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

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **PARKSON RETAIL GROUP LIMITED**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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

**MAJOR TRANSACTION:  
SUPPLEMENTAL AGREEMENT TO TENANCY AGREEMENT  
IN RESPECT OF PROPERTY IN HEFEI CITY, ANHUI PROVINCE,  
THE PRC**

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

A letter from the Board is set out on pages 3 to 13 of this circular.

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

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## DEFINITIONS

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

“Board”	means the board of Directors.
“Company”	means Parkson Retail Group Limited 百盛商業集團有限公司, a company incorporated in the Cayman Islands.
“Directors”	means the directors of the Company.
“Facilities Renovation Agreement”	means the facilities renovation agreement in respect of the Hefei Property entered into between Hefei Parkson and Hefei Xingtai on 8 December 2025.
“Group”	means the Company and its subsidiaries.
“Hefei Parkson”	means Hefei Parkson Xiaoyao Plaza Co., Ltd.* (合肥百盛逍遙廣場有限公司), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company.
“Hefei Property”	<p>Relevant parts of Level LG1 to Level 5 of the North Building of Xiaoyao Plaza, Huaihe Road, Hefei City* (合肥市淮河路逍遙廣場北樓), Anhui Province, the PRC; and</p> <p>Relevant parts of Level 3 and Level 4 of the South Building of Vegetable Market Complex, No. 45 Jiushiqiao Road, Hefei City* (合肥市九獅橋路45號南樓菜場綜合樓), Anhui Province, the PRC.</p>
“Hefei Tenancy”	means the tenancy for the Hefei Property as renewed pursuant to the Supplemental Agreement.
“Hefei Xingtai”	means Hefei Xingtai Equity Investment Management Co., Ltd.* (合肥興泰股權投資管理有限公司), a company incorporated in the PRC.
“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong.
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC.
“IFRS 16”	means the “International Financial Reporting Standard 16 – Leases” issued by the International Accounting Standards Board, which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

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## DEFINITIONS

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“Latest Practicable Date”	means 19 December 2025, being the latest practicable date for ascertaining certain information for the purpose of inclusion in this circular.
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Model Code”	means the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules.
“MYR”	means Malaysian Ringgits, the lawful currency of Malaysia.
“PRC”	means the People’s Republic of China and, for the purposes of this circular only, excludes Hong Kong, Macau Special Administrative Region and Taiwan.
“RMB”	means Renminbi, the lawful currency of the PRC.
“SFO”	means the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).
“Shareholders”	means holders of the Shares.
“Shares”	means ordinary shares of nominal value of HK\$0.02 each in the capital of the Company.
“Supplemental Agreement”	means the supplemental agreement to the original tenancy agreement in respect of the Hefei Property entered into between Hefei Parkson and Hefei Xingtai on 8 December 2025.
“sq. m.”	means square metres.
“Tenancy Renewal Transaction”	means the transaction relating to the renewal of the Hefei Tenancy.
“VAT”	means the value-added tax.
“%”	means per cent.

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

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LETTER FROM THE BOARD

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

*Executive Directors:*

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

*Non-executive Director:*

Dato' Sri Dr. Hou Kok Chung

*Independent non-executive Directors:*

Dato' Fu Ah Kiow  
Mr. Yau Ming Kim, Robert  
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*Principal place of business in Hong Kong:*

Room 1010, 10th Floor  
Harcourt House  
39 Gloucester Road  
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Hong Kong

24 December 2025

*To the Shareholders*

Dear Sir/Madam,

**MAJOR TRANSACTION:**  
**SUPPLEMENTAL AGREEMENT TO TENANCY AGREEMENT**  
**IN RESPECT OF PROPERTY IN HEFEI CITY, ANHUI PROVINCE,**  
**THE PRC**

**1. INTRODUCTION**

Reference is made to the Company's announcement dated 8 December 2025. The purpose of this circular is to provide you with, among other things, further information regarding the Supplemental Agreement and the renewal of the Hefei Tenancy and other information as required under the Listing Rules.

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## LETTER FROM THE BOARD

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### 2. RENEWAL OF THE HEFEI TENANCY

The Board is pleased to announce that on 8 December 2025, Hefei Parkson and Hefei Xingtai had entered into the Supplemental Agreement, pursuant to which the parties agreed to the terms of the renewed tenancy for the Hefei Property. Prior to entering into of the Supplemental Agreement, Hefei Parkson has been occupying the Hefei Property for its retail business since 2001.

A summary of the principal terms of the renewed Hefei Tenancy and other relevant information is as follows:

Date	:	8 December 2025
Parties	:	Tenant: Hefei Parkson Landlord: Hefei Xingtai
Property	:	Relevant parts of Level LG1 to Level 5 of the North Building of Xiaoyao Plaza, Huaihe Road, Hefei City (合肥市淮河路逍遙廣場北樓), Anhui Province, the PRC; and Relevant parts of Level 3 and Level 4 of the South Building of Vegetable Market Complex, No. 45 Jiushiqiao Road, Hefei City (合肥市九獅橋路45號南樓菜場綜合樓), Anhui Province, the PRC.
Total gross area	:	45,036.99 sq. m.
Tenancy Term	:	6 years from 1 March 2028 to 28 February 2034
Rent and property fee	:	Amounts payable by Hefei Parkson during the tenancy term comprises two parts: <ol style="list-style-type: none"><li>fixed portion – fixed rent (including tax) in the amount of RMB35,671,575 per year; and</li><li>incremental revenue share portion –<ol style="list-style-type: none"><li>when the Annual Gross Revenue is RMB60 million or less, no incremental revenue share is payable for that year;</li></ol></li></ol>

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## LETTER FROM THE BOARD

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- b. for the portion of Annual Gross Revenue exceeding RMB60 million up to RMB70 million (inclusive), Hefei Xingtai is entitled to 40% of such portion of Annual Gross Revenue;
- c. for the portion of Annual Gross Revenue exceeding RMB70 million up to RMB100 million (inclusive), Hefei Xingtai is entitled to 60% of such portion of Annual Gross Revenue; and
- d. for the portion of Annual Gross Revenue exceeding RMB100 million, Hefei Xingtai is entitled to 50% of such portion of Annual Gross Revenue.

*Note:* Annual Gross Revenue means the gross revenue derived from business operations at the Hefei Property received by Hefei Parkson during the year. The calculation of Annual Gross Revenue = Operating Revenue + Rental Revenue + Other Business Revenue – Cost of Sales – Consumption Tax.

Audit : During the period from March to May of each calendar year, Hefei Xingtai shall engage a qualified auditor to conduct an independent audit of Hefei Parkson's operational performance for the previous year.

The audit fees shall be borne by Hefei Xingtai, and the audit work shall be completed within 60 days from the date the auditor is engaged.

Based on the final audit report, the annual rent settlement (comparing the total rent due against the prepaid rent) shall be completed by Hefei Parkson within 20 working days after receiving the VAT invoice. Any deficiency of annual rent shall be paid by Hefei Parkson to Hefei Xingtai and any overpayment shall be refunded to Hefei Parkson by Hefei Xingtai within 20 working days upon Hefei Parkson's request.

Prepaid rent : During the tenancy term, the prepaid rent for each upcoming year is due by 28 January of each calendar year.

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## LETTER FROM THE BOARD

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The amount of prepaid rent is determined based on the final audited total rent (fixed portion + incremental revenue share portion) from the previous operating year. If the audit for the previous operating year has not been completed, the audited total rent from the most recent operating year for which an audit has been finalised shall apply. In the event that the amount of prepaid rent determined is less than RMB40 million, a prepaid rent of RMB40 million shall be paid.

Deposit : RMB10,000,000, which has already been paid pursuant to the original tenancy agreement.

The deposit shall be returned to Hefei Parkson without interest within 90 business days after the expiration of the tenancy term (i.e. 28 February 2034) or the termination of the Hefei Tenancy, and after Hefei Parkson has settled all rent and other expenses (including penalties, if any) payable during the tenancy term. If Hefei Parkson breaches the Hefei Tenancy, Hefei Xingtai shall be entitled to deduct the relevant amount directly from the deposit.

Use : Retail and wholesale trade including alcoholic beverages, apparel, stationery, food, electronics, etc., management of leased commercial facilities, delivery services, technical consulting, agricultural procurement, and other related services.

Right to sub-let : Hefei Parkson has the right to sub-let portions of the Hefei Property for operational needs, provided that the term of any sub-lease shall not extend beyond the tenancy term of the Hefei Tenancy.

Hefei Parkson shall bear joint and several liability for all obligations of any sub-lessee, and shall promptly submit a copy of all executed sub-leases to Hefei Xingtai for record.

Renewal : If Hefei Parkson wishes to further renew the Hefei Tenancy, it shall participate in the new public bidding process for the tenancy and shall have a right of first refusal under equal conditions.

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## LETTER FROM THE BOARD

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Termination : In the event of the occurrence of any of the following circumstances, the Supplemental Agreement shall be terminated, and the rent and all other fees shall be calculated based on the actual rental period by Hefei Parkson. Neither party will be held liable for breach of the Supplemental Agreement, nor shall one party be liable for any economic compensation to the other:

1. The Hefei Property has been legally included in the demolition scope due to urban construction needs.
2. The Hefei Property needs to be demolished for overall commercial development in the area where it is located.
3. The Hefei Property is damaged or lost due to natural disasters or other force majeure.
4. Other unforeseen factors that prevent the parties' performance of the obligations under the Supplement Agreement.

### 3. FACILITIES RENOVATION AGREEMENT

On the same date as the Supplemental Agreement, Hefei Parkson and Hefei Xingtai also entered into the Facilities Renovation Agreement, pursuant to which Hefei Xingtai shall lead the renovation of the Hefei Property's facilities and equipment as requested by Hefei Parkson. Hefei Parkson undertakes to pay on behalf of Hefei Xingtai, the renovation cost of facilities and equipment with the amount equals to the bidding price as determined through public bidding process organised by Hefei Xingtai. Hefei Xingtai undertakes to reimburse such amount to Hefei Parkson in annual instalments, each representing 10% of the payment made by Hefei Parkson, over the remaining term of the Hefei Tenancy. Any outstanding balance shall be reimbursed to Hefei Parkson by Hefei Xingtai within 30 business days of the expiration of the Hefei Tenancy or its early termination.

As at the date of this circular, Hefei Parkson has not made any payment under the Facilities Renovation Agreement.

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## LETTER FROM THE BOARD

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### 4. BASIS FOR DETERMINATION OF THE RENT AND OTHER INFORMATION

The terms of the Supplemental Agreement (including rent) were determined after arm's length negotiations between the landlord and the tenant of the Hefei Tenancy, with reference to the prevailing market rates for properties of similar type, age and location with the Hefei Property.

The rent and other amounts payable by Hefei Parkson under the Hefei Tenancy are expected to be financed by the internal resources of the Group.

The Board has mainly considered the valuation report for the properties prepared by an independent property valuer set out in Appendix II to this circular, together with the prevailing market practices adopted by industry peers in respect of tenancies of comparable scale and duration to the Hefei Tenancy. The Board considers that while there may be some differences between the comparable properties and the Hefei Property, in particular in terms of size, floors and exact location, the adjustment ranges adopted by the independent property valuer are reasonable. The Board has reviewed the adjustment factors and ranges applied by such independent property valuer and considers them reasonable and appropriate, as the Board was advised that such adjustments and their applicable ranges were determined based on observable market data, are consistent with prevailing industry practices, properly reflect the differences between the Hefei Property and the selected comparable properties, and have been prepared in accordance with the Hong Kong Institute of Surveyors (HKIS) Valuation Standards.

The annual market rent of the Hefei Property in existing state as at 31 October 2025 was of RMB37 million, and the rent payable under the Supplemental Agreement comprises a fixed portion being approximately RMB35.67 million and an increment revenue sharing portion, which is in line with the market practice on large-scale tenancies for retail operations.

The rent payable by Hefei Parkson during the tenancy term is structured as a combination of a fixed portion and an incremental revenue share portion. For the portion of annual gross revenue that exceeds the relevant thresholds, the landlord is entitled to 40%, 60%, and 50% shares respectively. The Annual Gross Revenue thresholds of RMB60 million, RMB70 million, and RMB100 million, along with the corresponding landlord share percentages of 40%, 60%, and 50%, are identical to those set out in the original tenancy agreement. These thresholds and rates were established through arm's length negotiations and the Board considers this hybrid rent structure – comprising a fixed portion and an incremental revenue share portion – to be commercially balanced, as it aligns the interests of both parties by sharing operational upside while mitigating downside risk.

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## LETTER FROM THE BOARD

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In determining the rental terms under the renewed Hefei Tenancy, the Company has considered a number of factors. According to the Company's calculation of the estimated total rent under the renewed Hefei Tenancy (projected based on the Hefei Store's historical performance, brand mix, sub-tenant quality, subletting terms, and expected contributions from planned marketing and renovation initiatives), the total rent (comprising fixed and incremental revenue sharing rent) for the first operating year 2028 under the renewed Hefei Tenancy is within a range of around  $\pm 3\%$  of the market rent as at 31 October 2025 as evaluated by the independent property valuer. Based on the Group's portfolio experience, including tenancy renewals in recent years for properties in Tier-1 and Tier-2 cities in the PRC such as Harbin, Shenyang, Nanning, actual market rents have consistently remained within  $\pm 3\%$  of the Company's rent estimates. Accordingly, the Board considers that the estimated total rent for the first operating year 2028 under the renewed Hefei Tenancy, being within a range of around  $\pm 3\%$  of the market rent as at 31 October 2025, to be not a significant sum.

In light of the above, the Board is of the view that the rental amounts under the renewed Hefei Tenancy are fair and reasonable and in the interest of the Company and Shareholders as a whole.

### 5. INFORMATION ON THE PARTIES

#### 5.1 The Group and Hefei Parkson

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

Hefei Parkson is an indirect wholly-owned subsidiary of the Company principally engaged in the operation of department store in Hefei City.

#### 5.2 Hefei Xingtai

Hefei Xingtai is a company established in the PRC, and principally engaged in the business of equity investment and management. Hefei Xingtai is a 100% subsidiary of Hefei Xingtai Financial Holding (Group) Co., Ltd.\* (合肥興泰金融控股(集團)有限公司), which is a wholly-owned subsidiary of the Hefei Municipal State-owned Asset Supervision and Administration Commission.

To the best knowledge and belief of the Directors, and having made all reasonable enquiries, Hefei Xingtai and its ultimate owner are third parties independent of, and not connected with the Company and its connected persons (as defined under the Listing Rules).

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## LETTER FROM THE BOARD

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### **6. REASONS FOR AND BENEFITS OF THE TENANCY RENEWAL TRANSACTION AND ENTERING INTO THE SUPPLEMENTAL AGREEMENT**

The Group has been operating and managing its department store in Hefei for more than 20 years, where the Group has gained good reputation and market recognition. The department store has accumulated numerous brands, customers and government and other resources, which has facilitated the Group's establishment of a solid foundation for its business in Hefei. Hefei is an important provincial capital city in Eastern China in which enterprises establish their business operations. The Group's existing department store in this city therefore has great strategic significance, acting as bridgeheads and incubators for the Group's continuous development in Eastern China.

While business has suffered in the past few years, the store in Hefei has successfully pivoted from traditional department store to a subletting business model focusing on the ACG (Anime, Comics and Games) sectors. Its transformation has been receiving positive market feedback and coverage from key national media outlets and stands as a successful flagship store of the Group. The Board believes that the existing department store will continue to play an important role in generating stable revenue and maintaining the Group's market recognition in the PRC. The Board believes that the renewed Hefei Tenancy will continue to have positive impact on the future development of the Group.

The Board is of the view that the terms of the Supplemental Agreement and the renewed Hefei Tenancy are fair and reasonable, and also having taken into account the above reasons and benefits, the Board considers that the entering into of the Supplemental Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

### **7. FINANCIAL EFFECTS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT**

Pursuant to IFRS 16, the Group is required to recognise the Hefei Property as a right-of-use asset. Thus, the entering into of the Supplemental Agreement and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules. The consideration for the acquisition of the right-of-use asset recognised by the Group pursuant to IFRS 16 is approximately RMB157.2 million and a lease liability amounting to approximately RMB157.2 million.

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

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## LETTER FROM THE BOARD

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

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

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

Pursuant to IFRS 16, the Group will recognise the depreciation charge for the right-of-use assets over the useful life on a straight-line basis, and interest expense on the lease liabilities in profit or loss for the Hefei Property. The annual depreciation amount for the Hefei Property is approximately RMB19.2 million. For the incremental revenue share portion of the rent, i.e. varying rent, payable by the Group will be recognised as expenses incurred by the Group.

## 8. LISTING RULES IMPLICATIONS

### 8.1 Supplemental Agreement

Pursuant to IFRS 16, the Group is required to recognise the Hefei Property as a right-of-use asset. Thus, the entering into of the Supplemental Agreement and the transactions contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules. The consideration for the acquisition of the right-of-use asset recognised by the Group pursuant to IFRS 16 is approximately RMB157.2 million, which is calculated based on the present value of the rent payments to be made under the Supplemental Agreement in accordance with IFRS 16.

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

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## LETTER FROM THE BOARD

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### 8.2 Written Shareholders' Approval

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, no Shareholder or any of their respective associates has any material interest in the Hefei Tenancy or the Supplemental Agreement. Accordingly, none of the Shareholders is required to abstain from voting in favour of the resolution to approve the Tenancy Renewal Transaction, the entering into of the Supplemental Agreement and the transactions contemplated thereunder if the Company were to convene a general meeting to seek such approval.

A closely allied group of Shareholders interested in an aggregate of 1,448,270,000 Shares, representing approximately 54.97% of the total number of issued shares of the Company, has given its written approval on the Tenancy Renewal Transaction and the entering into of the Supplemental Agreement.

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

The written approval of the aforesaid group of Shareholders has been accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules.

### 9. RECOMMENDATION

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

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

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## LETTER FROM THE BOARD

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### 10. FURTHER INFORMATION

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

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

**1. FINANCIAL INFORMATION OF THE GROUP**

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

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

**2. STATEMENT OF INDEBTEDNESS****Borrowings**

As at the close of business on 31 October 2025, being the Latest Practicable Date for the purpose of this statement of indebtedness, the Group had aggregate outstanding secured interest-bearing borrowings of approximately RMB3,008 million.

Bank borrowings denominated in RMB of approximately RMB2,370 million bear a floating interest rate of the loan prime rate (LPR) of the People's Bank of China per annum. Bank borrowings denominated in MYR of approximately RMB638 million bear a floating interest rate at a range of 3.25% to 5.75% per annum over KLIBOR.

As at 31 October 2025, the Group's bank borrowings are secured by (i) mortgages over the Group's investment property, which had a net carrying amount of approximately RMB506 million; (ii) mortgages over the Group's buildings, which had a net carrying amount of approximately RMB1,289 million; (iii) mortgages over the Group's leasehold land, which had an aggregate carrying amount of approximately RMB295 million; and (iv) the pledge of trade receivables of approximately RMB823 million and unrealised receivables of approximately RMB199 million which will be due within 48 months.

As at 31 October 2025, items (i), (ii), (iii) are provided to secure the Group's bank borrowings denominated in RMB, and item (iv) is provided to secure the Group's bank borrowings denominated in MYR. Except for the Group's bank loan denominated in MYR amounted to approximately RMB45 million is guaranteed by Parkson Holdings Berhad ("PHB"), all of the Group's remaining bank loans are unguaranteed.

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

#### **Lease Liabilities**

As at 31 October 2025, the Group had current and non-current lease liabilities of approximately RMB490 million and RMB2,727 million, respectively, of which approximately RMB2,322 million were secured by retail deposits of approximately RMB78 million and unguaranteed, and others are unsecured and unguaranteed.

#### **General**

Save as aforesaid and apart from intra-group liabilities, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptance (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 31 October 2025.

For the purpose of the above statement of indebtedness, foreign currency amounts denominated other than RMB have been translated into RMB at the rates of exchange prevailing at the close of business on 31 October 2025.

### **3. WORKING CAPITAL**

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

The Company has received confirmation letters from the Company's auditors confirming that (i) in their opinion, the above statement as to the sufficiency of working capital has been made by the Directors after due and careful enquiry; and (ii) the persons or institutions providing finance have confirmed in writing the existence of such facilities as of 31 October 2025 that are shown to be required by the Company's working capital forecast.

**4. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

**5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

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

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

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

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

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

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

*The following is the text of a letter and the valuation certificate, prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer and consultant, in connection with its valuation as at 31 October 2025 of the property interest to be leased to the Parkson Retail Group Limited.*



仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited  
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979 King's Road, Hong Kong  
tel +852 2846 5000 fax +852 2169 6001  
Company Licence No.: C-030171

24 December 2025

The Board of Directors

**Parkson Retail Group Limited (the “Company”)**

Room 1010, 10th Floor

Harcourt House

39 Gloucester Road

Wanchai

Hong Kong

Dear Sirs,

In accordance with the instructions of the Company to value the market rent of the property held by Hefei Xingtai Equity Investment Management Co., Ltd. (合肥興泰股權投資管理有限公司, “**Hefei Xingtai**”) to be leased to Hefei Parkson Xiaoyao Plaza Co., Ltd. (合肥百盛逍遙廣場有限公司, “**Hefei Parkson**”, an indirect wholly-owned subsidiary of the Company) in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market rent of the property interest as at 31 October 2025 (the “**valuation date**”).

Our valuation is carried out on a market rent basis. Market rent is defined by the HKIS Valuation Standards as “the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

In arriving at our opinion of market rent, we have adopted the comparison approach by making reference to comparable market rental evidence as available in the relevant market. This approach rests on the wide acceptance of the market rental evidence as the best indicator and presupposes that evidence of relevant transactions/asking rent in the market place can be extrapolated to similar properties, subject to allowances for variable factors. Given that relevant rental comparables are available, we have therefore used comparison approach which is in line with the market practice. Appropriate adjustments and analysis are considered to the differences in location, size, decoration, facility and other characters between the comparable properties and the subject property.

Our valuation has been made on the assumption that the lessor leases the property in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the rental of the property. The property is readily for immediate occupation for a normal tenure of three to six years with reasonably good condition and the rent is inclusive of value-added tax, but exclusive of management fees, water and electricity charges and other outgoings.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a lease. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its rental value.

In the course of valuation, we have assumed that all proper title documents have been obtained and the property could be freely leased.

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

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

We have been shown copies of State-owned Land Use Rights Certificates and Building Ownership Certificates relating to the property interest and have made relevant enquires. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal adviser – Grandall Law Firm (Shanghai), concerning the validity of the property interest in the PRC.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

The site inspection was carried out on 24 November 2025 by Ms. Siyang Kou who has obtained a master degree in Architecture and has 6 years' valuation experience in the real estate industry of the PRC. The site inspection mainly includes due diligence work to identify the property location, taking notes of the accessibility, entrances, layout, size, maintenance condition and decorative order and other attributes of the subject property, as well as verifying whether the property's occupancy status aligns with the rent roll and other information provided by the Company. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Climate change, sustainability, resilience, and ESG are increasingly influencing investment approaches as they may affect prospects for rental and capital growth, and susceptibility to obsolescence. Properties that do not meet the sustainability characteristics expected in the market may represent a higher investment risk, particularly as occupiers become more conscious of ESG impacts on operational workspace, which could impact on vacancy and rental levels. This view is supported by RICS in their recently published guidance note "Sustainability and ESG in commercial property valuation and strategic advice (3rd Edition)."

While some of the sustainability and ESG initiatives are considered subjective and intangible, they cannot always be demonstrated with quantifiable evidence. Based on our research and local market knowledge, there is not yet any direct and tangible evidence of ESG being reflected in specific investment behaviours and/or pricing considerations for assets of a similar nature to the subject property, although it is acknowledged that ESG criteria is forming part of an increasing number of investment mandates. However more tangible benefits such as energy efficiency are realisable in operational costs. We have not undertaken full asset and market investigations in this regard. Whilst there is currently no direct and tangible evidence to suggest that the market is making pricing adjustments for ESG, we will continue to monitor market movements and sentiment.

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

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

Our valuation certificate is attached.

Yours faithfully,

For and on behalf of

**Jones Lang LaSalle Corporate Appraisal and Advisory Limited**

**Eddie T. W. Yiu**

*MRICS MHKIS R.P.S. (GP)*

*Senior Director*

*Note: Eddie T.W. Yiu is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Mr. Yiu joined Jones Lang LaSalle Corporate Appraisal and Advisory Limited in 2009, and has 31 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region. Mr. Yiu possesses up-to-date property market knowledge, along with necessary skills and expertise to perform the valuation competently.*

## VALUATION CERTIFICATE

## Property to be leased to the Company under lease renewal in the PRC

Property	Description and tenure	Particulars of occupancy	Market rent in existing state as at 31 October 2025 RMB
Level B1 to Level 5 of the North Building of Xiaoyao Plaza, and portions of Level 3 to Level 4 of the South Building of Vegetable Market Complex located at No. 45 Jiushiqiao Road Luyang District Hefei City Anhui Province The PRC (中國安徽省合肥市廬陽區九獅橋路45號逍遙廣場北樓地下1層至地上5層及南樓菜場綜合樓的部分地上3至4層)	<p>The property is located at the junction of Huaihe Road and Yaba Street, Luyang District, Hefei City. The locality is a mature commercial and residential area. It is well served by public facilities and convenient public transportation network and landmark developments such as Hefei Yintai Center and New Era Square are located nearby.</p> <p>The property occupies 3 parcels of land with a total site area of approximately 8,882.70 sq.m. (including the land use rights of the property), which had been developed into a commercial building known as the North Building of Xiaoyao Plaza completed in 1998 and a composite building known as the South Building of Vegetable Market Complex completed between 1996 and 1998.</p> <p>The property comprises Level B1 to Level 5 of the North Building of Xiaoyao Plaza, and portions of Level 3 to Level 4 of the South Building of Vegetable Market Complex with a total gross area of approximately 45,036.99 sq.m.</p> <p>The land use rights of the property have been granted for the terms expiring on 1 November 2034 and 1 December 2044 for commercial use and expiring on 1 November 2044 for office use.</p>	As at the valuation date, the property was rented to Hefei Parkson for commercial and office uses.	RMB37,000,000 per annum inclusive of VAT but exclusive of building management fee

## Notes:

- Pursuant to 3 State-owned Land Use Certificates – He Guo Yong (2011) Di No. 260, Lu Yang He Guo Yong (2011) Nos. 06659 and 06653, the land use rights of 3 parcels of land with a total site area of approximately 8,882.70 sq.m. (including the land use rights of the property) have been granted to Hefei Xingtai for the terms expiring on 1 November 2034 and 1 December 2044 for commercial use and expiring on 1 November 2044 for office use.

## APPENDIX II

## VALUATION REPORT OF THE PROPERTY

2. Pursuant to 9 Building Ownership Certificates – Fang Di Quan Zheng He Chan Zi Di Nos. 110141621, 110141619, 110141625, 110141627, 110141630, 110141629, 110141615, 110141605 and 110141617, the property with a total gross area of approximately 48,700.95 sq.m. (including the property) is owned by Hefei Xingtai.
3. According to the information provided by the Company, the details of gross area of the property are set out as below:

Portion	Usage	Floor	Total Gross Area (sq.m.)
North Building of Parkson Xiaoyao Plaza	Commercial	Level B1	5,479.10
North Building of Parkson Xiaoyao Plaza	Commercial	Level 1	7,094.95
North Building of Parkson Xiaoyao Plaza	Commercial	Level 2	7,044.71
North Building of Parkson Xiaoyao Plaza	Commercial	Level 3	7,046.47
North Building of Parkson Xiaoyao Plaza	Commercial	Level 4	6,994.47
North Building of Parkson Xiaoyao Plaza	Commercial	Level 5	4,632.29
<b>Sub-total:</b>			<b>38,291.99</b>
South Building of Vegetable Market Complex	Office	Level 3	2,100.00
South Building of Vegetable Market Complex	Office	Level 4	4,645.00
<b>Sub-total:</b>			<b>6,745.00</b>
<b>Total:</b>			<b>45,036.99</b>

4. Pursuant to a tenancy agreement and the Supplemental Agreement, the tenancy of the property will be renewed to Hefei Parkson for commercial and office uses with the expiry date on 28 February 2034. The annual fixed rent for the first year will be approximately RMB35,671,575, inclusive of VAT, but exclusive of management fees, water and electricity charges. Details information are set out as follows:

Property:	Level B1 to Level 5 of the North Building of Xiaoyao Plaza, and portions of Level 3 to Level 4 of the South Building of Vegetable Market Complex located at No. 45 Jiushiqiao Road, Luyang District, Hefei City, Anhui Province, the PRC
Total Gross Area:	45,036.99 sq.m.
Renewal Lease Term:	6 years from 1 March 2028 to 28 February 2034
Annual Rent for the 1st Year:	Fixed portion – Fixed rent in the amount of RMB35,671,575 per year, inclusive of VAT but exclusive of building management fee
	Incremental revenue share portion –
a.	When the Annual Gross Revenue is RMB60 million or less, no incremental revenue share is payable for that year;
b.	For the portion of Annual Gross Revenue exceeding RMB60 million up to RMB70 million (inclusive), Hefei Xingtai is entitled to 40% of such portion of Annual Gross Revenue;

- c. For the portion of Annual Gross Revenue exceeding RMB70 million up to RMB100 million (inclusive), Hefei Xingtai is entitled to 60% of such portion of Annual Gross Revenue; and;
- d. For the portion of Annual Gross Revenue exceeding RMB100 million, Hefei Xingtai is entitled to 50% of such portion of Annual Gross Revenue.

*Note:* Annual Gross Revenue means the gross revenue derived from business operations at the property received by Hefei Parkson during the year. The calculation of Annual Gross Revenue = Operating Revenue + Rental Revenue + Other Business Revenue – Cost of Sales – Consumption Tax.

5. Our valuation has been made on the following basis and analysis:

- a. In undertaking our valuation, we have made reference to market rental comparables which are located in the similar areas as the subject property with similar building conditions and facilities as the commercial buildings of the property. The unit rents of these comparable properties range from RMB2.00 to RMB3.00 per day per sq.m for commercial use. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and physical characteristics between the comparable properties and the property. The general basis of adjustment of physical characteristics like size, floor and decoration, etc. and location is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made.

#### Rental Comparables (commercial)

Details of the three comparable properties and adjustments are set out below:

Comparable	A Commercial building in Luyang District	B Commercial building in Yaohai District	C Commercial building in Yaohai District
Location	North Mengcheng Road, Luyang District	Linquan Road, Yaohai District	Jingxian Road, Yaohai District
Building usage	Commercial	Commercial	Commercial
Floor	L1-L2	L1-L2	L1-L3
Gross area (sq.m.)	3,600.00	4,200.00	30,000.00
Unit rent before adjustment (RMB/sq.m./day)	3.00	2.00	2.00
<b>Adjustment Factors</b>			
Location	10%	10%	10%
Accessibility	7%	7%	7%
Building usage	No adjustment	No adjustment	No adjustment
Time	No adjustment	No adjustment	No adjustment
Floor	-20%	-20%	-10%
Size	-8%	-8%	No adjustment
Decoration	No adjustment	15%	7%
Total adjustment	-11%	4%	14%
Adjusted unit rent (RMB/sq.m./day)	2.67	2.08	2.28

- b. In undertaking our valuation, we have made reference to market rental comparables which are located in the similar areas as the subject property with similar building conditions and facilities as the office building of the property. The unit rents of these comparable properties range from RMB1.64 to RMB2.15 per day per sq.m for office use. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and physical characteristics between the comparable properties and the property. The general basis of adjustment of physical characteristics like size, floor and decoration, etc. and location is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made.

#### Rental Comparables (office)

Details of the three comparable properties and adjustments are set out below:

Comparable	A Office building in Luyang District	B Office building in Baohu District	C Office building in Shushan District
Location	Suixi Road, Luyang District	Huizhou Avenue, Baohu District	Huaining Road, Shushan District
Building usage	Office	Office	Office
Floor	8F	17F	23F
Gross area (sq.m.)	1,310.00	2,172.00	1,070.00
Unit rent before adjustment (RMB/ sq.m./day)	1.83	1.64	2.15

#### Adjustment Factors

Location	3%	3%	3%
Accessibility	No adjustment	No adjustment	No adjustment
Building usage	No adjustment	No adjustment	No adjustment
Time	No adjustment	No adjustment	No adjustment
Floor	No adjustment	-3%	-5%
Size	-3%	-2%	-3%
Decoration	No adjustment	No adjustment	No adjustment
Total adjustment	0%	-2%	-5%
Adjusted unit rent (RMB/sq.m./day)	1.83	1.61	2.04

We have assigned equal weighting to the three comparables after due adjustments. As a result, we have adopted a market unit rent of RMB2.34 per sq.m. per day for commercial portion with a total gross area of 38,291.99 sq.m., and a market unit rent of RMB1.83 per sq.m. per day for office portion with a total gross area of 6,745.00 sq.m., arriving at the total market rent rounding to RMB37,000,000 per annum inclusive of VAT but exclusive of building management fee as at the valuation date.

6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. Hefei Parkson has obtained approval from the Company for the renewal contract. The renewed lease agreement is now effective and legally binding on both the lessor and the lessee;
  - b. Pursuant to Hefei Real Estate Registration Information Inquiry Results, the property is subject to a mortgage in favour of Shanghai Guotai Junan Securities Asset Management Co., Ltd. at an amount of RMB921,000,000 with the security term from 27 June 2023 to 26 June 2041; and
  - c. Hefei Xingtai is legally and validly in possession of the property and has the rights to legally occupy, use, benefit from and dispose of the property including the right to lease the property to the third parties; however, the above rights are subject to the agreement between Hefei Xingtai and the mortgagee.

## 1. RESPONSIBILITY STATEMENT

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

## 2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

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

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

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

#### Notes:

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

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

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate Percentage of Shareholding
PHB	Beneficial interest and corporate interest	Tan Sri Cheng Heng Jem together with his spouse, Puan Sri Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations	Tan Sri Cheng Heng Jem together with his spouse, Puan Sri Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations	626,917,128 ordinary shares	54.56%
East Crest	Corporate interest	PHB	PHB	1,600,000,000 ordinary shares	100%
Puncak Pelita Sdn. Bhd.	Corporate interest	PHB	PHB	2 ordinary shares	100%
Parkson Properties Holdings Co., Ltd.	Corporate interest	PHB	PHB	2 ordinary shares	100%
Parkson Vietnam Investment Holdings Co., Ltd.	Corporate interest	PHB	PHB	2 ordinary shares	100%
Prime Yield Holdings Limited	Corporate interest	PHB	PHB	1 ordinary share	100%
Corporate Code Sdn. Bhd.	Corporate interest	PHB	PHB	2 ordinary shares	100%
PRG Corporation	Corporate interest	East Crest	East Crest	1 ordinary share	100%
Smart Spectrum Limited	Corporate interest	East Crest	East Crest	1 ordinary share	100%
Serbadagang Holdings Sdn. Bhd.	Corporate interest	East Crest	East Crest	2 ordinary shares	100%
Parkson Services Pte. Ltd.	Corporate interest	East Crest	East Crest	100 ordinary shares	100%
Parkson Retail Asia Limited	Beneficial interest and corporate interest	Tan Sri Cheng Heng Jem and through East Crest	Tan Sri Cheng Heng Jem and through East Crest	458,433,300 ordinary shares	68.03%
Parkson Properties Hanoi Co., Ltd.	Corporate interest	Parkson Properties Holdings Co., Ltd.	Parkson Properties Holdings Co., Ltd.	1 ordinary share	100%
Parkson TSN Holdings Co., Ltd.	Corporate interest	Parkson Vietnam Investment Holdings Co., Ltd.	Parkson Vietnam Investment Holdings Co., Ltd.	2 ordinary shares	100%
Dyna Puncak Sdn. Bhd.	Corporate interest	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares	100%
Gema Binari Sdn. Bhd.	Corporate interest	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares	100%
Prestasi Serimas Sdn. Bhd.	Corporate interest	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2,000,000 ordinary shares	100%

## APPENDIX III

## GENERAL INFORMATION

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate Percentage of Shareholding
Centro Retail Pte. Ltd.	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	2 ordinary shares (SGD)  1 ordinary share (MYR)	100%
PT. Tozy Sentosa (Put into bankruptcy on 17 May 2021)	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	45,000 Series A common shares	100% (in aggregate)
		Centro Retail Pte. Ltd.	Centro Retail Pte. Ltd.	5,000 Series A common shares	
		Parkson Retail Asia Limited	Parkson Retail Asia Limited	30,355,850 Series B preference shares	100%
Parkson Corporation Sdn. Bhd.	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	82,000,002 ordinary shares	100%
Parkson Myanmar Co., Pte. Ltd.	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	1 ordinary share (SGD)	100%
				1 ordinary share (MYR)	
Parkson Yangon Company Limited	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	1,900,000 ordinary shares	100% (in aggregate)
		Parkson Myanmar Co., Pte. Ltd.	Parkson Myanmar Co., Pte. Ltd.	100,000 ordinary shares	
Parkson HBT Properties Co., Ltd.	Corporate interest	Parkson TSN Holdings Co., Ltd.	Parkson TSN Holdings Co., Ltd.	2,100,000 capital (USD)	100%
Idaman Erajuta Sdn. Bhd.	Corporate interest	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	2 ordinary shares	100%
Magna Rimbun Sdn. Bhd.	Corporate interest	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	2 ordinary shares	100%
True Excel Investments Limited	Corporate interest	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	1 ordinary share	100%
Parkson Branding Sdn. Bhd.	Corporate interest	Gema Binari Sdn. Bhd.	Gema Binari Sdn. Bhd.	7,000,000 ordinary shares	100%
Parkson SGN Co., Ltd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	4,500,000 capital (USD)	100%
Parkson Cambodia Holdings Co., Ltd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	1 ordinary share	100%
Parkson Edutainment World Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	1,000,000 ordinary shares	100%
Parkson Lifestyle Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	61,000,000 ordinary shares	100%

**APPENDIX III****GENERAL INFORMATION**

<b>Name of Associated Corporation</b>	<b>Nature of Interest</b>	<b>Name of Registered Owner</b>	<b>Name of Beneficial Owner</b>	<b>Number and Class of Securities</b>	<b>Approximate Percentage of Shareholding</b>
Parkson Haiphong Co., Ltd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	30,000,920 capital (USD)	100%
Parkson Unlimited Beauty Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	37,873,500 ordinary shares	100%
Parkson Private Label Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	15,000,000 ordinary shares	100%
Parkson Trading (Vietnam) Company Limited	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	300,000 capital (USD)	100%
Solid Gatelink Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	33,400,000 ordinary shares	100%
Parkson Vietnam Co., Ltd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	10,340,000 capital (USD)	100%
Parkson Myanmar Investment Company Pte. Ltd.	Corporate interest	Parkson Myanmar Co., Pte. Ltd.	Parkson Myanmar Co., Pte. Ltd.	2,100,000 ordinary shares	70%
Festival City Sdn. Bhd.	Corporate interest	Idaman Erajuta Sdn. Bhd.	Idaman Erajuta Sdn. Bhd.	500,000 ordinary shares	100%
Megan Mastika Sdn. Bhd.	Corporate interest	Magna Rimbun Sdn. Bhd.	Magna Rimbun Sdn. Bhd.	300,000 ordinary shares	100%
True Excel Investments (Cambodia) Co., Ltd.	Corporate interest	True Excel Investments Limited	True Excel Investments Limited	1,000 ordinary shares	100%
Parkson (Cambodia) Co., Ltd.	Corporate interest	Parkson Cambodia Holdings Co., Ltd.	Parkson Cambodia Holdings Co., Ltd.	1,000 ordinary shares	100%
Parkson Vietnam Management Services Co., Ltd.	Corporate interest	Parkson Vietnam Co., Ltd.	Parkson Vietnam Co., Ltd.	100,000 capital (USD)	100%
Dimensi Andaman Sdn. Bhd.	Corporate interest	Megan Mastika Sdn. Bhd.	Megan Mastika Sdn. Bhd.	54,019,999 ordinary shares	100%

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

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

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

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

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

**3. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES**

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

Name of Shareholder	Long/Short Positions	Nature of Interest	Number of Shares	Percentage of Shareholding (direct or indirect)
PHB	Long	Corporate interest	1,448,270,000 (Note 1)	54.97%
Puan Sri Chan Chau Ha alias Chan Chow Har	Long	Interest of spouse	1,448,270,000 (Note 2)	54.97%

## APPENDIX III

## GENERAL INFORMATION

Name of Shareholder	Long/Short Positions	Nature of Interest	Number of Shares	Percentage of Shareholding (direct or indirect)
PRG Corporation	Long	Beneficial interest	1,438,300,000 (Note 1)	54.59%
Chan Kin	Long	Corporate interest	955,975,517 (Note 3)	36.28%
Argyle Street Management Holdings Limited	Long	Corporate interest	955,975,517 (Note 3)	36.28%
Argyle Street Management Limited	Long	Investment manager	955,975,517 (Note 3)	36.28%
ASM Connaught House General Partner II Limited	Long	Corporate interest	940,584,517 (Note 3)	35.70%
ASM Connaught House Fund II LP	Long	Corporate interest	940,584,517 (Note 3)	35.70%
Bishan Street Limited (“Bishan”)	Long	Beneficial interest and security interest	933,845,517 (Note 3)	35.44%
Wang Hung Roger	Long	Beneficial interest and trustee	429,935,500 (Note 4)	16.32%
Wang Hsu Vivine H	Long	Interest of spouse and beneficiary of a trust	429,935,500 (Note 5)	16.32%
GEICO Holdings Limited	Long	Corporate interest	421,646,346 (Note 6)	16.00%
Golden Eagle International Retail Group Limited	Long	Beneficial interest	421,646,346 (Note 6)	16.00%
Wang Dorothy S L	Long	Beneficiary of a trust	421,646,346	16.00%
Wang Janice S Y	Long	Beneficiary of a trust	421,646,346	16.00%

*Notes:*

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

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

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

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

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

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

*Notes:*

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

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

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

#### **4. DIRECTORS' SERVICE CONTRACTS**

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

#### **5. DIRECTORS' INTERESTS IN ASSETS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

#### **6. DIRECTORS' INTERESTS IN CONTRACTS**

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

#### **7. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

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

**8. LITIGATION**

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

**9. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

**10. MATERIAL CONTRACTS**

No contracts (not being contracts entered into in the ordinary course of business) which are or may be material have been entered into by members of the Group within the two years immediately preceding the date of this circular.

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

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

**12. EXPERT AND CONSENT**

<b>Name</b>	<b>Qualification</b>
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent property valuer
Grandall Law Firm (Shanghai)	PRC legal adviser

The above expert has given and has not withdrawn its written consent to the issue of the circular with the inclusion of its letter or opinion or advice and the references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert was not beneficially interested in the share capital of any member of the Group nor did it have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did it have any interest, either direct or indirect, in any assets which have been, since 31 December 2024 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

### **13. DOCUMENTS ON DISPLAY**

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

- (a) the Supplemental Agreement;
- (b) the valuation report from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the text of which is set out in Appendix II to this circular; and
- (c) the letter of consent from the expert referred to in paragraph 12 in this appendix.

### **14. MISCELLANEOUS**

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