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

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

**If you have sold or transferred** all your shares in **Century Ginwa Retail Holdings Limited**, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**(1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION  
IN RELATION TO  
DISPOSAL OF EQUITY INTERESTS AND CREDITOR'S RIGHTS  
IN THE TARGET COMPANY  
AND  
(2) NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



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A letter from the Board is set out on pages 5 to 19 of this circular.

A letter of recommendation from the Independent Board Committee is set out on pages 20 to 21 of this circular. A letter of advice from Octal Capital to the Independent Board Committee and the Independent Shareholders regarding the entering into of the Agreement is set out on pages 21 to 42 of this circular.

A notice convening the SGM to be held at Room 401, 4/F., Pico Tower, 66 Gloucester Road, Wan Chai, Hong Kong on Thursday, 18 June 2026 at 9 a.m. is set out on pages SGM-1 to SGM-2 of this circular. A form of proxy for use at the SGM is enclosed.

Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof, should you so wish and in such event, the form of proxy shall be deemed to be revoked.

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## DEFINITIONS

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

“Agreement”	the equity interests and the creditor’s rights transfer agreement entered into on 21 May 2026 between Qujiang Commercial Management, the Purchaser and the Target Company in relation to the transfer of Target Equity Interests and the Target Creditor’s Rights by Qujiang Commercial Management to the Purchaser
“Board”	the board of Directors
“Company”	Century Ginwa Retail Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange (stock code: 162)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration payable by the Purchaser to the Vendor pursuant to the Agreement for the acquisition of the Target Equity Interests and the Target Creditor’s Rights of RMB761,932,148.27
“Director(s)”	the director(s) of the Company
“Disposal”	pursuant to the Agreement, the Vendor intends to dispose of the Target Equity Interests and the Target Creditor’s Rights to the Purchaser
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board established pursuant to the Listing Rules comprising all independent non-executive Directors, namely Mr. Tsang Kwok Wai, Mr. Ruan Xiaofeng and Ms. Song Hong, to make recommendations to the Independent Shareholders on entering into the Agreement

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## DEFINITIONS

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“Independent Credit Valuer”	Newland Appraisal Co., Ltd., an independent professional firm providing asset appraisal services and consulting services
“Independent Equity Valuer” or “Independent Property Valuer”	Cushman & Wakefield Limited, an independent professional firm that provides assessment and consulting services
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a licensed corporation which is engaged in type 1 (securities trading) and type 6 (advising on corporate finance) regulated activities under the SFO, is an independent financial adviser engaged by the Company to advise Independent Board Committee and Independent Shareholders on entering into of the Agreement
“Independent Shareholder(s)”	the Shareholders other than those who have a material interest in the entering into of the Agreement
“Latest Practicable Date”	3 June 2026, being the latest practicable date for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Property”	the commercial real estate located at -2nd Floor to -1st Floor, Century Ginwa Bell Tower, 1 Xida Street, Lianhu District, Xi’an City, Shaanxi Province, PRC
“Purchaser”	Xi’an Qujiang Financial Holdings Asset Operation and Management Co., Ltd.* (西安曲江金控資產運營管理有限公司), a company incorporated in the PRC with limited liability
“Qujiang Commercial Management” or “Vendor”	Xi’an Qujiang Century Ginwa Commercial Management Group Limited* (西安曲江世紀金花商業管理集團有限公司), an indirect wholly-owned subsidiary of the Company incorporated in the PRC
“Qujiang Financial Holdings”	Xi’an Qujiang Cultural Financial Holdings (Group) Co., Ltd.* (西安曲江文化金融控股(集團)有限公司), a company incorporated in the PRC with limited liability and a substantial shareholder of the Company.

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## DEFINITIONS

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“Qujiang New District Management Committee”	Management Committee of Xi’an Qujiang New District ( 西安曲江新區管理委員會 ), a substantial shareholder of the Company
“Remaining Group”	the Group (excluding the Target Company) on the assumption that completion of the Disposal had taken place
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting to be convened by the Company on 18 June 2026 for the Independent Shareholders to consider, and if thought fit, pass (among others) the resolution(s) approving the entering into of the Agreement
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Target Company”	Xi’an Yixin Property Management Company Limited* ( 西安億鑫物業管理有限公司 ), a company incorporated in the PRC with limited liability
“Target Creditor’s Rights”	as of the valuation date of creditor’s rights (being 31 March 2026), the Target Company owed to Qujiang Commercial Management in the total sum of RMB100,668,751.91
“Target Equity Interests”	100% equity interests in the Target Company held by Qujiang Commercial Management
“Valuation Report of the Property”	the valuation report of the Property prepared by the Independent Property Valuer on 31 March 2026, the full text of which is set out in the Appendix V to this circular

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## DEFINITIONS

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“Valuation Report of the Target Creditor’s Rights”	the valuation report of the Target Creditor’s Rights prepared by the Independent Credit Valuer, the full text of which is set out in the Appendix VIII to this circular
“Valuation Report of the Target Equity Interests”	the valuation report of the Target Equity Interests prepared by the Independent Equity Valuer, the full text of which is set out in the Appendix VII to this circular
“%”	per cent

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LETTER FROM THE BOARD

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**CENTURY GINWA RETAIL HOLDINGS LIMITED**  
**世紀金花商業控股有限公司**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 162)**

*Executive and Non-executive Directors:*

Mr. Ma Wenzhong (*Chairman*)  
Mr. Choon Hoi Kit Edwin (*Chief Executive Officer*)  
Ms. Wan Qing  
Ms. Zhang Wei  
Mr. Huang Zhihua  
Mr. Chen Shuai

*Independent Non-executive Directors:*

Mr. Tsang Kwok Wai  
Mr. Ruan Xiaofeng  
Ms. Song Hong

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business  
in Hong Kong:*

31/F., Tower Two  
Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

3 June 2026

*To the Shareholders*

Dear Sir or Madam,

**(1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION  
IN RELATION TO  
DISPOSAL OF EQUITY INTERESTS AND CREDITOR'S RIGHTS  
IN THE TARGET COMPANY  
AND  
(2) NOTICE OF SPECIAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### INTRODUCTION

Reference is made to the announcement of the Company dated 21 May 2026 in relation to (among other things) the entering into of the Agreement. The purpose of this circular is to provide you with, among other things, (i) further details of the entering into of the Agreement; (ii) letter from the Independent Board Committee (providing recommendations to the Independent Shareholders in connection with the entering into of the Agreement); (iii) letter from the Independent Financial Adviser (containing their advice to the Independent Board Committee and the Independent Shareholders in respect of the same matter); (iv) the financial information of the Target Company; (v) the pro forma financial information of the Remaining Group; (vi) the Valuation Report of the Target Equity Interests; (vii) the Valuation Report of the Target Creditor's Rights; (viii) the Valuation Report of the Property; (ix) notice of the SGM; and (x) other information required under the Listing Rules.

### I. THE DISPOSAL

On 21 May 2026, Qujiang Commercial Management (an indirect wholly-owned subsidiary of the Company, as the Vendor), the Purchaser and the Target Company entered into the Agreement, pursuant to which (i) Qujiang Commercial Management has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire the Target Equity Interests (i.e. entire equity interests in the Target Company); and (ii) Qujiang Commercial Management has also conditionally agreed to transfer, and the Purchaser has conditionally agreed to acquire the Target Creditor's Rights, at a total consideration of RMB761,932,148.27, which shall be settled by the Purchaser in cash subject to the approval of the Shareholders at the SGM.

Upon completion, the Target Company will cease to be a subsidiary of the Company. Accordingly, its results, assets and liabilities will cease to be consolidated into the Group's financial statements.

### II. THE AGREEMENT

The principal terms of the Agreement are set out below:

#### **Date**

21 May 2026

#### **Parties**

- (i) Qujiang Commercial Management (as the Vendor);
- (ii) the Purchaser; and
- (iii) the Target Company.

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## LETTER FROM THE BOARD

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### **Subject matter**

Qujiang Commercial Management conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire, the Target Equity Interests and the Target Creditor's Rights, at the total consideration of RMB761,932,148.27.

### **(I). Transfer of Target Equity Interests**

Qujiang Commercial Management has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire the Target Equity Interests for a consideration of RMB661,263,396.36. The Consideration was determined by the Vendor and the Purchaser after arm's length negotiations, taking into account, among other things, (i) the unaudited net assets of the Target Company as at 31 December 2025, at RMB549,251,000; (ii) the valuation of the Property conducted by the Independent Property Valuer as at 31 March 2026, at RMB783,000,000; and (iii) the valuation of 100% equity interests in the Target Company conducted by the Independent Equity Valuer, with a valuation date of 31 March 2026, at approximately RMB691,000,000.

Due to the prevailing macroeconomic downturn, in order to improve liquidity and obtain funds for enhancing asset utilization efficiency, the Company has been proactively formulating a range of operational enhancement plans and measures, including seeking potential purchasers in respect of its assets on terms which are in the best interests of the Company and its stakeholders. The Property, located in the Bell and Drum Tower business circle, the heart of Xi'an, enjoys favorable geographical advantages, consequently achieving a relatively high valuation. The Board believes that, although the Consideration represents a discount to the valuation of the Property and the valuation of the Target Equity Interests, the consideration is fair and reasonable, and in the interests of the Company and the Shareholders as a whole, based on the following reasons:

- (i) The Property has been operated as a department store (Century Ginwa Bell Tower Store) since 1998, accumulating 28 years of development and operation. The Property closed in June 2021 due to persistent losses as well as a significant drop in customer traffic under the impact of the pandemic, but a small portion of street-facing units of the Property remained operation. Due to the aging of its facilities and equipment, any renovation or upgrade would necessitate additional capital investment; It was estimated by a professional institution that the capital expenditure required would be approximately RMB200 million, which would inevitably impose a financial burden on the Group. Given the prolonged closure of the Property and the high costs of renovation, at the current stage the Company has only leased out certain street-facing units of the Property to maintain basic operations, while the majority of the leasable area remains vacant.

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## LETTER FROM THE BOARD

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- (ii) Upon completion, the Disposal will allow the Company to fully repay its borrowings of approximately RMB700 million and alleviate its financial cost pressure arising from the borrowings. Based on the average borrowing interest rate of approximately 6.5% as at the Latest Practicable Date, it is estimated that the financial costs can be reduced by approximately RMB45.5 million, which will significantly improve the Group's working capital and strengthen its financial position;
- (iii) Upon completion, the depreciation expenses in respect of the Property will be reduced correspondingly by approximately RMB30 million, which will enhance the Company's future net profit level;
- (iv) There has not been any material adverse change in the business and operation of the Target Company from the valuation date of the valuation reports to the Latest Practicable Date; and
- (v) Upon completion, the Disposal will revitalize the Company's assets, reduce the occupancy of its non-core assets, allowing the Company to allocate its resources with higher efficiency, which will further enhance the quality of its asset operation and the overall efficiency of the Company.

### **(II). Transfer of Target Creditor's Rights**

Qujiang Commercial Management conditionally agreed to transfer, and the Purchaser conditionally agreed to acquire the Target Creditor's Rights at a consideration of RMB100,668,751.91. The consideration was determined by the Vendor and the Purchaser after arm's length negotiations, taking into account the valuation of RMB100,668,751.91, which was carried out by the Independent Credit Valuer in respect of the Target Creditor's Rights as at the valuation date (being 31 March 2026). As at the Latest Practicable Date, the carrying amount of the Target Creditor's Rights amounts to RMB100,668,751.91, which remains unchanged from the valuation date (being 31 March 2026). The Company does not anticipate any change to the Target Creditor's Rights until the Disposal is completed.

After the Agreement came into force, the Purchaser shall be entitled to the aforesaid creditor's rights of RMB100,668,751.91 against the Target Company, and Qujiang Commercial Management shall cease to be entitled to the aforesaid creditor's rights transferred to the Purchaser against the Target Company. The Purchaser and the Target Company shall independently negotiate and determine the repayment of such creditor's rights, and Qujiang Commercial Management shall bear no obligations or liabilities whatsoever in connection therewith.

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## LETTER FROM THE BOARD

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### **Payment of the Consideration**

The Consideration shall be paid in two installments, with the specific payment arrangements as follows:

- (1) First installment of the Consideration and payment
  - (i) The first installment of the Consideration is RMB361,932,148.27 for the transfer of the Target Equity Interests.
  - (ii) The Purchaser shall, within 1 month from the date on which the conditions to the effectiveness of the Agreement are satisfied, and upon Qujiang Commercial Management's completion of the procedures for transferring the Target Company's corporate certificates and seals to the Purchaser, pay the first installment of the Consideration to the designated account of Qujiang Commercial Management.
- (2) Second installment of the Consideration and payment
  - (i) The second installment of the Consideration is RMB400,000,000.00, of which: the consideration for the transfer of the Target Equity Interests is RMB299,331,248.09; and the consideration for the transfer of the Target Creditor's Rights is RMB100,668,751.91.
  - (ii) The Purchaser shall, within 1 month from the date of payment of the first installment of the Consideration, pay the second installment of the Consideration to the designated account of Qujiang Commercial Management.

The Consideration above shall include the income tax for the transfer of the Target Equity Interests borne by Qujiang Commercial Management, but does not include the stamp duty borne by each party.

### **Handover of the Target Company**

- (1) Within 10 business days prior to the payment of the first installment of the Consideration, Qujiang Commercial Management shall transfer the Target Company's corporate certificates and seals to the Purchaser; the Target Company's electronic keys (USB keys) for routine approvals shall be jointly held by Qujiang Commercial Management and the Purchaser (with each party holding one key). The Company believes that the Target Company remained sufficiently controlled by the Company during the transition period due to below reasons: (i) During the transition period, the existing management members and the management authority of the Target Company remain unchanged; (ii) During the handover of the licenses and seals, a handover list

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## LETTER FROM THE BOARD

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shall be executed to specify the corresponding legal liabilities. Any unauthorised use of the corporate certificates or seals will result in breach of contract and compensation for all losses; and (iii) Each party holds one USB key, one for order creation and the other for verification, which means that during the transition period, the Target Company must obtain approval from both parties for any payment of funds, fundamentally ensuring the fund security and preventing risk of irregular operations.

- (2) Within 10 business days after the payment of the first installment of the Consideration, Qujiang Commercial Management shall provide a first priority pledge over the assets of the Target Company in favour of the Purchaser or a third party designated by the Purchaser (the “**Pledge**”), which will be set up after the release of existing mortgage over the Property as detailed below, serving as the performance guarantee of Qujiang Commercial Management to complete the share transfer registration after receiving the second installment of Consideration. Upon receipt of the first installment of Consideration, the Company intends to promptly release the existing mortgage over the Property of the Target Company by repaying the outstanding principal and interest of the loan in the expected aggregate amount of approximately RMB300,841,700 as at 18 June 2026 (i.e. the expected date of repayment of the loan) to the Bank of East Asia (China) Limited, Xi’an Branch. Having taken into account the following factors, the Company is of the view that the setup of the Pledge is on normal commercial terms:
- (i) During the subsistence period of the Pledge the Vendor continues to have 100% ownership, right to use and actual control over the assets of the Target Company;
  - (ii) The Pledge is a transitional arrangement to ensure the orderly progress of the transaction. The Pledge arises because the Vendor has received the first installment of the Consideration but the share transfer registration has not yet been completed, and the purpose of the Pledge is to secure that the Vendor completes the share transfer registration after receiving the second installment of the Consideration; (iii) From the Vendor’s perspective, the subsistence period of the Pledge is limited and clear. The Pledge shall be set within 10 business days after the payment of the first installment of the Consideration, and upon completion of the share transfer registration within 30 business days after the payment of the second installment of the Consideration, 100% ownership of the Target Equity Interests will be transferred to the Purchaser and thereafter the Pledge shall be of no relevance to the Vendor. Given that the second installment of the Consideration shall be paid within 1 month from the date of payment of the first installment of the Consideration, the subsistence period of the Pledge is relatively short for the Vendor; and (iv) If the conditions for the effectiveness of the Agreement remain unfulfilled within 180 days after the signing of the Agreement, both parties agree to terminate the Agreement. In such event, the Vendor shall return the Consideration already received, and the Pledge shall be released accordingly.
- (3) On the date of payment of the second installment of the Consideration, Qujiang Commercial Management shall issue a written notice of assignment of debt to the Target Company, specifying that the Purchaser has obtained ownership of the debt owed by the Target Company.

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## LETTER FROM THE BOARD

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- (4) Within 10 business days after the payment of the second installment of the Consideration, all parties shall cooperate in submitting all required information for the registration change of the transfer of 100% equity interests of the Target Company to the market supervisory and management department for preliminary review, subject to which, the formal application for registration change of equity shall be filed.
- (5) Within 30 business days after the payment of the second installment of the Consideration, Qujiang Commercial Management shall complete the registration of change in respect of the transfer of 100% equity interests in the Target Company into the name of the Purchaser.

The Completion Date refers to the day on which the registration authority transfers all equity interests in the Target Company to the Purchaser.

The profits and losses, revenue and shareholders' equity of the Target Company before the Completion Date shall be enjoyed by Qujiang Commercial Management, and the profits and losses, revenue and shareholders' equity of the Target Company after the Completion Date shall be enjoyed by the Purchaser.

- (6) Within 30 days after the completion of the registration of change of 100% equity interests of the Target Company, Qujiang Commercial Management shall transfer the assets and materials of the Target Company to the Purchaser in accordance with the Agreement.

Based on the reasons disclosed above under this section and the payment arrangement of the Consideration, the Company is of the view that the overall handover arrangement of the Target Company is on normal commercial terms and is not more favorable to the Purchaser.

### **Effectiveness**

The Agreement shall take effect upon the completion by the Company of its compliance and approval procedures as a listed company (i.e. approval from the Independent Shareholders) and the approval of the state-owned assets supervision authority of the Purchaser. If the aforementioned conditions for effectiveness remain unfulfilled within 180 days after the signing of the Agreement, both parties agree to terminate the Agreement, and neither of them shall be liable for breach of contract. The Agreement is governed by the PRC laws, under which there is no statutory concept of conditions precedent. The Agreement directly stipulates the conditions to the effectiveness of the Agreement and the conditions for the performance of contractual obligations, as detailed in the terms of the Agreement. These conditions can only be amended by mutual agreement of both parties and cannot be unilaterally waived. Save for the approval obtained by the Purchaser from the state-owned assets supervision authority, the other conditions have not yet been fulfilled.

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## LETTER FROM THE BOARD

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### III. VALUATION OF THE PROPERTY, VALUATION OF THE TARGET EQUITY INTERESTS AND VALUATION OF THE TARGET CREDITOR'S RIGHTS

The valuation of the Property was made by the Independent Property Valuer using the investment method by capitalizing the rental incomes derived from the existing tenancies, if any, with due provision for reversionary potential of each constituent portion of the Property at appropriate capitalization rates. When using investment method, the Independent Property Valuer has mainly made reference to lettings within the Property as well as other relevant comparable rental evidence of property of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, size, time and other relevant factors. The capitalization rates adopted in the valuation of the Property are based on the Independent Property Valuer's analyses of the yields of property of similar use type after due adjustments. Such capitalization rates are estimated with reference to the yields generally expected by the market for comparable property of similar use type, which implicitly reflect the type and quality of the Property, the expectation of the potential future rental growth, capital appreciation and relevant risk factors.

The valuation of the Target Equity Interests was conducted by the Independent Equity Valuer using the asset-based approach. The asset-based approach begins with the company's financial statements. Necessary and appropriate adjustments are made to the carrying amount to reflect the fair value of the company. The asset-based approach measures the value of the business entity by considering the value of individual assets and liabilities. Adjustments are made to the balance sheet based on the differences between the fair value and carrying amount of the assets and liabilities. The net asset value from the adjusted balance sheet represents the fair value of the business entity.

The valuation of the Target Creditor's Rights was conducted by the Independent Credit Valuer using the cost approach. The Independent Credit Valuer first verified the authenticity of the creditor's rights by checking their financial records, agreements and other information, and verified the carrying amount of the creditor's right as of the valuation date. The Independent Credit Valuer then conducted a specific analysis of the debtor's solvency based on the debt information provided by the creditor, taking into account the debtor's asset composition and operating conditions. Finally, the Independent Credit Valuer determined the valuation of the entrusted creditor's rights based on a comprehensive analysis of the verified value of the creditor's rights and the debtor's repayment capacity.

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## LETTER FROM THE BOARD

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For the avoidance of doubt, as at 31 March 2026, the Target Company has classified the property held by itself as a fixed asset in accordance with the PRC Accounting Standards for Business Enterprises, measured using the cost model, with a carrying amount of approximately RMB116,218,061. Under those standards, fixed assets (buildings) are measured at cost with subsequent depreciation charged over their useful lives. At the Group level, the Property is also classified as a fixed asset and measured using the revaluation model, with depreciation still being charged. At the Target Company level, under Hong Kong Financial Reporting Standards (“**HKFRS**”), as the Property is leased to group companies and generates rental income, it is classified as investment property and measured using the fair value model, with a valuation of approximately RMB783,000,000. The fair value model requires periodic revaluation of the asset to reflect market levels. The divergence between the two primarily arises because the cost method under the PRC Accounting Standards for Business Enterprises retains the historical cost basis with fixed annual depreciation charges, whereas the fair value model under HKFRS requires periodic revaluation to reflect updated market valuations.

Further details of the valuation of the Property, the valuation of the Target Equity Interests and the valuation of the Target Creditor’s Rights are set out in the Appendix V, Appendix VII and Appendix VIII to this circular, respectively.

#### **IV. INFORMATION ON THE PARTIES**

##### **Information of the Group, Qujiang Commercial Management and the Target Company**

The Company is a limited liability company incorporated in Bermuda. The Group principally engages in the operation of department stores, a shopping mall and supermarkets in the PRC.

As at the Latest Practicable Date, Qujiang Commercial Management is an indirect wholly-owned subsidiary of the Company and holds the entire equity interests in the Target Company. Qujiang Commercial Management is principally engaged in the management services of commercial complexes, the management of planning and design and property management.

The Target Company is principally engaged in the management of its own properties and related ancillary services and property consulting services. As at the Latest Practicable Date, the registered and paid-up capital of the Target Company was RMB492,000,000. The Target Company is a wholly-owned subsidiary of Qujiang Commercial Management.

The land use rights of the Property have been vested to the Target Company, whereas the Property is operated by another subsidiary of Qujiang Commercial Management, as a department store (Century Ginwa Bell Tower Store) under a leasing arrangement.

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## LETTER FROM THE BOARD

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Set out below is the financial information of the Target Company prepared for the two financial years ended 31 December 2025:

	<b>For the year ended 31 December 2024 RMB (Unaudited)</b>	<b>For the year ended 31 December 2025 RMB (Unaudited)</b>
Net loss before taxation	(21,492,000)	(137,280,000)
Net loss after taxation	(20,649,000)	(137,285,000)

The unaudited total assets and net assets of the Target Company as at 31 December 2025 were RMB826,139,000 and RMB549,251,000, respectively. As at 31 December 2025, the sum of (i) the net book value of the Target Equity Interests (i.e. RMB549,251,000) and (ii) the net book value of the Target Creditor's Rights (i.e. RMB100,668,751.91) was approximately RMB649,920,000. The total Consideration of the Disposal was approximately RMB761,932,000, representing a premium of approximately RMB112,012,000, with a premium ratio of 17.2%.

### **Information of the Purchaser**

The Purchaser is a limited liability company incorporated in the PRC and is principally engaged in asset management services with its own funds investment. The Purchaser is a subsidiary of Qujiang Financial Holdings, a substantial shareholder of the Company. Qujiang Financial Holdings is a state-owned enterprise incorporated in the PRC, which was funded and established by the Qujiang New District in Xi'an City and is principally engaged in the financial investment business. As at the Latest Practicable Date, the Qujiang New District Management Committee beneficially owns 80.05% interest in Qujiang Financial Holdings, and the ultimate beneficial owner of the Purchaser is the Qujiang New District Management Committee, which is an administrative agency dispatched by the Xi'an Municipal People's Government.

### **V. FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS**

Upon completion of the Disposal, the Company will cease to have any interest in the Target Company.

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## LETTER FROM THE BOARD

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It is estimated that the Group will record an unaudited profit of approximately RMB83,004,000 on the Disposal calculated by reference to the net consideration of the Target Equity Interests and the Target Creditor's Rights (i.e., approximately RMB761,932,000 minus (i) the audited carrying amount of the Group's long-term equity investment in the Target Equity Interests as at 31 December 2025 of approximately RMB549,251,000; (ii) the carrying amount of the Target Creditor's Rights as at 31 December 2025 as set out in the Group's consolidated financial statements of approximately RMB100,669,000; (iii) the estimated income tax expenses relating to the asset disposal of approximately RMB27,668,000; and (iv) the estimated transaction expenses of approximately RMB1,340,000.

The actual amount of gain or loss of the Group as a result of the Disposal may differ from those described above and will be subject to review and final audit by the Group's auditor.

The net proceeds from the Disposal (after deducting the estimated transaction expenses, and income tax and cash and cash equivalents held by the Target Company) will be approximately RMB732,661,000, among which (i) approximately RMB700,000,000 will be used to repay the outstanding loans of the Group (including the repayment of the outstanding principal and interest of the loan in the expected aggregate amount of approximately RMB300,841,700 as at 18 June 2026 (i.e. the expected date of repayment of the loan) secured by the Property of the Target Company with East Asia (China) Limited, Xi'an Branch); and (ii) approximately RMB32,661,000 will be used to supplement the Group's general working capital, among which approximately RMB1,340,000 will be used for transaction expenses of the Disposal, approximately RMB4,600,000 for daily administrative expenses and the remaining approximately RMB26,721,000 for payments to suppliers.

### **VI. REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT**

The Group has implemented a prudent financial management policy and continues to derive its working capital from different means, including sale of non-core assets to improve its financial position.

Due to the overall macroeconomic downturn and the complex and ever-changing market environment, to proactively address this situation and improve liquidity, the Company has been attempting to lease or sell the Property in its entirety. However, given that the Property has been developed and operated for years with aged facilities and equipment, any renovation or upgrade would require substantial capital investment. After careful evaluation and comprehensive consideration by the Board, the disposal of the Property was deemed as the most appropriate strategic decision under the current circumstances. To secure the best transaction terms, the Company initiated preliminary approaches with several potential purchasers. The Purchaser was the only party that expressed its willingness explicitly and presented attractive terms for the acquisition of the Target Company and the Property after a thorough assessment of the condition of the Property and its potential future development.

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## LETTER FROM THE BOARD

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Upon completion of the Disposal, the Company shall, based on the commercial terms provided by the Purchaser and prevailing market bidding conditions, separately consider and determine whether to implement a leaseback of the Property and continue its operations, and, where applicable, complete the necessary compliance procedures. At the current stage, the Company has neither a definite intention with respect to the leaseback arrangement nor any negotiation with the Purchaser on this matter.

The Directors are of the opinion that by entering into and subsequent to the effectiveness of the Agreement, the proceeds from the Disposal will enhance the cash flow position of the Company, reduce its overall debt level and supplement the general working capital for the general operations of the Group so as to continuously enhance the revenue and profitability of the Company. On the one hand, after the proceeds of approximately RMB700,000,000 from the Disposal are used to repay the outstanding loans, the Group's interest-bearing debt will decrease significantly, eliminating the need for continued payment of substantial loan interest in subsequent years, and therefore the Disposal can fundamentally improve the net cash flow from operating activities. Based on the average borrowing interest rate of approximately 6.5% as at the Latest Practicable Date, it is estimated that the financial costs can be reduced by approximately RMB45.5 million, which will significantly improve the Group's working capital and strengthen its financial position. On the other hand, the Property has been closed for an extended period. Currently, only certain street-facing shops of the Property are leased out, while the majority of the leasable area remains vacant. Any renovation or upgrade would require capital expenditure for refurbishment, property maintenance and related fixed costs. It was estimated by a professional institution that the capital expenditure required would be approximately RMB200 million, which would inevitably impose a financial burden on the Group. By disposing of the underperforming asset, the Group will no longer bear the continued cash outflows for subsequent capital investment, maintenance costs and corresponding financial expenses, thereby alleviating the Group's long-term cash flow pressure.

Besides, as disclosed above, upon completion of the Disposal, the depreciation expenses in respect of the Property will be reduced correspondingly by approximately RMB30 million, which will enhance the Company's future net profit level.

In addition, the Company can devote more time to promoting the business development of the Company's operation of department stores, shopping mall and supermarkets and to replenish working capital, which will have a positive impact on the operation and development of the Company.

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## LETTER FROM THE BOARD

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Furthermore, based on figures prepared in accordance with the HKFRS Accounting Standards, since (i) the Target Company represents a relatively small portion of the Group's overall asset and revenue, which accounted for approximately 10.9% of the total assets of the Group as at 31 December 2025 and 3.3% of the total revenue of the Group for the year ended 31 December 2025 respectively; (ii) the revenue derived from the business operation of the department store (Century Ginwa Bell Tower Store) accounted for approximately 4.3% of the total revenue of the Group for the year ended 31 December 2025; and (iii) the Disposal will not cause material fluctuations in the Group's total assets, operating revenue or operating performance, nor will it weaken the Group's overall ability to continue operating, the Directors are of the view that the Disposal would not have any material impact on the Group's financial and operation conditions. Upon completion of the Disposal, the Company will continue its existing business operations (including the operation of 2 department stores and 2 shopping malls, 1 community supermarket, 3 comprehensive supermarkets and 1 fresh food supermarket) and has no material plan to downsize its existing businesses or operations.

Accordingly, after careful assessment of the transaction and taking into account the Group's liquidity and current market conditions, and after balancing the immediate benefits to the Group from the Disposal and the loss to the Group incurred by the Target Company, the Board (including members of the Independent Board Committee whose view is set out in the section "Letter from the Independent Board Committee" after having considered the advice and recommendation of Octal Capital but excluding the Directors who abstained from voting) is of the opinion that the terms and conditions of the Agreement are on normal commercial terms or better and are fair and reasonable to the Independent Shareholders and in the interests of the Company and the Shareholders as a whole.

### VII. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Disposal exceed(s) 75%, the Disposal constitutes a very substantial disposal of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, the Purchaser is a subsidiary of Qujiang Financial Holdings, and as at the Latest Practicable Date, Qujiang Financial Holdings is beneficially interested in 336,166,156 Shares, representing approximately 29.24% of the total issued Shares. Accordingly, Qujiang Financial Holdings is a substantial shareholder of the Company and the Purchaser is its associate. Therefore, the Purchaser is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules, which is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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## LETTER FROM THE BOARD

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### VIII. SGM

The register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026 (both dates inclusive) for determining the entitlements of the Shareholders to attend the SGM. No transfer of Shares will be registered during this period. Holders of Shares whose names appear on the register of the Company maintained by Tricor Investor Services Limited, the Company's Hong Kong branch registrar, on Thursday, 18 June 2026 (i.e., the record date) shall be entitled to attend the SGM.

The SGM will be held by the Company to consider and, if thought fit, pass the resolution to approve, among other things, the entering into of the Agreement. Only the Independent Shareholders will be entitled to vote on the resolution to approve the entering into of the Agreement at the SGM.

The voting in respect of the entering into of the Agreement at the SGM will be conducted by way of poll. As at the Latest Practicable Date, Qujiang Cultural Financial International Investment Limited, a wholly-owned subsidiary of Qujiang Financial Holdings, is beneficially interested in 336,166,156 Shares, representing approximately 29.24% of the total number of issued Shares, and will abstain from voting at the SGM. Save for Qujiang Cultural Financial International Investment Limited, no other Shareholder is required to abstain from voting on the resolution in respect of the entering into of the Agreement at the SGM.

As Ms. Zhang Wei, an executive Director and Mr. Huang Zhihua, a non-executive Director, were deemed to have a material interest in the Agreement due to their appointments in Qujiang Financial Holdings, they have abstained from voting on the Board resolution(s) approving the entering into of the Agreement. Other than Ms. Zhang Wei and Mr. Huang Zhihua, none of the other Directors had material interests in the Agreement and therefore no other Directors abstained from voting in the Board meeting(s) to approve the entering into of the Agreement.

The form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, located at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish and in such event, the form appointing a proxy shall be deemed to be revoked.

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## LETTER FROM THE BOARD

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### IX. GENERAL

Octal Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the entering into of the Agreement.

The Independent Board Committee comprising Mr. Tsang Kwok Wai, Mr. Ruan Xiaofeng and Ms. Song Hong, being all of the independent non-executive Directors, has been established under the Listing Rules to give recommendations to the Independent Shareholders as to how to vote on the resolution to be proposed at the SGM in respect of the entering into of the Agreement.

### X. RECOMMENDATION

On the basis of the information set out in this circular, the Directors (including members of the Independent Board Committee whose view is set out in the section “Letter from the Independent Board Committee” after having considered the advice and recommendation of Octal Capital) believe that although the Agreement is not conducted in the ordinary and usual course of business of the Group, the terms and conditions of the Agreement are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interest of the Company and the Shareholders as a whole. Therefore, the Directors (including members of the Independent Board Committee whose view is set out in the section “Letter from the Independent Board Committee” after having considered the advice and recommendation of Octal Capital) recommend the Independent Shareholders to vote in favour of the resolution as set out in the notice of the SGM.

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 20 to 21 of this circular and the letter from Octal Capital as set out on pages 21 to 42 of this circular which contain their recommendations to the Independent Shareholders regarding the entering into of the Agreement. The Independent Shareholders are advised to read the aforesaid letters before deciding on how to vote on the relevant resolution to be proposed at the SGM.

### XI. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation unless otherwise stated.

By order of the Board  
**Century Ginwa Retail Holdings Limited**  
**Ma Wenzhong**  
*Chairman*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the text of the letter from the Independent Board Committee setting out its recommendations to the Independent Shareholders in relation to the entering into of the Agreement and the transactions as contemplated thereunder (including the Disposal)*



3 June 2026

*To the Independent Shareholders*

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION  
IN RELATION TO  
DISPOSAL OF EQUITY INTERESTS AND CREDITOR'S RIGHTS  
IN THE TARGET COMPANY**

We refer to the circular of the Company to the Shareholders dated 3 June 2026 (the “**Circular**”) of which this letter forms part. Capitalised terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We have been appointed as the Independent Board Committee to advise you in respect of the entering into of the Agreement. Octal Capital has been appointed as the Independent Financial Adviser to advise us in this respect. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 20 to 42 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 19 of the Circular and the additional information set out in the appendices to the Circular.

Having taken into account the advice of Octal Capital, we consider that (i) the terms of the Agreement are on normal commercial terms and are fair and reasonable; and (ii) although the Agreement is not conducted in the ordinary and usual course of business of the Group, the Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the entering into of the Agreement.

Yours faithfully,

**For and on behalf of the Independent Board Committee**  
**Mr. Tsang Kwok Wai, Mr. Ruan Xiaofeng and Ms. Song Hong**  
*Independent Non-executive Directors*

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## LETTER FROM OCTAL CAPITAL

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504-505, 5/F,  
308 Des Voeux Road Central  
Hong Kong

3 June 2026

*To the Independent Board Committee and the Independent Shareholders*

Dear Sirs,

### **VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION IN RELATION TO DISPOSAL OF EQUITY INTERESTS AND CREDITOR'S RIGHTS IN THE TARGET COMPANY**

#### **INTRODUCTION**

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Agreement, the particulars of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular to the Shareholders dated 3 June 2026 (the “**Circular**”) and in which this letter is reproduced. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As set out in the Letter from the Board, on 21 May 2026, Qujiang Commercial Management (the Vendor, being an indirect wholly-owned subsidiary of the Company), the Purchaser and the Target Company entered into the Agreement, pursuant to which (i) Qujiang Commercial Management conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire the Target Equity Interests; and (ii) Qujiang Commercial Management conditionally agreed to transfer, and the Purchaser conditionally agreed to acquire the Target Creditor's Rights, at a total consideration of RMB761,932,148.27, which shall be settled by the Purchaser in cash by installments, subject to the approval of the Shareholders at the SGM.

An Independent Board Committee comprising all independent non-executive Directors namely Mr. Tsang Kwok Wai, Mr. Ruan Xiaofeng and Ms. Song Hong has been established to advise the Independent Shareholders in respect of the Agreement and the transactions contemplated thereunder and to recommend to the Independent Shareholders how to vote on the resolution(s) proposed to approve the Agreement and the transactions contemplated thereunder at the SGM. We, Octal Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

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## LETTER FROM OCTAL CAPITAL

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As at the Latest Practicable Date, we are not connected with the Group, Qujiang Commercial Management, the Purchaser or the Target Company, nor (where applicable) with any of their respective substantial shareholders, directors, chief executives, or any of their respective subsidiaries or associates, and we do not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for securities in any member of the Group. During the last two years, there has been no other engagement between the Company and us. Accordingly, we considered ourselves suitable to give independent advice to the Independent Board Committee and the Independent Shareholders.

Apart from the normal professional fees payable to us by the Company in connection with this appointment, no arrangement exists under which we will receive any fees or benefits from the Company or any of the directors, chief executive and substantial shareholders of the Company or Qujiang Commercial Management or the Purchaser or the Target Company or any of their respective subsidiaries or associates that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent to act as the Independent Financial Adviser pursuant to Rule 13.84 of the Listing Rules.

In formulating our opinion, we have relied upon the accuracy of the information and representations contained in the Circular and have assumed that all information and representations made or referred to in the Circular were true and accurate as at the time they were made and continue to be true and accurate as at the Latest Practicable Date. We have also relied on our discussions with the management of the Company regarding the Group, including the information and representations contained in the Circular. We have further assumed that all statements of belief, opinion and intention made by the Directors and management of the Company in the Circular were reasonably made after due and careful enquiry. We consider that we have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our advice including, among other things, (i) the Agreement; (ii) the annual report of the Company for the years ended 31 December 2024 and 2025 (the “**2024 Annual Report**” and “**2025 Annual Report**”, respectively); (iii) the financial information of the Target Company as disclosed in the Appendix II of the Circular; (iv) the Valuation Report of the Property as disclosed in the Appendix V of the Circular; (v) the unaudited pro forma financial information of the Remaining Group as disclosed in the Appendix III of the Circular; and (vi) our review of the relevant publicly available information. We have no reason to suspect that any material facts have been omitted or withheld from the information contained in the Circular, or to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and management of the Company. We have not, however, conducted an independent in-depth investigation into the businesses and affairs of the Group, Qujiang Commercial Management, the Purchaser or the Target Company and their respective controlling shareholder(s) and associates, nor have we carried out independent verification of the information provided to us.

Should there be any subsequent material changes which occur during the period from the Latest Practicable Date up to the date of the SGM, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible.

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## LETTER FROM OCTAL CAPITAL

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the Disposal, we have considered the following principal factors and reasons:

#### 1. Background of the Group

The Group principally engages in the operation of department stores, shopping malls and supermarkets in the PRC. As at the Latest Practicable Date, the Group operates two department stores including the Property, a shopping mall and a fresh food supermarket in Xi'an, and a department store, a shopping mall, a community supermarket and 3 comprehensive supermarkets in Xianyang. Xi'an and Xianyang are located in Shaanxi Province, the PRC.

#### *Financial information of the Group*

##### *Review of financial performance of the Group*

The table below sets out the major audited financial information of the Group for the years ended 31 December 2023, 2024 and 2025 (respectively, “FY2023”, “FY2024” and “FY2025”) extracted from the 2024 Annual Report and the 2025 Annual Report.

	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Sales of goods	191,395	174,183	166,925
Net income from concession sales	82,344	70,318	65,854
Management and administrative service fee income	44,782	54,831	57,431
Gross rental income	45,305	58,202	57,033
Revenue	363,826	357,534	347,243
Other income and other gains	6,685	1,030	234,968
Total operating expenses	(603,531)	(611,187)	(719,548)
Loss from operations	(233,020)	(252,623)	(137,337)
Valuation gain/(loss) on investment property	1,270	(17,131)	(1,733)
Share of result of a joint venture	–	2,408	52
Net finance costs	(231,802)	(283,651)	(308,835)
Loss before tax	(463,552)	(550,997)	(447,853)
Income tax	3,409	10,923	63,465
Loss for the year	<u>(460,143)</u>	<u>(540,074)</u>	<u>(384,388)</u>

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## LETTER FROM OCTAL CAPITAL

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### FY2024 vs FY2023

According to the 2024 Annual Report, the revenue from the management and administrative service fee income and rental income increased as a result of the increase in the number of stores during FY2024. However, revenue from sales of goods and the net income from concession sales decreased by approximately 9.0% and 14.6%, respectively. Such decrease was mainly attributable to the decline in consumer spending willingness. As a result, the Group's total revenue decreased from approximately RMB363.8 million for FY2023 to approximately RMB357.5 million for FY2024. Annualised gross revenue per average operating area of department stores for FY2024 was approximately RMB9,723 per sq.m., compared with approximately RMB11,746 per sq.m. for FY2023. The decrease in area efficiency was mainly due to (i) the decrease in revenue during FY2024; and (ii) the Property and a shopping mall gradually re-commenced operation during FY2024, resulting in lower average area efficiency.

The Group's operating expenses for FY2024 mainly comprised cost of goods sold, staff costs, depreciation expenses, expected credit losses on trade and other receivables and impairment losses on prepayments for acquisition of properties which in aggregate amounted to approximately RMB547.9 million. The Group's total operating expenses for FY2024 increased by approximately RMB7.7 million, representing an increase of approximately 1.3%. This increase was mainly due to the increase in impairment losses on prepayments for acquisition of properties of approximately RMB21.4 million.

Net finance costs of the Group were approximately RMB283.7 million for FY2024, representing an increase of approximately RMB51.8 million or 22.4% as compared with those for FY2023. Such increase was mainly due to the increase in the principal amount of bank and other borrowings.

As a result, the Group's loss for the year increased by approximately 17.4% from approximately RMB460.1 million for FY2023 to approximately RMB540.1 million for FY2024. The increase in loss for the year was mainly due to (i) the increase in impairment losses on prepayments for acquisition of properties and the net finance costs as discussed above; and (ii) the recognition of a valuation loss on investment properties of approximately RMB17.1 million.

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## LETTER FROM OCTAL CAPITAL

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### FY2025 vs FY2024

According to the 2025 Annual Report, revenue from management and administrative service fee income increased as a result of higher management and administrative fee charges to concessionaires. However, revenue from sales of goods, net income from concession sales and the rental income decreased by approximately 4.2%, 6.3% and 2.0%, respectively. Such decrease was mainly due to the reduction in promotional campaigns, which led to lower sales for the Group and its concessionaires, as well as a decrease in turnover rent received by the Group. As a result, the Group's total revenue decreased from approximately RMB357.5 million for FY2024 to approximately RMB347.2 million for FY2025. Annualised gross revenue per average operating area of department stores for FY2025 was approximately RMB8,400 per sq.m., compared with approximately RMB9,723 per sq.m. for FY2024. The decrease in area efficiency was mainly due to the decrease in revenue during FY2025.

The other income and other gains for FY2025 increased by approximately RMB233.9 million. Such increase was mainly due to liquidated compensation income awarded following the final court ruling judgment relating to the development of the commercial portion of "Xi'an Centre Property" located in the Xi'an Hi-tech Industries Development Zone, Xi'an, dated 29 December 2025 of approximately RMB169.9 million.

The Group's operating expenses for FY2025 mainly comprised cost of goods sold, staff costs, depreciation expenses, expected credit losses on trade and other receivables and the impairment losses recognised during the year which in aggregate amounted to approximately RMB657.3 million. The Group's total operating expenses for FY2025 increased by approximately RMB108.4 million, representing an increase of approximately 17.7%. Such increase was mainly due to the increase in impairment losses on goodwill and intangible assets of approximately RMB122.4 million as a result of the performance of a subsidiary operating the department store, shopping mall and supermarkets in Xianyang falling short of expectations.

Net finance costs of the Group were approximately RMB308.8 million for FY2025, representing an increase of approximately RMB25.2 million or 8.9% as compared with those for FY2024, mainly due to the increase in the principal amount of bank and other borrowings.

As a result, the Group's loss for the year decreased by approximately 28.8% from approximately RMB540.1 million for FY2024 to approximately RMB384.4 million for FY2025. The decrease in loss for the year was mainly attributable to the increase in other income and other gains as discussed above.

## LETTER FROM OCTAL CAPITAL

### *Review of financial position of the Group*

Major items of the consolidated financial position of the Group as at 31 December 2023, 2024 and 2025 are summarised in the following table:

	<b>As at 31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Property and equipment	4,085,901	3,517,687	3,449,633
Investment properties	834,400	1,345,377	1,343,644
Prepayments for acquisition of properties	2,189,475	2,217,041	2,213,179
Intangible assets	244,482	244,482	157,234
Goodwill	35,129	35,129	–
Other non-current assets	10,358	17,147	16,840
<b>Non-current assets</b>	<b>7,399,745</b>	<b>7,376,863</b>	<b>7,180,530</b>
Trade and other receivables	166,375	137,395	338,601
Cash at bank and on hand	49,725	10,710	4,091
Other current assets	76,242	72,568	37,852
<b>Current assets</b>	<b>292,342</b>	<b>220,673</b>	<b>380,544</b>
Promissory note	–	–	208,587
Bank and other borrowings	3,448,513	4,256,919	4,436,612
Other non-current liabilities	1,035,484	1,035,795	1,010,943
<b>Non-current liabilities</b>	<b>4,483,997</b>	<b>5,292,714</b>	<b>5,656,142</b>
Trade and other payables	544,263	578,068	616,795
Bank and other borrowings	1,042,885	596,769	745,700
Other current liabilities	672,366	618,406	307,417
<b>Current liabilities</b>	<b>2,259,514</b>	<b>1,793,243</b>	<b>1,669,912</b>
Total assets	<b>7,692,087</b>	<b>7,597,536</b>	<b>7,561,074</b>
Total liabilities	<b>6,743,511</b>	<b>7,085,957</b>	<b>7,326,054</b>
Total equity	<b>948,576</b>	<b>511,579</b>	<b>235,020</b>
Total bank and other borrowings	<b>4,491,398</b>	<b>4,853,688</b>	<b>5,182,312</b>
Gearing ratio <sup>1</sup>	<b>58.4%</b>	<b>63.9%</b>	<b>68.5%</b>

<sup>1</sup> Being total bank and other borrowings divided by total assets.

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## LETTER FROM OCTAL CAPITAL

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The Group's total assets decreased from approximately RMB7,597.5 million as at 31 December 2024 to approximately RMB7,561.1 million as at 31 December 2025. The decrease of approximately RMB36.4 million was primarily attributable to (i) depreciation and amortisation charged on property and equipment and intangible assets; (ii) the decrease in inventories; and (iii) the decrease in prepayments; which were partially offset by an increase in other receivables due to liquidated compensation income awarded following a final court ruling judgment dated 29 December 2025.

Total liabilities increased from approximately RMB7,086.0 million as at 31 December 2024 to approximately RMB7,326.1 million as at 31 December 2025. The increase in total liabilities was mainly attributable to an increase in bank and other borrowings of approximately RMB328.6 million and an increase in payables for interest expenses and transaction costs on borrowings. The gearing ratio also increased from approximately 63.9% as at 31 December 2024 to approximately 68.5% as at 31 December 2025.

The Group's net assets position was approximately RMB235.0 million as at 31 December 2025, representing a decrease of approximately RMB276.6 million from RMB511.6 million as at 31 December 2024.

### *Review of cash flow of the Group*

Major items of the consolidated cash flow statement of the Group for FY2023, FY2024 and FY2025 are summarised in the following table:

	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash generated from/(used in)			
operating activities	20,563	(111,166)	40,303
Net cash generated from/(used in)			
investing activities	10,704	(7,007)	7,389
Net cash generated from/(used in)			
financing activities	171	80,561	(49,750)
	<u>31,438</u>	<u>(37,612)</u>	<u>(2,058)</u>
Net decrease in cash and cash equivalents			
Cash and cash equivalents at the			
beginning of the year	11,484	42,931	5,314
Effect of foreign exchange rate changes	9	(5)	(3)
	<u>42,931</u>	<u>5,314</u>	<u>3,253</u>
Cash and cash equivalents at the end			
of the year	<u>42,931</u>	<u>5,314</u>	<u>3,253</u>

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## LETTER FROM OCTAL CAPITAL

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The Group's cash and cash equivalents have substantially decreased from approximately RMB42.9 million for FY2023 to approximately RMB5.3 million for FY2024, mainly due to (i) the net cash outflow from operating activities resulting from the decrease in working capital; and (ii) the net cash outflow from investing activities due to payments for purchase of property and equipment and repayments to related parties.

Although the Group recorded a net cash inflow from operating activities of approximately RMB40.3 million for FY2025, it obtained new bank loans and other borrowings of approximately RMB975.9 million while repaying approximately RMB977.8 million of debt, resulting in a net cash outflow from financing activities. Accordingly, the cash and cash equivalents further decreased from approximately RMB5.3 million for FY2024 to approximately RMB3.3 million for FY2025.

### *The Target Company*

The Target Company is principally engaged in the management of the Property and related ancillary services and property consulting services. As at the Latest Practicable Date, the registered and paid-up capital of the Target Company was RMB492,000,000. The Target Company is a wholly-owned subsidiary of Qujiang Commercial Management and is an indirect wholly-owned subsidiary of the Company.

The principal asset of the Target Company is the Property, a commercial real estate located in the Bell and Drum Tower business circle, at the heart of Xi'an City. The Property comprises two basement floors of a commercial building with a gross floor area of approximately 30,184.94 sq.m. As at the Latest Practicable Date, approximately 3,351 sq.m. has been leased to 26 tenants for their retail business and the remaining area is vacant. Based on the summary of existing tenants provided by the Company, we noted that majority of the lease agreements have a duration of six months which expires on 30 June 2026.

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## LETTER FROM OCTAL CAPITAL

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The table below summarises the unaudited financial information of the Target Company for FY2023, FY2024 and FY2025 as disclosed in Appendix II of the Circular, prepared in accordance with the HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants, is set out below:

	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	–	3,501	11,548
Total operating expenses	<u>(3,196)</u>	<u>(2,248)</u>	<u>(142,451)</u>
Loss/profit from operations	(3,196)	1,253	(130,903)
Valuation gain/(loss) on investment properties	5,132	(9,766)	(6,376)
Finance costs	<u>(27,450)</u>	<u>(12,979)</u>	<u>(1)</u>
Loss before tax	(25,514)	(21,492)	(137,280)
Income tax credit	<u>(2,883)</u>	<u>843</u>	<u>(5)</u>
Loss for the year/period	<u><u>(28,397)</u></u>	<u><u>(20,649)</u></u>	<u><u>(137,285)</u></u>

As advised by the management of the Company, the revenue of the Target Company is primarily derived from the rental of the Property. The department store operated in the Property was closed in June 2021 due to persistent losses as well as a significant drop in customer traffic under the impact of the pandemic. Small portion of street-facing units of the Property leased out by a subsidiary of the Target Company. During this period, minimal revenue was generated and recorded in the accounts of the subsidiary of the Target Company. Since there was no arrangement between this subsidiary and the Target Company, no revenue was recorded by the Target Company until second half of 2024.

In the second half of 2024, in order to optimise the utilisation of the Property and improve the management structure of the Target Company and its subsidiary, the management of the Company reallocated the resources between the two entities. Since this reallocation, approximately 70% of the rental income has been recognised by the Target Company. With this background, the Target Company recorded rental income of approximately RMB3.5 million and RMB11.5 million in FY2024 and FY2025 respectively. The increase in rental income during FY2025 was mainly attributable to a higher number of tenants and an increase in monthly rental.

## LETTER FROM OCTAL CAPITAL

The operating expenses primarily comprise depreciation expenses related to the Property. According to the management of the Company, a corporate restructuring was carried out in March 2025, whereby the subsidiary of the Target Company was transferred to be held directly by the Vendor (the “**Corporate Restructuring**”). As a result of the Corporate Restructuring, total operating expenses for FY2025 increased significantly, mainly due to the loss on disposal of the subsidiary amounted to approximately RMB139.2 million recognised during FY2025.

The Target Company recorded net loss as majority of the leasable area of the Property remain vacant during the three years ended 31 December 2025. Excluding the one-off loss recognised for the disposal of the subsidiary, the Target Company recorded a net profit of approximately RMB1.9 million.

The table below summarises the unaudited financial position of the Target Company as at 31 December 2023, 2024 and 2025 as disclosed in Appendix II of the Circular:

	<b>As at 31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Long term investment	1,081,837	176,637	–
Property and equipment	2,625	2,625	–
Investment properties	837,068	827,302	820,926
	<b>1,921,530</b>	<b>1,006,564</b>	<b>820,926</b>
<b>Non-current assets</b>			
Trade and other receivables	9	5	4,950
Amounts due from Remaining Group	898,526	3,364	–
Prepayments	143	–	–
Restricted cash	250	250	250
Cash at bank and on hand	20,400	9	13
	<b>919,328</b>	<b>3,628</b>	<b>5,213</b>
<b>Current assets</b>			
Bank and other borrowings	140,000	–	–
Deferred tax liabilities	176,606	175,763	175,768
	<b>316,606</b>	<b>175,763</b>	<b>175,768</b>
<b>Non-current liabilities</b>			
Trade and other payables	1,769	2,536	451
Amounts due to Remaining Group	1,607,298	145,357	100,669
Bank and other borrowings	160,000	–	–
	<b>1,769,067</b>	<b>147,893</b>	<b>101,120</b>
<b>Current liabilities</b>			

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## LETTER FROM OCTAL CAPITAL

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	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Net current liabilities</b>	<b>(849,739)</b>	<b>(144,265)</b>	<b>(95,907)</b>
<b>Total assets</b>	<b>2,840,858</b>	<b>1,010,192</b>	<b>826,139</b>
<b>Total liabilities</b>	<b>2,085,673</b>	<b>323,656</b>	<b>276,888</b>
<b>Total equity</b>	<b>755,185</b>	<b>686,536</b>	<b>549,251</b>

The total assets of the Target Company decreased from approximately RMB1,010.2 million as at 31 December 2024 to approximately RMB826.1 million as at 31 December 2025. The decrease of approximately RMB184.1 million was primarily attributable to the Corporate Restructuring completed in March 2025 as discussed above. As at 31 December 2025, the core asset of the Target Company is the Property, which is stated at fair value in accordance with the HKFRS Accounting Standards of approximately RMB820.9 million. The Property had been pledged to secure the Group's bank loan from the Bank of East Asia (China) Limited, Xi'an Branch (the "**BEA Loan**"). Upon receipt of the first installment of Consideration, the Company intends to promptly release the existing mortgage over the Property of the Target Company by repaying the outstanding principal and interest of the BEA Loan in the expected aggregate amount of approximately RMB300,841,700 as at 18 June 2026 (i.e. the expected date of repayment of the BEA Loan).

As at 31 December 2025, the total liabilities of the Target Company mainly comprise of (i) the amount due to the Remaining Group of approximately RMB100.7 million; and (ii) the deferred tax liabilities arising from the fair value adjustment of the Property of approximately RMB175.8 million. The Target Company has no bank and other borrowings as at 31 December 2025.

The Target Company recorded net current liabilities of approximately RMB95.9 million and a net assets position of approximately RMB549.3 million as at 31 December 2025.

### ***The Purchaser***

The Purchaser is a limited liability company incorporated in the PRC and is principally engaged in asset management services with its own funds. The Purchaser is a subsidiary of Qujiang Financial Holdings, a substantial shareholder of the Company. Qujiang Financial Holdings is a state-owned enterprise incorporated in the PRC, funded and established by the Qujiang New District in Xi'an City, and is principally engaged in financial investment business. As at the Latest Practicable Date, the Qujiang New District Management Committee beneficially owns 80.05% interest in Qujiang Financial Holdings, and the ultimate beneficial owner of the Purchaser is the Qujiang New District Management Committee, an administrative agency dispatched by the Xi'an Municipal People's Government.

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## LETTER FROM OCTAL CAPITAL

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### **2. Reasons for and benefits of the Agreement and the transactions contemplated thereunder**

According to data from the National Bureau of Statistics, the growth in the per capita disposable income of urban residents from 2023 to 2025 was approximately 4.8%, 4.4%, and 4.2%, respectively. This growth remained relatively stable compared with the growth in per capita consumption expenditure of urban residents. The per capita consumption expenditure growth for urban residents was approximately 8.3% in 2023, slowing to approximately 4.5% in 2024 and further dropping to approximately 3.7% in 2025. This suggests that consumers have become more cautious and spending sentiment has weakened.

At the same time, competition among shopping centers has intensified, with increasing homogenisation, thereby increasing operational pressure. Shopping centers have had to reduce rents in order to improve occupancy rates. According to the “2025 Fourth Quarter Xi’an Office and Retail Market Overview” published by Cushman & Wakefield Limited, although the retail vacancy rate decreased from approximately 15.9% in the fourth quarter of 2024 to approximately 14.2% in the fourth quarter of 2025, the average rent for retail properties in Xi’an for the fourth quarter of 2025 decreased by approximately 2.2% compared with the fourth quarter of 2024.

The Property was built in 1998 and was used by the Group to operate a department store until its closure in June 2021. Since then, the Property has remained vacant with only a small portion of street-facing units leased and the majority subject to short term periods (less than one year). In light of the challenging operating environment, as well as the sluggish retail market and softening retail property rental in Xi’an, the Group has considered reallocating resources to focus on the operation of its other stores. In addition, the Directors expect substantial capital investment to be required for renovation and facility upgrades, as the Property has been developed and in operation for over 28 years. It was estimated by a professional institution that the capital expenditure required would be approximately RMB200 million. Consequently, continuing to hold the Property would require substantial capital expenditure and ongoing maintenance costs, including property taxes and potential safety compliance costs arising from aging facilities. Such outlays would undoubtedly increase the Group’s operating burden.

Furthermore, the Group is facing liquidity pressures. As at 31 December 2025, the Group’s bank and other borrowings amounted to approximately RMB5,182.3 million, of which approximately RMB745.7 million will be due within one year. The interest expenses on bank and other borrowings was approximately RMB315.7 million for the FY2025, accounted for over 90% of the Group’s revenue for the FY2025. The Group’s cash and cash equivalents amounted to approximately RMB4.1 million. The Group therefore needs to sell non-core assets to alleviate liquidity pressure. As set out in the Letter from the Board, approximately RMB700 million of the net proceeds from the Disposal will be used to repay the outstanding loans of the Group (including the BEA Loan), which could reduce the principal amount of the Group’s interest-bearing loans, thereby lower interest expenses and improve the overall profitability. The Company estimated that based on the average borrowing interest rate of approximately 6.5% as at the Latest Practicable Date, the financial costs can be reduced by approximately RMB45.5 million per annum after repayment of the outstanding loans.

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## LETTER FROM OCTAL CAPITAL

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Upon completion, the Group's depreciation expenses would also be reduced. According to the Letter from the Board, the Company expected that the depreciation expenses will be reduced by approximately RMB30 million, which could further improve the Group's financial performance.

As disclosed in Appendix II of the Circular, McMillan Woods (Hong Kong) CPA Limited including in their conclusion that a material uncertainty relating to the going concern of the Target Company. It has been reported that the Target Company (i) incurred a loss of approximately RMB137.3 million for FY2025; (ii) recorded net current liabilities of approximately RMB95.9 million; and (iii) had amounts due to the Remaining Group of approximately RMB100.7 million, while the Target Company's cash at bank and on hand amounted to approximately RMB13,000.

The Board has explored alternatives, including attempting to lease or sell the Property in its entirety. Based on information provided by the management of the Company, we understand that the Company engaged a consultant with international property agency background in May 2024 to assist in identifying and approaching potential purchasers for the Property. However, the consultant was unable to identify any interested purchasers on terms and pricing that the Company considered appropriate, likely due to the Property's aged facilities and the substantial capital investment that may be required for renovation.

In view of the above, we concur with the Directors that by entering into the Agreement, the Group can dispose the Property, which has been largely vacant and has generated minimal rental income for years, in exchange for immediate available cash. The disposal of the Property could prevent the additional capital expenditures and ongoing maintenance costs associated with the Property. Further, the proceeds from the Disposal could strengthen the Group's working capital position by reducing its overall debt level and thereby lessen the interest cost burden. Accordingly, we are of the view that entering into the Agreement is commercially justifiable.

### 3. Major terms of the Agreement

The principal terms of the Agreement are set out below:

**Date:**

21 May 2026

**Parties:**

- (i) Qujiang Commercial Management (the Vendor)
- (ii) the Purchaser; and
- (iii) the Target Company

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## LETTER FROM OCTAL CAPITAL

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### **Subject matter:**

Qujiang Commercial Management conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire, the Target Equity Interests and the Target Creditor's Rights, at a total consideration of RMB761,932,148.27.

### ***Transfer of Target Equity Interests***

Qujiang Commercial Management conditionally agreed to dispose of, and the Purchaser conditionally agreed to acquire the Target Equity Interests for a consideration of RMB661,263,396.36. The consideration was determined by the Vendor and the Purchaser following arm's length negotiations, taking into account, among other things, (i) the unaudited net assets of the Target Company as at 31 December 2025, at RMB549,251,000; (ii) the valuation of the Property (the "**Property Valuation**") conducted by the Independent Property Valuer as at 31 March 2026, at RMB783,000,000; and (iii) the valuation of 100% equity interest in the Target Company conducted by the Independent Equity Valuer, with a valuation date of 31 March 2026, at approximately RMB691,000,000.

### ***Transfer of Target Creditor's Rights***

Qujiang Commercial Management conditionally agreed to transfer, and the Purchaser conditionally agreed to acquire the Target Creditor's Rights at a consideration of RMB100,668,751.91. The consideration was determined by the Vendor and the Purchaser after arm's length negotiations, taking into account the valuation of RMB100,668,751.91 carried out by the Independent Credit Valuer in respect of the Target Creditor's Rights as at the valuation date (being 31 March 2026).

Upon Completion, the Purchaser shall be entitled to the creditor's rights of RMB100,668,751.91 against the Target Company, and Qujiang Commercial Management shall cease to have any entitlement to the creditor's rights transferred to the Purchaser against the Target Company. The Purchaser and the Target Company shall independently negotiate and determine the repayment arrangements. Qujiang Commercial Management shall have no obligations or liabilities whatsoever in relation to the aforesaid creditors' rights.

### ***Handover of the Target Company***

- (i) Within 10 business days prior to the payment of the first installment of the Consideration, Qujiang Commercial Management shall transfer the Target Company's corporate certificates and seals to the Purchaser; the Target Company's electronic keys (USB keys) for routine approvals shall be jointly held by Qujiang Commercial Management and the Purchaser (with each party holding one key).

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## LETTER FROM OCTAL CAPITAL

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- (ii) Within 10 business days after the payment of the first installment of the Consideration, Qujiang Commercial Management shall provide a first priority pledge over the assets of the Target Company in favour of the Purchaser or a third party designated by the Purchaser (the “**Pledge**”), which will be set up after the release of existing mortgage over the Property as detailed below, serving as the performance guarantee of Qujiang Commercial Management to complete the share transfer registration after receiving the second installment of Consideration. Upon receipt of the first installment of Consideration, the Company intends to promptly release the existing mortgage over the Property of the Target Company by repaying the outstanding principal and interest of the BEA Loan in the expected aggregate amount of approximately RMB300,841,700 as at 18 June 2026 (i.e. the expected date of repayment of the BEA Loan).
- (iii) On the date of payment of the second installment of the Consideration, Qujiang Commercial Management shall issue a written notice of assignment of debt to the Target Company, specifying that the Purchaser has obtained ownership of the debt owed by the Target Company.
- (iv) Within 10 business days after the payment of the second installment of the Consideration, all parties shall cooperate in submitting all required information for the registration change of the transfer of 100% equity interests of the Target Company to the market supervisory and management department for preliminary review, subject to which, the formal application for registration change of equity shall be filed.
- (v) Within 30 business days after the payment of the second installment of the Consideration, Qujiang Commercial Management shall complete the registration of change in respect of the transfer of 100% equity interests in the Target Company into the name of the Purchaser.

The profits and losses, revenue and shareholders’ equity of the Target Company before the Completion Date shall be enjoyed by Qujiang Commercial Management, and the profits and losses, revenue and shareholders’ equity of the Target Company after the Completion Date shall be enjoyed by the Purchaser.

- (vi) Within 30 days after the completion of the registration of change of 100% equity interests of the Target Company, Qujiang Commercial Management shall transfer the assets and materials of the Target Company to the Purchaser in accordance with the Agreement.

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## LETTER FROM OCTAL CAPITAL

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With reference to the Letter from the Board, we understand that (i) Qujiang Commercial Management could be able to retain control of fund transfer prior to the completion of the Disposal; and (ii) in the event the Agreement is terminated, Qujiang Commercial Management shall return the Consideration already received and the Purchaser shall return the corporate certificates, seals and USB keys of the Target Company and release the Pledge. We also noted that the PRC legal advisor's view that the grant of Pledge following the payment of the first installment of the Consideration complies with the civil law of the PRC and is on normal commercial terms, rather than being intended solely to protect the Purchaser's interest. Accordingly, we concur with the Board that the Target Company remained sufficiently controlled by the Company during the transition period. In addition, the above handover arrangement is intended as a transitional measure to ensure the orderly progress of the Disposal, and is on normal commercial terms and not more favorable to the Purchaser.

For details of the Agreement, please refer to the Letter from the Board.

#### **4. Evaluation of the Consideration**

The total consideration of the Agreement is RMB761,932,148.27, comprising:

- RMB661,263,396.36 for the Target Equity Interest (the “**Equity Consideration**”); and
- RMB100,668,751.91 for the Target Creditor's Rights (the “**Creditor's Rights Consideration**”).

#### ***The Independent valuation of the Property***

For due diligence purposes, we have reviewed the Valuation Report of the Property prepared by the Independent Property Valuer as referred to in Appendix V to the Circular and have discussed with the Independent Property Valuer regarding the Valuation Report of the Property including the following.

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## LETTER FROM OCTAL CAPITAL

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*(a) Scope of work and qualification of the Independent Property Valuer*

The Independent Property Valuer is engaged to prepare the Valuation Report of the Property which sets out independent valuation on the market value of Property as at 31 March 2026. In order to assess the expertise and independence of the Independent Property Valuer, we have (i) reviewed the engagement letter between the Independent Property Valuer and the Company; (ii) conducted telephone discussions with the core team member of the Independent Property Valuer to understand its experience and its relationship with the Company and the valuation methodology; and (iii) discussed with the Independent Property Valuer about its previous experiences on valuation projects. Based on our work performed as mentioned above, we understand that the Valuation Report of the Property is prepared by Ms. Grace Lam, the senior director of the Independent Property Valuer. Ms. Grace Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice) with over 30 years of experiences in the property valuation sector in the Greater China region. The other team members also have relevant education background and working experience in property valuation projects in Hong Kong and the PRC. The Independent Property Valuer has confirmed that it is an independent third party of the Company, Qujiang Commercial Management, the Purchaser, the Target Company, and their connected persons; and the scope of work of this engagement is appropriate and suitable for the preparation of the Valuation Report of the Property. As such, we are not aware of any matters that could cause us to have doubts on the expertise and independence of the Independent Property Valuer.

*(b) Valuation methodologies*

We have discussed with the Independent Property Valuer the methodologies, bases and assumptions adopted in the Valuation Report of the Property.

As disclosed in Appendix V to the Circular, the Independent Property Valuer carried out a site inspection to the Property on 30 April 2026 to inspect the exterior, and where possible, the interior of Property and there was no serious defects has come to their attention.

Based on the review of the Valuation Report of the Property and discussion with the Independent Property Valuer, we note that the Independent Property Valuer has considered the three fundamental approaches of assets valuation method include market approach, income approach and asset-based approach for the Property Valuation. The market approach determines the value of the subject asset by comparing it with comparable references and basing the valuation on their market prices. As advised by the Independent Property Valuer, due to the scarcity of comparable transactions in the PRC and the status and the characteristic of the properties are difference, the market approach is not an appropriate method for the Property Valuation.

The asset-based approach reflects the fair market value of the assets from an asset replacement perspective. As advised by the Independent Property Valuer, the asset-based approach do not consider the latest property market conditions and the future income derived from the property, thus is not an appropriate method for the Property Valuation.

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## LETTER FROM OCTAL CAPITAL

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The Independent Property Valuer considered the investment method under the income approach is the most appropriate method to value the Property due to (i) the Property is generating rental income; and (ii) rental market where the Property located is relatively stable and mature and the rental comparables are most readily available. In valuing the Property, investment method under income approach has been used by taking into account the rental income of the Property derived from its existing tenancies and/or achievable in the existing market with due allowance for reversionary income potential of the leases, which then have been capitalised to determine the market value at an appropriate capitalisation rate.

To assess the appropriateness of the model as a whole, we have obtained and reviewed the detail breakdown of Property Valuation which listed all the details of the assumptions and parameters used by the Independent Property Valuer. As discussed with the Independent Property Valuer, after the site visit and the discussion with the management of the Company, the Independent Property Valuer has categorised the leasable area into (i) the leasable area which could be assessed directly from the streets surrounding the Property (the “**Street-front Area**”); and (ii) leasable area located inside the Property (the “**Inner Area**”). We further noted that the model was derived with reference to several factors, including (a) the rental under the existing lease agreements; (b) the leasable area of the Property; (c) the expected rental for the vacant leasable area and the existing leased area (following the expiry of the relevant lease agreements) of the Property based on the prevailing market rental; and (d) the capitalisation rate based on the analysis of the market yields of comparable transactions.

For the expected rental of the Property, the Independent Property Valuer has referenced transaction comparables within the Xi’an market to determine the prevailing market rental. As advised by the Independent Property Valuer, the selection criteria for these comparable transactions are (i) the transaction cases or asking-price cases took place within 2 years from the valuation date; (ii) comparable properties are located in Yanta, Weiyang, Beilin or Xincheng district of Xi’an; (iii) the nature of the comparable properties are similar to the Property. Having considered that (i) a period of two years from the valuation date reflecting recent market conditions; (ii) the proximity of the location chosen by the Independent Property Valuer is close to the Property; and (iii) the nature of the comparable properties are similar to the Property, we consider the selection criteria set by the Independent Property Valuer are suitable for the assessment of the prevailing market rental. The monthly unit rent derived from the comparable transactions ranged from RMB124 per sq. m. to RMB807 per sq.m. We noted that the Independent Property Valuer made appropriate adjustments in relation to the differences in location, accessibility, decoration, age and maintenance, remaining land use right and other characters between the comparables and the Property to derive the market value of the Property. As shown in the Appendix V of the Circular, if the relevant condition of the comparable is superior to the Property, a downward adjustment would be applied, and vice versa. The adopted rental in calculating the appraised value of the Property ranges from approximately RMB80 to approximately RMB760. Due to the accessibility of the Street-front Area, a higher unit rent would be applied. While a smaller leasable area always associated with a higher unit rent as compared to the bigger leasable area.

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## LETTER FROM OCTAL CAPITAL

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We noted that the Independent Property Valuer adopted a capitalisation rate of 5.0% to 5.5% for leasable area larger than 100 sq.m. and 6.5% to 7.0% for leasable area smaller than 100 sq.m. in the Property Valuation. The capitalisation rate is determined by the Independent Property Valuer with reference to market comparable property of similar use type, which implicitly reflects the type and quality of the property, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. After the discussion with the Independent Property Valuer, we understand that when determining the capitalisation rate, the Independent Property Valuer referenced to the asking price of sale transaction of property with lease agreement situated in the surrounding area of the Property. The yield of the comparables selected by the Independent Property Valuer ranged from approximately 5.0% to approximately 7.2%. We further noted that Independent Property Valuer adopted the lower end of the capitalisation rate range for the rental under the existing lease agreements, as the risk level for secured rental income is lower than the expected rental in the future period.

We concur with the Independent Property Valuer that the valuation methodology adopted by the Independent Property Valuer is a common approach and normal market practice in the Independent Property Valuer's profession for determining the market value of Property.

*(c) Valuation assumptions*

With reference to the Valuation Report, the key valuation assumptions adopted by the Independent Property Valuer include (i) the estimated price excluded price inflation or deflation; (ii) the Target Company have enforceable titles to the Property and have free and uninterrupted rights to use, occupy or assign the Property for the whole of the respective unexpired land use term; (iii) all consents, approvals and licences from relevant government authorities have been obtained without onerous conditions or delays; (iv) the design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant authorities; and (v) the Property is free from encumbrances, restrictions and outgoings of an onerous nature.

We have discussed with the Independent Property Valuer and understand from the Independent Property Valuer that the assumptions are commonly adopted in other valuations of similar assets and there is no unusual assumption which has been adopted during the Property Valuation. We also consider the assumptions adopted in the Valuation Report of the Property are general in nature and are not aware of any material facts which lead us to doubt the assumptions adopted by the Independent Property Valuer.

During the course of our discussion with the Independent Property Valuer, we have not identified any major factors which cause us to doubt the fairness and reasonableness of the principal basis and assumptions adopted for the Property Valuation. Having considered that (i) the reasons for adopting investment method; (ii) the selection basis for comparable transactions for the determination of the unit rent and the capitalisation rate; (iii) the assumptions adopted in the Property Valuation are general in nature, we consider that the rationale behind the determination of the Property Valuation is fair and reasonable.

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## LETTER FROM OCTAL CAPITAL

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### *The Equity Consideration*

With reference to the Letter from the Board, the Equity Consideration was determined by the Vendor and the Purchaser after arm's length negotiations, taking into account, among other things, (i) the unaudited net assets of the Target Company as at 31 December 2025, at RMB549.3 million; (ii) the valuation of the Property conducted by the Independent Property Valuer as at 31 March 2026, at approximately RMB783.0 million (the "**Property Appraised Value**"); and (iii) the valuation of Target Equity Interest conducted by the Independent Equity Valuer as at 31 March 2026, at approximately RMB691.0 million (the "**Equity Appraised Value**").

We noted that the Equity Appraised Value was prepared by the Independent Equity Valuer with reference to the unaudited net assets of the Target Company as at 31 March 2026 prepared in accordance with PRC Accounting Standards for Business Enterprises amounted to approximately RMB23.9 million (the "**PRC GAAP NAV**"). The PRC GAAP NAV differs from the net asset value disclosed in Appendix II of the Circular (the "**HK GAAP NAV**") is mainly due to the fact that the PRC GAAP NAV has recognised the Property under cost model and thus, no corporate tax arising from the revaluation gain of the Property would be recognised. As disclosed in Appendix II of the Circular, the financial information of the Target Company was prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants which align with the accounting policies of the Company in the preparation of the Company's annual consolidated financial statements. As such, we consider the adjusted net asset value of the Target Company (the "**Adjusted NAV**") which takes into account the Property Appraised Value to be a reasonable basis to analyse the fairness and reasonableness of the Equity Consideration.

	<i><b>RMB'000</b></i>
Net asset value of the Target Company as at 31 December 2025	549,251
Less: Net book value of the Property as at 31 December 2025	(820,926)
Add: Property Appraised Value	783,000
	<hr/>
Adjusted NAV	511,325
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The Adjusted NAV was approximately RMB511.3 million. The Equity Consideration of RMB661,263,396.36 therefore represents a premium of approximately 29.3% to the Adjusted NAV.

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## LETTER FROM OCTAL CAPITAL

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### *The Creditor's Rights Consideration*

With reference to the Letter from the Board, the Creditor's Rights Consideration was determined by the Vendor and the Purchaser after arm's length negotiations, taking into account the valuation of RMB100,668,751.91, which was carried out by the Independent Credit Valuer in respect of the Target Creditor's Rights as at 31 March 2026.

We understand that (i) the Target Creditor's Rights as at 31 March 2026 amounted to approximately RMB100,668,751.91; (ii) there was no valuation gain or loss in relation to the Target Creditor's Rights as appraised by the Independent Credit Valuer which has been detailed in Appendix VII of the Circular; (iii) the management of the Company advised that the amount of Target Creditor's Rights has remained unchanged since 30 March 2026; and (iv) the Creditor's Rights Consideration is determined on a dollar-to-dollar basis.

Having consider that (i) the Property Valuation is fair and reasonable, (ii) the Equity Consideration represents a premium to the Adjusted NAV; and (iii) the Creditor's Rights Consideration is determined on a dollar-to-dollar basis, we consider determination of the Equity Consideration and the Creditor's Right Consideration is fair and reasonable.

### **5. Financial effects of the Disposal on the Group**

Upon Completion, the Target Company will cease to be a subsidiary of the Company. Accordingly, the results, assets and liabilities of the Target Company will no longer be consolidated into the Group's financial statements. The financial impacts are set out in the Appendix III to the Circular.

### *Earnings*

As shown in Appendix III to the Circular, assuming that the Disposal had been completed on 1 January 2025 (which the Corporate Restructuring has not yet completed), the Remaining Group's loss for the year for FY2025 will be increased from RMB384.4 million to RMB394.5 million, being a result of the recognition of an unaudited loss of approximately RMB26.6 million on the Disposal calculated by reference to the total of the Equity Consideration and the Creditor's Rights Consideration (approximately RMB761.9 million) less (i) the unaudited net assets of the Target Company as at 1 January 2025 (approximately RMB686.5 million); (ii) the carrying amount of the Target Creditor's Rights as at 1 January 2025 as set out in the Group's consolidated financial statements (approximately RMB100.7 million); and (iii) estimated transaction expenses (approximately RMB1.3 million).

The actual gain or loss to be recognised by the Remaining Group can only be determined when the carrying value of the Target Equity Interest as at the date of Completion and the relevant fees and expenses directly attributable to the Disposal are ascertained.

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## LETTER FROM OCTAL CAPITAL

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### *Net asset value*

As shown in Appendix III to the Circular, assuming that the Disposal had been completed on 31 December 2025 (which the Corporate Restructuring has completed), the net assets of the Remaining Group are expected to increase from RMB235.0 million to RMB318.0 million, mainly attributable to the estimated gain from the Disposal of approximately RMB83.0 million. The net assets value per Share is expected to increase from RMB0.20 to RMB0.28.

### *Liquidity/Net current liabilities*

As shown in Appendix III to the Circular, the liquidity of the Group is expected to improve. The net current liabilities of the Remaining Group is expected to decrease from RMB1,289.4 million to RMB561.2 million, mainly attributable to the receipt of the net consideration from the Disposal, after deducting the bank and cash balance of the Target Company.

It should be noted that the above analyses are for illustrative purposes only and do not purport to represent the actual financial result and the financial results and position of the Group upon Completion.

## RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the opinion that although the entering into of the Agreement and the transactions contemplated thereunder are not conducted in the ordinary and usual course of business of the Group, the Agreement is in the interests of the Company and the Independent Shareholders as a whole and the terms of the Agreement are on normal commercial terms and are fair and reasonable. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, that the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the SGM to approve the Agreement and the transactions contemplated thereunder.

Yours faithfully  
For and on behalf of  
Octal Capital Limited

**Alan Fung**                      **Wong Wai Leung**  
*Managing Director*            *Executive Director*

*Note: Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 28 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of mergers and acquisitions, connected transactions and transactions subject to compliance with the Takeovers Code of listed companies in Hong Kong. Mr. Wong Wai Leung is a responsible officer of Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities. Mr. Wong has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of the Listing Rules and the Takeovers Code.*

**1. FINANCIAL INFORMATION OF THE GROUP**

The published audited consolidated financial statements of the Group for the three years ended 31 December 2023, 2024 and 2025 were set out in the Company's annual reports for each of the years ended 31 December 2023, 2024 and 2025, respectively, which are incorporated by reference into this circular. The said annual reports can be accessed on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.cgrh.com.hk](http://www.cgrh.com.hk)).

The following is a quick link to the annual report of the Company published on 30 April 2026 with its audited consolidated financial statements for the year ended 31 December 2025 on pages 79 to 208:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0430/2026043001266.pdf>

The following is a quick link to the annual report of the Company published on 30 April 2025 with its audited consolidated financial statements for the year ended 31 December 2024 on pages 136 to 264:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0430/2025043000979.pdf>

The following is a quick link to the annual report of the Company published on 30 April 2024 with its audited consolidated financial statements for the year ended 31 December 2023 on pages 149 to 282:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0430/2024043002136.pdf>

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

As at the Latest Practicable Date, the principal activities of the Group are the operation of department stores, shopping malls and supermarkets and properties management in the PRC.

As disclosed in the 2025 annual report of the Company, in the future, the Group will set “achieving a turnaround from losses to profits and pursuing high-quality development” as its overarching goal. Confronting operational pain points directly, it will focus on four key areas including precision investment attraction, refined operations, high quality service and enhanced management quality, in an aim to drive synergistic upgrades across all regions and segments. It will continue to deepen business format innovation, and fortify the security defense line for cash flows. The Xi'an region will strengthen its focus on creating family life experience scenarios, and build a regional benchmark for experiential consumption. The Xianyang region, with urban outlet mall as its core, will strive to create a differentiated commercial landmark, fully unlocking the consumption potential of the Xi'an metropolitan area. The Group will promote deep linkages between experiential formats and the retail segment, so as to realize the transformation from “product-centric retailing” to “lifestyle-oriented guidance”. Meanwhile, efforts will be made to steadily advance digital transformation and enhance capability for integrated online and offline services in a way that builds a commercial ecosystem that adapts to market changes.

### **Department Stores and Shopping Malls**

In 2025, the stores in Xi'an and Xianyang commenced refined operations and implemented differentiated upgrades on a “one store, one strategy” basis. Leveraging the integrated merchandising and procurement system, underperforming brands were phased out and high-traffic formats were introduced. Precision investment attraction and rental management were standardised, resulting in steady growth in operating income. Preliminary integration of retail with experiential formats such as sports, parent-child activities and dining was achieved, with foundational immersive scenes created in the core areas of the shopping malls to drive retail sales. The business began to transition from traditional “product-centric retailing” to lifestyle-oriented operations, establishing consumption scenarios centred on home living, parent-child activities and leisure, implementing foundational themed events and tiered membership programmes, and preliminarily establishing a positioning as an “organic lifestyle-oriented centre”.

In 2026, the Group will continue to deepen refined operations, iterating the brand portfolio and maintaining strict control over precision investment attraction and rental pricing, so as to further enhance store-level profitability. The Group will further explore the synergistic value of experiential formats and retail, upgrade the immersive scenes in core areas and improve the conversion efficiency of experiential footfall. The strategic transformation will be fully completed, with the guidance of quality lifestyles as its core objective. The Group will enhance its one-stop consumption complex offerings, upgrade themed events and refine membership marketing, fully unlock consumption potential, solidify the brand image of the organic lifestyle-oriented centre and build long-term differentiated competitive advantages.

### **Supermarkets**

In 2025, the supermarket segment optimised its fresh food and daily necessities product mix in response to the needs of surrounding families, mid-tier consumers and high-net-worth residents. Leveraging the integrated merchandising and procurement supply chain, slow-moving products were phased out and high-demand traffic-driving products were introduced. Supplier management and display fee arrangements were standardised, resulting in improved store-level profitability. The traditional merchandise sales model was reformed through the addition of light meal and ingredient tasting experience zones, using in-store experiences to drive fresh food and kitchen-related consumption. The segment commenced its transformation into a community lifestyle operations platform, creating one-stop consumption spaces centred on three daily meals as a core necessity, normalising tasting and baking events, implementing tiered membership programmes and preliminarily establishing an image as a community lifestyle-oriented centre, thereby building foundational competitiveness for the segment.

In 2026, the Group will continue to dynamically adjust the product mix in response to community consumption trends, optimise supply chain turnover and normalise the phase-out of slow-moving products and the introduction of new traffic-driving products. Supplier management and fee standardisation will be further refined to sustain margin expansion. Offline experiential immersive scenes will be expanded and upgraded to strengthen the role of experiences in driving deep linkages with daily livelihood products. The transformation into a community quality lifestyle service provider will be fully implemented, with a deep focus on daily necessities consumption by residents. Membership-based precision marketing will be iterated upon to fully tap community consumption potential, consolidating the community lifestyle-oriented centre positioning and establishing a unique competitive moat for the supermarket segment.

### **Properties Management**

The properties management business principally provides self-owned properties management and building ancillary services for the Group's internal affiliated commercial projects, covering the daily operation and maintenance of public facilities, security and order management and energy consumption control. In 2025, this business segment implemented refined building management and facility maintenance for the Group's department stores and shopping malls, executed comprehensive security management and control measures and optimised equipment operation modes, effectively achieving energy savings and cost control. In 2026, the Group will continue to deepen its refined properties management model, further optimise the public facilities maintenance system, strengthen security management standards and continue to implement energy-saving and consumption-reduction measures, so as to further enhance the operational quality of the Group's commercial projects and improve the consumption experience of tenants and customers.

### 3. STATEMENT OF INDEBTEDNESS

As at the close of business on 30 April 2026, being the Latest Practicable Date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this circular, the details of the Group's indebtedness are as follows:

	<b>30 April 2026</b> <i>RMB'000</i>
<b>Secured and guaranteed</b>	
Bank and other borrowings	2,028,071
<b><i>Unsecured and unguaranteed</i></b>	
Bank and other borrowings	3,180,341
Lease liabilities	302,379
Promissory note	213,729
Provisions	130,975
	<hr/>
	3,827,424
	<hr/>
<b>Total outstanding debts</b>	<b>5,855,495</b>

Save as disclosed above, and apart from intra-group liabilities and normal accounts payables in the ordinary course of business of the Group, as at 30 April 2026, being the latest practicable date for the purpose of preparing this statement of indebtedness, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowing (including but not limited to bank overdrafts and liabilities under acceptance (other than normal trade bills)), acceptance credits, hire purchase commitments or finance lease, which are either guaranteed, unguaranteed, secured or unsecured, any other mortgages and charges or any other material contingent liabilities or guarantees.

### 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 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**5. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account the internally generated funds, existing facilities available to the Group and financial resources presently available to the Group, the Group will have sufficient working capital to satisfy its requirements for at least twelve months from the date of this circular in the absence of any unforeseeable circumstances. The Company has obtained the relevant confirmation required under Rule 14.66(12) of the Listing Rules.

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## **APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

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Set out below are the unaudited statements of financial position of Xi'an Yixin Property Management Co., Limited (西安億鑫物業管理有限公司) (the "Xi'an Yixin") (the "Target Company") as of 31 December 2023, 2024 and 2025 and the unaudited statements of profit or loss and other comprehensive income, the unaudited statements of changes in equity and unaudited statements of cash flows of the Target Company for each of the years ended 31 December 2023, 2024 and 2025 (the "Relevant Periods") and explanatory notes, (collectively referred to as the "Unaudited Financial Information of the Target Company").

The Unaudited Financial Information of the Target Company has been prepared and presented in accordance with the basis of preparation set out in Note 2 to the Unaudited Financial Information of the Target Company on pages App II-2 to App II-8 of this circular and Rule 14.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and has been prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal.

McMillan Woods (Hong Kong) CPA Limited, the auditor of the Company, was engaged to review the Unaudited Financial Information of the Target Company set out on pages App II-2 to App II-8 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the auditor to obtain assurance that they would become aware of all significant matters that might be identified in an audit. Accordingly, the auditor does not express an audit opinion. The auditor has included an emphasis of matter paragraph (without modification) in the review report.

Based on the review on the Unaudited Financial Information of the Target Company, nothing has come to the auditor's attention that causes them to believe that the Unaudited Financial Information is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Unaudited Financial Information.

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**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

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**UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the years ended 31 December 2023, 2024 and 2025*

	<b>31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)
Revenue	–	3,501	11,548
Other income and other loss	3	4	(139,219)
Sales and other taxes and surcharges	(3,056)	(2,085)	(570)
Other operating expenses	(143)	(167)	(2,662)
	<hr/>	<hr/>	<hr/>
Loss from operations	(3,196)	1,253	(130,903)
Valuation gain/(loss) on investment properties	5,132	(9,766)	(6,376)
Finance costs	(27,450)	(12,979)	(1)
	<hr/>	<hr/>	<hr/>
Loss before taxation	(25,514)	(21,492)	(137,280)
Income tax	(2,883)	843	(5)
	<hr/>	<hr/>	<hr/>
Loss and total comprehensive income for the year	<u>(28,397)</u>	<u>(20,649)</u>	<u>(137,285)</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### UNAUDITED STATEMENT OF FINANCIAL POSITION

At 31 December 2023, 2024, and 2025

	As at 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)
<b>NON-CURRENT ASSETS</b>			
Long term investment	1,081,837	176,637	–
Property and equipment	2,625	2,625	–
Investment properties	837,068	827,302	820,926
	1,921,530	1,006,564	820,926
<b>CURRENT ASSETS</b>			
Other receivables	9	5	4,950
Amounts due from Remaining Group	898,526	3,364	–
Prepayments	143	–	–
Restricted cash	250	250	250
Cash at bank and on hand	20,400	9	13
	919,328	3,628	5,213
<b>CURRENT LIABILITIES</b>			
Other payables	1,252	2,536	451
Amounts due to Remaining Group	1,607,815	145,357	100,669
Bank and other borrowings	160,000	–	–
	1,769,067	147,893	101,120
<b>NET CURRENT LIABILITIES</b>	(849,739)	(144,265)	(95,907)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	1,071,791	862,299	725,019
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings	140,000	–	–
Deferred tax liabilities	176,606	175,763	175,768
	316,606	175,763	175,768
<b>NET ASSETS</b>	755,185	686,536	549,251
<b>CAPITAL AND RESERVES</b>			
Share capital	536,886	488,886	488,886
Reserves	218,299	197,650	60,365
<b>TOTAL EQUITY</b>	755,185	686,536	549,251

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### UNAUDITED STATEMENT OF CHANGES IN EQUITY

*For the years ended 31 December 2023, 2024, and 2025*

	<b>Share capital</b> <i>RMB'000</i>	<b>Statutory surplus reserve</b> <i>RMB'000</i>	<b>Accumulated profits</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
At 1 January 2023	536,886	1,631	245,065	783,582
Loss and total comprehensive income for the year	—	—	(28,397)	(28,397)
At 31 December 2023 and 1 January 2024	536,886	1,631	216,668	755,185
Loss and total comprehensive income for the year	—	—	(20,649)	(20,649)
Capital reduction	(48,000)	—	—	(48,000)
At 31 December 2024 and 1 January 2025	488,886	1,631	196,019	686,536
Loss and total comprehensive income for the year	—	—	(137,285)	(137,285)
At 31 December 2025	<u>488,886</u>	<u>1,631</u>	<u>58,734</u>	<u>549,251</u>

## APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY

### UNAUDITED STATEMENT OF CASH FLOWS

For the years ended 31 December 2023, 2024 and 2025

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Operating activities</b>			
Loss before tax	(25,514)	(21,492)	(137,280)
<u>Adjustments for:</u>			
Fair value change in investment properties	(5,132)	9,766	6,376
Loss on disposal of a subsidiary	–	–	139,219
Interest income	(3)	(4)	–
Interest expenses	27,450	12,979	1
Written-off of property and equipment	–	–	2,625
<u>Changes in working capital:</u>			
(Increase)/decrease in other receivables and prepayments	(5)	147	(4,945)
(Decrease)/increase in other payables	(2)	1,745	(1,959)
Net cash generated from/(used in) operations	(3,206)	3,141	4,037
Tax paid	–	–	–
Net cash generated from/(used in) operating activities	(3,206)	3,141	4,037
<b>Investing activities</b>			
Interests received	3	4	–
Proceeds from disposal of investment in a subsidiary	–	–	40,782
Net cash generated from investing activities	3	4	40,782

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**APPENDIX II FINANCIAL INFORMATION OF THE TARGET COMPANY**

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	<b>Year ended 31 December</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Financing activities</b>			
Repayments of bank loans	(200,000)	(300,000)	–
Interest paid on bank borrowing	(27,864)	(13,408)	(159)
Repayment from the Remaining Group	112,741	895,162	3,364
Advance from/(repayment to) the Remaining Group	138,719	(605,290)	(48,020)
	<u>138,719</u>	<u>(605,290)</u>	<u>(48,020)</u>
Net cash generated from/(used in) financing activities	23,596	(23,536)	(44,815)
	-----	-----	-----
Net increase/(decrease) in cash and cash equivalents	20,393	(20,391)	4
Cash and cash equivalents at the beginning of the year	7	20,400	9
	<u>7</u>	<u>20,400</u>	<u>9</u>
Cash and cash equivalents at the end of the year	20,400	9	13
	<u><u>20,400</u></u>	<u><u>9</u></u>	<u><u>13</u></u>

**NOTES TO THE FINANCIAL INFORMATION****1. GENERAL**

On 21 May 2026, Xi'an Qujiang Century Ginwa Commercial Management Group Limited (西安曲江世紀金花商業管理集團有限公司) (the "Qujiang Commercial Management") (an indirect wholly-owned subsidiary of the Company, as the Vendor), the Purchaser and the Target Company entered into the Agreement, pursuant to which (i) Qujiang Commercial Management has conditionally agreed to dispose of, and the Purchaser has conditionally agreed to acquire the Target Equity Interests (i.e. entire equity interest in the Target Company); and (ii) Qujiang Commercial Management has also conditionally agreed to transfer, and the Purchaser has conditionally agreed to acquire the Target Creditor's Rights, at a total consideration of approximately RMB761,932,000 the Disposal.

Upon completion, the Target Company will cease to be a subsidiary of the Company. Accordingly, its results, assets and liabilities will cease to be consolidated into the Group's financial statements.

The Target Company is an indirect wholly-owned subsidiary of the Company and is a company incorporated in People's Republic of China ("PRC"). The address of its registered office is located at Room 101, Basement Level 1, Square of the Bell and Drum Towers, No. 1 West Street, Lianhu District, Xi'an, Shaanxi Province, PRC. (陝西省西安市蓮湖區西大街1號鐘鼓樓廣場負一層101室). The Target Company is principally engaged in the properties management.

The Unaudited Financial Information is presented in RMB, which is the same as the functional currency of the Target Company.

**2. BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL INFORMATION**

The Unaudited Financial Information of the Target Company has been prepared in accordance with Rule 14.68(2)(a)(i)(A) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and is solely for the purpose of inclusion in the circular issued by the Company in connection with the Disposal.

The amounts included in the Unaudited Financial Information for each of the three years ended 31 December 2023, 2024 and 2025 have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of the Company's annual consolidated financial statements, which conform with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 "Presentation of Financial Statements" or an interim financial report as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the HKICPA and should be read in conjunction with the Company's annual consolidated financial statements.

**Material uncertainty related to going concern**

The Unaudited Financial Information of the Target Company has been prepared on the going concern basis which assumes the realisation of assets and satisfaction of liabilities in the ordinary course of business notwithstanding that the Target Company incurred a loss of approximately RMB137,285,000 for the year ended 31 December 2025; and as at that date the Target Company had net current liabilities of approximately RMB95,907,000; and the Target Company had amounts due to the Remaining Group of approximately RMB100,669,000, while the Target Company's cash at bank and on hand and amounted to approximately RMB13,000. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Target Company's ability to continue as a going concern and therefore, that the Target Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors, taking into account the following factors, are of the opinion that the Target Company will have sufficient working capital for its present operating requirements and for at least the next twelve months commencing from the date of issue of this circular. Accordingly, the Directors are satisfied that it is appropriate to prepare the Unaudited Financial Information of the Target Company on a going concern basis.

The Directors are confident that the Target Company will be able to obtain the ongoing support from the Purchaser upon the completion of the Disposal. The Directors consider that the Purchaser and its parent are financially capable and will provide adequate funds that enable the Target Company to meet in full its financial obligations (taking into consideration the waiver of the amounts due to the Remaining Group upon completion of the Disposal) as and when they fall due for a post Disposal period up to end of twelve months after the date of issue of this circular.

However, if the Disposal is not completed, the Directors believe that the Target Company will continue to obtain the ongoing support from the Group. The Group has agreed to provide adequate financial support to the Target Company to meet in full its financial obligation as they fall due for a period not less than twelve months from the date of this Circular.

Notwithstanding the above, there are inherent uncertainties associated with the future outcome of the plans and measures taken account of by the Directors that depends upon (i) the Purchaser and its parent will provide adequate funds that enable the Target Company to meet its financial obligations as and when they fall due for a post Disposal period up to the end of twelve months after the date of the issue of this circular; and (ii) in the event that the Disposal is not completed, the Group is financially viable to provide adequate funds to enable the Target Company to meet in full its financial obligations as and when they fall due for a period of not less than twelve months after the date of issue of this circular.

Should the Target Company be unable to continue in business as a going concern, adjustments would have to be made in the Unaudited Financial Information of the Target Company to write down the values of assets to their net realisable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in this Unaudited Financial Information of the Target Company.

**INDEPENDENT REVIEW REPORT  
TO THE BOARD OF DIRECTORS OF  
CENTURY GINWA RETAIL HOLDINGS LIMITED  
(Incorporated in Bermuda with limited liability)**

**Introduction**

We have reviewed the Unaudited Financial Information of Xi'an Yixin Property Management Co., Limited (西安億鑫物業管理有限公司) (the "Target Company") set out on pages II-2 to II-8 which comprises the unaudited statements of financial position as at 31 December 2023, 2024 and 2025 and the unaudited statements of profit or loss, the unaudited statements of profit or loss and other comprehensive income, the unaudited statements of changes in equity and unaudited statements of cash flows of the Target Company for each of the three years ended 31 December 2023, 2024 and 2025 (the "Relevant Periods") and explanatory notes. The Unaudited Financial Information has been prepared solely for the purpose of inclusion in the circular issued by Century Ginwa Retail Holdings Limited (the "Company") dated 3 June 2026 in connection with the disposal of the Target Company in accordance with the Rule 14.68(2)(a)(i)(A) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The directors of the Company are responsible for the preparation and presentation of the Unaudited Financial Information of the Target Company in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information and Rule 14.68(2)(a)(i)(A) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The directors are also responsible for such internal control as management determines is necessary to enable the preparation of Unaudited Financial Information that is free from material misstatement, whether due to fraud or error. The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 "Presentation of Financial Statements" or an interim financial report as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibility is to express a conclusion on this Unaudited Financial Information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

**Scope of Review**

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the HKICPA. A review of Unaudited Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Material uncertainty relating to the going concern basis**

Without qualifying our conclusion, we draw attention to Note 2 to the Unaudited Financial Information which indicates that the Target Company incurred a loss of approximately RMB137,285,000 for the year ended 31 December 2025; and as at that date the Target Company had net current liabilities of approximately RMB95,907,000; and the Target Company had amounts due to the Remaining Group of approximately RMB100,669,000, while the Target Company’s cash at bank and on hand amounted to approximately RMB13,000. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Target Company’s ability to continue as a going concern.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the Unaudited Financial Information of the Target Company for the Relevant Periods is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Unaudited Financial Information.

McMillan Woods (Hong Kong) CPA Limited  
*Certified Public Accountants*  
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3 June 2026

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## **APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

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### **A.    INTRODUCTION TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

The accompanying unaudited pro forma information of the Remaining Group has been prepared to illustrate the effect of the Disposal might have affected the financial information of the Group.

The unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2025 are prepared based on the audited consolidated statement of profit or loss, the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2025 as extracted from the annual report of the Company for the year ended 31 December 2025 as if the Disposal had been completed on 1 January 2025.

The unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 December 2025 is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2025 as extracted from the annual report of the Company for the year ended 31 December 2025, as if the Disposal had been completed on 31 December 2025.

The unaudited pro forma financial information of the Remaining Group is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the unaudited pro forma financial information of the Remaining Group, it may not give a true picture of the actual financial position, results of operation or cash flows of the Remaining Group that would have been attained had the Disposal actually occurred on the dates indicated herein. Furthermore, the unaudited pro forma financial information of the Remaining Group does not purport to predict the Remaining Group's future financial position, results of operation or cash flows.

The unaudited pro forma financial information of the Remaining Group should be read in conjunction with the financial information of the Group as set out in Appendix I and other financial information included elsewhere in this circular.

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**B.      UNAUDITED PRO FORMA CONSOLIDATED PROFIT OR LOSS OF THE  
REMAINING GROUP**

	The Group for the year ended 31 December 2025 <i>RMB'000</i> (Audited) <i>Note 1</i>	Exclusion of equity interest in Target Company <i>RMB'000</i> <i>Note 2</i>	Adjustment on the difference between classification of property and equipment at consolidated level and investment properties at company level <i>RMB'000</i> <i>Note 3</i>	Recognition of impact on consideration and estimated loss on Disposals <i>RMB'000</i> <i>Note 4</i>	Reinstatement of intra-group transactions <i>RMB'000</i> <i>Note 5</i>	The Remaining Group after the completion of the Disposals <i>RMB'000</i>
<b>Revenue</b>	347,243	(11,548)	–	–	11,463	347,158
Other net income and other gains/(loss)	234,968	139,219	–	(25,273)	(139,219)	209,695
Changes in inventories of finished goods	(124,878)	–	–	–	–	(124,878)
Sales and other taxes and surcharges	(7,112)	570	–	–	–	(6,542)
Staff costs	(58,029)	–	–	–	–	(58,029)
Depreciation expenses	(196,440)	–	30,922	–	–	(165,518)
Utilities expenses	(35,371)	–	–	–	–	(35,371)
Advertisement expenses	(5,823)	–	–	–	–	(5,823)
Reversal of provision	31,650	–	–	–	–	31,650
Expected credit losses on trade and other receivables	(63,130)	–	–	–	–	(63,130)
Impairment losses on goodwill and intangible assets	(122,377)	–	–	–	–	(122,377)
Impairment loss on property and equipment	(3,903)	–	–	–	–	(3,903)
Impairment losses on prepayments for acquisition of properties	(88,562)	–	–	–	–	(88,562)
Other operating expenses	(45,573)	2,662	–	(1,340)	(11,463)	(55,714)
<b>Loss from operations</b>	<b>(137,337)</b>	<b>130,903</b>	<b>30,922</b>	<b>(26,613)</b>	<b>(139,219)</b>	<b>(141,344)</b>
Valuation loss on investment properties	(1,733)	6,376	(6,376)	–	–	(1,733)
Share of result of a joint venture	52	–	–	–	–	52
Net finance costs	(308,835)	1	–	–	–	(308,834)
<b>Loss before taxation</b>	<b>(447,853)</b>	<b>137,280</b>	<b>24,546</b>	<b>(26,613)</b>	<b>(139,219)</b>	<b>(451,859)</b>
Income tax	63,465	5	(6,136)	–	–	57,334
<b>Loss for the year</b>	<b>(384,388)</b>	<b>137,285</b>	<b>18,410</b>	<b>(26,613)</b>	<b>(139,219)</b>	<b>(394,525)</b>

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**C.      UNAUDITED PRO FORMA CONSOLIDATED PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME OF THE REMAINING GROUP**

	The Group for the year ended 31 December 2025 <i>RMB'000</i> (Audited) <i>Note 1</i>	Exclusion of equity interest in Target Company <i>RMB'000</i> <i>Note 2</i>	Adjustment on the difference between classification of property and equipment at consolidated level and investment properties at company level <i>RMB'000</i> <i>Note 3</i>	Recognition of impact on consideration and estimated loss on Disposals <i>RMB'000</i> <i>Note 4</i>	Reinstatement of intragroup transactions <i>RMB'000</i> <i>Note 5</i>	The Remaining Group after the completion of the Disposals <i>RMB'000</i>
<b>Loss for the year</b>	(384,388)	137,285	18,410	(26,613)	(139,219)	(394,525)
<b>Other comprehensive income for the year (after tax):</b>						
<b>Items that will not be reclassified to profit or loss:</b>						
– Surplus on revaluation of land and buildings held for own use, net of tax	95,166	–	(18,410)	–	–	76,756
– Equity securities designated at fair value through other comprehensive income (“FVOCI”)-net movement in fair value reserve	229	–	–	–	–	229
– Exchange differences on translation into presentation currency	12,434	–	–	–	–	12,434
<b>Other comprehensive income for the year</b>	<u>107,829</u>	<u>–</u>	<u>(18,410)</u>	<u>–</u>	<u>–</u>	<u>89,419</u>
<b>Total comprehensive expense for the year</b>	<u>(276,559)</u>	<u>137,285</u>	<u>–</u>	<u>(26,613)</u>	<u>(139,219)</u>	<u>(305,106)</u>

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**D.      UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION OF THE REMAINING GROUP**

	The Group as at 31 December 2025 RMB'000 (Audited) Note 6	Exclusion of equity interest in Target Company RMB'000 Note 7	Recognition of impact on consideration and estimated gain on Disposals RMB'000 Note 8	Adjustment on the difference between classification of property and equipment at consolidated level and investment properties at company level RMB'000 Note 3	The Remaining Group after the completion of the Disposals RMB'000
<b>Non current assets</b>					
Property and equipment	3,449,633	–	–	(820,926)	2,628,707
Investment properties	1,343,644	(820,926)	–	820,926	1,343,644
Intangible assets	157,234	–	–	–	157,234
Goodwill	–	–	–	–	–
Investment in a joint venture	6,460	–	–	–	6,460
Prepayments for acquisition of properties	2,213,179	–	–	–	2,213,179
Deferred tax assets	10,380	–	–	–	10,380
<b>Total non current assets</b>	<b>7,180,530</b>	<b>(820,926)</b>	<b>–</b>	<b>–</b>	<b>6,359,604</b>
<b>Current assets</b>					
Inventories	17,166	–	–	–	17,166
Trade and other receivables	338,601	(4,950)	400,000	–	733,651
Prepayments	20,386	–	–	–	20,386
Equity securities designated at FVOCI	300	–	–	–	300
Cash at bank and on hand	4,091	(263)	360,592	–	364,420
<b>Total current assets</b>	<b>380,544</b>	<b>(5,213)</b>	<b>760,592</b>	<b>–</b>	<b>1,135,923</b>
<b>Current liabilities</b>					
Trade and other payables	616,795	(451)	–	–	616,344
Amount due to the Remaining Group	–	(100,669)	100,669	–	–
Contract liabilities	136,939	–	–	–	136,939
Bank and other borrowings	745,700	–	–	–	745,700
Lease liabilities	24,626	–	–	–	24,626
Income tax payable	–	–	27,668	–	27,668
Provisions	145,852	–	–	–	145,852
<b>Total current liabilities</b>	<b>1,669,912</b>	<b>(101,120)</b>	<b>128,337</b>	<b>–</b>	<b>1,697,129</b>

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	The Group as at 31 December 2025 <i>RMB'000</i> (Audited) <i>Note 6</i>	Exclusion of equity interest in Target Company <i>RMB'000</i> <i>Note 7</i>	Recognition of impact consideration and estimated gain on Disposals <i>RMB'000</i> <i>Note 8</i>	Adjustment on the difference between classification of property and equipment at consolidated level and investment properties at company level <i>RMB'000</i> <i>Note 3</i>	The Remaining Group after the completion of the Disposals <i>RMB'000</i>
<b>Net current liabilities</b>	<b>(1,289,368)</b>	<b>95,907</b>	<b>632,255</b>	–	<b>(561,206)</b>
<b>Total assets less current liabilities</b>	<b>5,891,162</b>	<b>(725,019)</b>	<b>632,255</b>	–	<b>5,798,398</b>
Promissory note	208,587	–	–	–	208,587
Bank and other borrowings	4,436,612	–	–	–	4,436,612
Lease liabilities	285,290	–	–	–	285,290
Deferred tax liabilities	725,653	(175,768)	–	–	549,885
<b>Total non-current liabilities</b>	<b>5,656,142</b>	<b>(175,768)</b>	–	–	<b>5,480,374</b>
<b>Net assets</b>	<b>235,020</b>	<b>(549,251)</b>	<b>632,255</b>	–	<b>318,024</b>
<b>Shareholder's equity</b>					
Share capital	103,602	–	–	–	103,602
Reserves	88,233	(549,251)	632,255	–	171,237
Total equity attributable to equity shareholders of the Company	191,835	(549,251)	632,255	–	274,839
Non-controlling interests	43,185	–	–	–	43,185
<b>Total shareholder's equity</b>	<b>235,020</b>	<b>(549,251)</b>	<b>632,255</b>	–	<b>318,024</b>

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**E.      UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF  
THE REMAINING GROUP**

	The Group for the year ended 31 December 2025 <i>RMB'000</i> <i>Note 1</i>	Exclusion of equity interest in Target Company <i>RMB'000</i> <i>Note 2</i>	Adjustment on the difference between property and equipment and investment properties at company level <i>RMB'000</i> <i>Note 3</i>	Recognition of impact on consideration and estimated loss on Disposals <i>RMB'000</i> <i>Note 4</i>	Reinstatement of intra-group transactions <i>RMB'000</i> <i>Note 5</i>	The Remaining Group after the completion of the Disposals <i>RMB'000</i>
<b>Operating activities</b>						
Loss before tax	(447,853)	137,280	24,546	(26,613)	(139,219)	(451,859)
<b>Adjustments for:</b>						
Depreciation expenses	196,440	-	(30,922)	-	-	165,518
Expected credit losses on trade and other receivables	63,130	-	-	-	-	63,130
Net gain on disposal of property and equipment	(3)	-	-	-	-	(3)
Interest income	(33)	-	-	-	-	(33)
Net finance costs	308,835	(1)	-	-	-	308,834
Loss on disposal of subsidiary	-	(139,219)	-	25,273	139,219	25,273
Share of result of a joint venture	(52)	-	-	-	-	(52)
Valuation gains on an investment property	1,733	(6,376)	6,376	-	-	1,733
Reversal of provision	(31,650)	-	-	-	-	(31,650)
Gain on early termination of lease	(7,566)	-	-	-	-	(7,566)
Gain on promissory note modification	(28,569)	-	-	-	-	(28,569)
Written-off of property and equipment	2,625	(2,625)	-	-	-	-
Impairment loss on properties and equipment	3,903	-	-	-	-	3,903
Impairment losses on goodwill and intangible assets	122,377	-	-	-	-	122,377
Impairment losses on prepayments for acquisition of properties	88,562	-	-	-	-	88,562
<b>Changes in working capital:</b>						
Decrease in inventories	6,233	-	-	-	-	6,233
Increase in trade and other receivables and prepayments	(233,304)	4,945	-	-	-	(228,359)
Increase in other payables	12,819	1,959	-	-	-	14,778
Decrease in contract liabilities	(17,318)	-	-	-	-	(17,318)
Net cash generated from operations	40,309	(4,037)	-	(1,340)	-	34,932
Income tax paid, net	(6)	-	-	-	-	(6)
Net cash generated from operating activities	40,303	(4,037)	-	(1,340)	-	34,926

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	The Group for the year ended 31 December 2025 <i>RMB'000</i> <i>Note 1</i>	Exclusion of equity interest in Target Company <i>RMB'000</i> <i>Note 2</i>	Adjustment on the difference between property and equipment and investment properties at company level <i>RMB'000</i> <i>Note 3</i>	Recognition of impact on consideration and estimated loss on Disposals <i>RMB'000</i> <i>Note 4</i>	Reinstatement of intra-group transactions <i>RMB'000</i> <i>Note 5</i>	The Remaining Group after the completion of the Disposals <i>RMB'000</i>
<b>Investing activities</b>						
Payments for the purchase of property and equipment	(14,491)	-	-	-	-	(14,491)
Proceeds from disposal of property and equipment	7,172	-	-	-	-	7,172
Interests received	33	-	-	-	-	33
Proceeds from disposal of equity securities designated at FVOCI	10,117	-	-	-	-	10,117
Proceeds from Disposal of investment in a subsidiary	-	(40,782)	-	-	40,782	-
Proceeds from Disposal of Target Company	-	-	-	761,923	-	761,923
Net change in restricted cash	4,558	-	-	-	-	4,558
Net cash generated from investing activities	7,389	(40,782)	-	761,923	40,782	769,312
<b>Financing activities</b>						
Proceeds from new bank loans	307,305	-	-	-	-	307,305
Proceeds from new other borrowings	668,632	-	-	-	-	668,632
Repayments of bank loans	(271,312)	-	-	-	-	(271,312)
Repayments of other borrowings	(376,001)	-	-	-	-	(376,001)
Interest paid on bank borrowing	(330,454)	159	-	-	-	(330,295)
Capital element of lease rentals paid	(24,573)	-	-	-	-	(24,573)
Interest element of lease rentals paid	(23,347)	-	-	-	-	(23,347)
Advance from the Remaining Group	-	(3,364)	-	-	3,364	-
Repayment to the Remaining Group	-	48,020	-	-	(48,020)	-
Net cash used in financing activities	(49,750)	44,815	-	-	(44,656)	(49,591)
<b>Net decrease in cash and cash equivalents</b>	<b>(2,058)</b>	<b>(4)</b>	<b>-</b>	<b>760,583</b>	<b>(3,874)</b>	<b>754,647</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,314</b>	<b>(9)</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>5,314</b>
Effect of foreign exchange rate changes	(3)	-	-	-	-	(3)
<b>Cash and cash equivalents at the end of the year</b>	<b>3,253</b>	<b>(13)</b>	<b>-</b>	<b>760,592</b>	<b>(3,874)</b>	<b>759,958</b>

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**F.      NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE  
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1.      The amounts are extracted from the audited condensed consolidated profit or loss and other comprehensive income and statement of cash flows of the Group for the year ended 31 December 2025, as set out in the published annual report of the Company for the year ended 31 December 2025.
2.      The adjustment represents the derecognition of profit or loss and other comprehensive income and statement of cash flows of the Target Company for the year ended 31 December 2025 and the effect on reserves attributable to the owners of the Target Company. The profit or loss and other comprehensive income and statement of cash flows of the Target Company are extracted from the unaudited statement of profit or loss and other comprehensive income of the Target Company for the year ended 31 December 2025, set out in Appendix II to this circular.
3.      The adjustment reflects the reclassification of properties from investment property at the subsidiary level to property, plant and equipment at the consolidated level, as the properties are owner-occupied from the Group's perspective but were classified as investment properties leased to group companies from the Target Company's perspective. Both classifications apply valuation techniques, so the carrying amount at year-end is the same; however, the presentation differs. The adjustment reverses the Target Company's fair value movements, reinstates depreciation charges and the revaluation reserve, and adjusts the corresponding income tax expense in accordance with the Group's accounting policies. For the year ended 31 December 2025, depreciation of approximately RMB30,922,000 was charged under property, plant and equipment, the fair value loss of approximately RMB6,376,000 recognised under investment property was reversed, and income tax charge of approximately RMB6,136,000 was recognised which is calculated at corporate income tax rate of 25% to the net pre-tax accounting profit adjustment of RMB24,546,000 arising from the asset reclassification and represents the net impact of deferred tax charged, resulting in a net impact of approximately RMB18,410,000. The reserve recognised at the company level is effectively reallocated to retained earnings at the Group level, and upon disposal any revaluation reserve balance is transferred to retained earnings.

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4. The adjustment represents recognition of the net proceeds from the Disposal and the effects on reserves, assuming the Disposal had been taken place on 1 January 2025 and is calculated as follows:

	<i>RMB'000</i>
Cash consideration ( <i>Note (a)</i> )	761,932
Less:	
Assets and liabilities of the Target Company as at 1 January 2025	(686,536)
Amounts due to the Remaining Group assigned to Purchaser ( <i>Note b</i> )	<u>(100,669)</u>
Estimated loss on the Disposal on 1 January 2025	(25,273)
Less:	
Estimated income tax expense in relation to the Disposal ( <i>Note (c)</i> )	–
Estimated transaction costs attributable to the Disposal ( <i>Note (d)</i> )	<u>(1,340)</u>
Net effect on the loss for the year and attributable to owners of the Company	<u><u>(26,613)</u></u>

	<i>RMB'000</i>
Cash consideration ( <i>Note (a)</i> )	761,932
Less:	
Cash and cash equivalents held by the Target Company as at 1 January 2025	<u>(9)</u>
Proceed from Disposal of Target Company	761,923
Less:	
Estimated transaction costs attributable to the Disposal ( <i>Note (d)</i> )	<u>(1,340)</u>
Net cash inflows from the Disposal	<u><u>760,583</u></u>

- (a). The amount represents the cash consideration of approximately RMB761,932,000 for the Disposal which comprise approximately RMB361,932,000, as the first installment of the consideration for the transfer of the Target Company equity interests, shall be received within 1 month from the effective date of the equity interests and the creditor's right transfer agreement; and RMB400,000,000 as the balance of the consideration, shall be received within one month from the date of payment of first installment.

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- (b). The amount represents the receivable (creditor's rights) owed by the Target Company to the Remaining Group, which has been valued and transferred to the Purchaser at the same amount. Upon transfer, the Purchaser became the creditor in place of the Remaining Group, and the Remaining Group ceased to have any rights in respect of such receivable.
  - (c). No PRC enterprise income tax has been provided as the Disposal resulted in a loss.
  - (d). The amount represents estimated transaction costs including professional fees for legal advisors, valuers, the reporting accountants of the Company and other miscellaneous costs of approximately RMB1,340,000 that are directly attributable to the Disposal and it is expected to be settled in cash upon the Completion.
5. The adjustment represents the reinstatement of intra-group transactions, which have been eliminated at consolidation. Approximately of RMB11,463,000 represents the rental income charged by the Target Company to the Remaining Group as revenue, and such amount is recognised as other operating expenses of the Remaining Group. The other loss of approximately RMB139,219,000 represents a loss on disposal of a subsidiary which resulted from a disposal of subsidiary by the Target Company to the Remaining Group.
6. The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2025, as set out in the published annual report of the Company for the year ended 31 December 2025.
7. The adjustment represents the derecognition of assets and liabilities of the Target Company as at 31 December 2025 and the effect on reserves attributable to the owners of the Company. The assets and liabilities of the Target Company are extracted from the unaudited statement of financial position of the Target Company as at 31 December 2025 set out in Appendix II to this circular.

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8. The adjustment represents recognition of the net proceeds from the Disposal and the effects on reserves, assuming the Disposal had been taken place on 31 December 2025 and is calculated as follows:

	<i>RMB'000</i>
Cash consideration ( <i>Note 4(a)</i> )	761,932
Less:	
Assets and liabilities of the Target Company as at 31 December 2025	(549,251)
Amounts due to the Remaining Group assigned to Purchaser ( <i>Note 4 (b)</i> )	<u>(100,669)</u>
Estimated gain on the Disposal on 31 December 2025	112,012
Less:	
Estimated transaction costs attributable to the Disposal ( <i>Note 4(d)</i> )	<u>(1,340)</u>
Estimated gain on the Disposal less transaction costs attributable to the Disposal on 31 December 2025	110,672
Less:	
Estimated income tax expense in relation to the Disposal ( <i>Note (a)</i> )	<u>(27,668)</u>
Net effect on the profit for the year and attributable to owners of the Company	<u><u>83,004</u></u>
	<i>RMB'000</i>
Cash consideration ( <i>Note 4(a)</i> )	761,932
Less:	
Cash and cash equivalents held by the Target Company as at 31 December 2025	<u>(263)</u>
Proceed from Disposal of Target Company	761,669
Less:	
Estimated income tax expense in relation to the Disposal ( <i>Note a</i> )	(27,668)
Estimated transaction costs attributable to the Disposal ( <i>Note 4(d)</i> )	<u>(1,340)</u>
Net cash inflows from the Disposal	<u><u>732,661</u></u>

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- (a). The amount represents the estimated PRC enterprise income tax of approximately RMB27,668,000 in relation to the gain on the Disposal, calculated based on a tax rate of 25% on the estimated taxable disposal gain arising from the Disposal, and it is assumed to be settled within one year after the Completion.
  - (b). Included in cash at bank and on hand as at 31 December 2025 of approximately RMB250,000 represents restricted cash at bank. These restricted cash at bank are pledged against banking facilities and are therefore not immediately available for use by the Company.
  - (c). The amount represents the net of proceed from disposal of the Target Company and estimated income tax expenses in relation to the Disposal and estimate transaction cost attributable to the Disposal. RMB400,000,000 represents the final installment as the balance of the consideration that shall be received within one month from the date of payment of first installment. As such, RMB400,000,000 is then recognised as receivable from the Purchaser.
9. The estimated gain on the Disposal, net cash inflow from the Disposal and the amount of consideration as illustrated above are subject to change. The actual carrying amount of the assets and liability of the Target Company, the net proceeds from the Disposal and thus the gain on the Disposal at the date of the Completion will likely be different from those stated in the unaudited pro forma financial information.
10. No adjustment has been made to reflect any trading or other transaction of the Group entered into subsequent to 31 December 2025 for the purpose of the unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows, respectively.

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**G. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountant, McMillan Woods (Hong Kong) CPA Limited, Certified Public Accountants, Hong Kong.*

McMillan Woods (Hong Kong) CPA Limited  
長青(香港)會計師事務所有限公司  
*Certified Public Accountants*

24<sup>th</sup> Floor  
Siu On Centre  
188 Lockhart Road,  
Wan Chai, Hong Kong

3 June 2026

The Board of Directors  
Century Ginwa Retail Holdings Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Century Ginwa Retail Holdings Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2025, the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income, the unaudited pro forma statement of cash flow for the year ended 31 December 2025 and related notes (the “Unaudited Pro Forma Financial Information”) as set out on pages III-2 to III-12 of the circular 3 June 2026 (the “Circular”) issued by the Company in connection with the proposed disposal of the equity interests in Xi’an Yixin Property Management Co., Limited (the “Target Company”) (the “Disposal”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-8 to III-12 in Appendix III of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Disposal of the 100% equity interests in Target Company on the Group’s consolidated financial position as at 31 December 2025 as if the transaction had been taken place at 31 December 2025, and on the Group’s financial performance and cash flows for the year ended 31 December 2025 as if the transaction had been taken place at 1 January 2025. As part of this process, information about the Group’s financial position, financial performance and cash flows has been extracted by the Directors from the Group’s consolidated financial statements as included in the annual report for the year ended 31 December 2025, on which an audit report has been published.

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## **APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

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### **Directors' Responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

### **Our Independence and Quality Management**

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

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

### **Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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## **APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

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

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal at 31 December 2025 or 1 January 2025 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Disposal, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

McMillan Woods (Hong Kong) CPA Limited  
*Certified Public Accountants*  
Hong Kong

## MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Set out below is the management discussion and analysis of the Remaining Group's results of operation for each of the three years ended 31 December 2025, 2024 and 2023. The information set out below is principally extracted from the 2025 Annual Report, 2024 Annual Report and 2023 Annual Report respectively.

For the purpose of this circular and for illustration purpose only, the management discussion and analysis of the Remaining Group below is made with the exclusion of the Target Company. There will be no change to the principal businesses of the Remaining Group as a result of the Disposal. Following the Disposal, the Remaining Group operates 2 department stores and 2 shopping malls, and 1 community supermarket, 3 comprehensive supermarkets and 1 fresh food supermarkets, and will continue to carry out its existing businesses.

**(A) FOR THE YEAR ENDED 31 DECEMBER 2025****FINANCIAL RESULTS**

The Remaining Group's gross revenue<sup>(1)</sup> for the year ended 31 December 2025 was approximately RMB713.8 million as compared to approximately RMB846.2 million for the year ended 31 December 2024.

Revenue of the Remaining Group for the year ended 31 December 2025 was approximately RMB347.1 million as compared to approximately RMB357.5 million for the year ended 31 December 2024.

	<b>For the year ended 31 December 2025</b>		
	<b>Department stores and shopping malls</b>	<b>Supermarkets</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	221,769	125,389	347,158
Reportable segment profit (adjusted EBITDA)	21,024	11,584	32,608

*Note:* <sup>(1)</sup> Gross revenue represents the gross amount arising from the sales of goods, concession sales charged to retail customers, gross rental income and management and administrative service fee income charged to tenants.

The gross rental income and management and administrative service fee income of the Remaining Group for the year ended 31 December 2025 were approximately RMB142.4 million, as compared to approximately RMB113.0 million for the year ended 31 December 2024.

The Remaining Group's loss from operations (EBIT) for the year ended 31 December 2025 was approximately RMB141.3 million as compared to loss of approximately RMB223.8 million for the year ended 31 December 2024. The operating profit margin (loss from operations over gross revenue) changed from -26.4% to -19.8%.

For the year ended 31 December 2025, the Remaining Group's adjusted operating profit (adjusted EBITDA) was approximately RMB29.2 million as compared to the loss of approximately RMB19.0 million for the year ended 31 December 2024. Compared with the annual EBIT which excluded the non-operating factors of impairment of prepayment, and impairment of goodwill and intangible assets for acquisition of property of the Xi'an Center project, the management considers that the adjusted EBITDA can better reflect the Company's operating results and position.

For the year ended 31 December 2025, the Remaining Group's impairment loss on prepayment for acquisition of properties was approximately RMB88.6 million, while the impairment loss on prepayment for acquisition of properties for the year ended 31 December 2024 was approximately RMB57.1 million. Such increase was due to the increase in prepayment for acquisition of properties in excess of the increase in valuation upon capitalisation of borrowing costs.

The Remaining Group's impairment losses on goodwill and intangible assets amounted in aggregated to approximately RMB122.4 million for the year ended 31 December 2025. The Remaining Group had no impairment loss on goodwill and intangible assets for the year ended 31 December 2024.

The Remaining Group made an aggregate impairment loss of approximately RMB3.9 million for properties and equipment for the year ended 31 December 2025; as at 31 December 2024, no impairment loss of properties and equipment had occurred to the Remaining Group.

Net finance costs of the Remaining Group for the year ended 31 December 2025 were approximately RMB308.8 million (2024: RMB270.7 million), which was due to the increase in principal amount of bank and other borrowings.

The Remaining Group's loss for the year ended 31 December 2025 and loss attributable to shareholders of the Company were approximately RMB394.5 million (2024: RMB504.2 million) and approximately RMB428.0 million (2024: RMB502.2 million) respectively.

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Remaining Group's cash at bank and on hand amounted to RMB3.8 million (excluding the cash inflow from the Disposal) (31 December 2024: RMB10.4 million). The Remaining Group's bank balances and cash comprise cash and cash equivalents, bank deposits, and restricted bank deposits. As at 31 December 2025, the cash and cash equivalents of the Remaining Group were mainly denominated in RMB, with certain amount denominated in USD and Hong Kong dollars. As at 31 December 2025, the Remaining Group's net gearing ratio (being total loans less cash at bank and on hand divided by total equity) was approximately 15.1 (31 December 2024: 13.9).

As at 31 December 2025, the Remaining Group's bank and other borrowings amounted to RMB5,182,312,000 (including fixed-rate borrowings of RMB519,500,000) (31 December 2024: RMB4,853,688,000). As at 31 December 2025, the effective interest rates on bank and other borrowings ranged from 3.0% to 9.5%. The maturity profile of these borrowings are set out below:

	<b>As at 31 December 2025</b>	<b>As at 31 December 2024</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	745,700	596,769
After 1 year but within 2 years	4,114,804	4,056,919
After 2 years but within 5 years	321,808	200,000
After 5 years	—	—
	<u>5,182,312</u>	<u>4,853,688</u>

### CAPITAL STRUCTURE

There was no change to the Remaining Group's capital structure during the year ended 31 December 2025. As at 31 December 2025, the issued share capital of the Company was HK\$114,969,471.5 divided into 1,149,694,715 shares of HK\$0.1 each (the "Shares").

As at 31 December 2025, the Remaining Group's bank and other borrowings amounted to RMB5,182,312,000. As of 31 December 2025, the cash and cash equivalents of the Remaining Group were mainly denominated in RMB, with certain amounts denominated in USD and Hong Kong dollars. On 6 January 2024, the Company issued an interest-free promissory note in favour of Glory Keen Holdings Limited ("**Glory Keen**"), a substantial shareholder holding approximately 28.07% of the total number of issued Shares of the Company, in the amount of HK\$247,184,318 (the "**Promissory Note**").

On 8 February 2024, the Company and Glory Keen entered into an agreement to extend the maturity date of the Promissory Note (the "**Extension Agreement**"), pursuant to which the parties agreed to, among other things, extend the maturity date of the Promissory Note to 6 January 2025 or the date on which Glory Keen declares early maturity of the Promissory Note, following the failure of the Company to make repayment pursuant to the repayment arrangement as specified in the Extension Agreement, whichever is earlier. The repayment arrangement of the outstanding amount due under the Promissory Note of HK\$247,184,318 pursuant to the Extension Agreement shall be: (i) no later than 29 February 2024, the Company shall repay to Glory Keen not less than RMB15 million; (ii) no later than 31 July 2024, the Company shall repay to Glory Keen not less than RMB50 million in aggregate (i.e. including the amount repaid pursuant to subparagraph (i) above); and (iii) no later than 6 January 2025, the Company shall repay to Glory Keen all outstanding amount.

On 27 January 2025, the Company and Glory Keen entered into an agreement to further extend the maturity date of the Promissory Note (the "**Second Extension Agreement**"), pursuant to which the parties agreed to, among other things, further extend the maturity date of the Promissory Note for two years to 6 January 2027 or the fifth day after the date on which Glory Keen declares early maturity of the Promissory Note, upon Glory Keen and/or its shareholders reach the agreed liquidation condition or are under other circumstances necessitating liquidation or winding-up, whichever is earlier. Pursuant to the Second Extension Agreement, the Company shall repay to Glory Keen all outstanding amount of HK\$241,824,318 (i.e. the remaining amount of the Promissory Note) on or before 6 January 2027.

Upon repayment of all outstanding amount by the Company under the Promissory Note, the Share Charge (as defined below) will be released.

**MATERIAL ACQUISITION AND DISPOSAL AND SIGNIFICANT INVESTMENTS**

The Remaining Group neither made any material acquisitions or disposals of subsidiaries, associates or joint ventures nor held any significant investments for the year ended 31 December 2025.

**CHARGE ON THE REMAINING GROUP'S ASSETS**

As at 31 December 2025, property and equipment with an aggregate net book value of approximately RMB2,277.4 million (31 December 2024: RMB2,288.8 million) and investment property amounting to approximately RMB1,343.6 million (31 December 2024: RMB1,345.4 million) of the Remaining Group had been pledged to secure the Remaining Group's bank and other borrowings.

To secure the due performance of the Company under the Promissory Note, the Company executed and delivered a share charge, which the entire issued share capital of Golden Chance (Xian) Limited, a wholly-owned subsidiary of the Company, held by the Company is made subject to a charge in favour of Glory Keen (the "**Share Charge**").

**MATERIAL PLAN FOR INVESTMENT OR CAPITAL ASSETS**

As at 31 December 2025, the Remaining Group had no plans for any significant investments or capital assets upon the receipt of the consideration for this transfer.

**FOREIGN EXCHANGE EXPOSURE**

During the year ended 31 December 2025, the revenue generated and costs incurred from the Remaining Group's operation of department stores, shopping malls and supermarkets were in Renminbi. The Directors believe that the Remaining Group was not subject to any significant exposure to foreign exchange risk as most of the transactions, assets and liabilities of the Remaining Group were denominated in Renminbi.

**CONTINGENT LIABILITIES**

The Remaining Group had issued the following guarantee: A guarantee provided by Ginwa Bell Tower in respect of a sum payable for acquisition of a property by Ginwa Investments Holding Group Ltd ("**Ginwa Investments**") in August 2005. Ginwa Investments has defaulted repayment of the above sum payable.

As at 31 December 2025, the Directors of the Company did not consider it is probable that a claim will be made against the Remaining Group under the above guarantee. The maximum liability of the Remaining Group at 31 December 2025 under the guarantee issued is the outstanding amount of the liability of RMB9,500,000 (31 December 2024: RMB9,500,000) plus accrued interest.

**HUMAN RESOURCES**

As at 31 December 2025, the number of the Remaining Group's staff was 2,954 (31 December 2024: 3,296), including approximately 565 (31 December 2024: 627) directly employed as full time employees. The remaining were concession sales staff managed on behalf of the suppliers. There are 668 male employees, accounting for approximately 23%, and 2,286 female employees, accounting for approximately 77%. Most of the employees are employed in Mainland China. The directly employed employees' remuneration, promotion and salary increments are assessed based on both the Remaining Group's performance and the professional and working experience of the individual as well as by reference to prevailing market practice and standards. Apart from the general remuneration package, the Remaining Group also grants discretionary bonus to the eligible staff based on their performance and contribution to the Remaining Group. The Remaining Group regards high-calibre staff as one of the key factors to corporate success.

**(B) FOR THE YEAR ENDED 31 DECEMBER 2024****FINANCIAL RESULTS**

The Remaining Group's gross revenue for the year ended 31 December 2024 was RMB846.2 million as compared to RMB976.7 million for the year ended 31 December 2023.

Revenue of the Remaining Group for the year ended 31 December 2024 was RMB357.5 million as compared to RMB363.8 million for the year ended 31 December 2023.

	<b>For the year ended 31 December 2024</b>		
	<b>Department stores and shopping malls</b>	<b>Supermarkets</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	212,633	144,901	357,534
Reportable segment profit (adjusted EBITDA)	3,230	19,548	22,778

The gross rental income and management and administrative service fee income of the Remaining Group for the year ended 31 December 2024 were RMB113.0 million, as compared to RMB90.1 million for the year ended 31 December 2023. The increase was due to the rental and management service fee for the opened new stores.

The Remaining Group's loss from operations (EBIT) for the year ended 31 December 2024 was RMB223.8 million as compared to loss of RMB201.0 million for the year ended 31 December 2023. The operating profit margin (loss from operations over gross revenue) changed from -20.6% to -26.4%.

For the year ended 31 December 2024, the Remaining Group's adjusted operating profit (adjusted EBITDA) was approximately RMB19.0 million as compared to loss approximately RMB3.4 million for the year ended 31 December 2023. Compared with the annual EBIT which excluded the non-operating factor of impairment of prepayment for acquisition of property of the Xian Center project, the management considers that the adjusted EBITDA can better reflect the Company's operating results and position.

For the year ended 31 December 2024, the Remaining Group's impairment loss on prepayment for acquisition of properties was approximately RMB57.1 million, while the impairment loss on prepayment for acquisition of properties for the year ended 31 December 2023 was approximately RMB35.7 million. Such increase was due to the increase in prepayment for acquisition of properties in excess of the increase in valuation upon capitalisation of borrowing costs.

Net finance costs of the Remaining Group for the year ended 31 December 2024 were approximately RMB270.7 million (2023: RMB204.4 million), which was due to the increase in principal amount of bank and other borrowings.

The Remaining Group's loss for the year ended 31 December 2024 and loss attributable to shareholders of the Company were RMB504.2 million (2023: RMB406.3 million) and RMB502.2 million (2023: RMB399.4 million) respectively.

#### **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 December 2024, the Remaining Group's cash at bank and on hand amounted to RMB10.4 million (31 December 2023: RMB29.1 million). The Remaining Group's bank balances and cash comprise cash and cash equivalents, bank deposits, and restricted bank deposits. As at 31 December 2024, the cash and cash equivalents of the Remaining Group were mainly denominated in RMB, with certain amount denominated in USD and Hong Kong dollars. As at 31 December 2024, the Remaining Group's net gearing ratio (being total loans less cash at bank and on hand divided by total equity) was approximately 13.9 (31 December 2023: 3.8).

As at 31 December 2024, the Remaining Group's bank and other borrowings amounted to RMB4,853,688,440 (including fixed-rate borrowings of RMB612,000,000) (31 December 2023: RMB4,191,397,457). As at 31 December 2024, the effective interest rates on bank and other borrowings ranged from 3.85% to 9.5%. The maturity profile of these borrowings are set out below:

	As at 31 December 2024 <i>RMB'000</i>	As at 31 December 2023 <i>RMB'000</i>
Within 1 year	596,769	882,885
After 1 year but within 2 years	4,056,919	3,108,123
After 2 years but within 5 years	200,000	192,800
After 5 years	–	7,590
	<u>4,853,688</u>	<u>4,191,398</u>

#### CAPITAL STRUCTURE

There was no change to the Remaining Group's capital structure during the year ended 31 December 2024. As at 31 December 2024, the issued share capital of the Company was HK\$114,969,471.5 divided into 1,149,694,715 shares of HK\$0.1 each (the "Shares").

As at 31 December 2024, the Remaining Group's bank and other borrowings amounted to RMB4,853,688,440. As of 31 December 2024, the cash and cash equivalents of the Remaining Group were mainly denominated in RMB, with certain amounts denominated in USD and Hong Kong dollars. On 6 January 2024, the Company issued an interest-free promissory note in favour of Glory Keen Holdings Limited ("Glory Keen"), a substantial shareholder holding approximately 28.07% of the total number of issued Shares of the Company, in the amount of HK\$247,184,318 (the "Promissory Note").

On 8 February 2024, the Company and Glory Keen entered into an agreement to extend the maturity date of the Promissory Note (the “**Extension Agreement**”), pursuant to which the parties agreed to, among other things, extend the maturity date of the Promissory Note to 6 January 2025 or the date on which Glory Keen declares early maturity of the Promissory Note, following the failure of the Company to make repayment pursuant to the repayment arrangement as specified in the Extension Agreement, whichever is earlier. The repayment arrangement of the outstanding amount due under the Promissory Note of HK\$247,184,318 pursuant to the Extension Agreement shall be: (i) no later than 29 February 2024, the Company shall repay to Glory Keen not less than RMB15 million; (ii) no later than 31 July 2024, the Company shall repay to Glory Keen not less than RMB50 million in aggregate (i.e. including the amount repaid pursuant to subparagraph (i) above); and (iii) no later than 6 January 2025, the Company shall repay to Glory Keen all outstanding amount.

On 27 January 2025, the Company and Glory Keen entered into an agreement to further extend the maturity date of the Promissory Note (the “**Second Extension Agreement**”), pursuant to which the parties agreed to, among other things, further extend the maturity date of the Promissory Note for two years to 6 January 2027 or the fifth day after the date on which Glory Keen declares early maturity of the Promissory Note, upon Glory Keen and/or its shareholders reach the agreed liquidation condition or are under other circumstances necessitating liquidation or winding-up, whichever is earlier. Pursuant to the Second Extension Agreement, the Company shall repay to Glory Keen all outstanding amount of HK\$241,824,318 (i.e. the remaining amount of the Promissory Note) on or before 6 January 2027.

Upon repayment of all outstanding amount by the Company under the Promissory Note, the Share Charge (as defined below) will be released.

#### **MATERIAL ACQUISITION AND DISPOSAL AND SIGNIFICANT INVESTMENTS**

The Remaining Group neither made any material acquisitions or disposals of subsidiaries, associates or joint ventures nor held any significant investments for the year ended 31 December 2024.

#### **CHARGE ON THE REMAINING GROUP’S ASSETS**

As at 31 December 2024, property and equipment with an aggregate net book value of approximately RMB2,288.8 million (31 December 2023: RMB2,804.4 million) and investment property amounting to RMB1,345.4 million (31 December 2023: RMB834.4 million) of the Remaining Group had been pledged to secure the Remaining Group’s bank and other borrowings.

To secure the due performance of the Company under the Promissory Note, the Company executed and delivered a share charge, which the entire issued share capital of Golden Chance (Xian) Limited, a wholly-owned subsidiary of the Company, held by the Company is made subject to a charge in favour of Glory Keen (the “Share Charge”).

#### **MATERIAL PLAN FOR INVESTMENT OR CAPITAL ASSETS**

As at 31 December 2024, the Remaining Group had no plans for any significant investments or capital assets.

#### **FOREIGN EXCHANGE EXPOSURE**

During the year ended 31 December 2024, the revenue generated and costs incurred from the Remaining Group’s operation of department stores, shopping malls and supermarkets were in Renminbi. The Directors believe that the Remaining Group was not subject to any significant exposure to foreign exchange risk as most of the transactions, assets and liabilities of the Remaining Group were denominated in Renminbi.

#### **CONTINGENT LIABILITIES**

The Remaining Group had issued the following guarantee: A guarantee provided by Ginwa Bell Tower in respect of a sum payable for acquisition of a property by Ginwa Investments Holding Group Ltd (“Ginwa Investments”) in August 2005. Ginwa Investments has defaulted repayment of the above sum payable.

As at 31 December 2024, the Directors of the Company did not consider it is probable that a claim will be made against the Remaining Group under the above guarantee. The maximum liability of the Remaining Group at 31 December 2024 under the guarantee issued is the outstanding amount of the liability of RMB9,500,000 (31 December 2023: RMB9,500,000) plus accrued interest.

#### **HUMAN RESOURCES**

As at 31 December 2024, the number of the Remaining Group’s staff was 3,296 (31 December 2023: 3,435), including 627 (31 December 2023: 767) directly employed full time employees, and the remaining being concession sales staff managed on behalf of the suppliers; and the number of male and female employees was 495 and 2,801, respectively, accounting for approximately 15% and approximately 85%, respectively. Most of the employees are employed in Mainland China. The directly employed employees’ remuneration, promotion and salary increments are assessed based on both the Remaining Group’s performance and the professional and working experience of the individual as well as by reference to prevailing market practice and standards. Apart from the general remuneration package, the Remaining Group also grants discretionary bonus to the eligible staff based on their performance and contribution to the Remaining Group. The Remaining Group regards high-calibre staff as one of the key factors to corporate success.

## (C) FOR THE YEAR ENDED 31 DECEMBER 2023

## FINANCIAL RESULTS

The Remaining Group's gross revenue for the year ended 31 December 2023 was RMB976.7 million, as compared to RMB847.8 million for the year ended 31 December 2022. The increase in gross revenue was mainly due to the increase in the total revenue from new concession counters.

The Remaining Group's revenue for the year ended 31 December 2023 was RMB363.8 million, as compared to RMB376.1 million for the year ended 31 December 2022.

	<b>For the year ended 31 December 2023</b>		
	<b>Department stores and shopping malls</b>	<b>Supermarkets</b>	<b>Total</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	193,102	170,724	363,826
Reportable segment profit (adjusted EBITDA)	1,131	6,981	8,112

The gross rental income and management and administrative service fee income of the Remaining Group for the year ended 31 December 2023 were RMB90.1 million, as compared to RMB68.6 million for the year ended 31 December 2022. The increase was due to the rental and management service fee for new stores.

The Remaining Group's loss from operations (EBIT) for the year ended 31 December 2023 was RMB201.0 million as compared to loss of RMB178.4 million for the year 31 December 2022. The operating profit margin (loss from operations over gross revenue) changed from -21.0% to -20.6%.

Net finance costs of the Remaining Group for the year ended 31 December 2023 were RMB204.4 million (2022: RMB169.2 million). The increase in finance costs was due to the increase in interest expense on the borrowings.

The Remaining Group's loss for the year ended 31 December 2023 and loss attributable to shareholders of the Company were RMB406.3 million (2022: RMB316.5 million) and RMB399.4 million (2022: RMB299.3 million) respectively.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2023, the Remaining Group's cash at bank and on hand amounted to RMB29.1 million (31 December 2022: RMB19.3 million). The Remaining Group's bank balances and cash comprise cash and cash equivalents, bank deposits, and restricted bank deposits. As at 31 December 2023, the cash and cash equivalents of the Remaining Group were mainly denominated in RMB, with certain amount denominated in USD and Hong Kong dollars. As at 31 December 2023, the Remaining Group's net gearing ratio (being total loans less cash at bank and on hand divided by total equity) was approximately 3.8 (31 December 2022: 1.9).

As at 31 December 2023, the Remaining Group's bank balances and cash amounted to approximately RMB29,075,000.00 (31 December 2022: RMB19,285,000.00). As at 31 December 2023, the Remaining Group's bank and other borrowings amounted to RMB4,191,397,457 (including fixed-rate borrowings of RMB260,000,000) (31 December 2022: RMB3,568,605,324). As at 31 December 2023, the effective interest rates on bank and other borrowings ranged from 3.85% to 9%. The maturity profile of these borrowings are set out below:

	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	882,885	3,090,748
After 1 year but within 2 years	3,108,123	10,876
After 2 years but within 5 years	192,800	422,981
After 5 years	7,590	44,000
	<u>4,191,398</u>	<u>3,568,605</u>

## MATERIAL ACQUISITION AND DISPOSAL AND SIGNIFICANT INVESTMENTS

The Remaining Group neither made any material acquisitions or disposals of subsidiaries, associates or joint ventures nor held any significant investments for the year ended 31 December 2023.

**CHARGE ON THE REMAINING GROUP'S ASSETS**

As at 31 December 2023, property and equipment with an aggregate net book value of approximately RMB2,804.4 million (31 December 2022: RMB2,899.8 million), investment property amounting to RMB834.4 million (31 December 2022: RMB728.8 million) and cash at bank amounting to RMB1.4 million (31 December 2022: RMB2.7 million) of the Remaining Group had been pledged to secure the Remaining Group's bank and other borrowings.

**MATERIAL PLAN FOR INVESTMENT OR CAPITAL ASSETS**

As at 31 December 2023, the Remaining Group had no plans for any significant investments or capital assets.

**FOREIGN EXCHANGE EXPOSURE**

During the year ended 31 December 2023, the revenue generated and costs incurred from the Remaining Group's operation of department stores, shopping mall and supermarkets were in Renminbi. The Directors believe that the Remaining Group was not subject to any significant exposure to foreign exchange risk as most of the transactions, assets and liabilities of the Remaining Group were denominated in Renminbi.

**CONTINGENT LIABILITIES**

The contingent liabilities of the Remaining Group: A guarantee provided by Ginwa Bell Tower in respect of a sum payable for acquisition of a property by Ginwa Investments in August 2005. Ginwa Investments has defaulted repayment of the above sum payable. As at the end of the Reporting Period, the Directors of the Company did not consider it is probable that a claim will be made against the Remaining Group under the guarantee. The maximum liability of the Remaining Group as at the end of the Reporting Period under the guarantee issued is the outstanding amount of the liability of RMB9,500,000 (2022: RMB9,500,000) plus accrued interest.

**HUMAN RESOURCES**

As at 31 December 2023, the number of the Remaining Group's staff was 3,435 (31 December 2022: 2,000), including 767 (31 December 2022: 1,000) directly employed full time employees, and the remaining being concession sales staff managed on behalf of the suppliers; and the number of male and female employees was 580 and 2,855, respectively, accounting for approximately 17% and approximately 83%, respectively. Most of the employees are employed in Mainland China. The directly employed employees' remuneration, promotion and salary increments are assessed based on both the Remaining Group's performance and the professional and working experience of the individual as well as by reference to prevailing market practice and standards. Apart from the general remuneration package, the Remaining Group also grants discretionary bonus to the eligible staff based on their performance and contribution to the Remaining Group. The Remaining Group regards high-calibre staff as one of the key factors to corporate success.

The Company has implemented fair employment practices, and adopted the principles of merit-based employment and talents for suitable positions in the recruitment process without any gender discrimination.

**(D) FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP**

The principal activities of the Remaining Group are the operation of department stores, shopping malls and supermarkets and properties managements in the PRC.

Looking ahead, due to the impact of numerous uncertainties in domestic and international economy, the mainland department store industry remained mired in a market predicament characterised by business format differentiation and intensifying competition. Industry development continued to be constrained by internal and external factors, including the rationalization of the consumer market and profound changes in consumption habits and business models. The Remaining Group remained committed to its core objectives of "enhancing quality and efficiency, resolving risks and reshaping management", and steadily advanced the established four-wheel-driven development strategy. It made full efforts to deepen organizational and cost control, reshape marketing discipline, tackle historical issues, and advance the differentiated upgrading of business formats. Breakthrough progress was achieved in various key operational areas, successfully driving a steady improvement in operational efficiency. Amidst industry challenges, the Remaining Group fortified its development foundation, continuously created quality consumer experiences for customers and generated long-term, stable value for the shareholders.

The Remaining Group will set “achieving a turnaround from losses to profits and pursuing high-quality development” as its overarching goal. Confronting operational pain points directly, it will focus on four key areas including precision investment attraction, refined operations, high-quality service and enhanced management quality, in an aim to drive synergistic upgrades across all regions and segments, continuously deepen business format innovation, fortify the security defense line for cash flows, and thus build a commercial ecosystem that adapts to market changes. Through these efforts, the Remaining Group seeks to further consolidate its competitive advantages and achieve breakthroughs in the regional market competition. In terms of regional development, the Xi’an region will continue to strengthen its focus on creating family life experience scenarios, aiming to become a regional benchmark for experiential consumption. The Xianyang region, with urban outlet mall as its core, will strive to create a differentiated commercial landmark, fully unlocking the consumption potential of the Xi’an metropolitan area. Regarding business format integration, the Remaining Group will persistently promote deep linkages between experiential formats such as sports, entertainment, parent-child activities and dining, and the retail segment, so as to truly realize the transformation from “product-centric retailing” to “lifestyle-oriented guidance”. In respect of corporate operations, the Remaining Group will steadily advance its digital transformation and enhance its capability for integrated online and offline services in a way that builds a more agile, efficient and resilient commercial ecosystem that adapts to market changes.

*The following is the text of a letter and valuation report prepared for the purpose of incorporation in this Circular received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of market value of certain property held by the Group in the PRC as at 31 March 2026.*



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

The Board of Directors  
Century Ginwa Retail Holdings Limited  
Suites 1106-08, 11<sup>th</sup> Floor,  
The Chinese Bank Building,  
61-65 Des Voeux Road Central,  
Hong Kong

3 June 2026

Dear Sirs,

### **Instructions, Purpose & Valuation Date**

In accordance with the instruction of Century Ginwa Retail Holdings Limited (the “**Company**”) for Cushman & Wakefield Limited (“**C&W**”) to value certain property (the “**Property**”) held by the Company and/or its subsidiaries (together referred to as the “**Group**”) in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the value of the Property as at 31 March 2026 (the “**Valuation Date**”).

### **Valuation Basis**

Our valuation of the Property represents its market value which in accordance with the HKIS Valuation Standards 2024 published by the Hong Kong Institute of Surveyors (the “**HKIS**”) is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

In valuing the Property, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and The HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors.

Our valuation of the Property is on an entirety interest basis.

### **Valuation Assumptions**

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

In the course of our valuation of the Property, we have relied on the information and advice given by the Group and the Company's PRC legal adviser (the "**PRC Legal Adviser**"), AllBright Law Offices, regarding the title to the Property and the interests of the Group in the Property. Unless otherwise stated in the legal opinion, in valuing the Property, we have prepared our valuation on the basis that the owner has enforceable title to the Property and has free and uninterrupted right to use, occupy or assign the Property for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid.

The status of title and grant of major certificates, approvals and licences, in accordance with the information provided by the Company are set out in the notes of the valuation report. We have assumed that all consents approvals, and licences from relevant government authorities for the developments have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the Property are in compliance with the local planning regulations and have been approved by the relevant authorities.

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

### **Valuation Method**

In forming our opinion of the market value of the Property, we have used Investment Method by capitalising the rental incomes derived from the existing tenancies, if any, with due provision for reversionary potential of each constituent portion of the Property at an appropriate capitalisation rate. As the Property generates rental income from letting arrangements and such rental comparables are most readily available, we consider Investment Method to be the best method to value the Property, which is also commonly used in valuing the Property for investment purpose.

When using Investment Method, we have mainly made reference to lettings within the Property as well as other relevant comparable rental evidence of properties of similar use type subject to appropriate adjustments including but not limited to location, accessibility, age, quality, size, time and other relevant factors. The capitalisation rates adopted in our valuation are based on our analyses of the yields of properties of similar use type after due adjustments. Such capitalisation rates are estimated with reference to the yields generally expected by the market for comparable properties of similar use type, which implicitly reflect the type and quality of these properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors. The capitalisation rates adopted are reasonable and in line with the market norm having regard to the analysed yields of transactions of the relevant use type.

Key assumptions adopted in Investment Method for the Property:

<b>Portion</b>	<b>Lettable area (sq m)</b>	<b>Capitalisation rate</b>	<b>Market Unit Rent (RMB/sq m/Month)</b>
B1 Retail	9,342.94	5.5%-7%	150-760
B2 Retail	12,765.00	5.5%-7%	80-270

In the course of our valuation, we have considered the differences between the subject property and the comparable properties in terms of various factors and accordingly made due adjustments, including but not limited to the transaction status, location and environment, size, etc. If the comparable is similar to the subject property, no adjustment is necessary. However, if the subject property is inferior to the comparable property, downward adjustment would be made in order to derive the lower unit rate of the subject property. Likewise, if the subject property is superior to the comparable property, upward adjustment would be made.

### Source of Information

In the course of our valuation, we have relied to a very considerable extent on the information given by the Group and have accepted advice on such matters as planning approvals or statutory notices, easements, tenure, identification of the land and building, particulars of occupancy, tenancy details, completion date, site and floor areas, interest attributable to the Group and all other relevant matters. No information relied upon is provided by any connected person.

Dimensions, measurements and areas included in the valuation report are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuation. We were also advised by the Group that no material facts have been omitted from the information provided to us. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

**Title Investigation**

We have been provided by the Company with extracts of documents in relation to the current title to the Property, but no searches have been made. We are also unable to ascertain the title of the Property and we have therefore relied on the advice given by the Company or the Company's PRC Legal Adviser regarding the interest of the Group in the Property. In the course of our valuation, we have relied to a considerable extent on the information given by the Company and its PRC Legal Adviser in respect of the title to the Property.

However, we have not searched the original documents to verify ownership or to ascertain any amendments. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

**Site Inspection**

Our valuer, Dean Wang (Manager, CREA, 12 years of experience in property valuation) of our Xi'an Office inspected the exterior, and where possible, the interior of Property on 30 April 2026. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the Property is free of rot, infestation or any other structural defects. No tests were carried out to any of the services.

The Property is a sunken underground commercial building with a total of two floors (three floors partially), and is located on Basement Level 1 and Basement Level 2 (with partial areas extending to Ground Level 1). The building was constructed and operated in around 1998.

The structure of the Property is reinforced concrete, with an exterior facade featuring dry-hung stone panels combined with glass curtain wall elements. The interior public areas are finished with stone and tile flooring, emulsion-painted walls, and gypsum board suspended ceilings.

The Property is equipped with complete facilities and systems, including water and electricity, telecommunications networks, fire protection systems, security systems, air conditioning systems and elevators.

Majority of the shopping mall has been closed since June 2021. Except for some peripheral spaces that are still leased out, the Property remains vacant. As of the Valuation Date, the interior finishes and facilities have experienced ordinary wear and tear. If full operation is to resume, refurbishment and renovation will be required.

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

**Currency and Exchange Rate**

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

**Other Disclosure**

We hereby confirm that C&W and the valuers conducting the valuation have no pecuniary or other interests that could conflict with the proper valuation of the Property or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion. We confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Listing Rules.

We attach herewith our valuation report for your attention.

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

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

Property interest held by the Group for investment in the PRC

### VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2026												
<p>The commercial property located at basement level 2 to basement level 1, the Century Ginwa Bell Tower, No. 1 Xida Street, Lianhu District, Xi'an City, Shaanxi Province, the PRC</p> <p>(中華人民共和國陝西省西安市蓮湖區西大街1號世紀金花鐘樓店地下二層至地下一層商業房地產)</p>	<p>The Property comprises 2 basement floors of a commercial building erected on a parcel of land of a site area of approximately 16,455.7 sq m which was completed in 1998.</p> <p>The Property has a total gross floor area ("GFA") of approximately 30,184.94 sq m with details as follows:</p> <table border="1"> <thead> <tr> <th>Floor</th> <th>Use</th> <th>GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td>B1</td> <td>Retail</td> <td>11,791.94</td> </tr> <tr> <td>B2</td> <td>Retail</td> <td>18,393.00</td> </tr> <tr> <td colspan="2">Total:</td> <td>30,184.94</td> </tr> </tbody> </table>	Floor	Use	GFA (sq m)	B1	Retail	11,791.94	B2	Retail	18,393.00	Total:		30,184.94	<p>As at the Valuation Date, portions of the Property with a total leasable area of 3,351 sq m have been leased to various tenants with the latest expiry in September 2026, generating a total monthly rent of approximately RMB1,007,000, excluding value-added tax ("VAT") and building management fees. The rest of the Property remains vacant.</p>	<p>RMB783,000,000</p> <p>(RENMINBI SEVEN HUNDRED AND EIGHTY THREE MILLION)</p> <p>(100% interest attributable to the Group: RMB783,000,000)</p>
Floor	Use	GFA (sq m)													
B1	Retail	11,791.94													
B2	Retail	18,393.00													
Total:		30,184.94													
	<p>The Property is situated at the centre of Xi'an City. It is surrounded by famous historical buildings such as the Bell and Drum Tower, which is a landmark feature in Xi'an City. In addition, Huimin Street is also nearby, which is the core commercial district of Xi'an City. Nearby are Kaiyuan Mall, Zhongda International Shopping Centre, Central Plaza and other commercial complex projects.</p> <p>The land use rights of the Property have been granted for a term due to expire on 19 June 2050 for retail and public welfare uses.</p>														

*Notes:*

- (1) According to Real Estate Ownership Certificate No. 1100108015III-47-1~1 dated 23 October 2007, the real estate ownership of the Property has been vested in Xi'an Yixin Property Management Co., Ltd (西安億鑫物業管理有限公司) (a wholly-owned subsidiary of the Group), with a total gross floor area of approximately 30,184.94 sq m for retail use.
- (2) According to State-owned Land Use Right Certificate No. (2007) 960 dated 27 November 2007, the land use rights of the Property have been vested in Xi'an Yixin Property Management Co., Ltd (西安億鑫物業管理有限公司) (a wholly-owned subsidiary of the Group), with a site area of approximately 16,455.7 sq m for the land use term due to expire on 19 June 2050 for retail and public welfare uses.
- (3) We have been provided with a legal opinion regarding the property interest prepared by the Company's PRC Legal Adviser, which contains, inter alia, the following:
  - a) According to State-owned Land Use Right Certificate No. (2007) 960(國有土地使用權證(西蓮國用2007第960號)) and Real Estate Ownership Certificate No. 1100108015III-47-1~1(西安市房權證蓮湖區字第1100108015III-47-1~1號), Yixin Property Management Co., Ltd (西安億鑫物業管理有限公司) is the registered holder of the state-owned land use rights and real estate ownership.
  - b) As of the date of issuance of the legal opinion, Yixin Property Management Co., Ltd (西安億鑫物業管理有限公司) has lawfully acquired and legally owns the aforementioned state-owned land use rights and real estate ownership. Yixin Property Management Co., Ltd (西安億鑫物業管理有限公司) lawfully possesses the rights to occupy, use, dispose of through leasing the state-owned land use rights and real estate ownership during the term stated in the Real Estate Ownership Certificate.
  - c) According to Xi'an Real Estate Registry (No. 610104007009GB00008F00010000), The Bank of East Asia (China) Limited, Xi'an Branch was entitled to a mortgage right of the Property (Real Estate Ownership Certificate No. 1100108015III-47-1~1) owned by Yixin Property Management Co. Ltd (西安億鑫物業管理有限公司).
  - d) According to the Xi'an Real Estate Mortgage Contract (西安市房地產抵押合同) signed between Xi'an Yixin Property Management Co., Ltd. (西安億鑫物業管理有限公司) and The Bank of East Asia (China) Limited, Xi'an Branch (東亞銀行(中國)有限公司西安分行), Xi'an Yixin Property Management Co., Ltd. (西安億鑫物業管理有限公司) may only transfer, gift, sell, exchange, place in trust, establish a right of residence or create a security interest on the subject property after obtaining prior written consent from The Bank of East Asia (China) Limited, Xi'an Branch (東亞銀行(中國)有限公司西安分行). The Xi'an Real Estate Mortgage Contract (西安市房地產抵押合同) is governed by the PRC laws. As advised by the PRC legal Adviser of the Company, according to the relevant PRC laws and regulations, the transfer of equity interests and creditor's rights by the shareholder (i.e. Xi'an Qujiang Century Ginwa Commercial Management Group Limited (西安曲江世紀金花商業管理集團有限公司) of Xi'an Yixin Property Management Company Limited (西安億鑫物業管理有限公司) does not constitute a transfer of the mortgaged property by Xi'an Yixin Property Management Company Limited (西安億鑫物業管理有限公司). Therefore the disposal does not require the consent of The East Asia (China) Limited, Xi'an Branch.

- (4) In valuing the Property, we have adopted Investment Method. We have taken into account referable existing leasing and comparable cases, including transaction cases in the Xi'an market. Comparable properties are selected based on the following criteria: (i) the transaction cases took place within 2 years from the Valuation Date; (ii) comparable properties are located in Yanta, Weiyang, Beilin, Xincheng or Lianhu district of Xi'an City; (iii) the nature of the comparable properties are similar to the Property. We have examined the current market and the rental comparables identified by us are considered based on the above criteria. The details are listed as follows:

The unit monthly rents of the comparables range from RMB405 per sq m to RMB504 per sq m exclusive of VAT and building management fees.

Comparable	Comparable 1	Comparable 2	Comparable 3
	Retail unit	Retail unit	Retail unit
Property	located at Cien West Road	located at Taihua North Road	located at Tangyan Road
District	Yanta	Weiyang	Yanta
Use	Retail	Retail	Retail
Floor	1F	1F	1F
Unit Rent (RMB/sq m/month)	461	504	405
Transaction Status	Transaction	Transaction	Transaction

#### Adjustment

Commercial prosperity level	Similar to the Property	Inferior to the Property	Inferior to the Property
Proximity to regional centre	Inferior to the Property	Inferior to the Property	Inferior to the Property
Accessibility	Inferior to the Property	Inferior to the Property	Inferior to the Property
Public facility	Inferior to the Property	Inferior to the Property	Inferior to the Property
Frontage	Similar to the Property	Superior to the Property	Similar to the Property
Decoration	Superior to the Property	Superior to the Property	Superior to the Property
Age and maintenance	Superior to the Property	Superior to the Property	Superior to the Property
Property management	Superior to the Property	Superior to the Property	Superior to the Property
Remaining land tenure	Similar to the Property	Superior to the Property	Superior to the Property

For those characteristics inferior to the Property, upward adjustments have been made, while superior to the Property, downward adjustments have been made. For those similar to the Property, no adjustment is needed.

The major adjustments are listed as follows:

Adjustment	Range
Commercial prosperity level	0%~5%
Proximity to regional centre	0%~5%
Accessibility	0%~4%
Public facility	0%~2%
Frontage	-5%~0%
Decoration	-10%~0%
Age and maintenance	-5%~0%
Property management	-2%~0%
Remaining land tenure	-2%~0%

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**APPENDIX VI                      RECONCILIATION STATEMENT PURSUANT TO RULE 5.07  
OF THE LISTING RULES**

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**RECONCILIATION STATEMENT**

Cushman & Wakefield Limited, an independent professional valuer, has valued the properties held by the Target Company and is of the opinion that the market value of the properties in aggregate amounted to approximately RMB783,000,000 as at 31 March 2026. Details of the property valuation report are set out in Appendix V to this circular.

Pursuant to Rule 5.07 of the Listing Rules, the statement below shows the reconciliation of the net book value of the properties held by the Target Company as reflected in the financial information of the Target Company as at 31 December 2025 set out in Appendix II to this circular with the valuation of the properties held by Target Company as at 31 March 2026 as set out in the property valuation report contained in Appendix V to this circular:

	<b>Total</b> <i>RMB'000</i>
Net book value of the properties as at 31 December 2025	820,926
Net valuation deficit	<u>(37,926)</u>
Valuation of the properties as at 31 March 2026 as set out in the property valuation report	<u><u>783,000</u></u>



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

3 June 2026

The Directors  
Century Ginwa Retail Holdings Limited  
Suites 1106-08, 11th Floor,  
The Chinese Bank Building,  
61-65 Des Voeux Road Central,  
Hong Kong

Dear Sirs,

**Re: The market value of 100 percent equity interest in Xi'an Yixin Property Management Co., Ltd. 西安億鑫物業管理有限公司\* (the "Target Company")**

#### **Instructions, Purpose & Valuation Date**

We refer to the instructions from Century Ginwa Retail Holdings Limited (the "**Company**") to us to conduct a valuation of the market value of 100 percent equity interest in the Target Company. We are pleased to report that we have made relevant enquiries and obtained necessary information for the purpose of providing you with our market value estimate of 100 percent equity interest in the Target Company as at 31 March 2026 (the "**Valuation Date**").

The purpose of this valuation is for circular reference for the Company.

\* *for identification purposes only*

#### **Definition of Market value**

Our valuation was carried out on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

**Method of Valuation**

In arriving at our assessed value of the equity interest, we have considered three generally accepted approaches, namely, Market Approach, Asset Based Approach and Income Approach. The selection of a valuation approach is based on, among others, the quantity and quality of the information provided, access to available data, availability of relevant market transactions, type and nature of subject assets, purpose and objective of the valuation and professional judgment and technical expertise. Among the three approaches, we consider that Asset Based Approach is more appropriate for this valuation.

**Source of Information**

We have relied to a considerable extent on information provided by the management of the Company (the “**Management**”) in arriving at our opinion of value. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to us are accepted.

Our opinion of the market value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. In the implementation of the valuation, we adhere to the principles of independence, objectivity and fairness. According to the information we collected during the course of valuation, the contents of the valuation report are objective. The evaluation conclusion should not be regarded as any guarantee for the valuation object’s achievable price.

Unless otherwise stated, all monetary amounts stated in this valuation report are in RENMINBI (“**RMB**”).

Based on the results of our investigation and analysis outlined in the report which follows, we are of the opinion that the market value of 100 percent equity interest in the Target Company as at the Valuation Date is reasonably stated as below:

<b>Valuation Date</b>	<b>31 March 2026</b>
<b>Market value of 100% Equity Interest in the Target Company</b>	<b>RMB691,000,000 (RENMINBI SIX HUNDRED NINETY ONE MILLION ONLY)</b>

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**APPENDIX VII VALUATION REPORT OF THE TARGET EQUITY INTERESTS**

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The following pages outline the factors considered, methodologies and assumptions employed in formulating our opinions and conclusions. All opinions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully,  
For and on behalf of  
**Cushman & Wakefield Limited**

This report has been reviewed by

**Bruce Oong**  
CPA  
Senior Director  
Valuation & Advisory Services, Greater China

**Grace Lam**  
MRICS, MHKIS, R.P.S. (GP)  
Senior Director  
Valuation & Advisory Services, Greater China

## **1. INTRODUCTION**

This report has been prepared in accordance with instructions from the Company to express an independent opinion of the market value of 100 percent equity interest in the Target Company as at 31 March 2026.

## **2. PURPOSE OF VALUATION**

The purpose of this valuation is for circular reference for the Company.

## **3. BASIS OF VALUE**

Our valuation has been carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have conducted our valuation in accordance with International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the Target Company. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

## **4. BACKGROUND**

The Target Company was established in the People’s Republic of China (the “**PRC**”) in 2006 and is primarily engaged in property management of self-owned assets and related supporting services, and real estate consulting. The Target Company held the commercial property located at basement level 2 to basement level 1, Century Ginwa Bell Tower, No. 1 Xida Street, Lianhu District, Xi’an City, Shaanxi Province, the PRC (referred to as the “**Century Ginwa Project**”).

## **5. QUALIFICATION**

The subject valuation exercise is led and signed by Mr. Bruce Oong, and reviewed by Ms. Grace Lam.

Mr. Oong is a Senior Director of Cushman & Wakefield Limited. He is a Chartered Professional Accountant of Canada and has over 18 years’ experience in business valuation.

Ms. Lam is a Senior Director of Cushman & Wakefield Limited. She is a registered professional surveyor, a member of the Royal Institution of Chartered Surveyors as well as a member the Hong Kong Institute of Surveyors, and has over 30 years’ experience in property valuation.

## **6. SCOPE OF WORK**

In the course of our valuation work, the following processes had been conducted to evaluate the reasonableness of the adopted bases and assumptions provided by the Management:

- Discussed with the Management and obtained relevant financial information in respect of the Target Company;
- Examined the relevant bases and assumptions of the financial information in respect of the Target Company;
- Conducted appropriate research to obtain sufficient market data and statistical figures and prepared the valuation based on generally accepted valuation procedures and practices; and
- Presented the purpose and basis of valuation, scope of work, overview of the Target Company, related key business descriptions, source of information, major assumptions, valuation methodology and our opinion of value in this report.

## **7. SOURCE OF INFORMATION**

To perform our valuation of the market value of the Target Company's equity interest, we have relied on the following information provided by the Management, as well as other publicly available information that we have gathered through our own research, including but not limited to the following:

- Copies of business licences and other relevant documents of the Target Company;
- Unaudited financial report of the Target Company as at the Valuation Date provided by the Management; and
- Other public information relating to the valuation.

We have not independently verified any of the information which has been provided to us. In analysing the information, we have held discussions with the Management. We have had no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation. We were also advised that no material facts have been omitted from the information supplied.

## **8. VALUATION METHODOLOGY**

There are generally three accepted approaches to obtain the market value of 100 percent equity interest in the Target Company, namely Market Approach, Income Approach and Asset Based Approach. Each of these approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature.

### **Market Approach**

Market Approach values a business entity by comparing prices at which other business entities of a similar nature changed hands in arm's length transactions. The underlying theory of this approach is that one would not pay more than one would have to for an equally desirable alternative. Market Approach comprises two methods namely Guideline Public Company Method and Guideline Transaction Method.

Guideline Public Company Method focuses on analysing the data and valuation multiples of companies that can be considered comparable to those being valued. Adjustments are made to the comparable companies to compensate for differences between those companies and the subject company. Finally, appropriate valuation multiples are applied to the subject company's normalised financial data to arrive at an indication of the value of the subject company.

Guideline Transaction Method measures value based on what other purchasers in the market have paid for companies that can be considered reasonably similar to those being valued. When Guideline Transaction Method is utilised, data are collected on the prices paid for reasonably comparable companies. Adjustments are made to the comparable companies to compensate for differences between those companies and the subject company being valued. The application of Guideline Transaction Method results in an estimate of the price reasonably expected to be realised from the sale of the subject company.

### **Income Approach**

Income Approach focuses on the economic benefits due to the income producing capability of the business entity. The underlying theory of this approach is that the value of the business entity can be measured by the present worth of the economic benefits to be received over the useful life of the business entity. Based on this valuation principle, Income Approach estimates the future economic benefits and discounts them to their present values using a discount rate appropriate for the risks associated with realising those benefits.

Alternatively, this present value can be calculated by capitalising the economic benefits to be received in the next period at an appropriate capitalisation rate. This is subject to the assumption that the business entity will continue to maintain stable economic benefits and growth rate.

**Asset Based Approach**

Asset Based Approach is based on the general concept that the earning power of a business entity is derived primarily from its existing assets. The assumption of this approach is that when each of the elements of working capital, tangible and intangible assets is individually valued, their sum represents the value of a business entity and is equal to the value of its invested capital. In other words, the value of the business entity is represented by the money that has been made available to purchase the business assets needed. This money comes from investors who buy stocks of the business entity and investors who lend money to the business entity. After collecting the total amounts of money from equity and debt, and converted into various types of assets of the business entity for its operation, their sum equals the value of the business entity.

**Selection of Valuation Methodology**

The selection of a valuation approach is based on, among others, the quantity and quality of information provided, access to available data, availability of relevant market transactions, type and nature of subject assets, purpose and objective of the valuation and professional judgment and technical expertise. Among the three approaches, we consider that Asset Based Approach is more appropriate to value the equity of the Target Company as the main assets owned by the Target Company are real estate assets.

**9. MAJOR ASSUMPTIONS**

In determining the market value of 100 percent equity interest of the Target Company, the following principal assumptions have been adopted:

- The information provided has been prepared on a reasonable basis after due and careful consideration by the Management;
- All relevant legal approvals and business certificates or licences to operate the business in the localities in which the Target Company operate or intend to operate would be officially obtained and renewable upon expiry;
- There will be no major change in the current taxation laws in the localities in which the Target Company operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with;
- There will be no major changes in the political, legal, economic, or financial conditions in the localities in which the Target Company operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Company;

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**APPENDIX VII VALUATION REPORT OF THE TARGET EQUITY INTERESTS**

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- Interest rates and exchange rates in the localities for the operation of the Target Company will not differ materially from those presently prevailing;
- The core business operation of the Target Company will not differ materially from those of present or expected; and
- The information regarding the Target Company provided by the Management is true and accurate.

**Valuation Summary**

The adopted values and valuation methodologies for each of the balance sheet items of the Target Company are listed below:

	<b>As at 31 March 2026 Book Value (RMB)</b>	<b>As at 31 March 2026 Market Value (RMB)</b>	<b>Remark</b>
<b>Current assets</b>			
Cash and cash equivalents	265,573	265,573	1
Other receivables	6,550,400	6,550,400	1
<b>Total current assets</b>	<b>6,815,973</b>	<b>6,815,973</b>	
<b>Non-current assets</b>			
Property, plant and equipment	116,218,061	783,000,000	2
Deferred tax asset	2,220,000	2,220,000	1
<b>Total non-current assets</b>	<b>118,438,061</b>	<b>785,220,000</b>	
<b>Total assets</b>	<b>125,254,035</b>	<b>792,035,973</b>	
<b>Current liabilities</b>			
Tax payables	329,911	329,911	1
Other payables	100,668,752	100,668,752	1
<b>Total current liabilities</b>	<b>100,998,662</b>	<b>100,998,662</b>	
<b>Non-current liabilities</b>			
Deferred tax liabilities	375,226	375,226	1
<b>Total non-current liabilities</b>	<b>375,226</b>	<b>375,226</b>	
<b>Total liabilities</b>	<b>101,373,888</b>	<b>101,373,888</b>	
<b>Net assets</b>	<b>23,880,147</b>	<b>691,000,000</b>	<b>Rounded</b>

Remarks:

1. Book values shown on the management accounts of the Target Company as at the Valuation Date provided by the Management were adopted. We have not performed any valuation exercise.
2. For market value of the property, plant and equipment, please refer to the Valuation Report of the Century Ginwa Project prepared by Cushman & Wakefield Limited separately. The Property was classified as property, plant and equipment in accordance with the PRC Accounting Standards for Business Enterprises on cost basis as at 31 March 2026 under cost model. According to the Xi'an Real Estate Mortgage Contract (西安市房地產抵押合同) signed between Xi'an Yixin Property Management Co., Ltd. (西安億鑫物業管理有限公司) and The Bank of East Asia (China) Limited, Xi'an Branch (東亞銀行(中國)有限公司西安分行), Xi'an Yixin Property Management Co., Ltd. (西安億鑫物業管理有限公司) may only transfer, gift, sell, exchange, place in trust, establish a right of residence or create a security interest on the subject property after obtaining prior written consent from The Bank of East Asia (China) Limited, Xi'an Branch (東亞銀行(中國)有限公司西安分行). The Xi'an Real Estate Mortgage Contract (西安市房地產抵押合同) is governed by the PRC laws. As advised by the PRC legal adviser of the Company, according to the relevant PRC laws and regulations, the transfer of equity interests and creditor's rights by the shareholder (i.e. Xi'an Qujiang Century Ginwa Commercial Management Group Limited (西安曲江世紀金花商業管理集團有限公司)) of Xi'an Yixin Property Management Company Limited (西安億鑫物業管理有限公司) does not constitute a transfer of the mortgaged property by Xi'an Yixin Property Management Company Limited (西安億鑫物業管理有限公司). Therefore the disposal does not require the consent of The East Asia (China) Limited, Xi'an Branch. No additional liability in relationship to the mortgage was considered in this valuation.

## **10. LIMITING CONDITION**

The valuation reflects facts and conditions existing at the Valuation Date. Subsequent events have not been considered and we are not required to update our report for such events and conditions.

To the best of our knowledge, all data set forth in this report are reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that have been used in formulating this analysis are gathered from reliable sources; yet, no guarantee is made nor liability is assumed for their accuracy.

We have relied to a considerable extent on information provided by the Management of the Company in arriving at our opinion of value. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to us are accepted.

Our opinion of the market value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

Sustainability and Environmental, Social, and Governance (“ESG”) factors are considerations which some market participants may take into account in their decision-making and may be reflected in pricing. In the course of our valuation, we have, where applicable, taken into account, to the extent that current market participants would, of the material sustainability features of the Target Company as observed from information supplied or notified to us by the Company. For the avoidance of doubt, our valuation does not constitute ESG risk assessments or ratings, which are outside our expertise and require additional specialists’ advice beyond the scope of the valuer.

Neither the whole nor any part of this report or any reference hereto may be included in any published document, circular or statement, or published in any way, without our prior written approval of the form and context in which it may appear.

Finally and in accordance with our standard practice, we must state that this report and valuation are for the exclusive use only of the addressee and for the purpose stated herein. No responsibility is accepted to any third party for the whole or any part of the contents.

## **11. REMARKS**

We hereby confirm that we have neither present nor prospective interests in the Target Company.

**12. OPINION OF VALUE**

Based on the results of our investigation and analysis outlined in the report which follows, we are of the opinion that the market value of 100 percent equity interest in the Target Company as at the Valuation Date is reasonably stated as below:

<b>Valuation Date</b>	<b>31 March 2026</b>
<b>Market value of 100% Equity Interest in the Target Company</b>	<b>RMB691,000,000 (RENMINBI SIX HUNDRED NINETY ONE MILLION ONLY)</b>

Yours faithfully,  
For and on behalf of  
**Cushman & Wakefield Limited**

This report has been reviewed by

**Bruce Oong**  
CPA  
Senior Director  
Valuation & Advisory Services, Greater China

**Grace Lam**  
MRICS, MHKIS, R.P.S. (GP)  
Senior Director  
Valuation & Advisory Services, Greater China

This Asset Valuation Report is prepared in accordance with the Assets Appraisal Standards of the People's Republic of China

**Project on the Proposed Equity Transfer  
Relates to the Creditor's Rights Market  
Value of Xi'an Yixin Property  
Management Company Limited\*  
(西安億鑫物業管理有限公司)  
held by Xi'an Qujiang Century Ginwa  
Commercial Management Group Limited\*  
(西安曲江世紀金花商業管理集團有限公司)  
Asset Valuation Report**

**No. 428 [2026] of the Newland Valuation  
(Volume 1, Total 1 Volume)**



**Newland Appraisal Co., Ltd.\* (新蘭特房地產資產評估有限公司)**

**3 June 2026**

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### Asset Valuation Report Statement

- I. This Asset Valuation Report shall be prepared in accordance with the Basic Standards for Asset Appraisal issued by the Ministry of Finance and the code of practice for asset appraisal and the code of professional ethics issued by the China Appraisal Society.
- II. The Principal or any other user of this Asset Valuation Report shall use this Asset Valuation Report according to the laws, administrative regulations and the scope of use prescribed in this Asset Valuation Report. Where the Principal or any other user of this Asset Valuation Report uses this Asset Valuation Report in violation of the aforesaid provisions, the asset appraisal institution and its asset appraisal professionals shall not be liable.
- III. This Asset Valuation Report shall only be used by the Principal, any other Asset Valuation Report user as agreed on in the contract on entrusting an asset appraisal, or any Asset Valuation Report user as prescribed by any law or administrative regulation, and, except for the foregoing, no other institution or individual may become a user of this Asset Valuation Report.
- IV. Our asset appraisal institution and asset appraisers remind the user of this Asset Valuation Report to correctly understand the appraisal conclusion, that the appraisal conclusion is not equal to the realizable price of the appraisal object, and that the appraisal conclusion should not be deemed as a guarantee for the realizable price of the appraisal object.
- V. Our asset appraisal institution and asset appraisers shall abide by laws, administrative regulations and asset appraisal standards, adhere to the principles of independence, objectiveness and impartiality, and be liable for the asset valuation reports issued by them.
- VI. The list of assets involved in an appraisal object shall be declared by the Principal and the Property Right Holder, and be confirmed by signature, seal or any other means permitted by law, and the Principal and other relevant parties shall be responsible for the authenticity, integrity and legality of the materials provided by them according to law.
- VII. Our asset appraisal institution and asset appraisers have no existing or expected interest relationship with the appraisal object in the asset appraisal report, have no existing or expected interest relationship with the relevant party, and have no bias against the relevant party.
- VIII. Asset appraisers have made an on-site investigation of the appraisal object in the asset valuation report and the assets involved therein, paid necessary attention to the legal ownership status of the appraisal object and the assets involved therein, checked the legal ownership information of the appraisal object and the assets involved therein, truthfully disclosed the problems found, and asked the Principal and other relevant parties to improve their property rights so as to meet the requirements for issuing the asset valuation report.

- IX. The analysis, judgments and results in the asset valuation report issued by our asset appraisal institution shall be subject to the assumptions and restrictive conditions in the asset appraisal report, and the user of the asset appraisal report shall fully consider the assumptions, restrictive conditions, explanations on special matters and their impact on the appraisal conclusion as stated in the asset valuation report.

**Project on the Proposed Equity Transfer Relates to the Creditor's Rights  
Market Value of Xi'an Yixin Property Management Company Limited\*  
(西安億鑫物業管理有限公司) held by  
Xi'an Qujiang Century Ginwa Commercial Management Group Limited\*  
(西安曲江世紀金花商業管理集團有限公司)  
Summary of Asset Valuation Report**

No. 428 [2026] of the Newland Valuation

Entrusted by Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司), Newland Appraisal Co., Ltd.\* (新蘭特房地產資產評估有限公司) assessed the market value of the creditor's rights of Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) held by Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司). The main information in the body text of the Asset Valuation Report and the summary of assessment conclusions is hereby given as follows.

Economic behavior: Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司) intended to transfer its creditor's rights of Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) to Xi'an Qujiang Financial Holdings Asset Operation and Management Co., Ltd.\* (西安曲江金控資產運營管理有限公司) due to the equity transfer.

Appraisal Objective: The proposed equity transfer of Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司). The purpose of this assessment is to assess the market value of the creditor's rights of Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) held by Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司), which are involved in this economic behavior, to provide a market value as at the Benchmark Date of Assessment and a value reference for equity transfer.

Appraisal Subject: the market value of the creditor's rights as declared by Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司).

Assessment Scope: the creditor's right (other receivable) of Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) held by Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司) relating to the Assessment Entity, with an aggregate amount of RMB100,668,751.91.

Value Type: market value.

Benchmark Date of Assessment: 31 March 2026.

Valuation Method: cost approach.

Conclusion for the Valuation: The carrying amount of the creditor's right of Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) held by Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司) was RMB100,668,751.91 and the assessed value was RMB100,668,751.91 as at the Benchmark Date of Assessment, and there was no change in impairment during the assessment.

The validity period for the use of assessment conclusions: the period between the Benchmark Date of Assessment and the date of realization of economic behavior should not exceed one year, i.e., from 31 March 2026 to 30 March 2027. Reassessment of assets is required if the period is more than one year.

Contents of the special matters that affect the assessment conclusion: The user of the Asset Valuation Report shall be aware of the impact of the special matters in the body of the Report on the assessment conclusion.

**The aforesaid contents are extracted from the main body text of the Asset Valuation Report, and if you want to know the details of the appraisal operation and correctly understand the appraisal conclusion, you shall read the main body text of the Asset Valuation Report.**

**Project on the Proposed Equity Transfer Relates to the Creditor's Rights Market Value of Xi'an Yixin Property Management Company Limited\***

(西安億鑫物業管理有限公司) held by

**Xi'an Qujiang Century Ginwa Commercial Management Group Limited\***

(西安曲江世紀金花商業管理集團有限公司)

**Main Body Text of the Asset Valuation Report**

No. 428 [2026] of the Newland Valuation

To Xi'an Qujiang Century Ginwa Commercial Management. Group Limited\* (西安曲江世紀金花商業管理集團有限公司):

As entrusted by your esteemed company, in accordance with the provisions of laws, administrative regulations and asset appraisal standards, and adhering to the principles of independence, objectivity and impartiality, and by adopting the cost approach and in accordance with necessary appraisal procedures, Newland Appraisal Co., Ltd.\* (新蘭特房地產資產評估有限公司) has assessed the market value of the creditor's rights as at 31 March 2026 of Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) held by Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司) in connection with the equity transfer plan to be implemented. We hereby report the asset appraisal as follows:

**I. The Principal, the Property Right Holder, the Debtor and Other Users of this Asset Valuation Report**

The Principal and the property holder of this assessment are the same entity, being Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司), and the Debtor is Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司). Other users of Asset Valuation Report shall be the users as stipulated in the contract on entrustment of asset appraisal and those as prescribed by laws and administrative regulations.

**(I) The Principal and Property Right Holder**

Name: Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司)

Legal domicile: 4/F, Building C2, 9th Street, Haigangcheng, No. 659 Yannan 1st Road, Qujiang New District, Xi'an City

Place of Business: 4/F, Building C2, 9th Street, Haigangcheng, No. 659 Yannan 1st Road, Qujiang New District, Xi'an City

Legal Representative: Wan Qing (宛慶)

Registered capital: RMB305,000,000

Founded: 22 February 2023

Scope of business: general projects: commercial complex management services; planning and design management; property management. (With the exception of the projects that must be approved according to law, it may independently carry out business operations under its business license according to law).

(2) ***Debtor***

1. *Basic information*

Name: Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司)

Legal Residence: Room 101, -1/F, Bell and Drum Tower Plaza, No. 1 Xida Street, Lianhu District, Xi'an City, Shaanxi Province

Place of Business: 3/F, No. 16 Gaoxin 2nd Road, High-Tech Zone, Xi'an City

Legal Representative: Wan Qing (宛慶)

Registered capital: RMB492,000,000

Founded: 16 August 2006

Scope of business: management of self-owned property and related ancillary services, and property consultation services (with the pre-license obtained before operation).

2. *Relationship between the Principal and the Property Right Holder*

The Property Right Holder is the same company as the Principal.

(3) ***Other users of Asset Valuation Report***

This Asset Valuation Report shall only be used by the Principal, any other Asset Valuation Report user as agreed on in the contract on entrusting an asset appraisal, or any Asset Valuation Report user as prescribed by any law or administrative regulation, and, except otherwise, no other institution or individual may become a user of this Asset Valuation Report.

## II. Purpose of Assessment

Proposed equity transfer by Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司). The purpose of this assessment is to assess the market value of the creditor's rights of Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) held by Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司), which are involved in this economic behavior, to provide a market value as at the Benchmark Date of Assessment and a value reference for equity transfer.

The economic behavior has been approved and the relevant economic behavior document is the Minutes of the Committee Meeting of the CPC Xi'an Qujiang Culture Finance Holding (Group) Co., Ltd. (曲江文化金融控股(集團)有限公司委員會會議紀要》) (15 September 2025).

## III. Objects and Scope of Assessment

According to the purpose of this appraisal, the appraisal object is the value of the creditor's rights declared by Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司), which is designated by the Principal and applied to the economic behaviors involved. The scope of assessment is the creditor's right (other receivable) of Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) held by Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司) relating to the objects of assessment, amounting to RMB100,668,751.91.

The creditor's right, which occurred cumulatively from April 2025 to March 2026, consists of:

No.	Arrears Object Name	Is it an associated unit	Operation Content	Date Occurred	Age (months)	Amount (in RMB yuan)	Creditor
1	Xi'an Yixin Property Management Company Limited* (西安億鑫物業管理有限公司)	Yes	Interest-free lending	April 2025	3	49,726,905.86	Xi'an Qujiang Century Ginwa Commercial Management Group Limited* (西安曲江世紀金花商業管理集團有限公司)
2	Xi'an Yixin Property Management Company Limited* (西安億鑫物業管理有限公司)	Yes	Interest-free lending	June 2025	1	50,941,846.05	Xi'an Qujiang Century Ginwa Commercial Management Group Limited* (西安曲江世紀金花商業管理集團有限公司)
<b>Total</b>						<b>100,668,751.91</b>	

The creditor's right No. 1 was the Capital Provision Agreement (No. 2025-01) (2025-01《資金提供協議》) entered into between Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司) and Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) on 30 April 2025, under which Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司) lent a total of RMB49,726,905.86 to Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) interest-free funds for a term from the date of provision of funds to 30 June 2027.

The creditor's right No. 2 was the Capital Provision Agreement (No. 2025-02) (2025-02《資金提供協議》) entered into between Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司) and Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) on 24 June 2025, under which it was agreed that Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司) should lend Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) RMB50,941,846.05 without interest for a term from the date of provision of funds to 30 June 2027.

- (1) The appraisal object and scope are consistent with the appraisal object and scope involved in the economic behavior to be conducted by the Principal.
- (2) The type, quantity and book value (or appraisal value) of the assets involved in the conclusion of the report issued by any other institutions.

There were no references to findings reported by other institutions in this assessment.

#### **IV. Value Type**

According to the valuation purpose, market conditions, the characteristics of the valuation object, and other factors, the value type of the valuation object is determined as market value.

The market value is the estimated value of the normal fair transaction conducted by the subject on the Benchmark Date of Assessment by the voluntary buyer and the voluntary seller, each acting rationally and without any compulsion.

#### **V. Benchmark Date of Assessment**

The Benchmark Date of Assessment of this project was 31 March 2026, which is determined by the Principal according to the economic behaviors, the end of the accounting period and other factors.

## VI. Basis of Valuation

The laws and regulations, standards basis, ownership basis, pricing basis, as well as the documents and materials referred to in the assessment, the basis of which we follow in the assessment process of the state, local government and relevant departments are:

### (1) *Economic behavior basis*

Minutes of the Committee Meeting of the CPC Xi'an Qujiang Culture Finance Holding (Group). Co., Ltd. (《中共西安曲江文化金融控股(集團)有限公司委員會會議紀要》) (15 September 2025).

### (2) *Basis of laws and regulations*

1. Law of the People's Republic of China on Asset Appraisal (《中華人民共和國資產評估法》) (Adopted at the 21st Session of the Standing Committee of the Twelfth National People's Congress on 2 July 2016);
2. Law of the People's Republic of China on the State-owned Assets of Enterprises (《中華人民共和國企業國有資產法》) (Adopted at the 5th Session of the Standing Committee of the Eleventh National People's Congress on 28 October 2008);
3. Company Law of the People's Republic of China (《中華人民共和國公司法》) (Adopted at the 6th Session of the Standing Committee of the Thirteenth National People's Congress on 26 October 2018, amended);
4. Civil Code of the People's Republic of China (《中華人民共和國民法典》) (Adopted at the 3rd Session of the Standing Committee of the Thirteenth National People's Congress on 28 May 2020);
5. Rules on the Evaluation and Management of State Assets (《國有資產評估管理辦法》) (Order No. 91 of the State Council, revised by Order No. 732 of the State Council on 20 November 2020);
6. Detailed Rules for the Implementation of the Administrative Measures for State-Owned Assets Assessment (《國有資產評估管理辦法實施細則》)(Guo Zi Ban Fa No.36 [1992]);
7. Interim Regulations on Supervision and Management of State-owned Assets of Enterprises (《企業國有資產監督管理暫行條例》)(Order No. 378 of the State Council, 2019 Revision);
8. Interim Measures for the Administration of Appraisal of State-owned Assets of Enterprises (《企業國有資產評估管理暫行辦法》) (Guo Zi Wei No. 12, 2005);

9. Provisions on Several Issues concerning the Administration of Assessment of State-owned Assets 《國有資產評估管理若干問題的規定》) by Order No. 14 of the Ministry of Finance;
10. Notice on Issues concerning Strengthening the Administration of Assessment of State-owned Assets of Enterprises 《關於加強企業國有資產評估管理工作有關問題的通知》) (Guo Zi Wei Chan Quan No. 274 [2006]);
11. Other relevant laws and regulations.

(3) *Regulation Basis*

1. Basic Standards for Asset Appraisal 《資產評估基本準則》) (Cai Zi No. 43 [2017]);
2. Code of Professional Ethics for Asset Appraisal (Zhong Ping Xie No. 30 [2017]);
3. Asset Valuation Professional Standards – Asset Valuation Methods 《資產評估執業準則－資產評估方法》) (Zhong Ping Xie No. 35 [2019]);
4. Asset Valuation Professional Standards – Enterprise Value 《資產評估執業準則－企業價值》) (Zhong Ping Xie No. 38 [2018]);
5. Asset Valuation Professional Standards – Asset Valuation Archives 《資產評估執業準則－資產評估檔案》) (Zhong Ping Xie No. 37 [2018]);
6. Asset Valuation Professional Standards-Procedures for Asset Appraisal 《資產評估執業準則－資產評估程序》) (Zhong Ping Xie No. 36 [2018]);
7. Asset Valuation Professional Standards-Asset Valuation Report ((Zhong Ping Xie No. 35 [2018]);
8. Asset Valuation Professional Standards-Contract on Entrustment for Asset Appraisal 《準則－資產評估委託合同》) (Zhong Ping Xie No. 33 [2017]);
9. Guidelines for the Valuation Reports on State-owned Assets of Enterprises 《資產評估執業《企業國有資產評估報告指南》) (Zhong Ping Xie No. 42 [2017]);
10. Guidelines for the Operation Quality Control of Asset Appraisal Institutions 《資產評估機構業務質量控制指南》) (Zhong Ping Xie No. 46 [2017]);
11. Guiding Opinions on the Value Types of Assets Appraisal 《資產評估價值類型指導意見》) (Zhong Ping Xie No. 47 [2017]);
12. Guiding Opinions on the Legal Ownership of Assets Appraisal Objects 《資產評估對象法律權屬指導意見》) (Zhong Ping Xie No. 48 [2017]).

**(4) Ownership Basis**

1. Other ownership certification documents (transfer vouchers, agreements) provided by the Principal;
2. the contract on assignment of creditor's right, etc.

**(5) Pricing Basis**

1. Other contracts, accounting vouchers and other materials acquired by the enterprise and related to the use of assets.

**(6) Other References Basis**

1. Detailed declaration form for asset appraisal provided by the Property Right Holder;
2. the relevant contracts and other materials relating to the formation of creditor's rights;
3. other information relevant to the assessment as provided by the Principal;
4. other relevant reference materials.

**VII. Valuation Methods****(1) Introduction to the valuation methods**

The valuation methods for determining the asset value in the Basic Standards for Asset Appraisal (《資產評估基本準則》) and the Asset Valuation Professional Standards – Asset Valuation Methods (《資產評估執業準則－資產評估方法》) include three primary methods, namely, the market approach, the income approach and the cost approach, as well as the derivation approach of such methods.

The market approach, which is known as the trading case comparison approach or the market comparison approach, refers to the general term of the valuation methods for determining the value of a valuation object on the basis of the market price of comparable reference objects, through the comparison between the valuation object and comparable reference objects. The market approach requires full utilization of information on transaction prices of similar assets, as well as judgment and estimation of the value of assets under assessment on such basis.

Income approach is a general term for various valuation methods used to determine the value of a valuation object by capitalizing or discounting the expected income of the object under valuation. Such approaches use capitalization or discount approaches and the methods therein to judge and estimate asset values.

The cost approach is a general term for the valuation method of determining the value of a valuation object based on the principle of reconstruction or replacement, regarding the reconstruction or replacement cost as the basis for determining the value of the valuation object, then subtracting the relevant depreciation.

## **(2) Selection of valuation methods**

In accordance with the Basic Standards for Asset Appraisal (《資產評估基本準則》), the Asset Valuation Professional Standards – Asset Valuation Methods (《資產評估執業準則—資產評估方法》), and the Asset Valuation Professional Standards-Asset Valuation Report (《資產評估執業準則—資產評估報告》), professional asset appraisers shall be familiar with, understand, and properly select the valuation methods. When selecting valuation methods, asset appraisal professionals shall fully consider the valuation purpose, value type, valuation object, applicable conditions, materials and other factors that affect the selection of valuation methods, analyze the applicability of the above three basic methods, and select evaluation methods according to law.

### *1. Market approach*

The market approach, which is known as the comparison approach or the market comparison approach, refers to the general term of the valuation methods for determining the value of a valuation object on the basis of the market price of comparable reference object, through the comparison between the valuation object with and comparable reference objects. The market approach requires full utilization of information on transaction prices of similar assets, as well as judgment and estimation of the value of assets under assessment on such basis.

Considering that the assets valuation object of this assessment is the creditor's right, there is no active open trading market for the creditor's right under valuation and no available trading cases similar to such creditor's right to be valued in the market. The condition for adopting the market approach does not exist for this assessment and therefore the market approach is not adopted for this assessment.

2. *Income approach*

Income approach is a general term for various valuation methods used to determine the value of a valuation object by capitalizing or discounting the expected income of the object under valuation. Such approaches use capitalization or discount approaches and the methods therein to judge and estimate asset values.

As the asset included in this assessment is the creditor's right, and the creditor's right in this assessment has no clear repayment plan and the future income is difficult to predict, the income method is not applicable for this assessment.

3. *Cost approach*

The cost approach is a general term for the valuation method of determining the value of a valuation object based on the principle of reconstruction or replacement, regarding the reconstruction or replacement cost as the basis for determining the value of the valuation object, then subtracting the relevant depreciation.

Since creditors have complete financial information and asset management information available, and the relevant assets for the repayment of creditor's rights are related to the Debtor, as well as the Debtor providing greater diversity of relevant data and information sources on the acquisition costs of the relevant assets for repaying the creditor's rights, the value of the relevant assets for repaying the creditor's rights can be reasonably estimated. Thus, the cost approach shall be adopted for this assessment.

(3) *The specific application of valuation methods*

Firstly, this assessment confirms the truthfulness of the creditor's rights by checking the financial records of the creditor's rights and the creditor's rights agreement and other materials provided by the Principal, and verifies the book value of the creditor's rights on the Benchmark Date of Assessment; Then, appraisal professionals specifically analyze the solvency of the Debtor according to the creditor's rights materials and in consideration of the Debtor's asset composition and business operations; And finally, professionals of evaluation comprehensively analyze and determine the valuation value of the creditor's appraisal rights according to the verified creditor's rights value and the Debtor's solvency.

### VIII. Implementation and Situation of Assessment Procedure

The assessment work was conducted in four phases:

(1) *The preparatory stage*

Before accepting an entrustment for asset appraisal, by discussing with and perusing materials with the Principal, we have specified the purpose of appraisal, the object of appraisal, the scope of appraisal, the Benchmark Date of Assessment and other basic matters on the appraisal operation, comprehensively analyzing and evaluating the professional competence, independence and business risks of the Principal, deciding to accept the entrustment and sign an asset appraisal entrustment contract, determining the project leader, forming an appraisal project team and preparing an appraisal plan according to the specific circumstances of the project, arranging the asset appraisal work, guiding the Property Right Holder in filling out an asset appraisal application form and preparing the materials necessary for appraisal.

(2) *On-site work stage*

According to the specific circumstances of this appraisal operation and in accordance with the requirements of the Asset Valuation Professional Standards – Procedures for Asset Appraisal (《資產評估執業準則－資產評估程序》) and other relevant provisions, appraisers shall, by inquiry, verification, and other methods, conduct necessary examination and verification of various assets, request materials of appraisal during the historical period, understand the economic and legal ownership of major assets, determine the existence, authenticity and integrity of assets, verify whether the appraisal materials filed comply with the accounting materials provided, and pay attention to the legal ownership of assets.

(3) *Valuation and estimation stage*

In accordance with the provisions of relevant laws and standards on assessment, appraisers shall collect the information materials on market prices, and shall analyze, summarize and sort out the collected assessment materials, so as to form the basis for assessment and estimation; Appraisers shall select the applicable assessment methods and corresponding formulas and parameters according to various factors such as the assessment object, value type, and collection of assessment materials, thus conducting analysis, calculation and judgment, and finalizing assessment and estimation, so as to form the preliminary assessment results.

(4) *Reporting stage*

Appraisers shall summarize the appraisal results of various assets, analyze the appraisal conclusions formed, determine the final appraisal conclusions, prepare the asset valuation report, and form a first draft of the valuation report, and in accordance with the laws, administrative regulations, asset appraisal standards and the internal quality control rules of asset appraisal institutions, appraisers shall make internal examination on the preliminary asset valuation report. Before issuing an asset valuation report, appraisers shall communicate with the Principal or any other relevant party consented to by the Principal on the relevant contents of the asset valuation report, provided that the independent judgment on the appraisal conclusion is not affected. Upon the completion of the aforesaid asset appraisal procedures, appraisers issue and submit a formal asset valuation report.

**IX. Assess Assumptions**

The conclusion of this assessment project is based on the following assumptions and conditions. If these assumptions and conditions are not reasonably satisfied, the conclusion of this report will generally be changed in varying extents. In this assessment, the appraisers followed the following assessment assumptions:

(1) *Premises*

1. **Transaction Assumption:** The transaction assumption is based on the assumption that all assets under valuation have been in the process of trading and that the appraisers shall value the assets under valuation based on market simulations such as trading conditions. The transaction assumption is a basic premise of the asset assessment.
2. **Open Market Assumption:** The open market assumption is the assumption that assets traded in a market (or assets to be traded in a market) are traded on an equal footing between participants and that all participants have adequate and immediate access to all relevant market information to make rational judgment about the function, use and price of the assets. The open market assumption is based on the fact that assets can be openly bought and sold in the market.

(2) *General Assumptions*

1. Assuming that there is no significant change in the relevant laws, regulations and policies currently in force in the nation, or in the macro-economic situation of the nation, there is no significant change in the political, economic and social environment of the region where all parties thereunder to this transaction located.
2. It is assumed that there will be no future force majeure and unforeseen factors which will have a material adverse effect on the Debtor after the Benchmark Date of Assessment.
3. It is assumed that the accounting policies adopted by the Debtor after the Benchmark Date of Assessment are consistent with those used in the preparation of the asset assessment in significant respects.
4. It is assumed that the Debtor shall maintain its current management methods and management level, and its business scope and methods shall be consistent with the current direction.
5. It is assumed that the Debtor's operator is responsible and that the management of the company is capable of assuming its duties.

(3) *Specific Assumptions*

1. It is assumed that the Debtor sells its existing assets to repay the debt, but the sale of the assets is not immediate and the sale may be allowed for a certain period of time;
2. It is assumed that the method used for the settlement of creditor's rights is the asset settlement method widely accepted in the market, and the debts shall be settled by the whole sale of assets;
3. The materials obtained from the Principal or the Property Right Holder or any other third party are authentic and valid.

The appraisers shall, according to the requirements of the assets appraisal, determine that these hypothetical conditions are valid as at the Benchmark Date of Assessment, and shall not bear the responsibility of inferring different appraisal conclusions due to the change of hypothetical conditions when the future economic environment changes considerably.

**X. Assessment Conclusion**

We, based on the principle of independence, objectivity and impartiality, have assessed the market value of the creditor's rights of Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) held by Xi'an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司) as at the Benchmark Date of Assessment on 31 March 2026 under the cost approach, in accordance with the relevant laws and administrative regulations on asset assessment, as well as the asset assessment guidelines of the nation. The assessment concluded as follows:

The market value of the creditor's right of Xi'an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) held by Xi'an Qujiang Century Ginwa Commercial Management Group Limited (西安曲江世紀金花商業管理集團有限公司) was RMB100,668,751.91. In capital letters: RENMINBI ONE HUNDRED MILLION SIX HUNDRED SIXTY-EIGHT THOUSAND SEVEN HUNDRED FIFTY-ONE YUAN AND NINETY-ONE CENTS

This assessment conclusion shall be valid for a period of not more than one year from the Benchmark Date of Assessment to the date of realization of economic behavior, i.e. from 31 March 2026 to 30 March 2027. Reassessment of assets is required if the period is more than one year.

This assessment conclusion is drawn according to the purposes, assumptions and restrictive conditions, basis, methods and procedures as listed in this asset valuation report. This assessment conclusion is only valid under the conditions of the aforesaid purposes, basis, assumptions and preconditions, and the assessment conclusion is only for the purpose of this assessment.

**XI. Notes for the Special Matters**

The special matters stated in this assessment report shall refer to the matters which are discovered by the assessors and may affect the assessment conclusion, provided that the assessment conclusion has been determined, but are not the relevant matters on which the assessors' practicing level and ability can be assessed.

***(1) Notes for quoting conclusions of reports issued by other institutions***

There were no references to the conclusions of reports issued by other institutions in this assessment.

**(2) *Incomplete or defective ownership and other key information***

According to the Guiding Opinions on the Legal Ownership of Assets Appraisal Objects (《資產評估對象法律權屬指導意見》), when entrusting an asset appraisal operation, the Principal and other relevant parties shall provide the legal ownership and other materials of the appraisal objects and guarantee their authenticity, integrity and legality. The purpose of carrying out the asset appraisal operation is to estimate the value of the objects of asset appraisal and express professional opinions, and confirm or express opinions on the legal ownership of the objects of asset appraisal beyond the scope of practice of professional asset appraisal personnel. The professional asset appraisers of our institution shall not provide guarantee for the legal ownership of the assets appraisal object, and shall not assume any liability for any legal dispute arising from the property right issue.

The appraisers have made necessary examination and verification on the materials and sources of materials on the legal ownership of the subject matter of evaluation as provided by the Principal and the Property Right Holder, and have disclosed the status of inspection. Upon investigation, the Property Right Holder of the relevant asset as indicated on the legal ownership materials of the appraisal object provided by the Principal and the Property Right Holder is definitely the Property Right Holder.

**(3) *Legal, economic and other pending matters existing on the Benchmark Date of Assessment***

In this assessment, it is not found that there are any pending legal or economic issues on the Benchmark Date of Assessment for the Property Right Holder.

**(4) *Guarantees, leases and their contingent liabilities (contingent assets)***

In this assessment, it is not found that the Property Right Holder has any guarantee, lease or contingent liability (contingent asset) on the Benchmark Date of Assessment.

**(5) *Significant Subsequent Events***

The significant subsequent events refer to the matters that may have impact on the appraisal conclusion between the Benchmark Date of Assessment and the date of asset valuation report.

During the period between the Benchmark Date of Assessment and the date of asset valuation report, the Principal and the Property Right Holder do not fail to declare any event after the period that has a significant impact, neither does the professional asset appraisal personnel discover any event after the period that has a significant impact

(6) *The flaws in the economic behaviors corresponding to the asset appraisal that may have a significant impact on the appraisal conclusion*

No flaw in the economic behavior corresponding to the asset appraisal that may have a significant impact on the appraisal conclusion is found in the appraisal.

(7) *Other matters requiring clarification*

1. Premises and assumptions for the validity of the assessment report: This assessment conclusion is based on the assumptions set forth in this report. It determines the market value of the assets to be assessed at the time point of the Benchmark Date of Assessment, does not take into account the effects of possible future mortgage and guarantee commitments, additional prices that may be incurred due to special transaction methods on the assessment value, nor does it take into account the significant changes in the national macroeconomic policies or the effects of natural forces or other force majeure on the assessment object value. The conclusion of the assessment will be invalidated when the conditions mentioned above and the principle of going concern followed in the assessment are changed. The appraisal Institution shall not assume any legal liability for the failure of assessment results due to changes in these conditions..
2. For any other flaw existing in the enterprise that may affect the appraised value of assets, the appraisal institution and appraisers shall not assume the relevant liabilities if the enterprise has not made a special explanation and the appraisers are generally unable to obtain it based on professional experience.
3. The list of assets involved in an appraisal object shall be declared by the Principal and the Property Right Holder, and be confirmed by signature, seal or any other means permitted by law, and the Principal and other relevant parties shall be responsible for the authenticity, integrity and legality of the materials provided by them according to law.
4. If there is any material change in the amount of assets between the date of the appraisal report and the valid period of the appraisal report, the amount of assets shall be adjusted accordingly, and if the asset price standards change and have an obvious impact on the appraisal conclusion, the appraisal shall be re-conducted

The handling methods for the aforesaid special matters and the possible impacts of the special matters on the assessment conclusion shall request the users of asset assessment reports to pay attention to their impacts on economic behaviors.

**XII. Description on Asset Valuation Report Usage Restrictions**

- (1) This Asset Valuation Report shall only be used for the appraisal and usage as set forth in this Asset Valuation Report, and shall not be used for any other purpose or usage.
- (2) Where the Principal or any other users of this Asset Valuation Report use this Asset Valuation Report without complying with the provisions of laws and administrative regulations or the scope of use as indicated in the asset appraisal report, the asset appraisal institution and the asset appraiser thereof shall not be liable.
- (3) Except for the Principal, any other users of this Asset Valuation Report as stipulated in the contract on entrusting an asset appraisal, or any other users of this Asset Valuation Report as prescribed by any law or administrative regulation, no other institution or individual may become a user of this Asset Valuation Report.
- (4) The user of this Asset Valuation Report shall correctly understand the appraisal conclusion, the appraisal conclusion is not equal to the realizable price of the appraisal object, and the appraisal conclusion shall not be deemed as a guarantee for the realizable price of the appraisal object.
- (5) Without the consent of the asset appraisal institution, the contents of this Asset Valuation Report may not be extracted, quoted or disclosed in the public media, unless it is otherwise prescribed by any law or administrative regulation or agreed upon by the relevant parties.
- (6) The period of validity of the assessment conclusion of this Asset Valuation Report shall not exceed one year from the Benchmark Date of Assessment to the date of realization of economic behavior, i.e., from 31 March 2026 to 30 March 2027. Reassessment of assets is required if the period is more than one year.
- (7) This Asset Valuation Report includes several documents for reference and assessment statement as the components of this report, formulating a complete whole with the main body text of this Report. The documents for reference and assessment statement should not be used separately, and they can only be used in combination with the main body of this Asset Valuation Report.
- (8) Where this Asset Valuation Report requires to be submitted to the relevant department for approval or recordation under the current provisions of the nation, it may not be formally used until an approval is obtained.

**XIII. Date of Asset Valuation Report**

The date of this Asset Valuation Report is 3 June 2026.

**XIV. Signature and Seal:**

Newland Appraisal Co., Ltd.\*  
(新蘭特房地產資產評估有限公司)

Asset Appraiser:

Asset Appraiser:

3 June 2026

**(This report shall take effect when both the assessment conclusions page  
and this signature page are simultaneously sealed)**

**Annex to the Asset Valuation Report**

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## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' interests and short positions in the shares, underlying shares and debentures of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were 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 or short positions which the Directors or chief executive were taken or deemed to have under such provisions of the SFO); (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, were as follows:

#### *Long positions in the Shares of the Company*

Name of Director	Nature of interest	Number of issued Shares held	Approximate percentage of the issued Share capital of the Company
Ms. Wan Qing	Interests of spouse	123,500 <sup>(Note 1)</sup>	0.01%
Mr. Choon Hoi Kit Edwin	Interest of controlled corporation Beneficial owner	322,727,272 <sup>(Note 2)</sup> 10,098,000	28.07% 0.88%

(1) As at the Latest Practicable Date, Mr. Ge Xin, the spouse of Ms. Wan Qing, an executive Director, was beneficially interested in 123,500 Shares. Therefore, Ms. Wan Qing was deemed to be interested in 123,500 Shares in the Company under the SFO.

(2) On 3 July 2024, Acme Gear Global Limited, a company wholly-owned by Mr. Choon Hoi Kit Edwin has conditionally agreed to purchase a total of 322,727,272 Shares from Glory Keen Holdings Limited. Therefore, Mr. Choon Hoi Kit Edwin was deemed to be interested in 322,727,272 Shares in the Company under the SFO.

*Long position in the ordinary shares of associated corporations*

<b>Name of Director</b>	<b>Nature of associated corporations</b>	<b>Nature of interest</b>	<b>Number of shares held</b>	<b>Approximate percentage of the share capital of the associated corporation</b>
Mr. Choon Hoi Kit Edwin	Acme Gear Global Limited	Beneficial owner	1	100%

Save as disclosed above, as at the Latest Practicable Date, none of the other Directors or chief executives of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; and (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, save as disclosed below, none of the other Directors was a director or employee of a company which had, or was deemed to have, an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<b>Name of Director</b>	<b>Title</b>	<b>Company in which the Director was a director or employee as at the Latest Practicable Date</b>
Mr. Huang Zhihua	Member of the Party Committee and Chief Investment Officer	Xi'an Qujiang Cultural Financial Holdings (Group) Co. Ltd.
Mr. Chen Shuai	Managing director	Hony Capital
Mr. Choon Hoi Kit Edwin	Director	Acme Gear Global Limited
Ms. Zhang Wei	Member of the Party Committee and Deputy general manager	Xi'an Qujiang Cultural Financial Holdings (Group) Co. Ltd.

**(b) Interests of Substantial Shareholders and other persons**

As at the Latest Practicable Date, so far as is known to the Directors or chief executives of the Company, the following Shareholders (other than a Director or chief executive of the Company) 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:

**(i) Long positions/short positions in Shares**

Name of shareholder	Long positions/short positions	Nature of interests	Number of issued Shares held	Approximate percentage of the issued Share capital of the Company
Qujiang Cultural Financial International Investment Limited	Long positions	Beneficial owner	336,166,156 <sup>(Note 1)</sup>	29.24%
Xi'an Qujiang Cultural Financial Holdings (Group) Co. Ltd.	Long positions	Interest in a controlled corporation	336,166,156 <sup>(Note 1)</sup>	29.24%
Xi'an Qujiang New District Management Committee	Long positions	Interest in a controlled corporation	336,166,156 <sup>(Note 1)</sup>	29.24%
Glory Keen Holdings Limited	Long positions	Beneficial owner	322,727,272 <sup>(Note 2)</sup>	28.07%
Hony Capital Fund 2008, L.P.	Long positions	Interest in a controlled corporation	322,727,272 <sup>(Note 2)</sup>	28.07%
Hony Capital Fund 2008 GP, L.P.	Long positions	Interest in a controlled corporation	322,727,272 <sup>(Note 2)</sup>	28.07%
Hony Capital Fund 2008 GP Limited	Long positions	Interest in a controlled corporation	322,727,272 <sup>(Note 2)</sup>	28.07%
Hony Group Management Limited	Long positions	Interest in a controlled corporation	322,727,272 <sup>(Note 2)</sup>	28.07%

Name of shareholder	Long positions/short positions	Nature of interests	Number of issued Shares held	Approximate percentage of the issued Share capital of the Company
Hony Managing Partners Limited	Long positions	Interest in a controlled corporation	322,727,272 <sup>(Note 2)</sup>	28.07%
Exponential Fortune Group Limited	Long positions	Interest in a controlled corporation	322,727,272 <sup>(Note 2)</sup>	28.07%
Mr. Zhao John Huan	Long positions	Interest in a controlled corporation	322,727,272 <sup>(Note 2)</sup>	28.07%
Acme Gear Global Limited	Long positions	Beneficial owner	322,727,272 <sup>(Note 3)</sup>	28.07%

*Notes:*

- (1) Qujiang Cultural Financial International Investment Limited held 336,166,156 Shares. Xi'an Qujiang Cultural Financial Holdings (Group) Co. Ltd. holds the entire issued share capital of Qujiang Cultural Financial International Investment Limited. Xi'an Qujiang New District Management Committee and Xi'an Qujiang Cultural Holding Company Limited beneficially owns 80.05% and 19.95% equity interest in Xi'an Qujiang Cultural Financial Holdings (Group) Co. Ltd., respectively. Xi'an Qujiang New District Management Committee owns 99.9% equity interest in Xi'an Qujiang Cultural Holding Company Limited. As such, Xi'an Qujiang Cultural Financial Holdings (Group) Co. Ltd. and Xi'an Qujiang New District Management Committee were deemed to be interested in 336,166,156 Shares by virtue of their shareholding in Qujiang Cultural Financial International Investment Limited.
- (2) The long position of 322,727,272 Shares represents the 322,727,272 Shares held by Glory Keen Holdings Limited. Hony Capital Fund 2008, L.P. holds the entire issued share capital of Glory Keen Holdings Limited. Hony Capital Fund 2008 GP, L.P. is the sole general partner of Hony Capital Fund 2008, L.P. Hony Capital Fund 2008 GP Limited, a wholly-owned subsidiary of Hony Group Management Limited, is the sole general partner of Hony Capital Fund 2008 GP, L.P. Hony Managing Partners Limited owns 80% equity interest in Hony Group Management Limited. Hony Managing Partners Limited is a wholly-owned subsidiary of Exponential Fortune Group Limited. Mr. Zhao John Huan holds 49% of the issued share capital of Exponential Fortune Group Limited. Each of the above-mentioned parties was therefore deemed to be interested in the interest held by Glory Keen Holdings Limited.
- (3) Glory Keen Holdings Limited has conditionally agreed to sell and Acme Gear Global Limited has conditionally agreed to purchase a total of 322,727,272 ordinary shares in the Company pursuant to a sale and purchase agreement entered into by and between the parties on 3 July 2024.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors and chief executives of the Company, no other persons (other than a Director and chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### **3. 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 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

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

As at the Latest Practicable Date, none of the Directors had a service contract with the Company or any of its subsidiaries (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)).

### **5. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACT OR ARRANGEMENT SIGNIFICANT TO THE GROUP**

As at the Latest Practicable Date, none of the Directors (i) had any direct or indirect interest in any assets which had been, since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group; or (ii) were materially interested in any contract or arrangement subsisting and being significant in relation to the business of the Group.

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

As at the Latest Practicable Date, to the best knowledge of the Directors, none of the Directors or their respective close associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

## 7. EXPERTS

The following is the qualification of the experts who have given opinion or advice which are contained in this circular:

<b>Name</b>	<b>Qualifications</b>
Octal Capital Limited	a licensed corporation by the SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO
Cushman & Wakefield Limited	an independent professional property valuer and equity valuer
Newland Appraisal Co., Ltd.	an independent professional debt valuer
McMillan Woods (Hong Kong) CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above experts:

- (1) had respectively given and had not withdrawn its written consent to the issue of this circular with the inclusion of its letter of advice and references to its name, in the form and context in which it appears;
- (2) did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (3) did not have any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

The letters and/or report (as the case may be) from the above experts are given as of the date of this circular for incorporation herein.

## 8. LITIGATION

Save as disclosed below, so far as the Directors were aware, as at the Latest Practicable Date, no member of the Group was involved in any litigation or claim of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

### **Daming Palace Shopping Mall**

References are made to the Company's announcements dated 17 June 2022 and 25 March 2024, and the Company's circular dated 30 June 2022.

Xi'an Century Ginwa Ding Yao Shopping Mall Company Limited\* (西安世紀金花鼎耀購物有限公司) ("**Century Ginwa Ding Yao**"), an indirect subsidiary of the Company, filed a civil complaint to Xi'an City Weiyang District People's Courts, which claims that: (i) the lease agreement entered into between Xi'an Century Ginwa Shopping Mall Company Limited\* (西安世紀金花購物有限公司) ("**Xi'an Century Ginwa**"), an indirect wholly owned subsidiary of the Company, as original lessee entity, and Shaanxi Daming Palace Investment Development Co., Ltd.\* (陝西大明宮投資發展有限責任公司) (the "**Lessor**") as lessor in respect of the lease of the commercial property "Daming Palace Shopping Mall (大明宮購物中心)" located at No. 359 Taihua North Road in Weiyang District, Xi'an City, with two floors underground and seven floors above ground (the "**Xi'an Property**") for a term of 20 years (the "**Lease Agreement**") (as supplemented by the supplemental agreement to the Lease Agreement entered into between Xi'an Century Ginwa and the Lessor in respect of the change of the lessee entity from Xi'an Century Ginwa to Century Ginwa Ding Yao), be ruled as terminated on 27 November 2023, and the Lessor to repay Century Ginwa Ding Yao the earnest money of RMB70 million and relevant interest; and (ii) the Lessor to compensate Century Ginwa Ding Yao the costs associated with the surrender of the Xi'an Property and to bear relevant costs and fees incurred as the plaintiff in the litigation for exercising the rights.

On 19 March 2024, Century Ginwa Ding Yao received the summons of Xi'an City Weiyang District People's Courts in respect of the litigation case, pursuant to which the first hearing of the litigation case was held at Daming Palace People's Court of Xi'an City Weiyang District People's Courts on 30 April 2024.

On 26 July 2024, two hearings had been held for the litigation case, which mainly involved evidence and debate, and therefore no substantial progress had been made. On 14 August 2024, Century Ginwa Ding Yao withdrew the lawsuit. Despite diligent communication efforts between both parties, an effective settlement had not been reached. Consequently, on 4 January 2026, Century Ginwa Ding Yao resubmitted the litigation materials to the Xi'an City Weiyang District People's Courts.

### **Xi'an Centre Development Project**

References are made to the Company's announcements dated 4 December 2014, 20 July 2017, 20 September 2021, 29 December 2021, 23 May 2024, 3 June 2024, 26 August 2025, 22 October 2025 and 7 January 2026, and the Company's circular dated 22 January 2015.

Century Ginwa Company Limited (世紀金花股份有限公司) (“**Century Ginwa**” or “**Ginwa Bell Tower**”), an 83.88% owned subsidiary of the Company, filed a civil complaint to the People’s Court of Yanta District of Xi’an City and received a summons for hearing in April 2024. Century Ginwa demands Xi’an Yigao Property Development Company Limited\* (西安億高置業有限公司) (the “**Project Company**”) to continue to perform the agreement entered into between the parties in relation to the development of the commercial part of “Xi’an Centre” located at the Xi’an Hi-tech Industries Development Zone of Xi’an, the People’s Republic of China (the “**PRC**”) comprising a gross floor area of approximately 69,061 square meters and 457 car parking spaces (the “**Xi’an Centre Property**”) in accordance with the requirements of Century Ginwa and the subsequent purchase of the Xi’an Centre Property by Century Ginwa and the relevant supplemental agreements. Century Ginwa also demands the Project Company to undertake a default penalty in the amount of RMB368.808 million and the related litigation costs. Such default penalty was calculated up to 19 January 2024 and shall continue to be accumulated until the actual date of delivery.

On 20 June 2024, the first hearing for litigation case was held. The opposing counsel applied for an adjourning as they needed more time to sort out the information related to the case, which was approved by the court.

On 21 August 2024, the hearing was held again, at which only evidence was presented. Both parties provided and exchanged evidence for verification.

On 25 August 2025, Ginwa Bell Tower received a judgment from the Yanta District People’s Court dated 21 July 2025, which stated the following:

1. The Project Company shall pay Ginwa Bell Tower a liquidated compensation of RMB200,376,000 within ten days of the effective date of the judgment; and
2. Ginwa Bell Tower’s remaining claims are dismissed.

If the Project Company fails to fulfill its monetary payment obligations within the period specified in the judgment, it shall pay double the interest on the debt for the period of delay in performance in accordance with Article 264 of the Civil Procedure Law of the PRC. The case acceptance fee of RMB1,885,840 shall be borne by the Project Company in the amount of RMB1,043,680, and by Ginwa Bell Tower in the amount of RMB842,160.

On 13 October 2025, the Company received a copy of the Application of Civil Appeal (民事上訴狀) (the “**Application**”) filed by the Project Company with Xi’an Intermediate People’s Court. Pursuant to the Application, the Project Company is seeking: (i) an order to remit the case for retrial or change the decision to dismiss all claims of Ginwa Bell Tower; and (ii) an order that Ginwa Bell Tower shall bear the litigation costs of the first and second trials.

On 30 December 2025, the Company received a judgment (the “**Judgment**”) dated 29 December 2025 from Xi’an Intermediate People’s Court of Shaanxi Province under the case number of (2025) Shan 01 Min Zhong No. 19796, which ruled as follows:

1. The second item of the civil judgment (2024) Shan 0113 Min Chu No. 11843 of Yanta District People’s Court of Xi’an City is hereby revoked.
2. The first item of the civil judgment (2024) Shan 0113 Min Chu No. 11843 rendered by Yanta District People’s Court of Xi’an City is hereby amended to read as follows: The Project Company shall pay liquidated compensation of RMB169,897,357.5 to Ginwa Bell Tower within ten days from the effective date of the Judgment. If the aforementioned pecuniary obligation is not fulfilled within the period specified by the Judgment, double interest on the debts for the period of delayed performance shall be paid in accordance with the provisions of Article 264 of the Civil Procedure Law of the PRC.
3. All other claims of Ginwa Bell Tower are hereby dismissed.

Ginwa Bell Tower filed an application for enforcement with the court on 10 February 2026.

## **9. MATERIAL CONTRACTS**

The following contract (not being contract in the ordinary course of business of the Group) were entered into by members of the Group within the two years immediately preceding the issue of this circular which are or may be material:

- (a) The agreement dated 27 January 2025, pursuant to which, the Company and Glory Keen Holdings Limited agreed to, among other things, further extend the maturity date of the Promissory Note for two years, i.e. the maturity date of the Promissory Note will be changed to 6 January 2027 or an Early Maturity Date (the fifth day after the date on which Glory Keen Holdings Limited issues the Mandatory Redemption Notice to the Company (excluding the date on which the notice is given), upon Glory Keen Holdings Limited and/or its shareholders reach the agreed liquidation condition or are under other circumstances necessitating liquidation or winding up), whichever is earlier.

## **10. GENERAL**

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business of the Company in Hong Kong is located at 31/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

- (c) The Company's Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Mr. Poon Kin Hei, an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- (e) The English text of this circular and the form of proxy shall prevail over the Chinese text in case of inconsistency.

## **11. DOCUMENTS ON DISPLAY**

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

- (1) The Agreement;
- (2) The letter from Octal Capital Limited, the Independent Financial Adviser, the text of which is set out under the section headed "Letter from Octal Capital" of this circular;
- (3) The report on the review of the financial information of the Target Company, the text of which is set out in Appendix II to this circular;
- (4) The report on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular;
- (5) The Valuation Report of the Property, the text of which is set out in Appendix V to this circular;
- (6) The Valuation Report of the Target Equity Interests, the text of which is set out in Appendix VII to this circular;
- (7) The Valuation Report of the Target Creditor's Rights, the text of which is set out in Appendix VIII to this circular; and
- (8) The letters of consent from the experts identified in the section headed "Qualification and Consent of Experts" above in this appendix.

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## NOTICE OF SGM

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**CENTURY GINWA RETAIL HOLDINGS LIMITED**  
**世紀金花商業控股有限公司**  
*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 162)

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “SGM”) of Century Ginwa Retail Holdings Limited (the “Company”) will be held at Room 401, 4/F., Pico Tower, 66 Gloucester Road, Wan Chai, Hong Kong on Thursday, 18 June 2026 at 9 a.m. to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

#### ORDINARY RESOLUTION

“**THAT** the equity interests and the creditor’s rights transfer agreement dated 21 May 2026 (the “**Agreement**”) entered into between Xi’an Qujiang Financial Holdings Asset Operation and Management Co., Ltd.\* (西安曲江金控資產運營管理有限公司), Xi’an Yixin Property Management Company Limited\* (西安億鑫物業管理有限公司) and Xi’an Qujiang Century Ginwa Commercial Management Group Limited\* (西安曲江世紀金花商業管理集團有限公司) (a copy of the Agreement has been produced at the meeting marked “A” and signed by the chairman of the meeting for identification purpose) be approved, ratified and confirmed; and any director of the Company be and is hereby authorised to do all such acts and things, negotiate, approve, sign, initial, ratify and/or execute all documents which may in his/her opinion be necessary, desirable or expedient to implement and give effect to any matters arising from, relating to or incidental to the Agreement.”

By order of the Board  
**Century Ginwa Retail Holdings Limited**  
**Ma Wenzhong**  
*Chairman*

Hong Kong, 3 June 2026

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business in Hong Kong:*  
31/F., Tower Two  
Times Square  
1 Matheson Street  
Causeway Bay  
Hong Kong

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## NOTICE OF SGM

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*Notes:*

1. A member entitled to attend and vote at the SGM convened by the above notice (or any adjournment thereof) is entitled to appoint one or if he/she is the holder of two or more shares, more than one proxy to attend and, subject to the bye-laws of the Company, vote in his/her stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the SGM (or any adjournment thereof) is enclosed.
3. Where there are joint registered holders of any shares, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such Shares as if he/she were solely entitled thereto; but if more than one of such joint holders be present at the SGM personally or by proxy, that one of the said persons at present whose name stands first on the register in respect of such Share shall alone be entitled to vote in respect thereof.
4. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority, at the office of the Company's Hong Kong branch registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 48 hours before the time for holding the SGM or adjourned meeting. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish.
5. The register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026, both days inclusive, during which period no transfer of shares will be registered. Holders of shares of the Company whose names appear on the register of the Company maintained by Tricor Investor Services Limited, the Company's Hong Kong branch registrar, on Thursday, 18 June 2026 (i.e., the record date) shall be entitled to attend the SGM. In order to determine the eligibility of the members who are entitled to attend and vote at the meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 12 June 2026.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 8:00 a.m. on the date of the SGM, the SGM will be postponed. The Company will publish an announcement on the website of the Company at [www.cgrh.com.hk](http://www.cgrh.com.hk) and on the HKExnews website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) to notify the members of the date, time and venue of the rescheduled SGM.

\* *For identification purposes only*