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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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.

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**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  
IN RELATION TO DISPOSAL OF  
LEASEHOLD IMPROVEMENTS AND EQUIPMENT**

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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 6 to 16 of this circular.

The Disposal 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.

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## DEFINITIONS

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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 1 September 2026 in relation to the Disposal                                                                                                                                                                        |
| “associate(s)”         | has the meaning ascribed to it under the Listing Rules                                                                                                                                                                                                              |
| “Bantian Premises”     | certain retail spaces for the operation of the Bantian Supermarket, 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) leased by the Sublandlord |
| “Bantian Supermarket”  | the supermarket operated by the Company at the Bantian Premises prior to the Previous Disposals                                                                                                                                                                     |
| “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 the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange                                              |
| “connected person(s)”  | has the meaning ascribed to it under the Listing Rules                                                                                                                                                                                                              |
| “Director(s)”          | director(s) of the Company                                                                                                                                                                                                                                          |
| “Disposals”            | the Songgang Disposal and Guanlan Disposal                                                                                                                                                                                                                          |
| “Gongming Premises”    | certain retail spaces 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) leased by the Sublandlord                                                                |
| “Gongming Supermarket” | the supermarket operated by the Company at the Gongming Premises prior to the Previous Disposals                                                                                                                                                                    |
| “Group”                | the Company and its subsidiaries                                                                                                                                                                                                                                    |
| “Guanlan Disposal”     | the transfer of the Guanlan Leasehold Improvements and Equipment                                                                                                                                                                                                    |

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## DEFINITIONS

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|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Guanlan Leasehold Improvements and Equipment” | the existing leasehold improvements, fittings and fixtures, facilities and equipment, transferable trademark-use qualifications and other relevant assets and operation rights associated with the Group’s operation of the Guanlan Supermarket                                                           |
| “Guanlan Premises”                             | Phase II, Unit B-101, No. 388 Guanlan Avenue, Guancheng Community, Guanhu Subdistrict, Longhua District, Shenzhen City, Guangdong Province, the PRC (中國廣東省深圳市龍華區觀湖街道觀城社區觀瀾大道388號負101二期) with a gross floor area of approximately 4,240 square metres (excluding warehouse space)                          |
| “Guanlan Sublease Agreement”                   | the sublease agreement dated 1 September 2026 entered into between the Guanlan Sublandlord and the Guanlan Subtenant in respect of the sublease of the Guanlan Premises and the Guanlan Disposal                                                                                                          |
| “Guanlan Subtenant”                            | Shenzhen Jiayang Maohua Supply Chain Co., Ltd. (深圳市佳漾茂華供應鏈有限公司), a company incorporated in the PRC, which is held as to 60% by Mr. Mo Daxiang (莫達香) and 40% by Mr. Zhang Yichun (張義春), being the subtenant under the Guanlan Sublease Agreement                                                           |
| “Guanlan Supermarket”                          | the supermarket operated at the Guanlan Premises                                                                                                                                                                                                                                                          |
| “Hong Kong”                                    | the Hong Kong Special Administrative Region of the PRC                                                                                                                                                                                                                                                    |
| “Latest Practicable Date”                      | 15 October 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 I”                            | the lease agreement dated 15 February 2019, entered into between Shenzhen Baijiahua and Shenzhen Baijiahua Group in respect of the Songgang Jiahua Shopping Mall, located at Songming Dadao, Songgang Jiedao, Baoan District, Shenzhen City, Guangdong Province, the PRC with a total area of 23,134 sq.m |

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## DEFINITIONS

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|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Lease Agreement III”                  | the lease agreement dated 15 February 2019, entered into between Shenzhen Baijiahua Business Management and Shenzhen Baijiahua Real Estate in respect of the Guanlan Shopping Mall, various commercial portions of Block 1 of Phase 1 and Phase 2, Jiahua Lingyu Plaza located at Guanlan Dadao, Guanlan Jiedao, Longhua District, Shenzhen City, Guangdong Province, the PRC, with a total area of 25,167.63 sq.m |
| “Leasehold Improvements and Equipment” | the Songgang Leasehold Improvements and Equipment and Guanlan Leasehold Improvements and Equipment                                                                                                                                                                                                                                                                                                                 |
| “Listing Rules”                        | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                                                                                                                                                                                                |
| “Longhua Premises”                     | the retail space located at 2/F, Longhua Jiahua Shopping Mall with a gross floor area of approximately 1,932 square metres (excluding warehouse space)                                                                                                                                                                                                                                                             |
| “Longhua Supermarket”                  | the supermarket operated by the Company at the Longhua Premises                                                                                                                                                                                                                                                                                                                                                    |
| “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 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 Share, 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                                                                                                                                                                                                                                                           |
| “Previous Disposals”                   | the disposal of the existing fittings and fixtures, equipment and transferable operation licenses and other relevant assets associated with the operation of the Bantian Supermarket and the Gongming Supermarket                                                                                                                                                                                                  |
| “RMB”                                  | Renminbi, the lawful currency of the PRC                                                                                                                                                                                                                                                                                                                                                                           |

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## DEFINITIONS

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|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “SFO”                                           | the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)                                                                                                                                                                                                                                                                                                      |
| “Share(s)”                                      | ordinary share(s) in the share capital of the Company                                                                                                                                                                                                                                                                                                                            |
| “Shareholder(s)”                                | holder(s) of the Share(s)                                                                                                                                                                                                                                                                                                                                                        |
| “Shenzhen Baijiahua”                            | Shenzhen Baijiahua Department Stores Company Limited (深圳市百佳華百貨有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company                                                                                                                                                                                                                              |
| “Shenzhen Baijiahua Business Management”        | Shenzhen Baijiahua Business 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                                                                                                                                                                                                                                     |
| “Shenzhen Baijiahua Group”                      | Shenzhen Baijiahua Group Company Limited (深圳市百佳華集團有限公司), a company incorporated in the PRC with limited liability, which is held as to 90% by Mr. Zhuang and 10% by Mrs. Zhuang as at the Latest Practicable Date                                                                                                                                                                |
| “Shenzhen Baijiahua Real Estate”                | Shenzhen Jiahua Real Estate Development Company Limited (深圳市佳華房地產開發有限公司), a company incorporated in the PRC, which is held as to 18% by Mrs. Zhuang and 82% by Shenzhen Baijiahua Group Company Limited (深圳市百佳華集團有限公司), (a company incorporated in the PRC with limited liability, which is held as to 90% by Mr. Zhuang and 10% by Mrs. Zhuang as at the date of this circular) |
| “Songgang Disposal”                             | the transfer of the Songgang Leasehold Improvements and Equipment                                                                                                                                                                                                                                                                                                                |
| “Songgang Leasehold Improvements and Equipment” | the existing leasehold improvements, fittings and fixtures, facilities and equipment, transferable trademark-use qualifications and other relevant assets and operation rights associated with the Group’s operation of the supermarket at the Songgang Premises                                                                                                                 |

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## DEFINITIONS

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|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Songgang Premises”           | the retail space on the second floor of Jiayanglin Shopping Mall (佳漾鄰商場), No. 293 Guangshen Road, Songtao Community, Songgang Subdistrict, Bao'an District, Shenzhen, Guangdong Province, the PRC (中國廣東省深圳市寶安區松崗街道松濤社區廣深路293號101佳漾鄰商場二樓), with a gross floor area of approximately 3,193 square metres (excluding warehouse space) |
| “Songgang Sublease Agreement” | the sublease agreement dated 1 September 2026 entered into between the Sublandlord and the Songgang Subtenant in respect of the sublease of the Songgang Premises and Songgang Disposal                                                                                                                                            |
| “Songgang Subtenant”          | Shenzhen Jiayang Maohua Shangcheng Chain Co., Ltd. (深圳市佳漾茂華商城有限公司), a company incorporated in the PRC, which is held as to 60% by Mr. Mo Daxiang (莫達香) and 40% by Mr. Zhang Yichun (張義春), being the subtenant under the Songgang Sublease Agreement                                                                                |
| “Songgang Supermarket”        | the supermarket operated by the Company as at the Latest Practicable Date located at the Songgang Premises                                                                                                                                                                                                                         |
| “Stock Exchange”              | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                            |
| “Sub-transfer Fees”           | RMB14,000,000, being the aggregate consideration for the Disposals                                                                                                                                                                                                                                                                 |
| “Sublandlord”                 | Shenzhen Baijiahua, being the sublandlord under the Sublease Agreement                                                                                                                                                                                                                                                             |
| “Sublease Agreements”         | the Songgang Sublease Agreement and Guanlan Sublease Agreement                                                                                                                                                                                                                                                                     |
| “Subtenants”                  | the Songgang Subtenant and Guanlan Subtenant                                                                                                                                                                                                                                                                                       |
| “%”                           | 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:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place of  
business in Hong Kong:*

Suite 715, 7th Floor  
Ocean Centre, Harbour City  
5 Canton Road  
Tsimshatsui  
Kowloon  
Hong Kong

23 October 2026

*To the Shareholders,*

Dear Sirs or Madams,

**MAJOR TRANSACTION  
IN RELATION TO DISPOSAL OF  
LEASEHOLD IMPROVEMENTS AND EQUIPMENT**

**1. INTRODUCTION**

Reference is made to the announcement of the Company dated 1 September 2026 in relation to the Disposals of Leasehold Improvements and Equipment.

The purpose of this circular is to provide you with further details of the Disposals of Leasehold Improvements and Equipment and the transaction contemplated thereunder, the financial information of the Group and other information as required under the Listing Rules.

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## LETTER FROM THE BOARD

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Referring to the announcement of the Company dated 15 February 2019, in relation to among other things, the entering into of (i) the Lease Agreement I dated 15 February 2019, between Shenzhen Baijiahua and Shenzhen Baijiahua Group in relation to the lease of the rental space being Songgang Jiahua Shopping Mall, located at Songming Dadao, Songgang Jiedao, Baoan District, Shenzhen City, Guangdong Province, the PRC with a total area of 23,134 sq.m.; and (ii) the Lease Agreement III dated 15 February 2019 between Shenzhen Baijiahua Business Management and Shenzhen Baijiahua Real Estate in relation to the lease of the rental space being the Guanlan Shopping Mall, and various commercial portions of Block 1 of Phase 1 and Phase 2, Jiahua Lingyu Plaza located at Guanlan Dadao, Guanlan Jiedao, Longhua District, Shenzhen City, Guangdong Province, the PRC, with a total area of 25,167.63 sq.m, for a term of 8 years from 1 March 2019 to 28 February 2027 (both days inclusive).

Pursuant to the Sublease Agreements, certain area of the rental space as mentioned above (i.e. the Songgang Premises and the Guanlan Premises) is subleased to the Sublandlord for operation of the Songgang Supermarket and Guanlan Supermarket.

On 1 September 2026, Shenzhen Baijiahua (as the Sublandlord), a wholly-owned subsidiary of the Company entered into the Songgang Sublease Agreement with the Songgang Subtenant and Guanlan Sublease Agreement with the Guanlan Subtenant in respect of the sublease of the Songgang Premises and the Guanlan Premises for a term from 1 September 2026 to 28 February 2027 (both days inclusive), which will be automatically extended to 31 August 2038 upon the renewal of the Lease Agreement I and Lease Agreement III to beyond 31 August 2038. Pursuant to the Sublease Agreements, the Sublandlord shall transfer the Songgang Leasehold Improvements and Equipment to the Songgang Subtenant for sub-transfer fee of RMB6 million and the Guanlan Leasehold Improvements and Equipment to the Guanlan Subtenant for sub-transfer fee of RMB8 million.

## 2. THE SUBLEASE AGREEMENT

Set out below are the key terms of the Sublease Agreements:

|                 | <b>Songgang Sublease Agreement</b>                                                              | <b>Guanlan Sublease Agreement</b>                                                              |
|-----------------|-------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <b>Date:</b>    | 1 September 2026                                                                                |                                                                                                |
| <b>Parties:</b> | (i) Shenzhen Baijiahua as the Sublandlord; and<br><br>(ii) Songgang Subtenant as the subtenant. | (i) Shenzhen Baijiahua as the Sublandlord; and<br><br>(ii) Guanlan Subtenant as the subtenant. |

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## LETTER FROM THE BOARD

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### Songgang Sublease Agreement

### Guanlan Sublease Agreement

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subtenants and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

**Premises:** Second Floor, Jiayanglin Phase II, Unit B-101, No. 388 Shopping Mall (佳漾鄰商場), Guanlan Avenue, Guancheng No. 293 Guangshen Road, Community, Guanhu Songtao Community, Songgang Subdistrict, Longhua District, Subdistrict, Bao'an District, Shenzhen City, Guangdong Province, the PRC (中國廣東省深圳市龍華區觀湖街道觀城社區觀瀾大道388號負101二期).  
Shenzhen, Guangdong Province, the PRC (中國廣東省深圳市寶安區松崗街道松濤社區廣深路293號佳漾鄰商場二樓).

The Group operated the Songgang Supermarket at the Songgang Premises and the Guanlan Supermarket at the Guanlan Premises prior to the entering of the Sublease Agreements.

**Size:** Approximately 3,193 square metres (excluding warehouse space) Approximately 4,240 square metres (excluding warehouse space)

**Term:** For a term from 1 September 2026 to 28 February 2027 (both days inclusive), which will be automatically extended to 31 August 2038 upon the renewal of the Lease Agreement I and Lease Agreement III to beyond 31 August 2038.

**Rent:** RMB40 per square meter per month, being a monthly rent of RMB127,720 (tax inclusive). RMB40 per square meter per month, being a monthly rent of RMB169,600 (tax inclusive).

**Renewal:** The Subtenants shall notify the Sublandlord in writing three months prior to the end of the term should the Subtenants wishes to renew the lease and shall have priority to renew the lease under the same conditions.

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## LETTER FROM THE BOARD

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|                                                | <b>Songgang Sublease Agreement</b>                                                                                                                                                                        | <b>Guanlan Sublease Agreement</b>                                                                                                                                               |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rent-free period:</b>                       | Six months from 1 September 2026 to 28 February 2027 (both days inclusive). Upon the renewal of the Lease Agreement I, the rent-free period shall be extended to 31 May 2027.                             | Six months from 1 September 2026 to 28 February 2027 (both days inclusive). Upon the renewal of the Lease Agreement III, the rent-free period shall be extended to 31 May 2027. |
| <b>Air-conditioning fee and other charges:</b> | An air-conditioning fee of RMB273,576 per year (tax inclusive), equivalent to RMB22,798 per month, payable monthly together with the rent.                                                                | An air-conditioning fee of RMB363,283 per year (tax inclusive), equivalent to RMB30,273.6 per month, payable monthly together with the rent.                                    |
|                                                | Utilities and other operating expenses shall be borne by the Subtenants in accordance with the Sublease Agreements.                                                                                       |                                                                                                                                                                                 |
| <b>Deposit:</b>                                | RMB255,440                                                                                                                                                                                                | RMB339,200                                                                                                                                                                      |
|                                                | The deposits are payable by the Subtenants to the Sublandlord within five working days of the signing of the Sublease Agreements.                                                                         |                                                                                                                                                                                 |
| <b>Delivery:</b>                               | The Songgang Premises and Guanlan Premises will be delivered within five working days after receipt of the first instalment of the respective Sub-transfer Fee and the rental deposit by the Sublandlord. |                                                                                                                                                                                 |
| <b>Decoration:</b>                             | The Subtenants must obtain written consent from the Sublandlord for any renovation or remodeling work, and shall bear the associated costs.                                                               |                                                                                                                                                                                 |
| <b>Usage:</b>                                  | For the operation of supermarket.                                                                                                                                                                         |                                                                                                                                                                                 |

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## LETTER FROM THE BOARD

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### **Songgang Sublease Agreement**

### **Guanlan Sublease Agreement**

#### **Sub-let:**

The seven shops originally located outside Songgang Supermarket with a total area of 385 square meters, will be operated by the Songgang Subtenant within the supermarket and the terms shall be determined by the Songgang Subtenant.

The eight shops originally located outside Guanlan Supermarket with a total area of 590 square meters, will be operated by the Guanlan Subtenant within the supermarket and the terms shall be determined by the Guanlan Subtenant.

The Subtenants shall not, without authorisation, change the usage or structure of the premises, or assign the tenancy.

#### **Other terms:**

If the Group fails to comply with the provisions of the Listing Rules in respect of the Sublease Agreements, the Sublandlord shall be entitled to terminate the transaction by written notice to the Subtenants without any compensation.

#### **Sub-transfer Fees**

Pursuant to the Songgang Sublease Agreement, the Songgang Subtenant shall pay the sub-transfer fee of RMB6,000,000 in cash to the Sublandlord for the Songgang Leasehold Improvements and Equipment associated with the Group's operation of the supermarket at the Songgang Premises in accordance with the following payment schedule:

- (i) RMB3,000,000 within 10 working days after the signing of the Songgang Sublease Agreement;
- (ii) RMB1,500,000 on the date falling one year after the Songgang Sublease Agreement takes effect; and
- (iii) RMB1,500,000 on the date falling two years after the Songgang Sublease Agreement takes effect.

Pursuant to the Guanlan Sublease Agreement, the Guanlan Subtenant shall pay the sub-transfer fee of RMB8,000,000 in cash to the Sublandlord for the Guanlan Leasehold Improvements and Equipment associated with the Group's operation of the supermarket at the Guanlan Premises in accordance with the following payment schedule:

- (i) RMB4,000,000 within 10 working days after the signing of the Guanlan Sublease Agreement;

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## LETTER FROM THE BOARD

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- (ii) RMB2,000,000 on the date falling one year after the Guanlan Sublease Agreement takes effect; and
- (iii) RMB2,000,000 on the date falling two years after the Guanlan Sublease Agreement takes effect.

The Sub-transfer Fees were arrived at after arm's length negotiations between the Subtenant and the Sublandlord, taking into account, among other things, the unaudited net book value of the Songgang Leasehold Improvements and Equipment and Guanlan Leasehold Improvements and Equipment as at 30 June 2026 of around RMB4.7 million and RMB3.2 million, respectively and the prevailing market value of the relevant assets making up the Leasehold Improvements and Equipment. Given the trademark did not record any carrying value on the consolidated financial statement of the Group, in determining the Sub-transfer Fees, the management of the Group made reference to the net book value of all the fixed assets to be transferred to the Subtenants as well as the latest relevant cost of replacement of such fixed assets. The Directors consider that the Sub-transfer Fees are fair and reasonable and on normal commercial terms. The Group made reference to the net book value of all the fixed assets to be transferred to the Subtenant as well as the latest relevant cost of replacement of such fixed assets. As the Guanlan Supermarket and Songgang Supermarket were loss making, while the Sublease Transfer Fees were above the book value of the fixed assets to be transferred and were referenced to the latest replacement cost, the Directors are of the view that the consideration of the Sub-transfer Fees are fair and reasonable and on normal commercial terms.

### 3. INFORMATION ON THE PARTIES

#### Information on the Sublandlord

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

#### Information on the Subtenants

The Songgang Subtenant, Shenzhen Jiayang Maohua Shangcheng Co., Ltd., is a company incorporated in the PRC, which is held as to 60% by Mr. Mo Daxiang (莫達香) and 40% by Mr. Zhang Yichun (張義春) as at the Latest Practicable Date, who is a third party independent of the Company and connected persons of the Company. The Songgang Subtenant is principally engaged in, among other things, (i) the sales of general merchandise, household and personal care products; (ii) the wholesale and retail sales of fresh fruits and vegetables; and (iii) the retail sales of agricultural products (including meat and seafood).

The Guanlan Subtenant, Shenzhen Jiayang Maohua Supply Chain Co., Ltd., is a company incorporated in the PRC, which is held as to 60% by Mr. Mo Daxiang (莫達香) and 40% by Mr. Zhang Yichun (張義春) as at the Latest Practicable Date, who is a third

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## LETTER FROM THE BOARD

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party independent of the Company and connected persons of the Company. The Guanlan Subtenant is principally engaged in, among other things, (i) the sales of general merchandise, household and personal care products; (ii) the wholesale and retail sales of fresh fruits and vegetables; and (iii) the retail sales of agricultural products (including meat and seafood).

Mr. Zhang Yichun held 100% interest in Shenzhen Jiayang Maohua Trading Co., Ltd. (深圳市佳漾茂華商貿有限公司), while Mr. Mo Daxiang and Mr. Zhang Yichun held 60% interest and 40% interest, respectively, in Shenzhen Jiayang Department Store Trading Co., Ltd. (深圳市佳漾茂華百貨有限公司), which were the subtenants of the previous disposals of supermarkets by the Company, details of which is set out in the announcements of the Company dated 1 May 2026 and 30 June 2026.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subtenants and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

#### **4. INFORMATION ON THE PREMISES, LEASEHOLD IMPROVEMENTS AND EQUIPMENT AND FINANCIAL EFFECT OF THE DISPOSAL**

##### **Information on the Premises**

The Songgang Premises comprise retail space on the second floor of Jiayanglin Shopping Mall, No. 293 Guangshen Road, Songtao Community, Songgang Subdistrict, Bao'an District, Shenzhen, Guangdong Province, the PRC (中國廣東省深圳市寶安區松崗街道松濤社區廣深路293號佳漾鄰商場二樓), with a gross floor area of approximately 3,193 square metres (excluding warehouse space). The Group operated the Songgang Supermarket at the Songgang Premises prior to the entering of the Songgang Sublease Agreement.

The Guanlan Premises comprise retail space in Phase II, Unit B-101, No. 388 Guanlan Avenue, Guancheng Community, Guanhu Subdistrict, Longhua District, Shenzhen City, Guangdong Province, the PRC (中國廣東省深圳市龍華區觀湖街道觀城社區觀瀾大道388號負101二期) with a gross floor area of approximately 4,240 square metres (excluding warehouse space). The Group operated the Guanlan Supermarket at the Guanlan Premises prior to the entering of the Guanlan Sublease Agreement.

##### **Information on the Leasehold Improvements and Equipment**

The Leasehold Improvements and Equipment comprise the existing leasehold improvements, fittings and fixtures, facilities and equipment, usage of trademark and other relevant assets associated with the Group's operation of the supermarket at the Songgang Premises and the Guanlan Premises. As at 30 June 2026, the unaudited net book value of the Songgang Leasehold Improvements and Equipment and Guanlan Leasehold Improvements and Equipment was around RMB4.7 million and RMB3.2 million, respectively.

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## LETTER FROM THE BOARD

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Set out below is the unaudited financial information relating to the Group's supermarket operation at the Songgang Premises and Guanlan Premises for the two years ended 31 December 2024 and 2025:

### Songgang Premises

|                              | <b>For the<br/>year ended<br/>31 December<br/>2024<br/>RMB' million<br/>(unaudited)</b> | <b>For the<br/>year ended<br/>31 December<br/>2025<br/>RMB' million<br/>(unaudited)</b> |
|------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Revenue                      | 14.7                                                                                    | 17.7                                                                                    |
| Net profit/(loss) before tax | 8.3                                                                                     | (1.6)                                                                                   |
| Net profit/(loss) after tax  | 6.2                                                                                     | (1.6)                                                                                   |

### Guanlan Premises

|                              | <b>For the<br/>year ended<br/>31 December<br/>2024<br/>RMB' million<br/>(unaudited)</b> | <b>For the<br/>year ended<br/>31 December<br/>2025<br/>RMB' million<br/>(unaudited)</b> |
|------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Revenue                      | 25.0                                                                                    | 27.8                                                                                    |
| Net profit/(loss) before tax | 1.2                                                                                     | (5.8)                                                                                   |
| Net profit/(loss) after tax  | 0.9                                                                                     | (5.8)                                                                                   |

### Financial Effect of the Disposal

Based on the Sub-transfer Fees in aggregate of RMB14 million and the aggregate unaudited net book value of the Leasehold Improvements and Equipment of RMB7.9 million as at 30 June 2026, the Group currently anticipates recording a slight gain on the Disposal of approximately RMB6.1 million, before related transaction costs and taxation and subject to audit.

The proceeds from the Disposals are expected to be used as general working capital of the Group (including, among others, purchase of inventory, payment of staff cost, rental expenses and other administrative expenses). Following completion of the Disposals, the Group will cease to operate the Songgang supermarket and Guanlan Supermarket at the Songgang Premises and Guanlan Premises and expects to record rental income arising from the Sublease Agreements.

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## LETTER FROM THE BOARD

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### 5. REASONS AND BENEFITS FOR THE DISPOSAL

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

To streamline the Group's operation and enhance profitability, the Group has been and will continue the redeployment of the Group's resources from low profit making/loss making operations to other profit making operations. Prior to the entering into of the Sublease Agreements, in May and June 2026, the Group had terminated the operations of 2 supermarkets and disposed the relevant leasehold improvements and equipment to relevant part(ies) subletting the supermarket spaces from the Group respectively. Prior to the entering into of the Sublease Agreements, the Group operated 7 supermarkets, in which, among others, the Songgang Supermarket and Guanlan Supermarket had been loss-making in 2025, as such the Company decided to terminate the operation of the Songgang Supermarket and Guanlan Supermarket and sublet the Songgang Premises and Guanlan Premises to the Subtenants as the Directors considered it will generate rental income and improve the cashflow of the Company.

On 30 September 2026, the Group announced that in view of the loss-making performance of Longhua Supermarket in 2025, the Group also terminated the operation of Longhua Supermarket.

As the Leasehold Improvements and Equipment were merely for the operation of the Songgang Supermarket and the Guanlan Supermarket, to facilitate the Subtenants' operation of supermarkets, the Disposals of the Leasehold Improvements and Equipment forms part of the commercial arrangements under the Sublease Agreements and will facilitate the Subtenants' operation of Songgang Supermarket and Guanlan Supermarkets.

The Songgang Supermarket and Guanlan Supermarket has been loss-making, the financials results of the Songgang Supermarket and Guanlan Supermarket will no longer be consolidated into the accounts of the Group upon completion of the Disposals. Furthermore, the discontinuation of the operation of Songgang Supermarket and Guanlan Supermarket will result in a slight gain on disposal and generate on-going rental income for the Group.

In view of the above, the Directors considered that the terms of the Sublease Agreements were entered into on normal commercial terms and the Sub-transfer Fees for the Disposals was arrived after arm's length negotiation and are fair and reasonable and on normal commercial terms. The Directors believe that the terms of the Disposals are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### 6. LISTING RULES IMPLICATIONS

The sublease of the Songgang Premises and Guanlan Premises constitutes the provision of operating lease services by the Sublandlord to the Subtenants. Since (i) it is revenue in nature and in the ordinary and usual course of business of the Group; and (ii) it has no material impact on the operation of the Group and will not result in an expansion of the Group's existing scale

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## LETTER FROM THE BOARD

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of operation through such lease arrangement by 200% or more, the Board considers that the sublease itself does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

In respect of the Sub-transfer Fees, as certain applicable percentage ratios (as defined in the Listing Rules) in respect of the transfer of the Leasehold Improvements and Equipment exceed 25% but are less than 75%, the transactions contemplated thereunder constitutes a major disposal and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

On 1 May 2026 and 30 June 2026, the Group entered into sublease agreements with Shenzhen Jiayang Maohua Trading Co., Ltd. (a company held as to 100% by Mr. Zhang Yichun) and Shenzhen Jiayang Department Store Trading Co., Ltd. (a company held as to 60% by Mr. Mo Daxiang and 40% by Mr. Zhang Yichun) in relation to the sublease of the Bantian Premises and the Gongming Premises and the Previous Disposals of leasehold improvements and equipment associated to the operation of the Bantian Supermarket and Gongming Supermarket, details of which is set out in the announcement of the Company dated 1 May 2026 and 30 June 2026.

Pursuant to Rule 14.22 of the Listing Rules, the Disposals contemplated under the Sublease Agreements shall be aggregated as a series of transactions with the Previous Disposals since they were all completed within a 12-month period. As certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposals and the Previous Disposals exceeds 25% but are less than 75%, the Disposals and the Previous Disposals constitute a major transaction for the Company and are subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **7. WRITTEN SHAREHOLDERS' APPROVAL**

Under Rule 14.44 of the Listing Rules, shareholders' approval for the Disposals 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, no Shareholders has material interest in the Sublease Agreements 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, 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

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## LETTER FROM THE BOARD

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to abstain from voting on the Disposals if the Company were to convene a general meeting for the approval of the Disposals, the Disposals have been approved by written shareholders' approvals from Mr. Zhuang and Mrs. Zhuang.

### 8. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Disposals 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 Disposals, the Directors (including the independent non-executive Directors) would recommend the Shareholders to vote in favour of the Disposals.

### 9. 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 2023 has been disclosed on pages 67 to 190 of the Company's 2023 annual report published on 29 April 2024.
- (ii) 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.
- (iii) 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.
- (iv) For the period ended 30 June 2026 has been disclosed on pages 34 to 61 of the Company's 2026 interim report published on 23 September 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.szbj.hk>).

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 2023 published on 29 April 2024:

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

- (ii) 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>

- (iii) 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>

- (iv) the interim report of the Company for the period ended 30 June 2026 published on 23 September 2026:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0923/2026092300137.pdf>

## 2. INDEBTEDNESS STATEMENT

As at the close of business on 31 August 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:

|                                                      | <i>Note</i> | <b>As at<br/>31 August<br/>2026</b><br><i>RMB'000</i><br>(unaudited) |
|------------------------------------------------------|-------------|----------------------------------------------------------------------|
| Bank borrowings, secured and guaranteed              | 1           | 157,409                                                              |
| Amount due to a director, unsecured and unguaranteed |             | 59                                                                   |
| Lease liabilities, unsecured and unguaranteed        |             | 545,333                                                              |
|                                                      |             | <u>702,801</u>                                                       |

*Note:*

1. Included in the balances are bank borrowings of RMB133,659,000, which are secured by certain investment properties and trade receivables of the Group as at 31 August 2026 and guaranteed by a related party of the Group, and RMB23,750,000, which are secured by certain property, plant and equipment and bank deposits of the Group and guaranteed by certain subsidiaries of the Group, respectively.

Save as disclosed above, as at the close of business on 31 August 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 August 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; subsequently in September 2026, the Group entered

into a new revolving loan facility agreement with BJH Group for an amount of RMB10,000,000. Up to the date of publication of this circular, the total loan facility of RMB90,000,000 has remained undrawn; 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 Disposal 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. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

In 2026, the growth rate of social retail sales slowed down, and the foundation for consumption recovery still needs further consolidation. Against the backdrop of cautious income expectations among residents, strong precautionary savings, and persistent external disturbances, traditional department stores and other physical retail formats continued to face significant operational pressure. The supermarket industry weathered the pressure steadily, undergoing structural optimization, with most companies seeking growth through store renovations, supply chain optimization, and digital transformation rather than expansion. While the growth rate of online retail slowed, it remained a crucial driver of consumption growth, with new models such as online-offline integration, instant retail, and live-streaming e-commerce continuing to drive channel restructuring.

For the six months ended 30 June 2026, the Group's total revenue was approximately RMB205.2 million, an increase of approximately 15.5% year-on-year ("YOY"); gross profit from sales of goods was approximately RMB10.2 million, a YOY decrease of approximately 6.4%. The loss attributable to shareholders for the six months ended 30 June 2026 was approximately RMB40.0 million, which increased from the loss of approximately RMB3.6

million for the same period in 2025. During the six months ended 30 June 2026, the Group had terminated the operations of 2 supermarkets (namely Bantian Supermarket and Gongming Supermarket) and disposed the relevant leasehold improvements and equipment to relevant part(ies) subletting the supermarket spaces from the Group respectively. On 30 September 2026, the Group announced that in view of the loss-making performance of Longhua Supermarket in 2025, the Group also terminated the operation of Longhua Supermarket. Upon completion of the Disposals, there are 4 supermarkets and 4 shopping malls under the Group's operation. The increase in revenue was mainly attributable to (1) the opening of new shopping mall in Pingshan Shenzhen during the period; and (2) the increase of fresh food and cooked food sales after internal renovation of stores.

However, due to the increase in competition surrounding the stores and shopping malls, and the change in spending pattern and attitude, the income of most of the stores has been limited. During the period, the Group was mainly changing the operation mode and enhancing the promotion activities to attract customers to spending, and the streamline of manpower and retaining of key employees, as to maintain strength to meet future challenges. During the period, the Group's shopping malls and anchor stores held various entertainment and viewing programs to enhance the atmosphere and attract foot traffic to stimulate sales.

In May 2026, June 2026 and September 2026, the Group entered into sublease agreements to transfer the leased fixtures and equipment of the Bantian, Gongming and Longhua Supermarket to alleviate operational burdens. Following the completion of the disposals, the Group will no longer operate Bantian Supermarket, Gongming Supermarket and Longhua Supermarket, and therefore the operations of Bantian Supermarket, Gongming Supermarket and Longhua Supermarket will not generate further losses for the Company. Instead, the Group will record rental income arising from the sublease agreements. To streamline the Group's operation and enhance profitability, the Group will continue to consider disposing loss making and/or slim profit margins operations. In order to enhance the internal control measures for governing and reviewing the entering into all upcoming tenancy agreements (including any variation of terms), the Company has set up a compliance committee in August 2026 . The Compliance Committee comprise two Directors (one of whom is an independent non-executive Director) and the company secretary.

During the period, the Group implemented cost-cutting measures to address increasingly competitive markets. Key priorities were expanding revenue channels, increasing profitability from existing businesses, boosting cash flow through business integration and value-added services, and strengthening the revenue-generating effect of "supermarkets driving shopping mall". In high-traffic areas, the Group introduced high turnover formats such as pop-up stores and children's toy rentals, earning commissions income. Member loyalty was strengthened by developing value-added membership services, including the "mall + supermarket" co-branded membership card, which offers discounts and free parking hours, thereby increasing recurring revenue. Furthermore, the Group strictly controlled non-essential expenses, prioritized the reduction of inefficient promotional expenses, and implemented a marketing cost linkage system. Shopping mall and supermarkets jointly launched large-scale promotional events, sharing a

common marketing budget and unified promotional planning to avoid duplication of expense and reduce external promotion costs.

During the period, the Group opened its first store in Pingshan District, Shenzhen. In 2025, Pingshan's GDP was approximately RMB160.3 billion, representing an increase of 10.5%, and the total retail sales of consumer goods increased by 10.2%. Looking at the entire "14th Five-Year Plan" period, Pingshan District's GDP doubled compared to 2020, with an average annual growth rate of 12.6%, and retail sales of consumer goods grew at an average annual rate of 12.2%. Pingshan District has a resident population of approximately 630,000, representing eight consecutive years of population growth since its establishment as a district in 2017, with a total increase exceeding 150,000. The Group is of the view that the growth in both economic indicators and population of Pingshan District will provide a strong customer base for the shopping center.

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

The year 2026 has 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 development stage. The macro-economic 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.

The Group will follow the trends, more innovative, and expand its income source and improve its operating performance through other means like merger and acquisition to enhance its competitive advantage, to explore new business opportunities and to uplift the value of the Company.

## 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

| Name of Director      | Capacity         | Number of Shares  |                        | Total       | Approximate percentage of the number of issued Shares |
|-----------------------|------------------|-------------------|------------------------|-------------|-------------------------------------------------------|
|                       |                  | Personal interest | Family interest        |             |                                                       |
| Mr. Zhuang            | Beneficial Owner | 467,985,000       | 67,500,000<br>(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/<br>corporate<br>interest | Family<br>interest      | Total       | Approximate<br>percentage<br>of the<br>number of<br>issued<br>Shares |
|---------------------|------------------|---------------------|------------------------------------|-------------------------|-------------|----------------------------------------------------------------------|
| Mrs. Zhuang         | Personal         | Beneficial<br>owner | 67,500,000                         | 467,985,000<br>(Note 1) | 535,485,000 | 51.61%                                                               |
| Ms. Zhuang Xiao Yun | Personal         | Beneficial<br>owner | 75,000,000<br>(Note 2)             | –                       | 75,000,000  | 7.23%                                                                |
| Ms. Chen Li Jun     | Personal         | Beneficial<br>owner | 75,000,000<br>(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) 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;
- (ii) 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

- (iii) 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

- (iv) six individual lease agreements 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:

|                              |                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                  |                                           |                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Landlord:</b>             | Mr. Li Jinxin*<br>(李錦新)                                                                                                                                                           | Shenzhen Pingshan<br>Xinhe<br>Shareholding<br>Cooperative<br>Company* (深圳<br>市坪山新和股份<br>合作公司)                                                                                                                                                                                                                                                                                                                    | Ms. Lin Ying<br>Tong* (林盈彤)               | Ms. Lin Ying<br>Tong* (林盈彤)                                                                                                                                                        | Shenzhen Pingshan<br>Liulian<br>Shareholding<br>Cooperative<br>Company* (深圳<br>市坪山六聯股份<br>合作公司)                                                                                                                                                                                                                                                                                                       | Shenzhen Pingshan<br>Liuhe<br>Shareholding<br>Cooperative<br>Company* (深圳<br>市坪山六和股份<br>合作公司)                                                                                                                                                                                                                                                                                                         |
| <b>Term:</b>                 | 1 June 2024 to<br>1 June 2029                                                                                                                                                     | 1 October 2025 to<br>30 September<br>2035                                                                                                                                                                                                                                                                                                                                                                        | 1 October 2025 to<br>30 September<br>2030 | 1 October 2025 to<br>30 September<br>2033                                                                                                                                          | 1 December 2025<br>to 30 November<br>2035                                                                                                                                                                                                                                                                                                                                                             | 1 December 2025<br>to 30 November<br>2035                                                                                                                                                                                                                                                                                                                                                             |
| <b>Rent-Free<br/>period:</b> | 1 June 2024 to<br>31 October 2024                                                                                                                                                 | N/A                                                                                                                                                                                                                                                                                                                                                                                                              | N/A                                       | N/A                                                                                                                                                                                | 1 December 2025<br>to 31 May 2027                                                                                                                                                                                                                                                                                                                                                                     | 1 December 2025<br>to 31 May 2027                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Rent:</b>                 | An initial monthly<br>rent of<br>RMB24,798 from<br>1 November<br>2024 to 1<br>February 2025,<br>followed by a<br>monthly rent of<br>RMB30,000 for<br>the remaining of<br>the term | A monthly rent of<br>RMB203,119 per<br>month from 1<br>October 2025 to<br>30 September<br>2028<br><br>A monthly rent of<br>RMB213,275 per<br>month from 1<br>October 2028 to<br>30 September<br>2031<br><br>A monthly rent of<br>RMB223,939 per<br>month from 1<br>October 2031 to<br>30 September<br>2034<br><br>A monthly rent of<br>RMB235,136 per<br>month from 1<br>October 2034 to<br>30 September<br>2035 | A monthly rent of<br>RMB24,000            | An initial monthly<br>rent of<br>RMB24,000 from<br>1 October 2025<br>to 30 September<br>2030, followed<br>by a monthly<br>rent of<br>RMB25,200 for<br>the remaining of<br>the term | A monthly rent of<br>RMB82,333 per<br>month from 1<br>June 2027 to 30<br>November 2028<br><br>A monthly rent of<br>RMB86,449 per<br>month from 1<br>December 2028<br>to 30 November<br>2031<br><br>A monthly rent of<br>RMB90,772 per<br>month from 1<br>December 2031<br>to 30 November<br>2034<br><br>A monthly rent of<br>RMB95,310 per<br>month from 1<br>December 2034<br>to 30 November<br>2035 | A monthly rent of<br>RMB56,315 per<br>month from 1<br>June 2027 to 30<br>November 2028<br><br>A monthly rent of<br>RMB59,131 per<br>month from 1<br>December 2028<br>to 30 November<br>2031<br><br>A monthly rent of<br>RMB62,088 per<br>month from 1<br>December 2031<br>to 30 November<br>2034<br><br>A monthly rent of<br>RMB65,192 per<br>month from 1<br>December 2034<br>to 30 November<br>2035 |

- (v) 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 by 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

- (vi) the lease agreement entered into between the Shenzhen Zhongpengzhan Industrial Co., Ltd.\* (深圳市中鵬展實業有限公司) as landlord and the Shenzhen Baijiahua Department Stores Company Limited (深圳市百佳華百貨有限公司) as tenant dated 8 November 2017, and supplemented by the supplemental lease agreements dated 15 November 2023 and 15 July 2025 in respect of the leasing of premises 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), details of which is set out in the announcement of the Company dated 4 June 2026:

The details of the lease agreement supplemented by the supplemental lease agreements being entered into are summarized as follows:

Extended Term                      16 November 2017 to 15 November 2031  
(as supplemented):

| Rent: | Period                                  | Rent per month |
|-------|-----------------------------------------|----------------|
|       | 16 November 2023 to<br>15 November 2027 | RMB764,505     |
|       | 16 November 2027 to<br>15 November 2029 | RMB802,730.25  |
|       | 16 November 2029 to<br>15 November 2031 | RMB842,921.37  |

Deposit:                              A rental deposit of RMB4,368,600 payable by the tenant to the landlord 3 days after the execution of the lease agreement.

- (vii) the sub-lease agreement dated 30 June 2026 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 and a wholly-owned subsidiary of the Company, as sublandlord, and Shenzhen Jiayang Department Store Trading Co., Ltd. (深圳市佳漾茂華百貨有限公司), a company incorporated in the PRC and held as to 60% by Mr. Mo Daxiang (莫達香) and 40% by Mr. Zhang Yichun (張義春), as subtenant, in respect of the sublease of certain retail spaces 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), and the disposal of the leasehold improvements and equipment of the premises, details of which are disclosed in the announcement and circular of the Company dated 30 June 2026 and 21 July 2026, respectively.

The details of the sub-lease agreement are summarised as follows:

|                                   |                                                                                                                                                                                                                                                                                    |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rent-Free period:                 | 6 months commencing from 1 July 2026 to 31 December 2026 (both days inclusive)                                                                                                                                                                                                     |
| Term:                             | From 1 July 2026 to 15 November 2031 (both days inclusive)                                                                                                                                                                                                                         |
| Rent:                             | An initial monthly rent of RMB136,120                                                                                                                                                                                                                                              |
| Deposit:                          | A rental deposit of RMB272,240 payable by the subtenant to the sublandlord within five working days of the signing of the sub-lease agreement.                                                                                                                                     |
| Size:                             | 3,403 square metres (excluding the warehouse)                                                                                                                                                                                                                                      |
| Payment of sublease transfer fee: | The sublease transfer fee of RMB6,860,000 is payable by the subtenant to the sublandlord in cash in three instalments: (i) RMB3,430,000 within 10 working days of the signing of the sub-lease agreement; (ii) RMB1,720,000 on 1 July 2027; and (iii) RMB1,710,000 on 1 July 2028. |

- (viii) the sub-lease agreement entered into between the Shenzhen Baijiahua Department Stores Company Limited, a company incorporated in the PRC and a wholly-owned subsidiary of the Company, as sublandlord and Shenzhen Maojia Optimal Trading Company Limited as subtenant in respect of the sublease of certain premises located at 2/F, 4241 Renmin Road, Longyuan Community, Longhua Jiedao, Longhua District, Shenzhen City, Guangdong Province, (深圳市龍華區龍華街道龍園社區龍華人民路4241號二樓) and the disposal of the leasehold improvements and equipment of the premises, details of which are disclosed in the announcement of the Company dated 30 September 2026.

The details of the sub-lease agreement are summarised as follows:

|                   |                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rent-Free period: | Five months from 1 October 2026 to 28 February 2027 (both days inclusive). Upon the renewal of the lease agreement entered into between Shenzhen Baijiahua Department Stores Company Limited and Shenzhen Baijiahua Group Company Limited for the leasing of the Longhua Jiahua Shopping Mall (the “ <b>Longhua Lease Agreement</b> ”), the rent-free period shall be extended to 30 June 2027 |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                   |                                                                                                                                                                                                                                                  |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Term:                             | For a term from 1 October 2026 to 28 February 2027 (both days inclusive), which will be automatically extended to 30 September 2038 upon the renewal of the Longhua Lease Agreement beyond 30 September 2038.                                    |
| Rent:                             | RMB40 per square meter per month, being a monthly rent of RMB77,280 (tax inclusive)                                                                                                                                                              |
| Deposit:                          | A rental deposit of RMB154,560 within five working days                                                                                                                                                                                          |
| Payment of sublease transfer fee: | The sublease transfer fee of RMB3,570,000 is payable by in three instalments: (i) RMB1,785,000 within 10 working days of the signing of the sublease agreement; (ii) RMB892,500 on 30 September 2027; and (iii) RMB892,500 on 30 September 2028. |

## 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 announcements of the Company dated 25 August 2016 and 30 June 2026.

**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. 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.

## **10. 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.szbj.hk>) for 14 days from the date of this circular:

- (a) the Songgang Sublease Agreement; and
- (b) the Guanlan Sublease Agreement.

\* *For identification purpose only*