
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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

**MAJOR TRANSACTION:
ENTERING INTO A LEASE AGREEMENT
AS LESSEE IN RESPECT OF
A PROPERTY IN BEIJING, THE PRC**

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX I – FINANCIAL INFORMATION	I-1
APPENDIX II – UNAUDITED PROFIT AND LOSS STATEMENTS OF THE PROPERTY	II-1
APPENDIX III – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP	III-1
APPENDIX IV – VALUATION REPORT	IV-1
APPENDIX V – GENERAL INFORMATION	V-1

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 6 June 2019 regarding the entering into a lease agreement as lessee in respect of a property in Beijing, the PRC.
“Board”	means the board of Directors.
“Company”	means Parkson Retail Group Limited, a company incorporated in the Cayman Islands.
“Directors”	means the directors of the Company.
“Group”	means the Company and its subsidiaries.
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC.
“IFRS 16”	means the International Financial Reporting Standard 16 issued by the International Accounting Standards Board, sets out the principles for the recognition, measurement, presentation and disclosure of leases.
“Landlord”	means China National Arts and Crafts Group Company Limited* (中國工藝美術集團有限公司), a company established in the PRC and the landlord of the Property.
“Latest Practicable Date”	means 24 June 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information for the purpose of inclusion in this circular.
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
“Museum”	means China National Arts and Crafts Museum* (中國工藝美術館) at No. 101 of the Inner Street of Fuxing Men* (復興門內大街) in Beijing.
“New Lease Agreement”	means the lease agreement in respect of the Property entered into between the Landlord and the Tenant and dated 6 June 2019.

DEFINITIONS

“PRC”	means the People’s Republic of China and, for the purposes of this circular only, excludes Hong Kong, Macau Special Administrative Region and Taiwan.
“Previous Lease Agreement”	means the sub-lease agreement in respect of the Property entered into between Beijing HuaQi Construction Co. Ltd.* (北京花旗建設有限公司) as lessor and the Tenant as tenant which was in existence immediately prior to the New Lease Agreement.
“Property”	means the area of 189 sq. m at the east side inside the south gate of Xu Room on the 1st floor of the Museum.
“Seven Lease Agreements”	means collectively, the seven separate lease agreements, each in respect of a property, and entered into between the Landlord as landlord and the Tenant as tenant on 26 February 2019. For details, please refer to the announcement of the Company dated 3 April 2019.
“RMB”	means Renminbi, the lawful currency of the PRC.
“Shareholders”	means holders of the Shares.
“Shares”	means shares of nominal value of HK\$0.02 each in the capital of the Company.
“sq. m”	means square metres.
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited.
“Tenant”	means Parkson Retail Development Co., Ltd.* (百盛商業發展有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company.
“Xu Room”	means the property named “Xu Room* (序廳)” in the Museum.

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

LETTER FROM THE BOARD

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

Executive Directors:

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

Non-executive Director:

Dato' Sri Dr. Hou Kok Chung

Independent non-executive Directors:

Dato' Fu Ah Kiow
Mr. Ko Desmond
Mr. Yau Ming Kim, Robert

Registered office:

P.O. Box 10008
Willow House
Cricket Square
Grand Cayman KY1-1001
Cayman Islands

*Principal place of
business in Hong Kong:*

Room 609, 6th Floor
Harcourt House
39 Gloucester Road
Wanchai
Hong Kong

25 June 2019

To the Shareholders

Dear Sir/Madam,

**MAJOR TRANSACTION:
ENTERING INTO A LEASE AGREEMENT
AS LESSEE IN RESPECT OF
A PROPERTY IN BEIJING, THE PRC**

1. INTRODUCTION

The Board is pleased to announce that on 6 June 2019, the Tenant (an indirect wholly-owned subsidiary of the Company) and the Landlord entered into the New Lease Agreement in respect of the Property located in Beijing, the PRC. Prior to entering into the New Lease Agreement, the Tenant had been occupying the Property as tenant for its retail business since 1999 pursuant to the Previous Lease Agreement. On 26 February 2019, the Tenant and the Landlord entered into the Seven Lease Agreements. For details of the Seven Lease Agreements, please refer to the announcement of the Company dated 3 April 2019.

LETTER FROM THE BOARD

A summary of the principal terms of the New Lease Agreement and the relevant information is set out below.

2. NEW LEASE AGREEMENT

2.1 New Lease Agreement

Date	:	6 June 2019
Parties	:	Tenant: Parkson Retail Development Co., Ltd.* (百盛商業發展有限公司), an indirect wholly-owned subsidiary of the Company, as tenant Landlord: China National Arts and Crafts Group Company Limited* (中國工藝美術集團有限公司) as landlord
Relevant Premise	:	The area at the east side inside the south gate of Xu Room on the 1st floor of the Museum (the “ Property ”).
Total gross area	:	189 sq. m
Term	:	7 June 2019 to 6 December 2021
Rental	:	The total rental payable under the New Lease Agreement is approximately RMB2.5 million. The rental shall be paid on quarterly basis.
Deposit	:	No deposit was paid.
Use	:	Department store retail, entertainment, property management and related ancillary services
Effective date of the lease	:	7 June 2019

LETTER FROM THE BOARD

2.2 Other material terms

- (a) The Tenant may sub-lease part of the Property under the New Lease Agreement; and
- (b) the Tenant has a priority of lease of the Property should the Landlord wish to lease the Property after the expiry of the terms under the New Lease Agreement and if the Tenant can match the terms offered by the Landlord to other potential tenants.

3. REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW LEASE AGREEMENT

The Tenant was the existing tenant of the Property under the Previous Lease Agreement. The Group has been carrying out retail business at the Property since 1999. The operation at the Property has brought stable revenue to the Group during the past years. The New Lease Agreement, with a term of approximately 2.5 years and to expire on 6 December 2021, allows the continuity of the Group's retail operation at a place which is familiar to the Group's customers for long term.

The terms of the New Lease Agreement (including the rental) were determined after arm's length negotiations between the Landlord and the Tenant, with reference to the mechanism for determining the rentals under the Seven Lease Agreements, the amounts of the rental payable under the Seven Lease Agreements and the prevailing market rentals for properties of similar type, age and location. On this basis, the Board is of the view that the rentals are reasonable and the terms of the New Lease Agreement, taken as a whole, are fair and reasonable.

For information purpose, the rental under the Previous Lease Agreement was RMB1,919,852.55 and RMB915,655.70, for period from 16 December 2017 to 15 December 2018, and from 16 December 2018 to 6 June 2019, respectively.

Having taken into account the above reasons and benefits, the Directors (including all the independent non-executive Directors) consider that the terms of the New Lease Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

4. FINANCIAL EFFECTS OF ENTERING INTO THE NEW LEASE AGREEMENT

Pursuant to IFRS 16, the entering into the New Lease Agreement as a lessee will require the Group to recognise the Property as the right-of-use asset in which the amount was approximately RMB2.2 million (VAT is excluded), thus the entering into the New Lease Agreement and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules. Upon commencement of the lease term, the Group along with the recognition of the right-of-use asset of approximately RMB2.2 million (VAT is excluded), a lease liability also amounted to approximately RMB2.2 million (VAT is excluded) will be recognised by the Group. Set out below is the accounting treatment of the Group in relation to the right-of-use assets:

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

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

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

Based on the “Unaudited Pro Forma Financial Information of the Group” as set out in Appendix III to this circular, the unaudited pro forma consolidated total liabilities of the Group as at 31 December 2018 would be increased by approximately RMB556,000 to approximately RMB7,968,000 upon completion of entering into the New Lease Agreement, assuming that entering into the New Lease Agreement had taken place on 31 December 2018.

LETTER FROM THE BOARD

5. INFORMATION ON THE PARTIES

5.1 The Group and the Tenant

The principal activities of the Group are the operation and management of a network of department stores in the PRC.

The Tenant is an indirect wholly-owned subsidiary of the Company whose scope of business includes, retail, whole-sale and import and export.

5.2 Landlord

The Landlord is a company established in the PRC whose scope of business includes art work, jewellery, gifts, tourist souvenirs, exhibition and leasing of venues and exhibition tools.

To the best knowledge and belief of the Directors having made all reasonable enquiries, the Landlord and its ultimate owner(s) are third parties independent of, and not connected with, the Company and its connected persons (as defined under the Listing Rules). The ultimate beneficial owner of the Landlord is China Poly Group Corporation Limited* (中國保利集團有限公司), a state-owned enterprise incorporated in Beijing, the PRC.

6. LISTING RULES IMPLICATIONS

6.1 Acquisition of asset by the Company

Pursuant to IFRS 16, the entering into the New Lease Agreement as a lessee will require the Group to recognise the Property as the right-of-use asset, thus the entering into the New Lease Agreement and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group under the Listing Rules.

6.2 Major Transaction

The transaction contemplated under the New Lease Agreement is regarded as an acquisition of asset under the Listing Rules and is required to be aggregated for determining the classification of the transaction under Rule 14.06 of the Listing Rules. On the basis of the acquisition of right-of-use asset under the New Lease Agreement, the amount recognised by the Group pursuant to IFRS 16 is approximately RMB2.2 million.

LETTER FROM THE BOARD

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the consideration under the New Lease Agreement, when aggregated with the total consideration under the Seven Lease Agreements, for the acquisition of the right-of-use assets recognised by the Group pursuant to IFRS 16 are more than 25%, the entering into the New Lease Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge of the Directors, no Shareholders or any of their respective associates has any material interest in the New Lease Agreement and none of the Shareholders is required to abstain from voting in favour of the resolution to approve the entering into the New Lease Agreement. A closely allied group of Shareholders interested in an aggregated of 1,448,270,000 Shares, representing approximately 54.97% of the total issued share capital of the Company has given its written approval of the entering into the New Lease Agreement and the transaction contemplated thereunder. The written approval of the aforementioned group of Shareholders has been accepted in lieu of holding a general meeting of the Company pursuant to Rule 14.44 of the Listing Rules. The aforesaid Shareholders are (i) East Crest International Limited which holds 9,970,000 Shares, representing 0.38% of the total issued share capital of the Company; and (ii) PRG Corporation Limited, which holds 1,438,300,000 Shares, representing approximately 54.59% of the total issued shares of the Company. PRG Corporation Limited is a wholly-owned subsidiary of East Crest International Limited.

7. RECOMMENDATION

The Directors, including the independent non-executive Directors, consider that the terms of the New Lease Agreement are fair and reasonable, and are in the interest of the Company and its Shareholders as a whole. Had a special general meeting been convened for the approval of the New Lease Agreement, the Directors, including the independent non-executive Directors, would have recommended the Shareholders to vote in favour of the New Lease Agreement.

8. FURTHER INFORMATION

Your attention is also drawn to the general information set out in Appendix V to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2016, 2017 and 2018 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.parksongroup.com.cn):

- (a) the annual report of the Company for the year ended 31 December 2016 published on 12 April 2017 (page 75 to 204) in relation to the financial information of the Group for the same year;
- (b) the annual report of the Company for the year ended 31 December 2017 published on 17 April 2018 (page 167 to 312) in relation to the financial information of the Group for the same year; and
- (c) the annual report of the Company for the year ended 31 December 2018 published on 10 April 2019 (page 75 to 236) in relation to the financial information of the Group for the same year.

2. INDEBTEDNESS**Borrowings**

As at the close of business on 30 April 2019, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had aggregate outstanding interest bearing and secured borrowings of approximately RMB3,863.9 million.

Bank borrowings denominated in United States Dollars bear floating interest rates ranging from 1.95% to 2.05% per annum over LIBOR. Bank borrowings denominated in Hong Kong Dollars bear a floating interest rate ranging from 1.00% to 1.15% per annum over HIBOR. Bank borrowings denominated in Malaysian Ringgit bear floating interest rates ranging from 1.75% to 2.75% per annum over KILBOR and fixed interest rate at 6.78%, respectively.

The bank borrowings at 30 April 2018 were secured by the Group's investments in time deposits with the amount of approximately RMB1,813.8 million, pledged buildings with a net carrying amount of approximately RMB1,878.3 million, investment properties with a net carrying amount of approximately RMB3.0 million, prepaid land lease payment with a net carrying amount of approximately RMB378.5 million and fixed and floating charges of all the assets and liabilities of a subsidiary of the Group, respectively.

General

Save as aforesaid and apart from intra-group liabilities, the Group did not have any debt securities, issued and outstanding, and authorised or otherwise created but unissued, any other outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptance (other than normal trade bills) or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities at the close of business on 30 April 2019.

3. WORKING CAPITAL

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

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The retail market in China has seen gradual slowdown amid macroeconomic headwinds and the US-China trade tensions throughout 2018. The retail sales growth in 2018 was 9.0%, down from 10.2% in 2017, marking a downward pressure on retail sales growth. Economic uncertainties have played a role in curbing Chinese consumption sentiment and demand. Nevertheless, it is expected that the trend of consumption upgrade will continue to prevail in 2019. Consumption is expected to remain the largest contributor to China's economic growth in 2019. China's consumer market is expected to continue its steady development and maintain a stable and positive outlook regardless of the negative macroeconomic and geopolitical factors.

"New retail" formats continued to advance the industry transformation in China in the past year, backed by social networking, mobile apps and mobile payment. Technology and innovation in the Chinese retail sector set the undertone of its transformation.

The prevalence of "new retail" and the emergence of consumer demand seeking personalized customer experience, lifestyle-centric products and services continue to bring ample opportunities to the Chinese retail industry. With over two decades of retail experience in the country, we have in-depth understanding of consumer demand and expectations. We understand that Chinese consumers are increasingly quality focused when it comes to lifestyle and entertainment consumption. This phenomenon is particularly noticeable among the younger generation.

During the year 2018, total operating revenues of the Group increased by RMB170.6 million or 3.6% to RMB4,847.8 million. The Group recorded Gross sales proceeds of RMB15,194.6 million inclusive of value added tax, a decline of 4.8% compared with last year, which was mainly due to the impact of store closures. Same store sales in 2018 decreased by 2.4%.

Looking forward, the Directors are confident in the retail industry in China, despite a challenging macroeconomic environment and market uncertainties. The Group believes that its transformation strategy focusing on diversified retail formats, enhanced brand and product offerings, and omni-channel marketing development will achieve solid progress in building resilience and steady growth in the face of market headwinds.

The Group look forward to bringing more quality products and services in the pipeline to our customers in the coming year. Our continuous effort in establishing a powerful online community of our customers will be further enhanced through social media networks, our VIP programme and personalized customer service.

UNAUDITED PROFIT AND LOSS STATEMENTS OF THE PROPERTY

In accordance with paragraph 67(6)(b)(i) of Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Company is required to include in this circular the profit and loss statements for the three preceding financial years, i.e. years ended 31 December 2016, 2017 and 2018 (the “Relevant Periods”), on the identifiable net income stream in relation to the property which must be reviewed by the reporting accountant to ensure that such information has been properly compiled and derived from the underlying books and records.

The unaudited profit and loss statements of identifiable net income stream attributable to the right-of-use asset acquired for the Relevant Periods (the “Unaudited Profit and Loss Statements”) prepared by the directors of the Company are set out below:

	Year ended 31 December		
	2016	2017	2018
	RMB'000	RMB'000	RMB'000
Revenue	405,187	386,288	363,844
Other operating revenues	<u>40,513</u>	<u>39,517</u>	<u>35,823</u>
Total operating revenue	<u>445,700</u>	<u>425,805</u>	<u>399,667</u>
Purchases of goods and changes in inventories	(171,534)	(184,252)	(186,560)
Staff costs	(38,349)	(35,379)	(35,248)
Depreciation and amortisation	(36,858)	(33,874)	(33,257)
Rental expenses	(60,260)	(58,659)	(58,496)
Other operating expenses	<u>(78,689)</u>	<u>(72,065)</u>	<u>(61,511)</u>
Total operating expenses	<u>(385,690)</u>	<u>(384,229)</u>	<u>(375,072)</u>
Profit from operations	60,010	41,576	24,595
Finance income	<u>4,509</u>	<u>14,476</u>	<u>9,125</u>
Profit before income tax	<u>64,519</u>	<u>56,052</u>	<u>33,720</u>

Pursuant to paragraph 67(6)(b)(i) of Chapter 14 of the Listing Rules, the directors of the Company engaged Asian Alliance (HK) CPA Limited (“Asian Alliance”), the reporting accountant of the Company, to perform certain factual finding procedures on the compilation of the Unaudited Profit and Loss Statements as shown above in accordance with Hong Kong Standard on Related Services 4400 *Engagements to perform Agreed-Upon Procedures Regarding Financial Information* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The procedures are performed solely to assist the directors of the Company in evaluating whether the amounts shown in the Unaudited Profit and Loss Statements have been

properly compiled and derived from the underlying books and records for the purpose of satisfying the requirements under paragraph 14.67(6)(b)(i) of Chapter 14 of the Listing Rules, and are summarised as follows:

1. To obtain the Unaudited Profit and Loss Statements which were prepared by the management of the Company, and check its arithmetical accuracy for the Relevant Periods; and
2. In respect of the Unaudited Profit and Loss Statements obtained, compare the balances shown on the Unaudited Profit and Loss Statements with the relevant amounts in the underlying books and records of the Group for the Relevant Periods.

The reporting accountant's factual findings are as follows:

1. With respect to item 1, Asian Alliance obtained the Unaudited Profit and Loss Statements, which were prepared by the management of the Company, and found the amounts in the Unaudited Profit and Loss Statements to be arithmetically accurate.
2. With respect to item 2, Asian Alliance obtained the Unaudited Profit and Loss Statements, and compared the amounts shown on the Unaudited Profit and Loss Statements with the relevant amounts in the underlying books and records of the Group for the Relevant Periods and found them to be in agreement.

The reporting accountant has performed the above agreed-upon procedures set out in the relevant engagement letter with the Company and reported its factual findings based on the agreed-upon procedures to the directors of the Company. Pursuant to the terms of the relevant engagement letter entered into between the Company and the reporting accountant, the reported factual findings should not be used or relied upon by any other parties for any purpose.

In the opinion of the directors of the Company, the Unaudited Profit and Loss Statements have been properly compiled and derived from the underlying books and records. The work performed by the reporting accountant in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements, Hong Kong Standards on Assurance Engagements or Hong Kong Standards on Investment Circular Reporting Engagements issued by the HKICPA and, consequently, no assurance has been expressed by Asian Alliance on the Unaudited Profit and Loss Statements.

**INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON
THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of Parkson Retail Group Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Parkson Retail Group Limited (the “Company”) and its subsidiaries (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 assets and liabilities as at 31 December 2018 and related notes of the Group (the “Unaudited Pro Forma Financial Information”) as set out on pages III-5 to III-8 of Appendix III to the circular dated 25 June 2019 (the “Circular”) issued by the Company in connection with the acquisition of right-of-use asset of a lease agreement dated 6 June 2019 entered into among the Group and China National Arts and Crafts Group Company Limited (the “Transaction”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-5 to III-8 of Appendix III to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group’s assets and liabilities as at 31 December 2018 as if the Transaction had taken place at 31 December 2018. As part of this process, information about the Group’s assets and liabilities as at 31 December 2018 has been extracted by the Directors from the Company’s audited consolidated financial statements for the year ended 31 December 2018 dated 21 February 2019, on which the annual report of the Group for the year ended 31 December 2018 has been published.

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* (“AG7”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our Independence and Quality Control

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

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and 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 plan and perform 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 AG7 issued by the HKICPA.

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

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Transaction on unadjusted financial information of the Group as if the Transaction have been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 31 December 2018 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 Transaction, and to obtain sufficient appropriate evidence about whether:

- the related 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 Transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled 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 the Chapter 4 of Listing Rules.

Yours faithfully,

Asian Alliance (HK) CPA Limited

Certified Public Accountants (Practising)

Chan Mei Mei

Practising Certificate Number: P05256

Suites 313 – 316

3/F., Shui On Centre

6 – 8 Harbour Road

Wanchai

Hong Kong

25 June 2019

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**1. Introduction to Unaudited Pro Forma Financial Information of The Group**

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities of Parkson Retail Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 31 December 2018 (the “Unaudited Pro Forma Financial Information”) of the proposed acquisition of right-of-use asset of a lease agreement dated 6 June 2019 (the “Transaction”). The Unaudited Pro Forma Financial Information presented below is prepared to illustrate effects of the Transaction on the consolidated statement of assets and liabilities of the Group as if the Transaction had been completed on 31 December 2018.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company (the “Directors”) 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”) for the purpose of illustrating the effect of the Transaction pursuant to the terms of the lease agreement dated 6 June 2019 (the “Lease Agreement”) entered into among the Group and China National Arts and Crafts Group Company Limited. Details of the Lease Agreement are set out in the *Letter from the Board* contained in this circular.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the consolidated statement of financial position of the Group as at 31 December 2018, which has been extracted from the Group’s consolidated financial statements for the year ended 31 December 2018 dated 21 February 2019, and adjusted on a pro forma basis to reflect the effect of the Transaction. A narrative description on these pro forma adjustments that are (i) directly attributable to the Transaction and not relating to future events and decisions; and (ii) factually supportable based on the terms of the Lease Agreement.

The Unaudited Pro Forma Financial Information has been prepared using accounting policies consistent with that of the Group. The Unaudited Pro Forma Financial Information is based on a number of assumptions, estimates, uncertainties and currently available information. Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the actual assets and liabilities of the Group that would have been attained had the Transaction been completed on 31 December 2018 nor purport to predict the future assets and liabilities of the Group.

The Unaudited Pro Forma Financial Information should be read in conjunction with i) the audited consolidated financial statements of the Group for the year ended 31 December 2018 dated 21 February 2019, and (ii) other financial information included elsewhere in this circular.

2. Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of The Group
as at 31 December 2018

	The Group's assets and liabilities as at 31 December 2018 <i>RMB'000</i> <i>Note 3(i)</i>	Pro forma adjustment <i>RMB'000</i> <i>Note 3(ii)</i>	Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Group as at 31 December 2018 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	3,894,419	–	3,894,419
Investment properties	30,293	–	30,293
Prepaid land lease payments	394,497	–	394,497
Intangible assets	1,797,675	–	1,797,675
Investment in a joint venture	28,517	–	28,517
Investments in associates	34,792	–	34,792
Trade receivables	91,596	–	91,596
Other assets	132,657	–	132,657
Time deposits	1,433,142	–	1,433,142
Deferred tax assets	186,576	–	186,576
	<u>8,024,164</u>	<u>–</u>	<u>8,024,164</u>
CURRENT ASSETS			
Inventories	350,083	–	350,083
Trade receivables	290,183	–	290,183
Prepayments and other receivables	490,462	–	490,462
Financial assets at fair value through profit or loss	544,593	–	544,593
Investments in principal guaranteed deposits	664,780	–	664,780
Time deposits	683,863	–	683,863
Cash and cash equivalents	1,544,354	–	1,544,354
	<u>4,568,318</u>	<u>–</u>	<u>4,568,318</u>
CURRENT LIABILITIES			
Trade payables	1,354,766	–	1,354,766
Customers' deposits, other payables and accruals	719,515	556	720,071
Contract liabilities	782,389	–	782,389
Interest-bearing bank loans	321,646	–	321,646
Tax payable	59,991	–	59,991
	<u>3,238,307</u>	<u>556</u>	<u>3,238,863</u>
NET CURRENT ASSETS	<u>1,330,011</u>	<u>(556)</u>	<u>1,329,455</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>9,354,175</u>	<u>(556)</u>	<u>9,353,619</u>

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

	The Group's assets and liabilities as at 31 December 2018 RMB'000 Note 3(i)	Pro forma adjustment RMB'000 Note 3(ii)	Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Group as at 31 December 2018 RMB'000
NON-CURRENT LIABILITIES			
Interest-bearing bank loans	3,721,241	–	3,721,241
Long-term payables	727,970	–	727,970
Deferred tax liabilities	<u>280,114</u>	<u>–</u>	<u>280,114</u>
	<u>4,729,325</u>	<u>–</u>	<u>4,729,325</u>
NET ASSETS	<u><u>4,624,850</u></u>	<u><u>(556)</u></u>	<u><u>4,624,294</u></u>

3. Notes to the Unaudited Pro Forma Financial Information of the Group

- (i) For the purpose of the preparation of the unaudited pro forma consolidated statement of assets and liabilities, the balances are extracted from the audited consolidated financial statements of the Group for the year ended 31 December 2018 dated 21 February 2019.
- (ii) The adjustment represents the estimated legal and professional fees and other direct expenses directly attributable to the Transaction of approximately RMB556,000. This adjustment is not expected to have a continuing financial effect on the Group.
- (iii) The unaudited pro forma financial information is prepared in a manner consistent with both the format and accounting policies adopted by the Group in its audited consolidated financial statements of the Group for the year ended 31 December 2018 and therefore the unaudited pro forma financial information is materially consistent with the accounting basis used by the Group. Pursuant to International Financial Reporting Standard 16 *Lease* (“IFRS 16”), which is effective for financial statements with annual periods beginning on or after 1 January 2019, entering into the Transaction as a lessee will require the Group to recognise the right-of-use asset in its subsequent financial statements. Had the adoption of IFRS 16 for the Transaction been taken into account, right-of-use asset and lease liabilities will be recognised with the same amount of approximately RMB2.2 million (VAT is excluded) respectively at its initial recognition and the total assets and total liabilities of the unaudited pro forma consolidated statement of assets and liabilities would then be increased by the same amount of approximately RMB2.2 million (VAT is excluded) respectively.

The right-of-use assets will be recognised and presented as a separate line item under non-current assets, whereas the lease liabilities will be recognised and presented as a separate line item of which approximately RMB0.6 million under current liabilities and approximately RMB1.6 million under non-current liabilities in the unaudited pro forma consolidated statement of assets and liabilities.

The calculation of impact of IFRS 16 for the Transaction has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the impact to the Group had the Transaction been completed on the actual date of completion.

- (iv) Saved as aforesaid, no other adjustments have been made to reflect any trading result or other transactions of the Group entered into subsequent to 31 December 2018.

The following is the text of a valuation report, prepared for the purpose of incorporation in this circular received from Vigers Appraisal & Consulting Limited, an independent valuer, in connection with its valuation as at 6 June 2019 of the property interests to be acquired by the Group.

Vigers Appraisal & Consulting Limited
International Assets Appraisal Consultants

27th Floor, Standard Chartered Tower
Millennium City 1
388 Kwun Tong Road
Kowloon
Hong Kong



25 June 2019

The Directors
Parkson Retail Group Limited
Room 609, 6th Floor
Harcourt House
No. 39 Gloucester Road
Wanchai
Hong Kong

Dear Sirs,

In accordance with your instructions for us to value a property interest to be acquired by Parkson Retail Group Limited (the “Company”) and its subsidiaries (hereinafter referred to as the “Group”) in the People’s Republic of China (the “PRC”), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of such property interest as at 6 June 2019 (the “valuation date”) for the purpose of incorporation in the circular.

Our valuation is our opinion of the market value of the property interest which we would define market value as intended to mean “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 valued the property interest by direct capitalization of market rent for the term of building ownership rights of the property to be acquired by the Group.

Our valuation has been made on the assumption that the owner sells the property interest on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property interest. In addition, no forced sale situation in any manner is assumed in our valuation.

We have not caused title searches to be made for the property interest at the relevant government bureau in the PRC. We have been provided with certain extracts of title documents relating to the property interest. However, we have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the property interest, we have relied on the legal opinion (the “PRC legal opinion”) provided by the Company’s PRC legal adviser, Commerce & Finance Law Offices.

We have relied to a considerable extent on information provided by the Company and have accepted advice given to us by the Company on such matters as planning approvals or statutory notices, easements, tenure, occupation, lettings, site and floor areas and in the identification of the property and other relevant matter. We have also been advised by the Company that no material facts had been concealed or omitted in the information provided to us. All documents have been used for reference only.

All dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Company and are approximations only. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the property are free from defect. No tests were carried out on any of the services.

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

Our valuation is prepared in accordance with the HKIS Valuation Standards 2017 published by The Hong Kong Institute of Surveyors (HKIS) and the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

Unless otherwise stated, all money amounts stated are in Renminbi (RMB). The exchange rate used in valuing the property interest in the PRC as at 6 June 2019 was HK\$1=RMB0.879. There has been no significant fluctuation in the exchange rate for Renminbi against Hong Kong Dollars (HK\$) between that date and the date of this letter.

We enclose herewith the valuation certificate.

Yours faithfully,
For and on behalf of
Vigers Appraisal & Consulting Limited
Raymond Ho Kai Kwong
Registered Professional Surveyor (GP)
MRICS MHKIS MSc(e-com)
China Real Estate Appraiser
Managing Director

Note:

Mr. Raymond Ho Kai Kwong, Chartered Surveyor, MRICS MHKIS MSc(e-com), has over twenty nine years' experiences in undertaking valuations of properties in Hong Kong and has over twenty two years' experiences in valuations of properties in the PRC.

VALUATION CERTIFICATE

Property interest to be acquired by the Group in the PRC

Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 6 June 2019
Portion of the east part inside the South Gate of Xu Room on the Level 1 of the China National Arts and Crafts Museum, No. 101 of the Inner Street of Fuxing Men, Beijing City, the PRC	The property comprises a portion of retail space with a gross floor area of approximately 189 sq.m. on the Level 1 of a 7-storey commercial building completed in 1989.	The property is currently occupied by the Group for commercial purpose.	RMB2,620,000 (equivalent to approximately HK\$2,980,000)
	The building ownership rights of the property for a term from 7 June 2019 to 6 December 2021 are to be acquired by the Group.		

Notes:

1. According to a State-owned Land Use Rights Certificate (Document No.: Jing Xi Guo Yong (2006 Hua) No. 00362), the land use rights of the property having a site area of approximately 7,807.34 sq.m. have been allocated to China National Arts and Crafts (Group) Company (中國工藝美術(集團)公司) for commercial use.
2. According to a Building Ownership Rights Certificate (Document No.: Jing Fang Quan Zheng Xi Guo Zi No. 159559), the building ownership rights of the commercial building with a total gross floor area of 36,198.14 sq.m. were granted to China National Arts and Crafts (Group) Company (中國工藝美術(集團)公司).
3. According to a Lease Agreement (Document No.: ZL2019GM-BS-009) entered between China National Arts and Crafts Group Company Limited (中國工藝美術集團有限公司)(the “Landlord”) and Parkson Retail Development Co., Ltd. (百盛商業發展有限公司)(the “Tenant”), an indirect wholly-owned subsidiary of the Company, the property is leased to the Tenant for a term from 7 June 2019 to 6 December 2021 at a quarterly rent of RMB250,000 for department store retail, entertainment, property management and related ancillary services uses.
4. The PRC legal opinion states, *inter alia*, the following:
 - (i) China National Arts and Crafts (Group) Company (中國工藝美術(集團)公司) has changed its name to China National Arts and Crafts Group Company Limited (中國工藝美術集團有限公司).
 - (ii) China National Arts and Crafts Group Company Limited (中國工藝美術集團有限公司) is the owner of the property.
 - (iii) China National Arts and Crafts Group Company Limited (中國工藝美術集團有限公司) and Parkson Retail Development Co., Ltd. (百盛商業發展有限公司) have signed and executed the Lease Agreement.
 - (iv) As confirmed by the Company, the Tenant has been occupying the property since its incorporation in 1993 for commercial purpose and has been in compliant with the land use rights as allocated.

- (v) As the nature of the land use right of the property is allocative, the owner cannot transfer, lease and mortgage the property under the Rule No. 44 of the 城鎮國有土地使用權出讓和轉讓暫行條例 (the “Regulation”) unless the owner has complied with the Rule No. 45 of the Regulation.
 - (vi) As advised by the Company’s PRC legal adviser, the PRC courts have different opinions on whether Rule No. 44 and Rule No. 45 are compulsory in nature and might affect the validity of the Lease Agreement. Even if the PRC court considers the Lease Agreement has not fully complied with Rule No. 44 and/or Rule No. 45, it is possible that the PRC court may determine that this will not affect the validity of the Lease Agreement.
5. The property was inspected by Ms. Li Shuang, China Real Estate Appraiser, on 28 May 2019.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As of the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance) which will be required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which the Directors and 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 as set out in Appendix 10 to the Listing Rules, were as follows:

- (1) Long position of Tan Sri Cheng Heng Jem in the share capital of the Company:

Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities (Note 1)	Approximate Percentage of Shareholding (Note 2)
Corporate interest	PRG Corporation Limited ("PRG Corporation")	PRG Corporation	1,438,300,000 ordinary shares	54.59%
Corporate interest	East Crest International Limited ("East Crest")	East Crest	9,970,000 ordinary shares	0.38%

Note:

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

- (ii) Based on the issued and paid up capital of the Company as at 31 December 2018.

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

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate Percentage of Shareholding
PHB	Beneficial interest and corporate interest	Tan Sri Cheng Heng Jem together with his spouse Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations	Tan Sri Cheng Heng Jem together with his spouse Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations	640,455,084 ordinary shares	60.01%
East Crest	Corporate interest	PHB	PHB	1 ordinary share	100%
Puncak Pelita Sdn. Bhd.	Corporate interest	PHB	PHB	2 ordinary shares	100%
Parkson Properties Holdings Co., Ltd.	Corporate interest	PHB	PHB	2 ordinary shares	100%
Parkson Vietnam Investment Holdings Co., Ltd.	Corporate interest	PHB	PHB	2 ordinary shares	100%
Prime Yield Holdings Limited	Corporate interest	PHB	PHB	1 ordinary share	100%
Corporate Code Sdn. Bhd.	Corporate interest	PHB	PHB	2 ordinary shares	100%
PRG Corporation	Corporate interest	East Crest	East Crest	1 ordinary share	100%
Smart Spectrum Limited	Corporate interest	East Crest	East Crest	1 ordinary share	100%
Park Avenue Fashion Sdn. Bhd.	Corporate interest	East Crest	East Crest	250,002 ordinary shares	100%
Serbadagang Holdings Sdn. Bhd.	Corporate interest	East Crest	East Crest	2 ordinary shares	100%
Parkson Retail Asia Limited	Beneficial interest and corporate interest	Tan Sri Cheng Heng Jem and through East Crest	Tan Sri Cheng Heng Jem and through East Crest	458,433,300 ordinary shares	68.03%
Parkson Properties NDT (Emperor) Co., Ltd.	Corporate interest	Parkson Properties Holdings Co., Ltd.	Parkson Properties Holdings Co., Ltd.	2 ordinary shares	100%
Parkson Properties Hanoi Co., Ltd.	Corporate interest	Parkson Properties Holdings Co., Ltd.	Parkson Properties Holdings Co., Ltd.	1 ordinary share	100%
Parkson TSN Holdings Co., Ltd.	Corporate interest	Parkson Vietnam Investment Holdings Co., Ltd.	Parkson Vietnam Investment Holdings Co., Ltd.	2 ordinary shares	100%

APPENDIX V
GENERAL INFORMATION

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate Percentage of Shareholding
Dyna Puncak Sdn. Bhd.	Corporate interest	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares	100%
Gema Binari Sdn. Bhd.	Corporate interest	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares	100%
Prestasi Serimas Sdn. Bhd.	Corporate interest	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2,000,000 ordinary shares	100%
Parkson Credit Holdings Sdn. Bhd.	Corporate interest	Prime Yield Holdings Limited	Prime Yield Holdings Limited	2 ordinary shares	100%
Centro Retail Pte. Ltd.	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	2 ordinary shares (SGD)	100%
				1 ordinary share (MYR)	
PT. Tozy Sentosa	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	45,000 ordinary shares	100% (in aggregate)
		Centro Retail Pte. Ltd.	Centro Retail Pte. Ltd.	5,000 ordinary shares	
		Parkson Retail Asia Limited	Parkson Retail Asia Limited	30,355,850 series B preference shares	100%
Parkson Corporation Sdn. Bhd.	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	82,000,002 ordinary shares	100%
Parkson Myanmar Co., Pte. Ltd.	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	1 ordinary share (SGD)	100%
				1 ordinary share (MYR)	
Parkson Yangon Company Limited	Corporate interest	Parkson Retail Asia Limited	Parkson Retail Asia Limited	1,900,000 ordinary shares	100% (in aggregate)
		Parkson Myanmar Co., Pte. Ltd.	Parkson Myanmar Co., Pte. Ltd.	100,000 ordinary shares	
Parkson HBT Properties Co., Ltd	Corporate interest	Parkson TSN Holdings Co., Ltd.	Parkson TSN Holdings Co., Ltd.	2,100,000 capital (USD)	100%
Idaman Erajuta Sdn. Bhd.	Corporate interest	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	2 ordinary shares	100%
Magna Rimbun Sdn. Bhd.	Corporate interest	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	2 ordinary shares	100%

APPENDIX V
GENERAL INFORMATION

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate Percentage of Shareholding
True Excel Investments Limited	Corporate interest	Dyna Puncak Sdn. Bhd.	Dyna Puncak Sdn. Bhd.	1 ordinary share	100%
Parkson Branding Sdn. Bhd.	Corporate interest	Gema Binari Sdn. Bhd.	Gema Binari Sdn. Bhd.	7,000,000 ordinary shares	100%
Giftmate Sdn. Bhd.	Corporate interest	Gema Binari Sdn. Bhd.	Gema Binari Sdn. Bhd.	120,000 ordinary shares	60%
Ombrello Resources Sdn.Bhd	Corporate interest	Prestasi Serimas Sdn.Bhd	Prestasi Serimas Sdn.Bhd	457,000 ordinary shares	100%
Parkson SGN Co., Ltd	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	4,500,000 Capital (USD)	100%
Parkson Cambodia Holdings Co., Ltd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	1 ordinary share	100%
Parkson Edutainment World Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	1,000,000 ordinary shares	100%
Parkson Lifestyle Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	5,000,000 ordinary shares	100%
Kiara Innovasi Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	5,000,000 ordinary shares	100%
Parkson Online Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	16,277,000 ordinary shares	100%
Parkson Haiphong Co., Ltd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	30,000,920 capital (USD)	100%
Parkson Unlimited Beauty Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	3,000,000 ordinary shares	100%
Parkson Trends Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	3,000,000 ordinary shares	100%
Parkson Private Label Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	3,000,000 ordinary shares	100%
Parkson Trading (Vietnam) Company Limited	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	300,000 capital (USD)	100%
Solid Gatelink Sdn. Bhd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	3,000,000 ordinary shares	100%
Parkson Vietnam Co., Ltd.	Corporate interest	Parkson Corporation Sdn. Bhd.	Parkson Corporation Sdn. Bhd.	10,340,000 capital (USD)	100%
Parkson Myanmar Investment Company Pte. Ltd.	Corporate interest	Parkson Myanmar Co., Pte. Ltd.	Parkson Myanmar Co., Pte. Ltd.	2,100,000 ordinary shares	70%

APPENDIX V
GENERAL INFORMATION

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate Percentage of Shareholding
Festival City Sdn. Bhd.	Corporate interest	Idaman Erajuta Sdn. Bhd.	Idaman Erajuta Sdn. Bhd.	500,000 ordinary shares	100%
Megan Mastika Sdn. Bhd.	Corporate interest	Magna Rimbun Sdn. Bhd.	Magna Rimbun Sdn. Bhd.	300,000 ordinary shares	100%
True Excel Investments (Cambodia) Co., Ltd.	Corporate interest	True Excel Investments Limited	True Excel Investments Limited	1,000 ordinary shares	100%
Parkson Fashion Sdn. Bhd.	Corporate interest	Parkson Branding Sdn. Bhd.	Parkson Branding Sdn. Bhd.	5,000,000 ordinary shares	100%
Parkson Branding (L) Limited	Corporate interest	Parkson Branding Sdn. Bhd.	Parkson Branding Sdn. Bhd.	300,000 ordinary shares	100%
Parkson (Cambodia) Co., Ltd.	Corporate interest	Parkson Cambodia Holdings Co., Ltd.	Parkson Cambodia Holdings Co., Ltd.	1,000 ordinary shares	100%
Parkson Vietnam Management Services Co., Ltd	Corporate interest	Parkson Vietnam Co., Ltd	Parkson Vietnam Co., Ltd.	100,000 capital (USD)	100%
Parkson Myanmar Asia Pte. Ltd.	Corporate interest	Parkson Myanmar Investment Company Pte. Ltd.	Parkson Myanmar Investment Company Pte. Ltd.	30,000 ordinary shares (USD) 1 ordinary share (SGD)	100%
Myanmar Parkson Company Limited	Corporate interest	Parkson Myanmar Investment Company Pte. Ltd.	Parkson Myanmar Investment Company Pte. Ltd.	270,000 ordinary shares	100% (in aggregate)
		Parkson Myanmar Asia Pte. Ltd.	Parkson Myanmar Asia Pte. Ltd.	30,000 ordinary shares	
Dimensi Andaman Sdn. Bhd.	Corporate interest	Megan Mastika Sdn. Bhd.	Megan Mastika Sdn. Bhd.	300,000 ordinary shares	100% (in aggregate)
				53,719,999 redeemable convertible cumulative preference shares	

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

Name of Associated Corporation	Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate Percentage of Shareholding
PHB	Corporate interest	Tan Sri Cheng Heng Jem together with his spouse Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations	Tan Sri Cheng Heng Jem together with his spouse Chan Chau Ha alias Chan Chow Har directly, and through a series of controlled corporations	40,000,142 ordinary shares	3.74%

- (1) Long positions of Chong Sui Hiong (resigned on 1 February 2019) in the share capital of the Company:

Nature of Interest	Name of Registered Owner	Name of Beneficial Owner	Number and Class of Securities	Approximate Percentage of Shareholding (Note 1)
Beneficial interest	Chong Sui Hiong	Chong Sui Hiong	20,000 ordinary shares	Less than 0.01%

Note:

1. Based on the issued and paid up share capital of the Company as at 31 December 2018.

3. DISCLOSURE OF INTEREST OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as of the Latest Practicable Date, the following persons had or was deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital of the Company carrying rights to vote in all circumstances at general meeting of the Company:

Name	Nature of Interest	Number of Shares	Approximate % of Shareholding
PHB	Corporate interest	1,448,270,000 (Note 1)	54.97%
Puan Sri Chan Chau Ha alias Chan Chow Har	Interest of spouse	1,448,270,000 (Note 2)	54.97%
PRG Corporation	Beneficial interest	1,438,300,000 (Note 1)	54.59%
Chan Kin	Corporate interest	548,278,580 (Note 3)	20.81%
Argyle Street Management Holdings Limited	Corporate interest	548,278,580 (Note 3)	20.81%
Argyle Street Management Limited	Investment manager	548,278,580 (Note 3)	20.81%
ASM Connaught House General Partner II Limited	Corporate interest	534,851,080 (Note 3)	20.30%
ASM Connaught House Fund LP	Beneficial interest and corporate interest	415,854,080 (Note 3)	15.78%
ASM Connaught House General Partner Limited	Corporate interest	410,651,080 (Note 3)	15.78%
ASM Connaught House Fund II LP	Corporate interest	410,651,080 (Note 3)	15.59%
Bishan Street Limited ("Bishan")	Beneficial interest and security interest	403,748,080 (Note 3)	15.33%
Wang Hung Roger	Beneficial interest and trustee	397,129,000 (Note 4)	15.07%
Wang Hsu Vivine H	Interest of spouse and beneficiary of a trust	397,129,000 (Note 5)	15.07%

Name	Nature of Interest	Number of Shares	Approximate % of Shareholding
GEICO Holdings Limited	Corporate interest	395,686,846 (Note 6)	15.02%
Golden Eagle International Retail Group Limited	Beneficial interest	395,686,846 (Note 6)	15.02%
Wang Dorothy S L	Beneficiary of a trust	395,686,846	15.02%
Wang Janice S Y	Beneficiary of a trust	395,686,846	15.02%
HSBC Holdings PLC	Corporate interest	250,000,000 (Note 7)	9.49%

Note:

- (1) PRG Corporation is a wholly owned subsidiary of East Crest which in turn is wholly owned by PHB. By virtue of the SFO, PHB is deemed to be interested in the Shares held by PRG Corporation in the Company.
- (2) Puan Sri Chan Chau Ha alias Chan Chow Har is the wife of Tan Sri Cheng Heng Jem and is deemed to be interested in 1,448,270,000 Shares which Tan Sri Cheng Heng Jem is deemed to be interested in for the purposes of the SFO.
- (3) According to disclosure of interest filings available on the Stock Exchange website, Mr Chan Kin is deemed to be interested in the Shares held by several corporations which he directly or indirectly control. Out of these 548,278,580 Shares, 3,748,080 Shares are interests in cash-settled unlisted derivatives.

Bishan and ASM Connaught House Fund LP beneficially owned 3,748,080 and 12,106,000 Shares respectively. Bishan also held 400,000,000 securities interest on the Shares among the 403,748,080 Shares it is interested in.

Bishan was held indirectly by Argyle Street Management Limited as the Investment Manager through ASM Connaught House Fund II LP, ASM Connaught House Fund LP and several other controlled corporations. ASM Connaught House General Partner II Limited and ASM Connaught House General Partner Limited were two wholly controlled corporations of Argyle Street Management Holding Limited. Mr Chan Kin has 100% control over Argyle Street Management Limited through his 50.43% control over Argyle Street Management Holding Limited. Accordingly, Mr. Chan Kin, Argyle Street Management Holding Limited and Argyle Street Management Limited were deemed to be interested in an aggregate holding of 548,278,580 Shares by virtue of the SFO.

- (4) The capacities of Wang Hung Roger in holding the 397,129,000 Shares (Long position) were as to 8,289,154 Shares (Long position) as beneficial owner and 388,839,846 Shares (Long position) as trustee.
- (5) Wang Hsu Vivine H is the wife of Wang Hung Roger and is deemed to be interested in 397,129,000 Shares held by Wang Hung Roger.

- (6) Golden Eagle International Retail Group Limited is wholly owned by GEICO Holdings Limited. By virtue of the SFO, GEICO Holdings Limited is deemed to be interested in the Shares held by Golden Eagle International Retail Group Limited in the Company.
- (7) According to disclosure of interest filing available on the Stock Exchange website, HSBC Holdings PLC is deemed to be interested in the Shares held through a number of its wholly-owned subsidiaries. The interest in the security is in form of a “Charge” over the securities.

As at 31 December 2018, as far as the Directors are aware, each of the following persons, not being a Director or Chief Executive of the Company, was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of a member of the Group other than the Company:

Substantial Shareholder	Member of the Group	Percentage of Equity Interest Held
Xinjiang Youhao (<i>Note 1</i>)	Xinjiang Parkson	49%
Wuxi Supply and Marketing (<i>Note 2</i>)	Wuxi Parkson	40%
Guizhou Shenqi Enterprise (<i>Note 3</i>)	Guizhou Parkson	40%
Shanghai Nine Sea Industry	Shanghai Lion Property (<i>Note 4</i>)	71%
Shanghai Nine Sea Industry	Shanghai Nine Sea Parkson (<i>Note 5</i>)	29%
Newcore Retail Hong Kong Limited	Parkson Newcore Retail Shanghai Ltd.	51%
Newcore Retail Hong Kong Limited	Nanchang Parkson Newcore Retail Ltd.	51%
Parkson Credit Holdings Sdn. Bhd.	Parkson Credit Sdn. Bhd.	30%
Koh Wee Lit	Habitat Blue Sdn. Bhd.	23.88%
Gee Cher Chiang	Habitat Blue Sdn. Bhd.	16.67%
Bernice Cheong Nyuk Siew	Habitat Blue Sdn. Bhd.	16.67%

Notes:

1. Xinjiang Friendship (Group) Co., Ltd. owns 49% of the equity interest of Xinjiang Youhao Parkson Development Co., Ltd. (“Xinjiang Parkson”).

2. Wuxi Supply and Marketing Group Co., Ltd. owns 40% of the equity interest of Wuxi Sanyang Parkson Plaza Co., Ltd. (“Wuxi Parkson”).
3.
 - (i) Guizhou Shenqi Enterprise, owns 40% of the equity interest of Guizhou Parkson.
 - (ii) Zhang Pei, Zhang Zhi Jun and Zhang Ya, own 30%, 40% and 30% of the equity interest in Guizhou Shenqi Enterprise, respectively, representing a 12%, 16% and 12% indirect equity interest in Guizhou Parkson.
4. Shanghai Nine Sea Lion Properties Management Co., Ltd. (“Shanghai Lion Property”) is a cooperative joint venture enterprise established under the laws of the PRC between Shanghai Nine Sea Industry Co., Ltd. (“Shanghai Nine Sea Industry”) and Exonbury Limited (“Exonbury”), a wholly-owned subsidiary of the Company. Shanghai Nine Sea Industry is entitled to 71% of the voting rights in the board of Shanghai Lion Property and 65% of its distributable profits. The Group is entitled to 29% of the voting rights in the board of Shanghai Lion Property and 35% of its distributable profits.
5. Shanghai Nine Sea Parkson Plaza Co., Ltd. (“Shanghai Nine Sea Parkson”) is a cooperative joint venture enterprise established under the laws of the PRC between Shanghai Nine Sea Industry and Exonbury. Shanghai Nine Sea Industry is entitled to 29% of the voting rights in the board of Shanghai Nine Sea Parkson and a pre-determined distribution of income from Shanghai Nine Sea Parkson. The Group is entitled to 71% of the voting rights in the board of Shanghai Nine Sea Parkson and 100% of its distributed profit after deducting the aforesaid pre-determined distribution of income attributable to Shanghai Nine Sea Industry.

Save as disclosed above and so far as the Directors are aware, as at 31 December 2018, no other person had an interest or short position in the Company’s shares or underlying shares (as the case may be), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was otherwise directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. MATERIAL ADVERSE CHANGE

As of 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 2018, being the date to which the latest published audited financial statements of the Group were made up.

5. DIRECTORS' SERVICE CONTRACTS

As of the Latest Practicable Date:

- (a) Tan Sri Cheng Heng Jem (an executive Director) entered into a letter of appointment with the Company in November 2017, pursuant to which he was appointed and he has agreed to act as an executive Director for: (i) a term of three years commencing from 9 November 2017; and (ii) an annual Director's fee as stipulated in the letter of appointment (or such amount as adjusted by the Board from time to time). The annual Director's fee payable by the Company to Tan Sri Cheng Heng Jem is HK\$240,000.
- (b) Juliana Cheng San San (an executive Director) entered into a letter of appointment with the Company in August 2018, pursuant to which she was appointed and she has agreed to act as an executive Director for: (i) a term of three years commencing from 28 August 2018; and (ii) an annual Director's fee as stipulated in the letter of appointment (or such amount as adjusted by the Board from time to time). The annual Director's fee payable by the Company to Juliana Cheng San San is HK\$240,000.
- (c) He Dong (an executive Director) entered into a letter of appointment with the Company in May 2019, pursuant to which he was appointed and he has agreed to act as an executive Director for: (i) a term of three years commencing from 5 May 2019; and (ii) an annual Director's fee as stipulated in the letter of appointment (or such amount as adjusted by the Board from time to time). The annual Director's fee payable by the Company to He Dong is HK\$240,000.
- (d) Dato' Sri Dr. Hou Kok Chung (a non-executive Director) entered into a letter of appointment with the Company in November 2017, pursuant to which he was appointed and has agreed to act as a non-executive Director for: (i) a term of three years commencing from 13 November 2017; and (ii) an annual Director's fee as stipulated in the letter of appointment (or such amount as adjusted by the Board from time to time). The annual Director's fee payable by the Company to Dato' Sri Dr. Hou Kok Chung is HK\$240,000.

Save as disclosed above, none of the Directors have any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or which may be terminated by the Company or the relevant Group member within one year without payment of compensation other than statutory compensation).

6. DIRECTORS' INTERESTS IN ASSETS

As of the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up.

7. DIRECTORS' INTERESTS IN CONTRACTS

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

8. DIRECTORS' INTERESTS IN COMPETING BUSINESS

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

9. LITIGATION

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

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) A settlement agreement entered into between Hefei Parkson Xiaoyao Plaza Co., Ltd, a subsidiary of the Company, and the relevant parties on 1 February 2018 for the purpose of settling a litigation with a third party plaintiff in relation to ownership dispute of the 51% equity interests of the Anshan Tianxing Parkson Shopping Centre Co., Ltd.

Pursuant to the settlement agreement, Serbadagang Holdings Sdn. Bhd. (a connected person of the Company) (“Serbadagang”) and Hefei Parkson have entered into a compensation agreement whereby (i) Hefei Parkson shall pay an initial compensation of RMB100.0 million to Serbadagang on or before 30 April 2018; (ii) Hefei Parkson shall further negotiate with Serbadagang on a possible additional compensation; and (iii) the possible additional compensation is subject to Hefei Parkson and Serbadagang entering into a legally binding agreement on or before 30 June 2018.

The subsidiary and Serbadagang have in May 2018 entered into a supplementary compensation agreement whereby (i) part of the litigation compensation in the sum of RMB90.0 million shall be paid to Serbadagang on or before 31 May 2018; (ii) the remaining balance of RMB10.0 million shall be paid to PRC tax authority as tax payables; and (iii) the possible additional compensation is subject to Hefei Parkson and Serbadagang entering into a legally binding agreement.

- (b) Oroleon (Hong Kong) Limited (an indirect wholly-owned subsidiary of the Company, “Oroleon”) entered into the sale and purchase agreement with Parkson Credit Holdings Sdn. Bhd. on 13 September 2018, pursuant to which Oroleon agreed to acquire 70% of the equity interest in Parkson Credit Sdn. Bhd. at a consideration of RM49,000,000.

11. EXPERTS AND CONSENTS

Name	Qualification
Asian Alliance (HK) CPA Limited	Certified Public Accountants
Vigers Appraisal & Consulting Limited	Independent property valuer and professional surveyor

The above experts have given and have not withdrawn their written consents to the issue of this circular with the inclusion of their letters or opinions or advice and the references to their names in the form and context in which they appear.

As at the Latest Practicable Date, the above experts were not beneficially interested in the share capital of any member of the Group nor did they have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did they have any interest, either direct or indirect, in any assets which have been, since 31 December 2018 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

12. GENERAL

- (a) The registered office of the Company is situated at P.O. Box 10008, Willow House, Cricket Square, Grand Cayman KY1-1001, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is at Room 609, 6th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The secretary of the Company is SENG SZE Ka Mee, Natalia FCS (PE), FCIS, MBA (Executive), FHKIoD, FTIHK.
- (e) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from Monday to Friday (other than public holidays) at the headquarters and principal place of business of the Company in Hong Kong at Room 609, 6th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong for a period of 14 days from the day of this circular (both days inclusive):

- (a) the Memorandum and Articles of Association of the Company;
- (b) the New Lease Agreement;
- (c) the material contracts referred to in the section headed "Material Contracts" in this Appendix;
- (d) the annual report of the Company for the year ended 31 December 2016;
- (e) the annual report of the Company for the year ended 31 December 2017;
- (f) the annual report of the Company for the year ended 31 December 2018;
- (g) the letter from the Board dated 25 June 2019 to the Shareholders, the text of which is set out on pages 3 to 8 of this circular;
- (h) the accountants' report on the Unaudited Pro Forma Financial Information on the Group, the text of which is set out in Appendix III to this circular;
- (i) the valuation report prepared by Vigers Appraisal & Consulting Limited, the text of which is set out in Appendix IV to this circular; and
- (j) this circular.