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seazen
新城发展

SEAZEN GROUP LIMITED
新城發展控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1030)

Discloseable Transaction

Establishment and Expansion of The Guojin Asset Management – Wuyue Plaza Holding Real Estate Asset-Backed Special Scheme

Establishment and Expansion of the ABS Scheme

On 28 November 2025, the Scheme Manager established the ABS Scheme for professional institutional investors with an aggregate issuance size of RMB616 million. The underlying asset of the newly established ABS Scheme is the Qingpu Wuyue Plaza, which was transferred by the Company.

On 30 June 2026, the Scheme Manager completed the expansion of the ABS Scheme for professional institutional investors, with an issuance scale of RMB1,439 million. Through the expansion, two additional malls of the Group, namely the Tianjin Jinnan Wuyue Plaza and the Nantong Rugao Wuyue Plaza, were transferred by the Company as underlying assets.

Following an initial assessment when the ABS Scheme was established in November 2025 and the expansion of the ABS Scheme in June 2026, the Company was then of the view that, as the purpose of the Transfers was to facilitate the establishment and operation of the ABS Scheme, and the Group would retain control of the holding companies of the Three Retail Malls after the transactions, the Transfers did not constitute a disposal of the Group in terms of accounting treatment. The holding companies of the Three Retail Malls would continue to be consolidated as subsidiaries of the Group, and the Group has recorded the consideration as liabilities in its financial statements. However, as the Company's PRC legal advisor was unable to confirm that the Transfers did not amount to a transfer of legal title of the Three Retail Malls, it therefore should have constituted as transactions under Chapter 14 of the Listing Rules, subject to the reporting and announcement requirements upon the aforesaid expansion of the ABS Scheme in June 2026.

Implications under the Listing Rules

In accordance with Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as if they were one transaction if they were all conducted or completed within a 12-month period or were otherwise related with each other. As the transaction contemplated under the Transfers were entered into during the 12-month period, the Transfers shall be aggregated as a series of transactions.

When the ABS Scheme was established and the transfer took place in November 2025, the highest applicable percentage ratio was less than 5%, and as such, the transfer did not trigger any disclosure obligations under Chapter 14 of the Listing Rules. However, following the expansion of the ABS Scheme resulting in the transfers in June 2026, the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) for the Transfers in aggregate exceeded 5% but was less than 25%, the Transfers constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules, subject to the reporting and announcement requirements, but exempt from the circular and shareholder's approval requirements.

Establishment and Expansion of the ABS Scheme

On 27 March 2025, Seazen Holdings held its board meeting, and on 26 May 2025, it held its 2024 annual general meeting, and approved the "Proposal on the Company's Direct Financing Work". Seazen Holdings agreed to conduct direct financing with a scale not exceeding RMB20 billion (including equivalent foreign currency), including but not limited to corporate bonds, medium-term notes, short-term financing bonds, ultra-short-term financing bonds, targeted debt financing instruments, asset-backed notes, asset-backed securities, REITs, Pre-REITs, quasi-REITs, project revenue notes, perpetual bonds and other legal bond markets in China and abroad, denominated in RMB or foreign currency (the "**Financing Mandate**"). Subsequently, Seazen Holdings held its board meeting on 26 March 2026, and on 26 May 2026, it held its 2025 annual general meeting and approved the refreshment of the Financing Mandate.

According to the letter of no objection issued by the SSE on 13 August 2025, the Scheme Manager issued and established the ABS Scheme for professional institutional investors, with an issuance scale of RMB616 million. The ABS Scheme was officially established on 28 November 2025, with Qingpu Wuyue Plaza (青浦吾悦廣場) as its underlying asset.

According to the letter of no objection issued by the SSE on 10 June 2026, the Scheme Manager, completed the expansion of the ABS Scheme for professional institutional investors on 30 June 2026, with an issuance scale of RMB1,439 million. Through the expansion, two additional malls of the Group, namely the Tianjin Jinnan Wuyue Plaza (天津津南吾悦廣場) and the Nantong Rugao Wuyue Plaza (南通如皋吾悦廣場) were injected into the ABS Scheme as underlying assets.

Key Terms of the ABS Scheme

The key operational arrangements of the ABS Scheme are summarized below:

Product Nature and Size:	The ABS Scheme was listed on the SSE Fixed Income Securities Integrated Electronic Platform (上海證券交易所固定收益證券綜合電子平台) (a platform that primarily targets institutional investors for trading debt securities and fixed income instruments) on 23 December 2025 (stock code 267024.SH). The initial issuance size of the ABS Scheme on 28 November 2025 and the expanded issuance size on 30 June 2026 were RMB616 million and RMB1,439 million, respectively. The Scheme Manager, Guojin Asset Management, an independent third party, established and manages the ABS Scheme. The operating management institution (i.e. subsidiaries of Seazen Holdings) would serve as the operation and management institution and shall lead the relevant activities of the project companies of the ABS Scheme.
ABS Holders' Meeting:	Major matters (including the expansion of the ABS Scheme, removal of Scheme Manager) concerning the ABS Scheme would be approved by the ABS holders' meeting. Each ABS entitles the holder to one vote.
Management Committee:	The management committee would consist of 5 members, 2 of whom would be held by Seazen Holdings and its related entities while the remaining 2 and 1 member(s) would be appointed by external investors and the Scheme Manager, respectively. Decisions made by a majority (i.e. 3 persons) of the management committee. The management committee would be responsible for daily management of the ABS Scheme.

Duration:	As of the date of this announcement, the expected maturity date of the ABS Scheme is 25 July 2056. If the term of the land use right of the ABS Scheme's property assets is extended, or the term of the land use right of the expanded assets is later than the expected maturity date of the special purpose vehicle, the ABS Scheme may extend its term, which will result in a postponement of the expected maturity date of the ABS Scheme, subject to the date of announcement by the Scheme Manager. The expected maturity date of the ABS Scheme is not necessarily the actual maturity date of the Units. The income from the ABS may be distributed after the expected maturity date but before the statutory maturity date.
Open Exit Support Mechanism:	Starting from the year following the third anniversary of the establishment of the ABS Scheme, the maximum number of Units that holders can apply for open exit each year is 10% of the subscription amount by external investors. This will be achieved through new investor subscriptions or by the open exit support institution (i.e. Seazen Holdings or its designated entity). If no new investor subscribes for the relevant Units, the open exit support institution will acquire such Units in accordance with the applicable open exit support arrangements. The Units do not guarantee the timing or return of exit.
Pre-emptive Right and Market-Based Disposal Arrangement:	The holder of the pre-emptive right (i.e., Seazen Holdings or its designated entity) has the right of first refusal to acquire the target equity, target debt, and target properties held by the project company within the ABS Scheme. This right can be exercised 36 months after the establishment of the ABS Scheme or within a specific period after the commencement of the disposal period. If the pre-emptive right is not exercised, the holders' meeting may resolve to initiate market-based disposal of the relevant assets (including transfer of equity/debt/property, issuance of REITs or other financial products, but excluding the issuance of publicly offered REITs) 5 years after the establishment or expansion of the ABS Scheme.
Repurchase Arrangement:	If Seazen Holdings and/or its designated entity collectively holds 90% or more of the asset-backed securities, it has the right to repurchase the remaining Units from external investors at the latest fair value reference net asset value. Upon completion of the repurchase, the ABS Scheme will terminate.

Insider Investor Holdings and Governance Mechanism:	Seazen Holdings or its controlled entities shall hold no less than 34% of the Units after the establishment of the ABS Scheme and each subsequent expansion; the ABS Scheme does not provide third-party external credit enhancement, and only uses the aforementioned preferential allocation and open exit support mechanisms as internal credit trigger protection. As at the date of this announcement, Seazen Holdings indirectly holds 34% of the ABS Scheme.

Proceeds from the ABS Scheme and Proposed Use of Proceeds

On 28 November 2025, the Scheme Manager issued the ABS Scheme to professional institutional investors, with an issuance scale of RMB 616 million (inclusive of the amount subscribed by Seazen Holdings or its controlled entities).

On 30 June 2026, the Scheme Manager, completed the expansion of the ABS Scheme for professional institutional investors, with an issuance scale of RMB1,439 million (inclusive of the amount subscribed by Seazen Holdings or its controlled entities).

The Unit price as at the issuance of the ABS Scheme was determined with reference to the feedback received during the price discovery phase and other approaches to be agreed by the Scheme Manager. In determining the Unit price, factors to be considered include, but are not limited to: (i) the second market trading prices of the ABS; (ii) the valuation report of Qingpu Wuyue Plaza by the Valuer; (iii) the historical operating results and financial performance of the Qingpu Wuyue Plaza; and (iv) the business prospects and expected investment returns of the aforesaid Plaza.

As for the expansion of the ABS Scheme, the Unit price was determined by the Scheme Manager taking into account factors including, among others, (i) the second market trading prices of the ABS; (ii) the valuation report of Tianjin Jinnan Wuyue Plaza and the Nantong Rugao Wuyue Plaza by the Valuer; (iii) the historical operating results and financial performance of the Tianjin Jinnan Wuyue Plaza (天津津南吾悦廣場) and the Nantong Rugao Wuyue Plaza (南通如皋吾悦廣場); and (iv) the business prospects and expected investment returns of the aforesaid Plazas. The issuance was either by way of rights issue to existing Unit holders and public offering to other investors.

Details of the valuation reports regarding the Three Retail Malls are set out in the Appendix below.

After reserving a portion of the funds for necessary expenses, including those related to issuance and listing, the proceeds from the issuance and expansion of the ABS Scheme will be used to acquire equity interests in the project companies, acquire further equity interests in target companies (if necessary) and extend shareholder loans.

Financial Impact of the Transfers

Since the Group retains control (under Hong Kong Financial Reporting Standard 10 "Consolidated Financial Statements") of the holding companies of the Three Retail Malls after the Transfers, the Transfers do not constitute a disposal of the holding companies of the Three Retail Malls by the Group for accounting purposes. Consequently, each of the holding companies of the Three Retail Malls shall continue to be considered a subsidiary of the Company and consolidated into the Group's accounts after the Transfers.

Given that the Transfers do not constitute disposals under the accounting standard as aforesaid, the Group does not recognize any gain or loss from the Transfers. The considerations received from the Transfers were recognized as a liability in the Group's consolidated statement of financial position, and the financing costs will be recognized in the profit or loss statement in subsequent years using the effective interest rate method. The above accounting treatment is agreed by the Company's auditors.

INFORMATION ON THE THREE RETAIL MALLS

As at the date of this announcement, the ABS Scheme includes Three Retail Malls, which comprise:

(i) Shanghai Qingpu Wuyue Plaza, a retail mall, consisting of basement level 1 floor (including basement mezzanine level 1) and 5 floors above ground and completed its construction in 2014. It is located at No. 102, Lane 152, Dianshanhu Avenue, Yingpu Street, Qingpu District, Shanghai, the PRC. The approximate gross floor area of Shanghai Qingpu Wuyue Plaza was 126,205.54 sq.m.;

(ii) Tianjin Jinnan Wuyue Plaza, a retail mall, consisting of basement level 2 floors and 5 floors above ground and completed its construction in 2019. It is located at Unit 1-31-101, Building 7, Xincheng Wuyue Plaza, Intersection of Erba Road and Tongyan Road, Xianshuigu Town, Jinnan District, Tianjin, the PRC. The approximate gross floor area of Tianjin Jinnan Wuyue Plaza was 173,150.70 sq.m; and

(iii) Nantong Rugao Wuyue Plaza, a retail mall, consisting of basement level 1 floor and 5 floors above ground with no. 2 parking structure and completed its construction in 2017. It is located at Jiefang New Village, Rucheng Subdistrict, Rugao City, Jiangsu Province, the PRC. The approximate gross floor area of Nantong Rugao Wuyue Plaza was 109,167.27 sq.m., respectively.

The table below sets out the unaudited financial information of the ABS Scheme of the holding companies of the Three Retail Malls for the two years ended 31 December 2025 prepared in accordance with HKFRS Accounting Standards:

	For the year ended 31 December	
	2024	**2025**
	RMB'000	***RMB'000***
	(unaudited)	**(unaudited)**
Revenue	233,191	**256,440**
Profit before taxation	62,088	**528,824**
Profit after taxation	43,322	**373,418**

The unaudited net asset value of the ABS Scheme as at 31 December 2025 prepared in accordance with HKFRS Accounting Standards was approximately RMB1,622.0 million. The profit before taxation increased significantly from approximately RMB62.1 million for the year ended 31 December 2024 to RMB528.8 million for the year ended 31 December 2025, primarily driven by a fair value gain on investment properties.

Information of the Parties

The Company and Seazen Holdings

The Group and Seazen Holdings are principally engaged in property development and property investment businesses in the PRC. Seazen Holdings is a subsidiary of the Company with its A shares listed on the SSE (stock code: 601155.SH).

Seazen Holdings acts as the operations management body and mainly coordinates operations and management for the Three Retail Malls.

The Scheme Manager

Guojin Asset Management is the Scheme Manager and a wholly owned subsidiary of Sinolink Securities Co., Ltd. (國金證券股份有限公司), a company listed on the SSE (Stock Code: 600109.SH). The Scheme Manager shall be primarily responsible for establishing the ABS Scheme, managing the ABS assets (namely, the Three Retail Malls), and distributing proceeds to the ABS Scheme.

To the best of the Directors' knowledge, information and belief and having made all reasonable inquiries, the Scheme Manager and its respective ultimate beneficial owners are independent third parties.

Reasons and Benefits of the ABS Scheme and the Transfers

As China's first consumer-related, A-share-listed, private-enterprise-issued holding-type real estate ABS Scheme, this project uses the high-quality Three Retail Malls, as the underlying assets and directly supplements cash flow by revitalizing existing commercial assets.

The initial issuance of RMB616 million was completed in November 2025, while first-round expansion of RMB1.439 billion was completed in June 2026, effectively optimizing the Group's debt structure. Furthermore, the successful issuance and expansion of the ABS not only demonstrates its asset-light operation capabilities but also supports the separate revenue management strategy of "separating cash flow between commercial management and residential properties." The smooth implementation of this expansion mechanism not only verifies the sustainable fundraising ability of this asset securitization channel but also lays a solid foundation for further connecting the Wuyue Plazas nationwide with domestic public REITs after future policy relaxations.

In view of the foregoing, the Board (including the independent non-executive directors) considers that the Transfers involved in the establishment and expansion of the ABS Scheme are entered into on normal commercial terms, are fair and reasonable, and are in the overall interests of the Company and its shareholders.

Implications under the Listing Rules

In accordance with Rule 14.22 of the Listing Rules, a series of transactions will be aggregated and treated as if they were one transaction if they were all conducted or completed within a 12-month period or were otherwise related with each other. As the transaction contemplated under the Transfers were entered into during the 12-month period, the Transfers shall be aggregated as a series of transactions.

When the ABS Scheme was established and the transfer took place in November 2025, the highest applicable percentage ratio was less than 5%, and as such, the then transfer did not trigger any disclosure obligations under Chapter 14 of the Listing Rules. However, following the expansion of the ABS Scheme resulting in the transfers in June 2026, the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) for the Transfers in aggregate exceeded 5% but was less than 25%, the Transfers constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules, subject to the reporting and announcement requirements, but exempt from the circular and shareholder's approval requirements.

Following an initial assessment when the ABS Scheme was established in November 2025 and the expansion of the ABS Scheme in June 2026, the Company was then of the view that, as the purpose of the Transfers was to facilitate the establishment and operation of the ABS Scheme, and the Group would retain control of the holding companies of the Three Retail Malls after the transactions, the Transfers did not constitute a disposal of the Group in terms of accounting treatment. The holding companies of the Three Retail Malls would continue to be consolidated as subsidiaries of the Group, and the Group has recorded the consideration as liabilities in its financial statements. However, as the Company's PRC legal advisor was unable to confirm that the Transfers did not amount to a transfer of legal title of the Three Retail Malls, it therefore should have constituted as transactions under Chapter 14 of the Listing Rules, subject to the reporting and announcement requirements upon the aforesaid expansion of the ABS Scheme in June 2026.

To prevent the recurrence of similar incidents, the Company will implement the following measures: (a) seeking legal and other professional advice in respect of any transaction it proposes to enter into in the future, in particular any transaction relating to the transfer of assets to or from the ABS Scheme; and (b) specifically reminded the relevant departments responsible for conducting future ABS scheme(s) to be aware of the existing classification of notifiable transactions under Chapter 14 of the Listing Rules, and of the potential implications of further transfers to and from the ABS scheme(s). Additionally, the Board will maintain oversight and review of all asset transfers to and from the ABS Scheme.

No director has a material interest in the transactions contemplated under the ABS Scheme, nor is any director required to abstain from or has abstained from voting at the board meeting relating to the approval of the transactions contemplated under the ABS Scheme.

Definition

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

"ABS"	Asset-backed securities
"ABS Scheme"	The Guojin Asset Management – Wuyue Plaza Holding Real Estate Asset-Backed Special Scheme (國金資管－吾悦廣場持有型不動產資產支持專項計劃)
"Board"	the board of Directors of the Company
"Company"	Seazen Group Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Stock Exchange (Stock Code: 1030)
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	The Hong Kong Special Administrative Region of the PRC
"independent third party(ies)"	person(s) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, is not a connected person of the Company pursuant to the Listing Rules
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"Nantong Rugao Wuyue Plaza"	The Nantong Rugao Wuyue Plaza (南通如皋吾悦廣場) located at Jiefang New Village, Rucheng Subdistrict, Rugao City, Jiangsu Province, the PRC
"PRC"	The People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Scheme Manager" or "Guojin Asset Management"	Guojin Securities Asset Management Co., Ltd.* (國金證券資產管理有限公司), a wholly-owned subsidiary of Sinolink Securities Co., Ltd. (國金證券股份有限公司) and an independent third party
"Seazen Holdings"	Seazen Holdings Co., Ltd., a subsidiary of the Company with its A shares listed on the Shanghai Stock Exchange (stock code: 601155.SH)

"Shanghai Qingpu Wuyue Plaza"	The Shanghai Qingpu Wuyue Plaza (青浦吾悦廣場) located at No. 102, Lane 152, Dianshanhu Avenue, Yingpu Street, Qingpu District, Shanghai, the PRC
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	shareholders of the Company
"SSE"	Shanghai Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"sq.m."	square meter
"Three Retail Malls"	collectively, the Shanghai Qingpu Wuyue Plaza, the Tianjin Jinnan Wuyue Plaza and the Nantong Rugao Wuyue Plaza
"Tianjin Jinnan Wuyue Plaza"	The Tianjin Jinnan Wuyue Plaza (天津津南吾悦廣場) located at Unit 1-31-101, Building 7, Xincheng Wuyue Plaza, Intersection of Erba Road and Tongyan Road, Xianshuigu Town, Jinnan District, Tianjin, the PRC
"Transfers"	collectively, the transfers of the equity interests of the holding companies of (i) the Shanghai Qingpu Wuyue Plaza in November 2025; and (ii) both the Tianjin Jinnan Wuyue Plaza and the Nantong Rugao Wuyue Plaza in June 2026
"Unit(s)"	the units of the ABS Scheme, which were issued in connection with the listing
"Valuation Reports"	the valuation reports issued by the Valuer in relation to the Three Retail Malls
"Valuer"	Shenzhen Cushman & Wakefield Land & Real Estate Appraisal Co., Ltd.*（深圳市戴德梁行土地房地產評估有限公司), an independent third party
"%"	Per cent

By order of the Board
Seazen Group Limited
Wang Xiaosong
Chairman

The PRC, 9 November 2026

As at the date of this announcement, the Directors are Mr. Lu Zhongming and Mr. Zhou Fudong as executive Directors, Mr. Wang Xiaosong as non-executive Director and Mr. Zhu Zengjin, Mr. Zhong Wei and Ms. Wu Ke as independent non-executive Directors.

* *for identification purposes only*

Valuation approach and its reasons: The Valuation Reports were appraised using the income-based approach. The income-based approach was adopted because the Three Retail Malls consist of commercial/car-park use assets in an active commercial leasing market. Reliable and sustainable market rental evidence was available, and future income and expenses could be reasonably forecast. The market-based approach is excluded due to the substantial scale of the Three Retail Malls and a lack of comparable transaction data in the local market over the past two years. The cost approach is not adopted as income-generating commercial properties are better reflected by their yield capacity than their cost value.

Scope of work and key limitations: The scope of the Valuation Reports was to provide a market value reference for the Three Retail Malls. Key limitations include: (a) the Valuer's site inspection was limited to the external appearance and use condition of each property; no structural survey or testing of building services was undertaken to confirm the absence of structural damage or defects, and the Valuer assumed normal usability without taking responsibility for investigating structural quality; (b) the Valuer relied on the areas recorded in the title certificates and other documents provided by the property owner, and takes no responsibility for the accuracy of those areas; (c) the Valuation Reports did not take into account the effect on market value of any existing or future mortgages, guarantees or other liabilities encumbering the properties, nor material changes in macroeconomic policy, force majeure, special transaction methods, special buyer preferences or future disposal risks.

Valuer's qualifications and effective dates of the Valuation Reports: The Valuation Reports were prepared by registered real estate appraisers holding valid professional registrations. The Valuation Reports reference date is 30 November 2025 for the Nantong Rugao Wuyue Plaza and the Tianjin Jinnan Wuyue Plaza, and 31 March 2025 for the Shanghai Qingpu Wuyue Plaza. The Valuation Reports have a one-year validity period from the reference date.

Key assumptions:

The Valuation Reports for the Three Retail Malls were based on the following key assumptions:

(a) *Market rent*: the market rents were derived using the rental comparison based on three comparable rental transactions/quotations each for specialty (in-line) shops and anchor stores in the nearby area, adjusted for transaction, market, locational, physical and legal/tenure factors.

(b) *Occupancy rate*: the overall occupancy rate assumed for each of the Three Retail Malls was as follows, based on the Valuer's research into the regional commercial market and each property's actual operating condition: (i) for the Nantong Rugao Wuyue Plaza, 100% for 2025, 99% for 2026-2028 and 98% from 2029 onwards; (ii) for the Tianjin Jinnan Wuyue Plaza, 100% for 2025, 99% for 2026-2028 and 98% from 2029 onwards; and (iii) for the Shanghai Qingpu Wuyue Plaza, 95% for 2025, 96% for 2026-2027 and 97% from 2028 onwards.

(c) *Market rental growth rate*: the market rental growth rates assumed for each of the Three Retail Malls (derived with reference to the development experience of comparable commercial properties and the market conditions of the subject region) were as follows: (i) for the Nantong Rugao Wuyue Plaza, no increase in 2025 followed by annual growth of 3% (2026-2028), 2% (2029-2034) and 1% (2035 onwards) for specialty (in-line) shops, and no increase in 2025 followed by annual growth of 2% (2026-2028), 1% (2029-2034) and 1% (2035 onwards) for anchor stores; (ii) for the Tianjin Jinnan Wuyue Plaza, no increase in 2025 followed by annual growth of 3% (2026-2028), 2% (2029-2030), 1.5% (2031-2034) and 1% (2035 onwards) for specialty (in-line) shops, and no increase in 2025 followed by annual growth of 2% (2026-2030), 1% (2031-2034) and 1% (2035 onwards) for anchor stores; and (iii) for the Shanghai Qingpu Wuyue Plaza, no increase in 2025 followed by annual growth of 2.5% (2026 onwards, including the period from 2035 to the end of the income period) for specialty (in-line) shops, and no increase in 2025 followed by annual growth of 2% (2026 onwards, including the period from 2035 to the end of the income period) for anchor stores.

(d) *Other revenue line items and growth assumptions*: increase by approximately 1-2% per annum, based on the Three Retail Malls' actual results.

(e) *Operating expense*: Operating expenses were estimated as a percentage of annual operating revenue (exclusive of VAT unless stated) based on historical operating data provided by the property owner and the Valuer's experience.

(f) *Capital expenditure*: capital expenditure was assumed at approximately 1.5% of annual operating revenue (exclusive of VAT) per annum across the forecast period for each of the Three Retail Malls, based on historical capital expenditure data provided by the property owner and the Valuer's experience.

The discount rate for the Shanghai Qingpu Wuyue Plaza, Tianjin Jinnan Wuyue Plaza and Nantong Rugao Wuyue Plaza were derived using the build-up method as follows, reflecting the specific risk and liquidity profile of that property and its location:

(1) Shanghai Qingpu Wuyue Plaza

Component	**Rate**
Safe (risk-free) rate – 1-year PBOC benchmark deposit rate	1.50%
Investment risk premium	3.25%
Management burden compensation	1.50%
Illiquidity premium	1.00%
Less: investment benefit discount	(0.50)%
Discount rate applied for the full holding period	6.75%
Terminal (long-term) growth rate applied from 2035 to the end of the income period	2.5% (specialty shops)/ 2% (anchor stores)

(2) Tianjin Jinnan Wuyue Plaza and Nantong Rugao Wuyue Plaza

Component	Rate adopted for Tianjin Jinnan Wuyue Plaza	Rate adopted for Nantong Rugao Wuyue Plaza
Risk-free rate of return	1.84%	1.84%
Risk premium Average risk premium for investment real estate	3.50%	3.50%
Risk premium Risk compensation adjustment regarding liquidity, location, industry and management burden, compliance, growth, special operations, etc. of the Valuation Reports subject	1.91%	2.41%
Rate of Return (Yield)	7.25%	7.75%
Terminal (long-term) growth rate applied from 2035 to the end of the income period	1%	1%

Principal reasons and appraised value of the Three Retail Malls: Applying the aforesaid discount rate and the terminal growth rate above to the property's projected net operating income (comprising rental income, management fee income, miscellaneous operating income and car park income, net of operating costs, taxes and capital expenditure, based on the occupancy and rental growth assumptions set out above) under the discounted cash flow model, the Valuer arrived at an appraised value of (1) RMB1,064 million for Shanghai Qingpu Wuyue Plaza; (2) RMB1,129 million for Tianjin Jinnan Wuyue Plaza; and (3) RMB1,017 million for Nantong Rugao Wuyue Plaza.

With reference to the said appraisal values of the Three Retail Malls and upon taken into consideration of the aforesaid factors, and after deducting the bank borrowings of RMB416 million and RMB755 million for the issuance in November 2025 and June 2026 respectively, the Company issued the ABS Scheme to professional institutional investors with a total issuance size of RMB616 million and RMB1,439 million (both inclusive of subscriptions from Seazen Holdings or its controlled entities) in November 2025 and in June 2026 respectively.