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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)

UPDATES IN RELATION TO MAJOR TRANSACTION REGARDING THE HISTORICAL TRANSACTIONS INVOLVING VARIATION AND EXTENSION OF TERMS TO THE LEASE AGREEMENT

Reference is made to the announcement (the "**Announcement**") dated 4 June 2026 and the circular dated 25 June 2026 (the "**Circular**") of the Company in relation to major transaction regarding the historical transactions involving variation and extension of terms to the lease agreement. Unless otherwise specified, capitalised terms used in this announcement shall have the same meaning as those defined in the Announcement and the Circular. In the Announcement and Circular, it was disclosed that the Company did not timely comply with the relevant announcement and approval requirements due to inadvertent oversight, and that certain remedial measures would be implemented to strengthen the Group's internal control and compliance framework.

The Company would like to provide update on the implementation of the said remedial measures as disclosed in the Circular:

(i) **a memorandum was issued to the administrative department by the Board (the Memo), stating that all lease agreements, including any supplemental agreements or variations to existing lease terms, must be submitted to the finance department and the company secretary for review no less than one month prior to the intended date of execution;**

The memorandum was issued to all departments in respect of the review arrangement on 9 June 2026 with immediate effect.

(ii) for each lease-related agreement to be circulated for internal approval, the administrative department would be required to prepare an internal review and approval memorandum (the "RA Memo") and attach it thereto. After reviewing the draft lease-related agreement, the relevant size tests and the right-of-use asset calculation, the finance department will affix its departmental chop on the RA Memo to confirm that it has reviewed and approved the execution of the relevant lease-related agreement;

The above internal approval procedure was fully implemented from 30 June 2026 onwards.

(iii) a compliance committee comprising an executive director, an independent non-executive director and the company secretary of the Company would be set up, to conduct final review of all upcoming tenancy agreements (including any variation of terms) of the Company before execution; and

The compliance committee comprising an executive director, an independent non-executive director and the company secretary of the Company has been set up on 27 August 2026.

(iv) a guideline regarding the recognition and derecognition of right-of-use assets as well as the respective Listing Rules requirements would be provided to the administrative department as well as members of the board for their ongoing reference to relevant Listing Rules compliance. Relevant training would also be provided to the administrative department and relevant personnel (including all directors) before end of August 2026.

The guideline has been provided to the administrative department and members of the board in late June 2026.

The Company has engaged the Company's financial advisor, to deliver training on relevant topics of the Listing Rules, such as identification of notifiable transactions and the applicable reporting, disclosure and/or shareholder approval requirements. The training was delivered on 27 August 2026 for the senior management (including members of the Board) and relevant staff members.

The Board believes that the measures taken have adequately addressed the issues and will substantially reduce the risk of recurrence of similar non-compliant incidents. The Company remains fully committed to maintaining the highest standards of corporate governance and strict compliance with the Listing Rules and all other applicable regulatory requirements.

By Order of the Board
Jiahua Stores Holdings Limited
Zhuang Pei Zhong
Executive Director and CFO

Shenzhen, the PRC, 30 October 2026

As at the date of this announcement, the Directors are:

Executive Directors: Mr. Zhuang Lu Kun, Mr. Zhuang Pei Zhong and Mr. Zhuang Xiao Xiong

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