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佳華百貨控股有限公司

JIAHUA STORES HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00602)

CONTINUING CONNECTED TRANSACTION

LEASE OF COMMERCIAL PREMISES

SUMMARY

The Board announces that on 31 December 2025, BJH Department Stores, as a lessor, and JH Real Estate, as a lessee, entered into the Lease Agreement. Pursuant to which JH Real Estate agreed to lease the Premise from BJH Department Stores for a term of 3 years commencing from 1 January 2026 to 31 December 2028 for a monthly rental of RMB67,072.43 (equivalent to approximately HK$73,705.89).

As at the date of this announcement, JH Real Estate is owned as to 18% by Mrs. Zhuang and 82% by BJH Group (a company owned as to 90% by Mr. Zhuang and 10% as to Mrs. Zhuang). Accordingly, JH Real Estate is a connected person of the Company and therefore, entering into the Lease Agreement with JH Real Estate and the transaction contemplated thereunder constitute continuing connected transaction for the Company under the Listing Rules.

As each of the applicable percentage ratios in respect of the transaction contemplated under the Lease Agreement is less than 5% and the relevant annual consideration is less than HK$3,000,000, the transaction contemplated is categorized as de minimis transaction. However, if aggregated with other relevant related transactions, each of the applicable percentage ratios in respect of all transactions contemplated under the Lease Agreement is less than 5% only. The transaction contemplated is only subject to the reporting and announcement requirements and is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE LEASE AGREEMENT

Set out below are the key terms of the Lease Agreement:

Date	:	31 December 2025
Lessor	:	BJH Department Stores
Lessee	:	JH Real Estate, a connected person of the Group

Premise	:	Portion of Level 4, Jiahua Ming Yuan (佳華名苑), No. 246 Xinhu Road, Baoan Central District, Shenzhen, Guangdong Province, the PRC of a gross floor area of approximately 751.07 sq.m.
Terms	:	3 years from 1 January 2026 to 31 December 2028
Rental	:	Monthly rental of RMB67,072.43 (equivalent to approximately HK$73,705.89) and payable by cash on a monthly basis within fifth days of the beginning of each calendar month
Rental deposit	:	Two months rental of RMB134,144.86 (equivalent to approximately HK$147,411.78)
Others	:	If the Group cannot fulfill the requirements of the Listing Rules as a results of the Lease Agreement, BJH Department Stores has the right to terminate the transactions under the Lease Agreement by giving written notice to the JH Real Estate, without any payment or compensation.

INFORMATION OF THE GROUP

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

INFORMATION OF JH REAL ESTATE

JH Real Estate is principally engaged in property development and property management in the PRC.

PROPOSED ANNUAL CAPS

The proposed Annual Caps for each of the three years ending 31 December 2026, 2027, and 2028 is RMB1,000,000 (equivalent to approximately HK$1,098,899.95).

The proposed Annual Caps are fair and reasonable and are determined by the Company based on the agreed monthly rental payable under the Lease.

REASONS AND BENEFITS FOR ENTERING INTO THE LEASE AGREEMENT

The premises subject to the Lease are being acquired under the major acquisition and connected transaction in February 2012 of the Group as part of the office premises. Taking into consideration the fact that the Group cannot fully utilize the floor area of the office premises, a portion of the office area was sub-leased to a connected person as office premises. Both parties have come to a reasonable unit rental price. Entering into the sub-lease agreement would not only increase the rental income to the Group, but also increase the cash flow to the Group simultaneously. The terms (including monthly rental) of the Lease were arrived at after arm's length negotiations and by making reference to market rents of similar premises in proximity.

The Group has adopted a mechanism for the entering into new lease agreements by which any decision involving the possibilities of leasing premises to the controlling shareholder and/or his associates in the future will be determined by the Independent Board. As confirmed by the Directors, the Independent Board has been established to review the entering into the Leasing Agreement. The Independent Board has been given the level of rental that the Independent Board considered necessary for comparison and to enable the Independent Board to make the relevant decision. The Independent Board considers that the terms of the continuing connected transaction contemplated under the Lease Agreement was arrived at after arm's length negotiations between the parties to the Lease Agreement with reference to the prevailing market rate in the PRC.

The Directors, including the independent non-executive Directors, consider that the Lease was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and is fair and

reasonable and in the interests of the Company and its Shareholders as a whole.

GENERAL

As at the date of this announcement, JH Real Estate is owned as to 18% by Mrs. Zhuang and 82% by BJH Group (a company owned as to 90% by Mr. Zhuang and 10% as to Mrs. Zhuang). Accordingly, JH Real Estate is a connected person of the Company and therefore, entering into of the Lease Agreement with JH Real Estate and the transaction contemplated thereunder constitute continuing connected transaction for the Company under the Listing Rules.

As each of the applicable percentage ratios in respect of the transaction contemplated under the Lease Agreement is less than 5% and the relevant annual consideration is less than HK$3,000,000, the transaction contemplated is categorized as de minimis transaction. However, if aggregated with other relevant related transactions, each of the applicable percentage ratios in respect of all transactions contemplated under the Lease Agreements is less than 5% only. The transaction contemplated is only subject to the reporting and announcement requirements and is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

STATEMENT ON WHETHER ANY DIRECTORS HAVE A MATERIAL INTEREST IN THE TRANSACTION

As Mr. Zhuang Lu Kun and Mr. Zhuang Xiao Xiong are connected persons and have material interest in the transaction, they have abstained from voting on the board resolution.

DEFINITIONS

"BJH Department Stores"	深圳市百佳華百貨有限公司 (Shenzhen Baijiahua Department Stores Company Limited), a wholly owned subsidiary of the Company and a wholly foreign-owned enterprise incorporated in the PRC with limited liability
"BJH Group"	深圳市百佳華集團有限公司 (Shenzhen Baijiahua Group Company Limited), a company incorporated in the PRC on 24 August 1995 with limited liability, which was owned as to 90% by Mr Zhuang and 10% by Mrs Zhuang as at the date of this announcement
"Board"	the board of Directors
"Company"	Jiahua Stores Holdings Limited (佳華百貨控股有限公司) (stock code: 602), an exempted company incorporated in the Cayman Islands on 4 September 2006 with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
"connected person(s)"	has / have the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has / have the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries (from time to time)
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board"	a sub-committee board of Directors, excluding Mr. Zhuang and Mr.

	Zhuang Xiao Xiong
"Independent Third Parties"	third party(ies) (and its/their ultimate beneficial owner(s)) independent of the Company and connected persons of the Company
"JH Real Estate"	深圳市佳華房地產開發有限公司 (Shenzhen Jiahua Real Estate Development Company Limited), which was owned as to 18% by Mrs Zhuang and 82% by BJH Group as at the date of this announcement
"Lease agreement"	the lease agreement dated 31 December 2025 entered into between BJH Department Stores and JH Real Estate in respect of the leasing of the Premise
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Zhuang"	莊陸坤先生(Mr. Zhuang Lu Kun), an executive Director and the controlling shareholder who is the founder and chairman of the Group
"Mrs. Zhuang"	莊素蘭女士(Mrs. Zhuang Su Lan), the spouse of Mr. Zhuang
"PRC"	the People's Republic of China
"Premise"	Portion of Level 4, Jiahua Ming Yuan (佳華名苑), No. 246 Xinhu Road, Baoan Central District, Shenzhen, Guangdong Province, the PRC of a gross floor area of approximately 751.07 sq.m.
"Share(s)"	share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"sq.m."	square metre
"%"	per cent.

Unless otherwise specified in this announcement, translation of RMB into HK$ is made in this announcement, for illustration purpose only, at the rate of RMB1 to HK$1.099. No representation is made that any amount in RMB could have been or could be converted at such rate or any other rates.

For and on behalf of the board of
Jiahua Store Holdings Limited
Zhuang Lu Kun
Chairman

Shenzhen, the PRC, 31 December 2025

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Zhuang Lu Kun, Mr. Zhuang Pei Zhong and Mr. Zhuang Xiao Xiong, one non-executive Director, namely Madam Yan Xiao Min, and four independent non-executive Directors, namely Mr. Chin Kam Cheung, Mr. Sun Ju Yi, Mr. Ai Ji and Madam Ying Chi Kwan.