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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
DISPOSAL OF LEASEHOLD IMPROVEMENTS AND EQUIPMENT**

**DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF LEASEHOLD
IMPROVEMENTS AND EQUIPMENT**

On 30 September 2026, Shenzhen Baijiahua (i.e. the Sublandlord) (a wholly-owned subsidiary of the Company) and Shenzhen Maojia (i.e. the Subtenant) entered into the Sublease Agreement in respect of the sublease of the Longhua Premises for a term from 1 October 2026 to 28 February 2027 (both days inclusive), which will be automatically extended to 30 September 2038 upon the renewal of the Lease Agreement II to beyond 30 September 2038. Pursuant to the Sublease Agreement, the Sublandlord shall transfer the Leasehold Improvements and Equipment to the Subtenant at a Sub-transfer Fee of RMB3.57 million.

LISTING RULES IMPLICATIONS

The sublease of the Longhua Premises is a provision of operating lease services by the Sublandlord to the Subtenant. Since (i) it is of a revenue nature in the ordinary and usual course of business of the Company; and (ii) the sublease involved are operating leases which have no material impact on the operation of the Company and the amount or value of the sublease involved will not result in the expansion of the Company's existing scale of operation through such lease arrangement by 200% or more, the Board considers that it does not constitute a notifiable transaction of the Company under Chapter 14 of the Hong Kong Listing Rules.

In respect of the Sub-transfer Fee, as certain applicable percentage ratios (as defined in the Listing Rules) in respect of the transfer of the Leasehold Improvements and Equipment exceed 5% but are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction and is subject to the announcement requirement under Chapter 14 of the Listing Rules but exempt from Shareholders' approval requirement under the Listing Rules.

Reference is made to the announcement of the Company dated 15 February 2019, in relation to among other things, the Lease Agreement II dated 15 February 2019, entered into between Shenzhen Baijiahua and Shenzhen Baijiahua Group in relation to the lease of the rental space being the Longhua Jiahua Shopping Mall, located at 4241 Renmin Road, Longyuan Community, Longhua Jiedao, Longhua District, Shenzhen City, Guangdong Province, the PRC with a total area of 24,549.25 sq.m. dated 15 February 2019 with a term from 1 March 2019 to 28 February 2027 (both days inclusive).

Pursuant to the Sublease Agreement, certain area of the rental space as mentioned above (i.e. the Longhua Premises) is subleased to the Subtenant for operation of the Longhua Supermarket.

DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF LEASEHOLD IMPROVEMENTS AND EQUIPMENT

On 30 September 2026, Shenzhen Baijiahua (i.e. the Sublandlord) (a wholly-owned subsidiary of the Company) and Shenzhen Maojia (i.e. the Subtenant) entered into the Sublease Agreement in respect of the sublease of the Longhua Premises for a term from 1 October 2026 to 28 February 2027 (both days inclusive) which will be automatically extended to 30 September 2038 upon the renewal of the Lease Agreement II to beyond 30 September 2038. Pursuant to the Sublease Agreement, the Sublandlord shall dispose the Leasehold Improvements and Equipment of the Longhua Premises to the Subtenant at the Sub-transfer Fee of RMB3.57 million.

Key Terms of the Sublease Agreement

Date: 30 September 2026

Parties: (i) Shenzhen Baijiahua as the Sublandlord; and
(ii) Shenzhen Maojia as the Subtenant

Premises:	The Longhua Premises, located at 2/F, 4241 Renmin Road, Longyuan Community, Longhua Jiedao, Longhua District, Shenzhen City, Guangdong Province, (深圳市龍華區龍華街道龍園社區龍華人民路4241號二樓). The Company operates the Longhua Supermarket at the Longhua Premises as at the date of this announcement.
Size:	1,932 square metres (excluding warehouse space)
Term:	For a term from 1 October 2026 to 28 February 2027 (both days inclusive), which will be automatically extended to 30 September 2038 upon the renewal of the Lease Agreement II beyond 30 September 2038.
Rent:	RMB40 per square meter per month, being a monthly rent of RMB77,280 (tax inclusive).
Renewal:	The Subtenant shall notify the Sublandlord in writing three months prior to the end of the term should the Subtenant wishes to renew the lease and shall have priority to renew the lease under the same conditions.
Rent Free Period:	Five months from 1 October 2026 to 28 February 2027 (both days inclusive). Upon the renewal of the Lease Agreement II, the rent-free period shall be extended to 30 June 2027.
Air-conditioning fee:	An air-conditioning fee of RMB165,534 (tax inclusive) per year, equivalent to RMB13,794.5 per month, payable monthly together with the rent.
	Utilities and other operating expenses shall be borne by the Subtenant in accordance with the Sublease Agreement.
Deposit:	A rental deposit of RMB154,560 payable by the Subtenant to the Sublandlord within five working days of the signing of the Sublease Agreement and shall be refunded within 15 business days after the final settlement of all payment by the end of the lease term
Delivery:	The Longhua Premises will be delivered within five working days after receipt of the first instalment of the respective Sub-transfer Fee and the rental deposit by the Sublandlord.

Decoration:	The Subtenant must obtain written consent from the Sublandlord for any renovation or remodeling work and shall bear the associated costs.
Usage:	For operation of supermarket
Sub-let:	The four shops originally located outside Longhua Supermarket with a total area of 132 square meters, will be operated by the Subtenant with the supermarket and the terms shall be determined by the Subtenant. The Subtenant shall not, without authorisation, change the use of the premises, sublet or assign the tenancy.
Other terms:	If the Group fails to comply with the provisions of the Listing Rules in respect of the Sublease Agreement, the Sublandlord shall be entitled to terminate the transaction by written notice to the Subtenant without any compensation.

Sub-transfer Fee

Pursuant to the Sublease Agreement, the Subtenant shall pay a Sub-transfer Fee of RMB3,570,000 to the Sublandlord in cash for the Leasehold Improvements and Equipment in accordance with the payment schedule below:

- (i) RMB1,785,000 to be settled within 10 working days of the signing of the Sublease Agreement;
- (ii) RMB892,500 on the date falling one year after the Sublease Agreement takes effect; and
- (iii) RMB892,500 on the date falling two years after the Sublease Agreement takes effect.

The Sub-transfer Fee were arrived at after arm's length negotiations between the Subtenant and the Sublandlord, taking into account, among other things, the unaudited net book value of the Leasehold Improvements and Equipment as at 30 June 2026 of around RMB3.168 million and the prevailing market value of the relevant assets making up the Leasehold Improvements and Equipment. Given the trademark did not record any carrying value on the consolidated financial statement of the Group, in determining the Sub-transfer Fee, the management of the Group made reference to the net book value of all the fixed assets to be transferred to the Subtenant as well as the latest relevant cost of replacement of such fixed assets. The Directors consider that the Sub-transfer Fee are fair and reasonable and on normal commercial terms.

INFORMATION ON THE PARTIES

Information of the Sublandlord

Shenzhen Baijiahua, the Sublandlord is a wholly-owned subsidiary of the Company and is principally engaged in operation and management of retail stores in the PRC.

Information of the Subtenant

Shenzhen Maojia, is a company incorporated in the PRC, which is held as to 100% by Mr. An Guobin as at the date of this announcement, who is a third party independent of the Company and connected persons of the Company. The Subtenant is principally engaged in, among other things, wholesale and retail business.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subtenant and its ultimate beneficial owners are third parties independent of the Company and its connected persons. Furthermore, the Subtenant and its ultimate beneficial owners are third parties independent of the subtenants of the previous disposals of four other supermarkets in 2026 as disclosed in the announcements of the Company dated 3 May 2026, 30 June 2026 and 1 September 2026.

INFORMATION ON THE LONGHUA PREMISES, LEASEHOLD IMPROVEMENTS AND EQUIPMENT AND FINANCIAL EFFECT OF THE DISPOSAL

Information on the Longhua Premises

The Longhua Premises comprised the retail space located at 2/F, 4241 Renmin Road, Longyuan Community, Longhua Jiedao, Longhua District, Shenzhen City, Guangdong Province, the PRC (深圳市龍華區龍華街道龍園社區龍華人民路4241號二樓), with a gross floor area of approximately 1,932 square metres (excluding warehouse space). The Group operated the Longhua Supermarket at the Longhua Premises as at the date of this announcement.

Information on the Leasehold Improvements and Equipment

The Leasehold Improvements and Equipment comprise the existing leasehold improvements, fittings and fixtures, facilities and equipment, usage of trademark and other relevant assets associated with the Group's operation of the supermarket at the Longhua Premises. As at 30 June 2026, the unaudited net book value of the Leasehold Improvements and Equipment was around RMB3.168 million.

Set out below is the unaudited financial information relating to the Group's supermarket operation at the Longhua Premises for the two years ended 31 December 2024 and 2025:

	For the year ended 31 December 2024 <i>RMB' million</i> (unaudited)	For the year ended 31 December 2025 <i>RMB' million</i> (unaudited)
Revenue	9.8	13.0
Net profit/(loss) before tax	1.1	(0.3)
Net profit/(loss) after tax	0.825	(0.3)

Financial Effect of the Disposal

Based on the Sub-transfer Fee of RMB3.57 million and the unaudited net book value of the Leasehold Improvements and Equipment of RMB3.168 million as at 30 June 2026, the Group currently anticipates recording a slight gain on the Disposal of approximately RMB0.402 million, before related transaction costs and taxation and subject to audit.

The proceeds from the Disposal are expected to be used as general working capital of the Group. Following completion of the Disposal, the Group will cease to operate the Longhua supermarket at the Longhua Premises and expects to record rental income arising from the Sublease Agreement.

REASONS AND BENEFITS FOR THE DISPOSAL

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

To streamline the Group's operation and enhance profitability, the Group has been and will continue to redeploy the Group's resources from low profit making/loss making operations to other profit-making operations. In the first three quarters of 2026, the Group had terminated the operations of 4 supermarkets and disposed of the relevant leasehold improvements and equipment to relevant part(ies) subletting the supermarket spaces from the Group respectively. Prior to the entering into of the Sublease Agreement, the Group operated 5 supermarkets, in which, among others, the Longhua Supermarket had been loss-making in 2025, as such the Company decided to terminate the operation of the Longhua Supermarket and sublet the Longhua Premises to the Subtenant as the Directors considered it will generate rental income and improve the cashflow of the Company.

As the Leasehold Improvements and Equipment were merely for the operation of the Longhua Supermarket, to facilitate the Subtenant's operation of supermarket, the Disposal of the Leasehold Improvements and Equipment forms part of the commercial arrangements under the Sublease Agreement and will facilitate the Subtenant's operation of the Longhua Supermarket.

The Longhua Supermarket has been loss-making, the financials result of the Longhua Supermarket will no longer be consolidated into the accounts of the Group upon completion of the Disposal. Furthermore, the discontinuation of the operation of Longhua Supermarket will result in a slight gain on disposal and generate on-going rental income for the Group.

In view of the above, the Directors considered that the terms of the Sublease Agreement were entered into on normal commercial terms and the Sub-transfer Fee for the Disposal was arrived after arm's length negotiation and are fair and reasonable and on normal commercial terms. The Directors believe that the terms of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The sublease of the Longhua Premises constitutes the provision of operating lease services by the Sublandlord to the Subtenant. Since (i) it is revenue in nature and in the ordinary and usual course of business of the Group; and (ii) it has no material impact on the operation of the Group and will not result in an expansion of the Group's existing scale of operation through such lease arrangement by 200% or more, the Board considers that the sublease itself does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal of the Leasehold Improvements and Equipment exceed 5% but are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction and is subject to the announcement requirement under Chapter 14 of the Listing Rules but exempt from Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Jiahua Stores Holdings Limited (佳華百貨控股有限公司) (stock code: 00602), an exempted company incorporated in Cayman Islands on 4 September 2006 and the issued shares of which are listed on the main board of the Stock Exchange

“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Leasehold Improvements and Equipment pursuant to the Sublease Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS 16”	the Hong Kong Financial Reporting Standard 16 – Leases issued by the Hong Kong Institute of Certified Public Accountants
“Lease Agreement II”	the lease agreement to be entered into between Shenzhen Baijiahua Group and Shenzhen Baijiahua of the leasing of the Longhua Jiahua Shopping Mall, located at Renmin Road, Longhua Jiedao, Longhua District, Shenzhen City, Guangdong Province, the PRC with a total area of 24,549.25 sq.m. dated 15 February 2019 with a term from 1 March 2019 to 28 February 2027
“Leasehold Improvements and Equipment”	the existing fittings and fixtures, equipment, and transferable business licenses of the Longhua Supermarket
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longhua Premises”	the retail space located at 2/F, Longhua Jiahua Shopping Mall with a gross floor area of approximately 1,932 square metres (excluding warehouse space)
“Longhua Supermarket”	the supermarket operated by the Company as at the date of this announcement located at the Longhua Premises
“Mr. Zhuang”	Mr. Zhuang Lu Kun, an executive Director, spouse of Mrs. Zhuang which as at the date of this announcement held 467,985,000 Shares, and together with Mrs. Zhuang held approximately 51.61% of the total issued shares of the Company

“Mrs. Zhuang”	Mrs. Zhuang Su Lan, spouse of Mr. Zhuang, which as at the date of this announcement held 67,500,000 Shares, and together with Mr. Zhuang held 535,485,000 Share, representing approximately 51.61% of the total issued shares of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Shares of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shenzhen Baijiahua”	Shenzhen Baijiahua Department Stores Company Limited (深圳市百佳華百貨有限公司), a company incorporated in the PRC, a wholly-owned subsidiary of the Company, being the Sublandlord
“Shenzhen Baijiahua Group”	Shenzhen Baijiahua Group Company Limited (深圳市百佳華集團有限公司), a company incorporated in the PRC with limited liability, which is held as to 90% by Mr. Zhuang and 10% by Mrs. Zhuang as at the date of this announcement
“Shenzhen Maojia”	Shenzhen Maojia Optimal Trading Company Limited (深圳茂佳優選商貿有限公司), a company incorporated in the PRC with limited liability, which is held as to 100% by Mr. An Guobin (安國彬) as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-transfer Fee”	RMB3,570,000, being consideration for the Disposals
“Sublandlord”	Shenzhen Baijiahua, being the Sublandlord under the Sublease Agreement
“Sublease Agreement”	the sublease agreement dated 30 September 2026 entered into between the Sublandlord and the Subtenant in respect of the sublease of the Longhua Premises and the disposal of the Leasehold Improvements and Equipment

“Subtenant”	Shenzhen Maojia, being the Subtenant under the Sublease Agreement
“%”	per cent.

By Order of the Board
Jiahua Stores Holdings Limited
Zhuang Lu Kun
Chairman

Shenzhen, the PRC, 30 September 2026

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, and four independent non-executive Directors, namely Mr. Chin Kam Cheung, Mr. Sun Ju Yi, Mr. Ai Ji and Madam Ying Chi Kwan.