisition Compensation Agreement (Shenzhen Planning and Land Resources Bao'an Branch [2002] No. 64) came into effect, no further application for land use rights transfer and immovable property right certificate procedures was submitted, and the immovable property right certificate of the property has not yet been obtained;

(ii) Although Shenzhen Zhongpengzhan Industrial Co., Ltd. has not yet completed all the necessary administrative and legal procedures to obtain the land use rights of the property, it has obtained the relevant approvals required for the land use rights procedures. There are no legal obstacles to its continued application for land use rights transfer and immovable property right certificate, either in terms of procedure or substance. There are no special legal obstacles to the subsequent issuance of certificates for such property rights; and

(iii) Upon verification, the property is free from any legal obstacles such as mortgages and seizures. Shenzhen Zhongpengzhan Industrial Co., Ltd. Is entitled to lease out the property to Shenzhen Baijiahua Department Stores Company Limited (深圳市百佳華百貨有限公司).

(4) The rental valuation is conducted on the assumption that the property is let for a term of 6 years and 4 months from 15 July 2025 with tenancy details as below:

Landlord:	Shenzhen Zhongpengzhan Industrial Co., Ltd.
Tenant:	Shenzhen Baijiahua Department Stores Company Limited
Lease Term:	6 years and 4 months (15 July 2025 – 15 November 2031)
Monthly Rent for 1st Year:	RMB764,505, inclusive of value-added tax

(5) We have adopted market comparison method to select the relevant rent comparable. We have made reference to some rent comparables to the subject property and nearby development. We have collected and considered three comparable rental evidences of Floor 1 commercial premises in neighbouring area based on the criteria that they are in similar commercial usage and located in the same district in the same city as the subject property.

Selection criteria of comparables are as follows:

1. Premises for which rental evidences are available;

2. Premises located in Guangming District of Shenzhen;

3. Premises with commercial usage;

4. Floor 1 premises; and

5. Premises with a gross floor area of more than 200 sq.m.

3 comparables were selected based on the above-mentioned selection criteria. We noted that the unit monthly rental of commercial space in neighbouring area was in the range of RMB94 to RMB100 per sq.m. for Floor 1 commercial premises. Various factors such as location, size and floor level have been considered in comparing the comparables and the subject property. The general basis of adjustment is if the subject property is better than the comparable properties, an upward adjustment is made. Alternatively, if the subject property is inferior or less desirable than the comparable properties, a downward adjustment is made. We consider the locations of the comparables are superior or inferior to the property, and hence adjustments of -10% to +10% are made. We consider the size of the comparables is superior to the property, and hence adjustment of -25% are made. A 10% discount is applied to account for the quoted price nature of the comparables. We consider the factor of floor level between the comparables and Floor 1 of the subject property is similar. The location, size and quoted price adjustments are based on professional judgment. The current unit monthly rental adopted for Floor 1 of the subject property is RMB67 per sq.m which is the average adjusted unit monthly rental of comparables. Since the search for comparable rents was done in early June of 2026, we have applied a time adjustment to account for the difference between comparable rents at the valuation date (15 July 2025) and the current comparable rents (Early June of 2026). This time adjustment is calculated to be +4%, with reference to average quarterly rents of Shenzhen retail premises published by global real estate services firms. After time adjustment, the unit monthly rental adopted for Floor 1 of the subject property is RMB69 per sq.m.

Regarding the floor level adjustment, we have made reference to floor level adjustment coefficients for commercial premises in the Appendix to the Shenzhen Land Price Calculation Rules (《深圳市地價計算規則》附表) (the "**Calculation Rules**") issued by the Shenzhen Municipal Planning and Natural Resources Bureau (深圳市規劃與自然資源局) Bureau on 31 December 2020. The discounts for Floor 2 commercial premises, Floor 3 commercial premises and Floor 4 commercial premises to Floor 1 commercial premises in the Calculation Rules are 40%, 50% and 60% respectively. The unit monthly rentals adopted for Floor 2, Floor 3 and Floor 4 of the subject property are RMB41 per sq.m, RMB35 per sq.m, and RMB28 per sq.m respectively.

Details of the comparables are listed as follows:

	Comparable 1	**Comparable 2**	**Comparable 3**
Location	Floor 1 Shop, COFCO Yunjing Garden (South District), Matian Street, Guangming District, Shenzhen (深圳市光明區中糧雲景花園(南區)馬田街道1層商舖)	Floor 1 Shop, Zhigu Haoting, No. 3 Wangsheng Road, Gongming Street, Guangming District, Shenzhen (深圳市光明區公明街道望勝路3號智穀豪庭1層商舖)	Floor 1 Shop, No. 206-5, Minsheng Avenue, Guangming District, Shenzhen (深圳市光明區民生大道206-5號1層商舖)
Approximate walk distance from the property *(km)*	0.8	0.6	0.8
Usage	Commercial	Commercial	Commercial
Gross Floor Area *(sq.m.)*	270	260	320
Monthly Rental *(RMB)*	27,000	26,000	30,000
Unit Monthly Rental *(RMB/sq.m.)*	100	100	94
Location Adjustment	–10%	+10%	+10%
Size Adjustment	–25%	–25%	–25%
Quoted Price Adjustment	–10%	–10%	–10%
Floor Level Adjustment	0%	0%	0%
Adjusted monthly rental for Floor 1 premises as at early June of 2026 *(RMB/sq.m.)*	55	75	70
Time Adjustment	+4%	+4%	+4%
Adjusted monthly rental for Floor 1 premises as at (15 July 2025 *(RMB/sq.m.)*	57	78	73

(6) A summary of adjusted unit monthly rents of comparable properties and initial unit monthly rent of the property is listed as follows:

Gross Floor Area of the Property *(sq.m.)*	**Monthly Market Rent in Existing State of the Property as at 15 July 2025** *(RMB)*	**Initial Monthly Rent of the Property** *(RMB)*	**Adjusted Unit Monthly Rents for Floor 1 Premises of the Comparable Properties as at 15 July 2025** *(RMB/sq.m.)*	**Initial Unit Monthly Rent of the Property** *(RMB/sq.m.)*
21,843	939,000	764,505	57-78	35

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS

As at the Latest Practicable Date, the interests or short positions of the Directors and the chief executives of the Company in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares and underlying Shares

		Number of Shares			Approximate percentage of the number of issued
Name of Director	**Capacity**	**Personal interest**	**Family interest**	**Total**	**Shares**
Mr. Zhuang	Beneficial Owner	467,985,000	67,500,000 *(Note 1)*	535,485,000	51.61%
Mr. Zhuang Xiao Xiong	Beneficial Owner	75,000,000	–	75,000,000	7.23%

Note:

(1) 67,500,000 Shares are held by Mrs. Zhuang Su Lan ("**Mrs. Zhuang**"). Since Mrs. Zhuang is the spouse of Mr. Zhuang, under the SFO, Mr. Zhuang is deemed to be interested in the said Shares held by Mrs. Zhuang.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be 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); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as known to the Directors and the chief executive of the Company, the following persons (other than a Director or a chief executive of a Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were directly or indirectly, interested in 5% or more the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long positions in the Shares and underlying Shares

Name of Shareholder	Type of interest	Capacity	Personal/ corporate interest	Family interest	Total	Approximate percentage of the number of issued Shares
Mrs. Zhuang	Personal	Beneficial owner	67,500,000	467,985,000 *(Note 1)*	535,485,000	51.61%
Ms. Zhuang Xiao Yun	Personal	Beneficial owner	75,000,000 *(Note 2)*	–	75,000,000	7.23%
Ms. Chen Li Jun	Personal	Beneficial owner	75,000,000 *(Note 3)*	–	75,000,000	7.23%

Notes:

(1) 467,985,000 Shares are held by Mr. Zhuang. Since Mr. Zhuang is the spouse of Mrs. Zhuang, under the SFO, Mrs. Zhuang is deemed to be interested in the said Shares held by Mr. Zhuang.

(2) Ms. Zhuang Xiao Yun is the daughter of Mr. Zhuang and Mrs. Zhuang.

(3) Ms. Chen Li Jun is the daughter-in-law of Mr. Zhuang and Mrs. Zhuang.

Save as disclosed above, the Directors were not aware of any party who, as at the Latest Practicable Date, had interests or short positions in the Shares and 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, none of the Directors or the proposed Directors of the Company was a director or employee of a Company (or its subsidiary) which has an interest or a short position in the Shares or 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.

4. COMPETING INTEREST

As at the Latest Practicable Date, the Directors were not aware that any of them or any of their respective close 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 discloseable under the Listing Rules.

5. MATERIAL CONTRACT

As at the Latest Practicable Date, save as disclosed below, no material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the issue of this circular:

(i) a long-term lease agreement dated 13 July 2024 entered into between the Shenzhen Baijiahua Department Stores Company Limited, as the tenant and Shenzhen Wohua Technology Co., Ltd, an independent landlord for a term from 15 July 2024 to 14 July 2039, in respect of the leasing of premises for the operation of the Group's retail store as disclosed in the announcement of the Company dated 13 July 2024, details of which is summarised as follows:

Premises	:	Certain retail spaces located at Shop No. B1-28/B1-29/B1-30, B1/F, Jiangnan Times Square (the "**Site**"), No. 4033, Banxuegang Avenue, Bantian Street, Longgang District, Shenzhen, Guangdong Province, the PRC (深圳市龍崗區坂雪崗大道4033號江南時代廣場B1層B1-28/B1-29/B1-30號舖位) with a total area of 4,157 sq.m.
Rent	:	An initial monthly rent of RMB145,495.00 per month, with a 6% increment on the initial monthly rent for every 3 years.

The long-term lease agreement was terminated pursuant to the termination agreement dated 3 January 2025, details of which is disclosed in the announcement of the Company dated 3 January 2025;

(ii) the car park fee agreements (as supplemented by the supplemental agreements) entered into on 21 March 2025 in respect of the usage of car parking spaces located in Jiahua Lingyu Plaza Phase II and Jiahua Linghui Plaza Phase II for a term of 2 years from 1 January 2025 to 31 December 2026 for a maximum payment for each car park of RMB180,000 per month, entered into between (i) the property manager of the car park, Shenzhen Jiahua Property Services Limited, a company owned as to 95% by

Shenzhen Jiahua Real Estate Development Company Limited (a company owned as to 18% by Mrs. Zhuang and 82% by Jiahua Group) and 5% by Jiahua Group; and (ii) Shenzhen Baijiahua Commercial Management Limited and Shenzhen Baijiahua Department Stores Company Limited, both of which are wholly-owned subsidiaries of the Company, details of which is disclosed in the announcement of the Company dated 21 March 2025;

(iii) a lease agreement dated 31 December 2025 entered into between Shenzhen Baijiahua Department Stores Company Limited as lessor and Shenzhen Jiahua Real Estate Development Company Limited, which is owned as to 18% by Mrs Zhuang and 82% by Shenzhen Baijiahua Group Company Limited (a company owned as to 90% by Mr Zhuang and 10% by Mrs Zhuang) as a lessee, in relation to the leasing of certain premises for a term of 3 years commencing from 1 January 2026 to 31 December 2028 for a monthly rental of RMB67,072.43 (equivalent to approximately HK$73,705.89), details of which is disclosed in the announcement of the Company dated 31 December 2025; and

(iv) the lease agreement entered into between the Shenzhen Chuangjian Technology Co., Ltd. (深圳創健科技實業有限公司), a company incorporated in the PRC, which is held as to 100% by Mr. Liu Yufeng (廖宇鋒) and Shenzhen Baijiahua Commercial Management Limited (深圳市百佳華商業管理有限公司), a company incorporated in the PRC, a wholly-owned subsidiary of the Company, in respect of the leasing of the premises and as supplemented by the supplemental lease agreement on 26 January 2026 (the "**Long Term Lease Agreement**"), details of which is disclosed in the announcement of the Company dated 26 January 2026.

The details of the lease agreement being entered into are summarized as follows:

Term:	15 years from 1 December 2025 to 30 November 2040 (both days inclusive)
Premises:	certain commercial space located at Basement Level 1, Basement Level 2 and Floors 1 to 5, Jiahua Lingyue Plaza, Pingshan District, Southwest side of the intersection of Lanzhu West Road and Longping Road, Pingshan District, Shenzhen, Guangdong Province, the PRC ("**Jiahua Lingyue Plaza**") (廣東省深圳市坪山區蘭竹西路和龍坪路交匯處西南側區佳華領悅廣場負一樓、負二樓以及一樓至五樓), with a total area of 33,812.46 sq.m.
Rent-Free period:	1 December 2025 to 31 December 2026

Rent: A monthly rent of RMB1,014,373.8 per month from 1 January 2027 to 31 December 2031

A monthly rent of RMB1,115,811.18 per month from 1 January 2032 to 31 December 2036

A monthly rent of RMB1,227,392.298 per month from 1 January 2037 to 30 November 2040

Deposit: RMB1,014,373.8

(v) six individual lease agreement entered into between Shenzhen Baijiahua Commercial Management Limited (深圳市百佳華商業管理有限公司), a company incorporated in the PRC, a wholly-owned subsidiary of the Company and six individuals , in respect of the leasing of the retail premises located at Jiahua Lingyue Plaza, Pingshan District, Southwest side of the intersection of Lanzhu West Road and Longping Road, Pingshan District, Shenzhen, Guangdong Province, the PRC with effective date on the date of effective of the Long Term Lease Agreement, details of which is disclosed in the announcement of the Company dated 26 January 2026.

The details of the lease agreement being entered into are summarized as follows:

Landlord:	Mr. Li Jinxin* (李錦新)	Shenzhen Pingshan Xinhe Shareholding Cooperative Company* (深圳市坪山新和股份合作公司)	Ms. Lin Ying Tong* (林盈彤)	Ms. Lin Ying Tong* (林盈彤)	Shenzhen Pingshan Liulian Shareholding Cooperative Company* (深圳市坪山六聯股份合作公司)	Shenzhen Pingshan Liuhe Shareholding Cooperative Company* (深圳市坪山六和股份合作公司)
Term:	1 June 2024 to 1 June 2029	1 October 2025 to 30 September 2035	1 October 2025 to 30 September 2030	1 October 2025 to 30 September 2033	1 December 2025 to 30 November 2035	1 December 2025 to 30 November 2035
Rent-Free period:	1 June 2024 to 31 October 2024	N/A	N/A	N/A	1 December 2025 to 31 May 2027	1 December 2025 to 31 May 2027

Rent:	An initial monthly rent of RMB24,798 from 1 November 2024 to 1 February 2025, followed by a monthly rent of RMB30,000 for the remaining of the term	A monthly rent of RMB203,119 per month from 1 October 2025 to 30 September 2028 A monthly rent of RMB213,275 per month from 1 October 2028 to 30 September 2031 A monthly rent of RMB223,939 per month from 1 October 2031 to 30 September 2034 A monthly rent of RMB235,136 per month from 1 October 2034 to 30 September 2035	A monthly rent of RMB24,000	An initial monthly rent of RMB24,000 from 1 October 2025 to 30 September 2030, followed by a monthly rent of RMB25,200 for the remaining of the term	A monthly rent of RMB82,333 per month from 1 June 2027 to 30 November 2028 A monthly rent of RMB86,449 per month from 1 December 2028 to 30 November 2031 A monthly rent of RMB90,772 per month from 1 December 2031 to 30 November 2034 A monthly rent of RMB95,310 per month from 1 December 2034 to 30 November 2035	A monthly rent of RMB56,315 per month from 1 June 2027 to 30 November 2028 A monthly rent of RMB59,131 per month from 1 December 2028 to 30 November 2031 A monthly rent of RMB62,088 per month from 1 December 2031 to 30 November 2034 A monthly rent of RMB65,192 per month from 1 December 2034 to 30 November 2035

(vi) the sub-lease agreement entered into between Shenzhen Baijiahua Department Stores Company Limited (深圳市百佳華百貨有限公司), a company incorporated in the PRC, a wholly-owned subsidiary of the Company (the "**Sublandlord**") and Shenzhen Jiayang Maohua Trading Co., Ltd. (深圳市佳漾茂華商貿有限公司), a company incorporated in the PRC, held as to 100% by Mr. Zhang Yichun (張義春) (the "**Subtenant**") in respect of the sublease of the premises located at Basement 1, 635 Ji Hua Road, Wu He West Street, Ban Tian Street, Longgang District, Shenzhen, Guangdong Province, the PRC (中國廣東省深圳市龍崗區坂田街道五和大道西吉華路635號負一層) for a term from 1 May 2026 to 31 December 2031 and payment of sublease transfer fee of RMB6,000,000 to the Subtenant, details of which is disclosed in the announcement of the Company dated 1 May 2026.

The details of the sub-lease agreement being entered into are summarized as follows:

Rent-Free period: 6 months commencing from 1 May 2026 to 31 October 2026 (both days inclusive)

Rent:	An initial monthly rent of RMB140,000, should the term of the lease agreement entered into between Shenzhen Jiahua Real Estate and Shenzhen Baijiahua Commercial be extended, the term of the sub-lease agreement shall also be extended to 30 April 2038 and the monthly rent shall be increased by 6% every 6 years thereon
Deposit:	A rental deposit of RMB280,000 payable by the Subtenant to the Sublandlord within three working days of the signing of the sub-lease agreement

6. DIRECTORS' INTEREST IN ASSETS OR CONTRACTS

As at the Latest Practicable Date, save as disclosed below and in this circular, none of the Directors and proposed Directors has, or had any direct or indirect interest in any assets which had been or are proposed to be since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Lease of commercial properties

The long-term lease agreement entered into between Shenzhen Baijiahua Commercial Management Limited (深圳市百佳華商業管理有限公司) ("**Shenzhen Baijiahua Commercial**") as tenant and Shenzhen Chuangjian Technology Co., Ltd. (深圳創健科技實業有限公司) as landlord and the 6 individual lease agreements entered into between Shenzhen Baijiahua Commercial as tenant with six respective landlords in relation to certain commercial space located at Basement Level 1, Basement Level 2 and Floors 1 to 5, Jiahua Lingyue Plaza, Pingshan District, Southwest side of the intersection of Lanzhu West Road and Longping Road, Pingshan District, Shenzhen, Guangdong Province, the PRC ("**Lingyue Premises**") (廣東省深圳市坪山區蘭竹西路和龍坪路交匯處西南側區佳華領悅廣場負一樓、負二樓以及一樓至五樓), (details of which is disclosed in the announcement of the Company dated 26 January 2026 and the circular of the Company dated 27 March 2026).

Among the owners of Lingyue Premises included Shenzhen Baijiali Hua, a company held as to 74% by Shenzhen Jiahua Real Estate, a company incorporated in the PRC, which is held as to 18% by Mrs. Zhuang and 82% by Jiahua Group (a company owned as to 90% by Mr. Zhuang, an executive Director and 10% by Mrs. Zhuang, the spouse of Mr. Zhuang).

Save as disclosed below, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting at the date of this circular and which was significant in relation to the business of the Group.

The Company has entered into the following continuing connected transactions under Chapter 14A of the Listing Rules:

A. Rental income received from Jiahua Group

深圳市百佳華集團有限公司(Shenzhen Baijiahua Group Company Limited) ("**Jiahua Group**") is owned as to 90% by Mr. Zhuang and 10% by Mrs. Zhuang.

Lease of commercial properties to Jiahua Group

Certain commercial properties are leased to Jiahua Group pursuant to a lease agreement entered into between Shenzhen Baijiahua Department Stores Company Limited and Jiahua Group for commercial purposes, details of which is set out in the announcement of the Company dated 25 August 2016.

B. Rental income received from Shenzhen Jiahua Real Estate Development Company Limited

深圳市佳華房地產開發有限公司(Shenzhen Jiahua Real Estate Development Company Limited) (the "**Landlord**") is owned as to 18% by Mrs. Zhuang and 82% by Jiahua Group (a company owned as to 90% by Mr. Zhuang and 10% as to Mrs. Zhuang). Since Mrs. Zhuang is the spouse of Mr. Zhuang, she is an associate of Mr. Zhuang. Since Mrs. Zhuang is interested in the equity capital of the Landlord so as to exercise or control the exercise of 30% or more of the voting power at general meetings of the Landlord, the Landlord is an associate of Mr. Zhuang and also a connected person of the Company.

Lease of commercial properties to the Landlord

Certain commercial properties are leased to the Landlord pursuant to a lease agreement entered into between Shenzhen Baijiahua Department Stores Company Limited and the Landlord for commercial purposes details of which is set out in the announcement of the Company dated 31 December 2025.

C. Lease of two store premises from Jiahua Group

Jiahua Group is owned as to 90% by Mr. Zhuang and 10% by Mrs. Zhuang. The Group leased two store premises from Jiahua Group, details of which are set out in the announcement of the Company dated 17 February 2019 is summarised as follow:

(i) Lease of store premises for the Longhua Store between Jiahua Group (as landlord) and Shenzhen Baijiahua Department Stores Company Limited (as tenant); and

(ii) Lease of store premises for the Songgang Store between Jiahua Group (as landlord) and Shenzhen Baijiahua Department Stores Company Limited (as tenant).

D. Lease of four store premises from the Landlord

The Landlord is owned as to 18% by Mrs. Zhuang and 82% by Jiahua Group (a company owned as to 90% by Mr. Zhuang and 10% as to Mrs. Zhuang). Since Mrs. Zhuang is the spouse of Mr. Zhuang, she is an associate of Mr. Zhuang. Since Mrs. Zhuang is interested in the equity capital of the Landlord so as to exercise or control the exercise of 30% or more of the voting power at general meetings of the Landlord, the Landlord is an associate of Mr. Zhuang and also a connected person of the Company. The Group leased four stores premises from the Landlord, details of which are set out in the announcements of the Company dated 27 April 2023, 25 August 2016, 15 February 2019 and 27 April 2023 and is summarised as follow:

(i) Lease of store premises for the Shuyuan Yage Store between the Landlord (as landlord) and Shenzhen Baijiahua Department Stores Company Limited (as tenant);

(ii) Lease of store premises for the Bantian shopping mall between the Landlord (as landlord) and Shenzhen Baijiahua Commercial Management Company Limited ("**Baijiahua Commercial Management**") (as tenant);

(iii) Lease of store premises for the Guanlan shopping mall between the Landlord (as landlord) and Baijiahua Commercial Management (as tenant); and

(iv) Lease of store premises for the Shajing Shopping Mall between the Landlord and Baijiahua Commercial Management (as tenant).

E. Car Park usage and car park usage fee payable to Shenzhen Jiahua Property Management Limited

Shenzhen Jiahua Property Management Limited (the "**Property Manager**"), a company incorporated in the PRC, and is held as to 95% and 5% by the Landlord and Jiahua Group respectively.

The Group entered into the Car Park Fee Agreements in respect of the usage of car parking spaces located in Jiahua Lingyu Plaza Phase II and Jiahua Linghui Plaza Phase II for a term of two years commencing from 1 January 2025 to 31 December 2026 (both days inclusive). Please refer to the announcement of the Company dated 21 March 2025 for details of the transaction.

In the opinion of the Directors (including the Independent Non-Executive Directors), the terms of the continuing connected transactions referred to above are made in the

ordinary and usual course of the Group's business, on an arm's length basis and on normal commercial terms which are no less favorable than terms available from independent third parties. The Directors (including the Independent Non-executive Directors) confirm that these transactions have been conducted in accordance with the relevant agreements governing the transactions and are of the view that the terms and conditions of these transactions are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

7. DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company for a term of three years (two years for the Independent Non-executive Directors) unless terminated by not less than three months' (two months' for the Independent Non-executive Directors) written notice of termination served by either the Director or the Company. Each of the service contracts further provides that during the term of the service contract and within two years upon the termination of service, the Executive Director cannot engage in any business which is competing or is likely to compete, either directly or indirectly, with the business of the Company. The appointments are subject to the provisions of retirement and rotation of Directors under the Articles of Association of the Company.

Save as disclosed above, none of the Directors has entered into any service contracts with the Company or any of its subsidiaries (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation or arbitration or claims of material importance and there was no litigation or arbitration or claim of material importance known to the Directors to be pending or threatened by or against the Company or any member of the Group.

9. EXPERTS AND CONSENTS

The followings are the qualifications of the experts who have been named in this circular or have given their respective opinion or advice contained in this circular:

Name	Qualification
BDO Limited ("**BDO**")	Certified Public Accountants
Valor Appraisal & Advisory Limited ("**Valor**")	Professional surveyors and valuers

BDO and Valor has given and has not withdrawn its written consent to inclusion of their letter(s) and/or report(s) (as the case maybe) dated 25 June 2026 in this circular and references to its name included herein in the form and context in which it appears.

As at the Latest Practicable Date, BDO and Valor did not have any shareholding in any Shares or any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of the Group.

As at the Latest Practicable Date, BDO and Valor did not have any direct or indirect interest in any assets which had been, since 31 December 2025, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

(a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(b) The principal place of business of the Company in Hong Kong is Suite 715, 7th Floor, Ocean Centre, Harbour City, 5 Canton Road, Tsimshatsui, Kowloon, Hong Kong.

(c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(d) The company secretary of the Company is Mr. Ho Yuet Lee, Leo, a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Ho has over 21 years of experience in accounting, auditing and corporate finance. Mr. Ho has served the Group for over 16 years.

(e) The English text of this circular shall prevail over the Chinese text in case of inconsistency.

11. 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 (http://www.szbjh.com) for 14 days from the date of this circular:

(a) the Lease Agreement;

(b) the Supplemental Lease Agreement I;

(c) the Supplemental Lease Agreement II;

(d) the financial information of Gongming Premises issued by BDO Limited as set out in Appendix II to this circular;

(e) the valuation reports on the Gongming Premises, the text of which is set out in Appendix IV and Appendix V to this circular; and

(f) the written consent letter referred to in the paragraph headed "Expert and Consent" in this Appendix.

* *For identification purpose only*