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## **GOLDEN EAGLE RETAIL GROUP LIMITED**

**金鷹商貿集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3308)**

### **CONTINUING CONNECTED TRANSACTIONS:**

**(1) 2020 STREET SHOP MANAGEMENT AGREEMENT;**

**(2) 2020 COOPERATION AGREEMENT ON PROPERTY LEASE (OFFICES);**

**(3) 2020 COOPERATION AGREEMENT ON PROPERTY LEASE  
(CONVENIENCE STORES);**

**(4) LEASE AGREEMENT (7/F, XINJIEKOU BLOCK A);**

**(5) SECOND SUPPLEMENTAL AGREEMENT TO LEASE AGREEMENT  
(XINJIEKOU BLOCK B);**

**AND**

### **RENEWAL OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS**

#### **CONTINUING CONNECTED TRANSACTIONS**

##### **(1) 2020 STREET SHOP MANAGEMENT AGREEMENT**

Since the 2017 Street Shop Management Agreement will expire on 31 December 2020, Golden Eagle (China) and Golden Eagle International Group entered into the 2020 Street Shop Management Agreement on 29 September 2020, pursuant to which Golden Eagle (China) and its subsidiaries are delegated with the tasks of managing the daily operation of the Street Shop Properties.

##### **(2) 2020 COOPERATION AGREEMENT ON PROPERTY LEASE (OFFICES)**

Since the 2017 Cooperation Agreement on Property Lease (Offices) will expire on 31 December 2020, Golden Eagle Trading and Golden Eagle International Group entered into the 2020 Cooperation Agreement on Property Lease (Offices) on 29 September 2020, pursuant to which Golden Eagle International Group agrees to lease, and procure its subsidiaries to lease, to Golden Eagle Trading or its invested entities, including its subsidiaries, various office premises owned by Golden Eagle International Group or its subsidiaries located in various parts of the PRC.

### **(3) 2020 COOPERATION AGREEMENT ON PROPERTY LEASE (CONVENIENCE STORES)**

On 29 September 2020, Golden Eagle Convenience Store on one part, and Golden Eagle International Group and Nanjing Xinbai Group on the other part, entered into the 2020 Cooperation Agreement on Property Lease (Convenience Stores), pursuant to which Golden Eagle International Group and Nanjing Xinbai Group agree to lease, or procure their respective subsidiaries to lease, to Golden Eagle Convenience Store various premises owned by Golden Eagle International Group, Nanjing Xinbai Group or their respective subsidiaries located at various parts of the PRC for 7-Eleven convenience stores operation.

### **(4) LEASE AGREEMENT (7/F, XINJIEKOU BLOCK A)**

On 29 September 2020, Golden Eagle (China) and Golden Eagle International Industry entered into the Lease Agreement (7/F, Xinjiekou Block A) for the lease of 7/F, Xinjiekou Block A by Golden Eagle International Industry to Golden Eagle (China) for a term commencing from 1 January 2021 to 25 April 2034.

### **(5) SECOND SUPPLEMENTAL AGREEMENT TO LEASE AGREEMENT (XINJIEKOU BLOCK B)**

On 29 September 2020, Golden Eagle (China) and Golden Eagle International Group entered into the Second Supplemental Agreement to Lease Agreement (Xinjiekou Block B), for the addition of leased area of B1/F, Xinjiekou Block A with an aggregate GFA of 2,700 square metres for a term commencing from 1 January 2021 to 25 April 2034.

### **RENEWAL OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS**

The Company proposes to renew the annual caps in respect of the following agreements:

- (6) Zhujiang Tenancy Agreement (as amended by the First, Second and Third Supplemental Agreements);
- (7) Lease Agreement (Golden Eagle Plaza) (as amended by the First, Second and Third Supplemental Agreements);
- (8) Lease Agreement (Yancheng Golden Eagle Outlet) (as amended by the First and Second Supplemental Agreements);
- (9) Lease Agreement (Yancheng Tiandi Plaza);
- (10) Lease Agreement (Nanjing Jiangning Tiandi Plaza);
- (11) Lease Agreement (Ma'anshan Tiandi Plaza); and
- (12) Decoration Services Agreement (as amended and supplemented).

### **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, GEICO, through Golden Eagle International Retail Group Limited (one of its wholly-owned subsidiaries), is indirectly holding approximately 66.95% of the entire issued share capital of the Company and is accordingly the controlling shareholder of the Company. GEICO is in turn wholly-owned by The 2004 RVJD Family Trust, the family trust of Mr. Wang. Ms. Wang is a beneficiary of The 2004 RVJD Family Trust.

Each of the GEICO Parties, being:

- (i) Golden Eagle International Group;
- (ii) Nanjing Xinbai Group;
- (iii) Golden Eagle International Industry;
- (iv) Nanjing Zhujiang No.1;
- (v) Shanghai Golden Eagle Tiandi;
- (vi) Yancheng Golden Eagle Technology;
- (vii) Nanjing Jiangning Technology;
- (viii) Ma'anshan Golden Eagle Tiandi; and
- (ix) Golden Eagle Construction Work

is an indirect wholly-owned subsidiary of GEICO, the controlling shareholder of the Company. As such, the above companies are the associates of GEICO and are thus the connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the above-mentioned agreements and the underlying agreements, the annual caps of which are required to be renewed, constituted continuing connected transactions for the Company.

According to Rule 14A.81 of the Listing Rules, the Stock Exchange will aggregate a series of transactions/connected transactions and treat them as if they were on one transaction if they are all completed within a 12-month period or are otherwise related.

The Directors anticipated that all the applicable percentage ratios (as defined in the Listing Rules) in accordance with Rule 14A.81 of the Listing Rules in respect of the amount of management fees to be received by the Group under the 2020 Street Shop Management Agreement and the 2020 Jinqiao Market Management Agreement calculated on an aggregate and annual basis with reference to the annual caps available represent more than 0.1% but are less than 5%. Accordingly, the entering into of the 2020 Street Shop Management Agreement and the transactions contemplated thereunder are subject to announcement, reporting and annual review requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Group has entered into certain lease agreements with its connected persons. In this regard, the relevant caps in respect of the New Lease Agreements, the Relevant Lease Agreements and the Other Lease Agreements shall be aggregated in the calculation of the applicable percentage ratios in accordance with Rule 14A.81 of the Listing Rules.

Save for the aforesaid, the Group has not entered into any prior transaction with GEICO and/or any of its connected persons that is required to be aggregated with any of the New Lease Agreements and Relevant Lease Agreements.

The Directors anticipated that the highest applicable percentage ratio in respect of the aggregate amount of rentals, (if applicable) the car parking fees and (if applicable) the property management fees payable under the New Lease Agreements, the Relevant Lease Agreements and the Other Lease Agreements calculated on an aggregate and annual basis with reference to the annual caps available represent more than 5%. Accordingly, (i) the entering into of the New Lease Agreements and the transactions contemplated thereunder and the respective annual caps thereof; (ii) the Yancheng Golden Eagle Outlet Proposed 2020 Annual Cap; and (iii) the Relevant Proposed Annual Caps are subject to announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors anticipated that all the applicable percentage ratios in respect of the amount of decoration service fees to be paid under the Decoration Services Agreement (as amended and supplemented) for the year ending 31 December 2020 (as revised) and for the two years ending 31 December 2022 calculated on an annual basis represent more than 0.1% but are less than 5%. As such, the revised annual cap under the Decoration Services Agreement (as amended and supplemented) is subject to announcement, reporting and annual review requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **GENERAL**

The independent board committee of the Company comprising all the independent non-executive Directors has been established to advise and give recommendations to the Independent Shareholders on (i) the New Lease Agreements; (ii) the Yancheng Golden Eagle Outlet Proposed 2020 Annual Cap; and (iii) the Relevant Proposed Annual Caps.

Euto Capital Partners Limited has been appointed as the Independent Financial Adviser to make recommendations to the independent board committee of the Company and the Independent Shareholders in respect of (i) the New Lease Agreements; (ii) the Yancheng Golden Eagle Outlet Proposed 2020 Annual Cap; (iii) the Relevant Proposed Annual Caps; and (iv) the respective term of the Lease Agreement (7/F, Xinjiekou Block A) and the Second Supplemental Agreement to Lease Agreement (Xinjiekou Block B) which both exceed three years.

An EGM will be convened and held to consider and, if thought fit, to approve (i) the terms of the New Lease Agreements and the respective proposed annual caps for each of the three years ending 31 December 2023; (ii) the Yancheng Golden Eagle Outlet Proposed 2020 Annual Cap; and (iii) the Relevant Proposed Annual Caps. The Company will publish and despatch a circular to the Shareholders in accordance with the Listing Rules on or around 16 November 2020 as more time is needed to incorporate the relevant information into the circular. Further announcement will be published if there is delay in the despatch of the circular. Details of the continuing connected transactions of the Company will be disclosed in the Company's published annual report and accounts in accordance with Rule 14A.49 of the Listing Rules.

## **CONTINUING CONNECTED TRANSACTIONS**

### **(1) 2020 STREET SHOP MANAGEMENT AGREEMENT DATED 29 SEPTEMBER 2020**

#### **Subject matter**

Since the 2017 Street Shop Management Agreement will expire on 31 December 2020, Golden Eagle (China) and Golden Eagle International Group entered into the 2020 Street Shop Management Agreement on 29 September 2020, pursuant to which Golden Eagle (China) and its subsidiaries are delegated with the tasks of managing the daily operation of the Street Shop Properties which are being owned, or will be owned by Golden Eagle International Group and its subsidiaries from time to time, for the period from 1 January 2021 to 31 December 2023.

As at the date of this announcement, these properties include standalone non-specialty street shops with an aggregate leasable area of approximately 204,399 square metres held for lease in the cities of Nanjing, Taizhou, Yancheng, Suqian, Danyang, Kunshan and Ma'anshan which are all located at the prime shopping districts in the proximity of the chain stores being operated by the Group in the same city, namely Nanjing Xianlin Store, Taizhou Store, Yancheng Outlet Store, Yancheng Julonghu Store, Suqian Store, Danyang Store, Kunshan Store and Ma'anshan Store.

The major services to be provided under the 2020 Street Shop Management Agreement include:

- (i) providing professional technical support for introducing suitable tenants to the Street Shop Properties and executing the related tenancy agreements;
- (ii) providing professional advice on the floor planning and interior design of the Street Shop Properties and assisting in enhancing the operation efficiency of the leasable area of the Street Shop Properties;
- (iii) providing professional support and advice on promotion and advertising activities, including, in particular, the promotional sales, festival activities, public relation design and functions etc. in the Street Shop Properties;
- (iv) providing necessary technical support for recruitment and training of staff and improving the human resources system in the Street Shop Properties;
- (v) providing professional advice to enhance the accounting, financial budgeting and operational analysis systems of the Street Shop Properties;
- (vi) providing professional advice and support to enhance information technology management system of the Street Shop Properties, including the improvement of the operation for computers, network and related facilities, security system for computer data and providing training for technicians so far as the Enterprise Resource Planning system provided by Golden Eagle (China) is concerned;
- (vii) providing property management service, on-site management consultation and guidance, including improvement in storage system; maintenance of facilities and assistance in small-scale improvement know-how; providing guidance for improving customer service; and
- (viii) being solely responsible for the operations and management of the Street Shop Properties, including review of contracts and approval of expenses.

### **Consideration**

During the term of the 2020 Street Shop Management Agreement, the management fee payable by Golden Eagle International Group and its subsidiaries to Golden Eagle (China) and its subsidiaries shall be calculated as follows:

- (a) For the existing Street Shop Properties currently being managed by Golden Eagle (China) or its subsidiaries under the 2017 Street Shop Management Agreement, 20% of the net rental income derived from the leasing operation of the Street Shop Properties after deducting the property tax, value-added tax and other relevant taxes (the “**Net Rental Income**”) of the immediately preceding year (the “**Base Management Fee**”); and
- (b) 50% of the excess portion of the Net Rental Income (if any) generated during each financial year, which exceeds the Net Rental Income generated in the immediately preceding year (the “**Incremental Management Fee**”).

For the new Street Shop Properties, 50% of the Net Rental Income generated during the first year of management shall be deemed as the management fee payable under the 2020 Street Shop Management Agreement and also be deemed as the Base Management Fee for the management fee calculation for the following year.

The Base Management Fee receivable by Golden Eagle (China) and its subsidiaries shall be calculated with reference to the quarterly management accounts of the respective Street Shop Properties and be paid by Golden Eagle International Group and its subsidiaries quarterly in arrears within 15 days after the end of the relevant Quarter.

The Incremental Management Fee receivable by Golden Eagle (China) and its subsidiaries shall be preliminarily determined with reference to the yearly management accounts of the respective Street Shop Properties and be paid by Golden Eagle International Group and its subsidiaries within one month after the end of the relevant year, and such amount shall be adjusted within four months after the end of the relevant year based on the audited financial statements of the respective Street Shop Properties for the relevant year.

Golden Eagle International Group and its subsidiaries shall bear the daily operation expenses including employee and welfare expenses, utilities expenses, property management fees, maintenance fees etc. incurred during the operation of the Street Shop Properties.

The management fee in respect of the 2020 Street Shop Management Agreement was arrived at after arm's length negotiations and with reference to the scope of services to be provided by Golden Eagle (China) and its subsidiaries. In the event that Golden Eagle (China) and its subsidiaries incurred additional management costs and expenses for the enhancement of operation performance of the Street Shop Properties in the course of providing services under the 2020 Street Shop Management Agreement, and such amount exceeds the management fee as stipulated under the 2020 Street Shop Management Agreement, both Golden Eagle International Group and Golden Eagle (China) shall discuss an increase in management fee.

#### **Historical transaction amounts**

The amounts of management fees received by the Group from Golden Eagle International Group and its subsidiaries for each of the two years ended 31 December 2019 and the eight months ended 31 August 2020 are set out as follows:

	<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2019</b>	<b>Eight months ended 31 August 2020</b>
Actual fees received	RMB21.21 million (equivalent to approximately HK\$24.04 million)	RMB22.60 million (equivalent to approximately HK\$25.61 million)	RMB13.63 million (equivalent to approximately HK\$15.45 million)

#### **Proposed annual caps for the three years ending 31 December 2023**

The projected aggregate annual caps for the management fees payable to the Group under the 2020 Street Shop Management Agreement for the three years ending 31 December 2023 are as follows:

##### *Year ending:*

31 December 2021:	RMB25.87 million	(equivalent to approximately HK\$29.32 million)
31 December 2022:	RMB26.56 million	(equivalent to approximately HK\$30.10 million)
31 December 2023:	RMB28.01 million	(equivalent to approximately HK\$31.74 million)

The above annual caps are determined based on (i) the rental income to be derived from the leasing of the Street Shop Properties for each of the two years ending 31 December 2020; (ii) a moderate increase in the rental income and the occupancy rate for each of the properties during the relevant management periods after taking into account the current economic environment; and (iii) the synergies expected to be achieved under the 2020 Street Shop Management Agreement.

## **Condition precedent**

The 2020 Street Shop Management Agreement and the proposed annual caps thereof are conditional upon all the requirements and approvals (including independent shareholders' approval) required under the Listing Rules having been complied with and obtained.

## **Reasons for the transaction**

Through the entering into of the 2015 Street Shop Management Agreement and the 2017 Street Shop Management Agreement, the Board believes that synergies have been created further among the existing stores of the Group and the nearby Street Shop Properties (collectively, the “**Enlarged Retail Complexes**”), which are reflected in the following manners: (i) the Enlarged Retail Complexes and different retail format features (retail stores versus street shops) allow the Group to plan and procure merchandise and leased tenants in a more reasonable and effective manner and enable the Group to introduce more privileged brands. It enables the Group to enlarge and enrich the range of its merchandise and lifestyle elements, and the target customers can now experience a more dynamic shopping experience, thus increasing the foot traffic of the Enlarged Retail Complexes and enhancing the operating performance of the Group's chain stores and the Street Shop Properties; (ii) with the Group's well-established and experienced operation teams, operating costs of the Street Shop Properties are expected to decrease and net profit margin will be improved; and (iii) with the Street Shop Properties, the Group is able to enlarge its operating area without incurring additional costs and the management fee provides another source of income for the Group and thus improve the Group's profit margin.

## **(2) 2020 COOPERATION AGREEMENT ON PROPERTY LEASE (OFFICES) DATED 29 SEPTEMBER 2020**

### **Subject matter**

Since the 2017 Cooperation Agreement on Property Lease (Offices) will expire on 31 December 2020, Golden Eagle Trading and Golden Eagle International Group entered into the 2020 Cooperation Agreement on Property Lease (Offices) on 29 September 2020, pursuant to which Golden Eagle International Group agrees to lease, and procure its subsidiaries to lease, to Golden Eagle Trading or its invested entities, including its subsidiaries, various office premises owned by Golden Eagle International Group or its subsidiaries located in various parts of the PRC, commencing from 1 January 2021 or the date on which the relevant parties have entered into formal leasing agreement from time to time (whichever is the later) until 31 December 2023.

### **Consideration**

Pursuant to the 2020 Cooperation Agreement on Property Lease (Offices), the rental shall be at a reasonable discount of the market rate in those cities where the relevant office premises are located. The exact amount of discount will be negotiated in good faith between the parties with reference to the market rate at the material time. The rental shall be payable by Golden Eagle Trading or its invested entities (i) quarterly in arrears before the 25th calendar day of the last month of the relevant Quarter; and (ii) in accordance with the other terms of the relevant implementation agreement.

During the term of the respective lease agreement, all the expenses on water, electricity, gas, heating system, telecoms and property management fees, etc. incurred at the leased properties shall be borne by Golden Eagle Trading or its invested entities as lessees.

The rental terms were arrived at after arm's length negotiations and based on the principle of fairness and reasonableness with reference to the prevailing market rates. The rental will be settled by the internal resources of the Group.

## Historical transaction amounts

The amount of rental actually paid by the Group to Golden Eagle International Group for each of the two years ended 31 December 2019 and the eight months ended 31 August 2020 are set out as follows:

	<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2019</b>	<b>Eight months ended 31 August 2020</b>
Actual rental paid ( <i>Note</i> )	RMB6.83 million (equivalent to approximately HK\$7.74 million)	RMB3.58 million (equivalent to approximately HK\$4.06 million)	RMB3.01 million (equivalent to approximately HK\$3.41 million)

*Note:* A low annual cap utilisation rate for each of the three years ending 31 December 2020 is recorded because (i) of the Group's consistent and disciplined approach towards cost control and the continuous efforts to streamline the roles and functions of its employees at all levels which led to reduced demand in office premises; and (ii) Golden Eagle International Group waived the Group's headquarter rental expenses in an aggregate amount of RMB3.20 million (equivalent to approximately HK\$3.63 million) for the period between May 2019 to December 2019, which was previously located at Nanjing Golden Eagle Centre Tower A and was relocated to Golden Eagle World Tower A after an outbreak of fire at Nanjing Golden Eagle Centre Tower A in May 2019.

## Proposed annual caps for the three years ending 31 December 2023

The projected aggregate annual caps for the rental payable under the 2020 Cooperation Agreement on Property Lease (Offices) for the three years ending 31 December 2023 are as follows:

### *Year ending:*

31 December 2021:	RMB8.0 million	(equivalent to approximately HK\$9.07 million)
31 December 2022:	RMB8.0 million	(equivalent to approximately HK\$9.07 million)
31 December 2023:	RMB8.0 million	(equivalent to approximately HK\$9.07 million)

The above annual caps are determined based on a reasonable estimation of the GFA of office premises to be leased by the Group taking into account the operation requirements and business expansion plan of the Group during the relevant periods and the assumption that the Group will be charged at the agreed rental rates (i.e. at the anticipated discounted market rates). While the leases of those office premises under the 2020 Cooperation Agreement on Property Lease (Offices) may commence on different dates, all leases will end on or before 31 December 2023.

The Group anticipates that other than the potential five office leases with aggregate GFA of approximately 5,500 square metres which will be entered into under the 2020 Cooperation Agreement on Property Lease (Offices) upon it becoming effective, the Group may lease additional office premises with aggregate GFA of approximately 800 square metres during the three years ending 31 December 2023 for its new business departments and offices, which will be used for the implementation and development of the Group's "comprehensive lifestyle concept" and "interactive retail platform".



## **Condition precedent**

The 2020 Cooperation Agreement on Property Lease (Offices) and the proposed annual caps thereof are conditional upon all the requirements and approvals (including independent shareholders' approval) required under the Listing Rules having been complied with and obtained.

## **Reasons for the transaction**

The Group needs office premises for its operation in various parts of the PRC from time to time. The 2020 Cooperation Agreement on Property Lease (Offices) establishes a framework for the Group to lease and use various office premises owned by Golden Eagle International Group or its subsidiaries from time to time and will facilitate the Group to arrange lease arrangements in a flexible manner.

### **(3) 2020 COOPERATION AGREEMENT ON PROPERTY LEASE (CONVENIENCE STORES) DATED 29 SEPTEMBER 2020**

#### **Subject matter**

On 29 September 2020, Golden Eagle Convenience Store on one part, and Golden Eagle International Group and Nanjing Xinbai Group on the other part, entered into the 2020 Cooperation Agreement on Property Lease (Convenience Stores), pursuant to which Golden Eagle International Group and Nanjing Xinbai Group agree to lease, or procure their respective subsidiaries to lease, to Golden Eagle Convenience Store various premises owned by Golden Eagle International Group, Nanjing Xinbai Group or their respective subsidiaries located at various parts of the PRC for 7-Eleven convenience stores operation. The term of the lease shall commence from 1 January 2021 or the date on which the relevant parties have entered into formal leasing agreement from time to time (whichever is the later) until 31 December 2023.

#### **Consideration**

Pursuant to the 2020 Cooperation Agreement on Property Lease (Convenience Stores), the rental shall be at a reasonable discount of the market rate in those cities where the relevant premises are located. The exact amount of discount will be negotiated in good faith between the parties with reference to the market rate at the material time. The rental shall be payable by Golden Eagle Convenience Store (i) half-yearly in arrears respectively before 25 June and 25 December of the relevant half-year; and (ii) in accordance with the other terms of the relevant implementation agreement.

During the term of the respective lease agreement, all the expenses on water, electricity, gas, heating system, telecoms and property management fees, etc. incurred at the leased properties shall be borne by Golden Eagle Convenience Store as lessee.

The rental terms were arrived at after arm's length negotiations and based on the principle of fairness and reasonableness with reference to the prevailing market rates. The rental will be settled by the internal resources of the Group.

## **Proposed annual caps for the three years ending 31 December 2023**

The projected aggregate annual caps for the rental payable under the 2020 Cooperation Agreement on Property Lease (Convenience Stores) for the three years ending 31 December 2023 are as follows:

*Year ending:*

31 December 2021:	RMB1.80 million	(equivalent to approximately HK\$2.04 million)
31 December 2022:	RMB2.60 million	(equivalent to approximately HK\$2.95 million)
31 December 2023:	RMB3.60 million	(equivalent to approximately HK\$4.08 million)

The above annual caps are determined based on a reasonable estimation of the GFA of retail shop premises to be leased by the Group taking into account the business expansion plan of the Group during the relevant periods and the assumption that the Group will be charged at the agreed rental rates (i.e. at the anticipated discounted market rates). While the leases of those retail shop premises under the 2020 Cooperation Agreement on Property Lease (Convenience Stores) may commence on different dates, all leases will end on or before 31 December 2023.

The Group anticipates that other than the potential four retail shop leases with aggregate GFA of approximately 425 square metres which will be entered into under the 2020 Cooperation Agreement on Property Lease (Convenience Stores) upon it becoming effective, the Group may lease two additional retail shop premises with aggregate GFA of approximately 250 square metres during each of the three years ending 31 December 2023 for its 7-Eleven convenience stores expansion.

### **Condition precedent**

The 2020 Cooperation Agreement on Property Lease (Convenience Stores) and the proposed annual caps thereof are conditional upon all the requirements and approvals (including independent shareholders' approval) required under the Listing Rules having been complied with and obtained.

### **Reasons for the transaction**

The Group has been granted the franchise right of operating convenience stores under the brand name of "7-Eleven" in Jiangsu Province by Seven-Eleven (China) Investment Co., Ltd. on 30 November 2017 for a term of 20 years. On 30 May 2018, the Group's first 7-Eleven convenience store commenced operation and as at 31 August 2020, the Group was operating 19 7-Eleven convenience stores in Jiangsu Province.

The Group needs retail shop premises for its convenience stores operation in various parts of Jiangsu Province from time to time. The 2020 Cooperation Agreement on Property Lease (Convenience Stores) establishes a framework for the Group to lease and use various retail shop premises owned by Golden Eagle International Group, Nanjing Xinbai Group or their respective subsidiaries from time to time and will facilitate the Group to arrange lease arrangements in a flexible manner.

## **(4) LEASE AGREEMENT (7/F, XINJIEKOU BLOCK A) DATED 29 SEPTEMBER 2020**

### **Subject matter**

On 29 September 2020, Golden Eagle (China) and Golden Eagle International Industry entered into the Lease Agreement (7/F, Xinjiekou Block A) for the lease of 7th floor, Nanjing Golden Eagle Centre Tower A with GFA of approximately 5,420.79 square metres ("**7/F, Xinjiekou Block A**") by Golden Eagle International Industry to Golden Eagle (China) for a term commencing from 1 January 2021 to 25 April 2034.

Subject to compliance with the Listing Rules, the parties may enter into an agreement to renew the Lease Agreement (7/F, Xinjiekou Block A) 12 months in advance before its expiry on notification by Golden Eagle (China) of its intention to renew the term.

### Consideration

Pursuant to the Lease Agreement (7/F, Xinjiekou Block A), the rental payable by the Group shall be equivalent to the aggregate of:

- (a) with respect to those concessionaires:
- (i) for those concessionaires which (I) the Group charges more than 8% commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges more than 10% commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, 4% of the annual gross sales proceeds derived from the operation of those concessionaires (less value-added tax);
  - (ii) for those concessionaires which (I) the Group charges 8% or less commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges 10% or less commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, the amount to be calculated in accordance with the following formula:

$$\begin{array}{rcccl} \text{Gross sales proceeds} & & & & \\ \text{derived from the operation of} & & & & \\ \text{those concessionaires} & \times & \text{Commission rate} & \times & 50\% \\ \text{(less value-added tax)} & & \text{charged by the Group} & & \\ & & \text{(less sales tax)} & & \end{array}$$

- (b) with respect to sub-letting of units:
- 50% of the rental proceeds derived from sub-letting the units in 7/F, Xinjiekou Block A (less value-added tax and other relevant taxes).

The rental shall be payable by Golden Eagle (China) quarterly in arrears within 10 Business Days before the beginning of the immediate subsequent Quarter. Upon payment of each quarterly rental, Golden Eagle (China) shall at the same time submit the management accounts in respect of that Quarter to Golden Eagle International Industry. After the end of each financial year, the parties shall finalize the exact amount of the rental payable by Golden Eagle (China) in respect of that financial year based on the relevant revenue derived from the operation of 7/F, Xinjiekou Block A as confirmed by an auditor acceptable to both parties in accordance with the generally accepted accounting principles of the PRC.

Apart from the rental, Golden Eagle (China) shall also bear the costs and expenses in relation to the management, occupation and use of 7/F, Xinjiekou Block A, including, inter alia, property management fees, certain maintenance fees, water, electricity and other utility bills.

In the event that the operation of the Group in 7/F, Xinjiekou Block A is affected due to (i) construction work on public transport facilities; or (ii) major construction or renovation work on 7/F, Xinjiekou Block A, the parties may negotiate for rental reduction.

The rental terms were arrived at after arm's length negotiations and (i) based on the principle of fairness and reasonableness with reference to the prevailing market rates; (ii) that 7/F, Xinjiekou Block A will be delivered to the Group at the roughcast state on commencement of the term; and (iii) with reference to the Lease Agreement (Xinjiekou Block B) (as amended by the Supplemental Agreement) entered into by the Group with respect to Nanjing Xinjiekou Store's leased area. The rental will be settled by the internal resources of the Group.

### **Proposed annual caps for the three years ending 31 December 2023**

The projected aggregate annual caps for the rental payable by the Group under the Lease Agreement (7/F, Xinjiekou Block A) for the three years ending 31 December 2023 are as follows:

#### *Year ending:*

31 December 2021:	RMB2.72 million	(equivalent to approximately HK\$3.08 million)
31 December 2022:	RMB3.13 million	(equivalent to approximately HK\$3.55 million)
31 December 2023:	RMB3.59 million	(equivalent to approximately HK\$4.07 million)

The above annual caps are determined based on a reasonable estimation of the gross sales proceeds to be derived from the operation of 7/F, Xinjiekou Block A with reference to the sales performance of Nanjing Xinjiekou Store in the past, the expected growth rate during the relevant periods, the current economic environment, the prevailing market conditions and the assumption that the Group will be charged at the maximum rental rate of 4%.

### **Rental deposit**

No rental deposit is required to be paid by Golden Eagle (China).

### **Right of first refusal**

In the event that Golden Eagle International Industry intends to transfer the ownership of 7/F, Xinjiekou Block A to any third party during the term of the Lease Agreement (7/F, Xinjiekou Block A), it shall serve a notice in writing (the "**Sale Notice**") to Golden Eagle (China) and Golden Eagle (China) will have the right of first refusal to purchase 7/F, Xinjiekou Block A on the same terms and conditions as those offered by such third party. Golden Eagle (China) shall notify Golden Eagle International Industry in writing as to whether it will exercise the right of first refusal within 30 days of the Sale Notice. Golden Eagle (China) shall be deemed to have waived the right of first refusal if it does not notify Golden Eagle International Industry in writing within the said 30-day period.

### **Condition precedent**

The Lease Agreement (7/F, Xinjiekou Block A) and the proposed annual caps thereof are conditional upon all the requirements and approvals (including independent shareholders' approval) required under the Listing Rules having been complied with and obtained.

## Reasons for the transaction

Nanjing Xinjiekou Store, the Group's flagship store, is located at a prime location at Nanjing Xinjiekou Business District, one of the busiest business districts in the PRC. Nanjing Xinjiekou Store comprises Block A and Block B which are connected by a sky bridge with an aggregate GFA of 113,138 square metres. Nanjing Xinjiekou Store Block A comprises 1st floor to 6th floor of Nanjing Golden Eagle Centre Tower A with aggregate GFA of 33,446 square metres while Block B comprises basement 1st floor to 9th floor of Nanjing Golden Eagle Centre Tower B with aggregate GFA of 79,692 square metres. During the year ended 31 December 2019, Nanjing Xinjiekou Store generated over RMB2.3 billion of sales.

7/F, Xinjiekou Block A is located right above Nanjing Xinjiekou Store Block A with GFA of approximately 5,420.79 square metres. The Group intends to lease 7/F, Xinjiekou Block A so as to enrich the store offerings in terms of lifestyle functions and amenities. The enlarged area will house beauty salons, fitness and yoga centres and spas, etc. The Board believes that the entering into of the Lease Agreement (7/F, Xinjiekou Block A) will further solidify the Group's presence, market share and competitiveness in Nanjing City in which the Group is already enjoying a leading position.

The terms of the Lease Agreement (7/F, Xinjiekou Block A) were arrived at after arm's length negotiations and follow the existing terms of Lease Agreement (Xinjiekou Block B) (as amended by the First and Second Supplemental Agreements) (as defined below).

### **(5) SECOND SUPPLEMENTAL AGREEMENT TO LEASE AGREEMENT (XINJIEKOU BLOCK B) DATED 29 SEPTEMBER 2020**

On 16 April 2014, Golden Eagle (China) and Golden Eagle International Group entered into the Lease Agreement (Xinjiekou Block B) for the lease of Xinjiekou Block B for a term of 20 years commencing from the date on which the Group commenced its retail operation at Xinjiekou Block B (i.e. 26 April 2014). On 18 March 2015, the aforesaid parties subsequently entered into a supplemental agreement, adjusting the calculation of the annual rental payable. Details of the Lease Agreement (Xinjiekou Block B) (as amended by the Supplemental Agreement) have been disclosed in the announcements of the Company dated 16 April 2014 and 18 March 2015 respectively and the circular of the Company dated 4 June 2015.

On 29 September 2020, Golden Eagle (China) and Golden Eagle International Group entered into the Second Supplemental Agreement to Lease Agreement (Xinjiekou Block B), pursuant to which Golden Eagle International Group agreed to lease to Golden Eagle (China) such additional area located at basement 1st floor, Nanjing Golden Eagle Centre Tower A ("**Additional Xinjiekou Block B Area**") with a GFA of approximately 2,700 square metres from 1 January 2021 to 25 April 2034.

Subject to the aforesaid, all other major terms of the Lease Agreement (Xinjiekou Block B) as amended by the aforesaid first and second supplemental agreements remain unchanged and shall continue in full force and effect. The Lease Agreement (Xinjiekou Block B) (as amended by the Supplemental Agreement) and further amended by the aforesaid second supplemental agreement shall hereinafter be referred to as the "**Lease Agreement (Xinjiekou Block B) (as amended by the First and Second Supplemental Agreements)**".

The rental terms were arrived at after arm's length negotiations and based on the principle of fairness and reasonableness with reference to the prevailing market rates and the lease agreements entered into by the Group with respect to Nanjing Xinjiekou Store's leased area. The rental will be settled by the internal resources of the Group.

## Consideration

Pursuant to the Lease Agreement (Xinjiekou Block B) (as amended by the First and Second Supplemental Agreements), Golden Eagle International Group has leased Xinjiekou Block B (with the Additional Xinjiekou Block B Area) to Golden Eagle (China) up to 25 April 2034, the rental payable by the Group shall be equivalent to the aggregate of:

- (a) with respect to those concessionaires:
- (i) for those concessionaires which (I) the Group charges more than 8% commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges more than 10% commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, 4% of the annual gross sales proceeds derived from the operation of those concessionaires (less value-added tax);
- (ii) for those concessionaires which (I) the Group charges 8% or less commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges 10% or less commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, the amount to be calculated in accordance with the following formula:

Gross sales proceeds derived from the operation of those concessionaires (less value-added tax)	X	Commission rate charged by the Group (less sales tax)	X	50%
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- (b) with respect to sub-letting of units:

50% of the rental proceeds derived from sub-letting the units in Xinjiekou Block B (with the Additional Xinjiekou Block B Area) (less value-added tax and other relevant taxes);

- (c) with respect to supermarket operations:

4% of the gross sales proceeds (less value-added tax) derived from the operation of supermarket.

## Historical figures

The amounts of rental paid by Golden Eagle (China) to Golden Eagle International Group under the Lease Agreement (Xinjiekou Block B) (as amended by the Supplemental Agreement) for each of the two years ended 31 December 2019 and the eight months ended 31 August 2020 are set out as follows:

	<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2019</b>	<b>Eight months ended 31 August 2020</b>
Actual rental paid	RMB24.80 million (equivalent to approximately HK\$28.11 million)	RMB27.18 million (equivalent to approximately HK\$30.80 million)	RMB15.16 million (equivalent to approximately HK\$17.18 million)

## **Proposed annual caps for the three years ending 31 December 2023**

The projected aggregate annual caps for the rental payable under the Lease Agreement (Xinjiekou Block B) (as amended by the First and Second Supplemental Agreements) for the three years ending 31 December 2023 are as follows:

### *Year ending:*

31 December 2021:	RMB36.32 million	(equivalent to approximately HK\$41.16 million)
31 December 2022:	RMB41.61 million	(equivalent to approximately HK\$47.16 million)
31 December 2023:	RMB46.76 million	(equivalent to approximately HK\$52.99 million)

The above annual caps are determined based on (i) the historical amounts incurred in the past; and (ii) the reasonable estimation of the gross sales proceeds to be derived from the operation of Xinjiekou Block B with reference to the sales performance of Xinjiekou Block B in the past, the impact from the novel coronavirus pneumonia (“COVID-19”) outbreak during the year ending 31 December 2020, the expected growth rate during the relevant periods after factoring in the government’s effective measures to bring the pandemic under control and to stimulate the economy since the second quarter of 2020, the economic environment, which is against the backdrop of protracted combat against the pandemic as a new normal, the prevailing market conditions, and the assumption that the Group will be charged at the maximum rental rate of 4%; and (iii) the total leased area under the Lease Agreement (Xinjiekou Block B) (as amended by the First and Second Supplemental Agreements) will increase by approximately 2,700 square metres to approximately 31,942 square metres upon the Second Supplemental Agreement to Lease Agreement (Xinjiekou Block B) becoming effective on 1 January 2021.

### **Condition precedent**

The Second Supplemental Agreement to Lease Agreement (Xinjiekou Block B) and the proposed annual caps under the Lease Agreement (Xinjiekou Block B) (as amended by the First and Second Supplemental Agreements) are conditional upon all the requirements and approvals (including independent shareholders’ approval) required under the Listing Rules having been complied with and obtained.

### **Reasons for the transaction**

As disclosed above, Nanjing Xinjiekou Store comprises Block A and Block B which are connected by a sky bridge with an aggregate GFA of 113,138 square metres. Nanjing Xinjiekou Store Block A comprises 1st floor to 6th floor of Nanjing Golden Eagle Centre Tower A with aggregate GFA of 33,446 square metres. Other than the lease of 7/F, Xinjiekou Block A, the Group also intends to lease basement 1st floor, Nanjing Golden Eagle Centre Tower A (i.e. the Additional Xinjiekou Block B Area) to further enlarge its operating area and enhance its merchandise and lifestyle amenities offerings. Basement 1st floor, Xinjiekou Block A is right below Nanjing Xinjiekou Store Block A and is also connected to Nanjing Metro Xinjiekou Station with a GFA of approximately 2,700 square metres. The enlarged area will house talk-of-the town food and beverage brands, snacks, accessories, cosmetics, perfumes and fragrances. The Board believes that the entering into of the Second Supplemental Agreement to Lease Agreement (Xinjiekou Block B) will further solidify the Group’s presence, market share and competitiveness in Nanjing City in which the Group is already enjoying a leading position.

## RENEWAL OF ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS

### (6) ZHUJIANG TENANCY AGREEMENT (AS AMENDED BY THE FIRST, SECOND AND THIRD SUPPLEMENTAL AGREEMENTS)

On 28 August 2007, Nanjing Golden Eagle and Nanjing Zhujiang No. 1 entered into the Zhujiang Tenancy Agreement for the lease of Nanjing Zhujiang Properties for a term of 20 years commencing from the date on which Nanjing Zhujiang Store commenced operation (i.e. 28 December 2007).

The aforesaid parties subsequently entered into (i) the first supplemental agreement on 4 June 2008, amending the area of the property to be leased from approximately 22,780 square metres to approximately 24,545 square metres; (ii) the second supplemental agreement on 29 December 2008, leasing the Additional Nanjing Zhujiang Properties; and (iii) the third supplemental agreement on 18 March 2015, leasing the Further Additional Nanjing Zhujiang Properties up to 27 December 2027 and adjusting the calculation of the annual rental payable.

Details of the Zhujiang Tenancy Agreement (as amended by the First, Second and Third Supplemental Agreements) have been disclosed in the announcements of the Company dated 19 December 2007, 5 January 2009, 18 March 2015 respectively and the circular of the Company dated 4 June 2015.

Pursuant to the Zhujiang Tenancy Agreement (as amended by the First, Second and Third Supplemental Agreements), Nanjing Zhujiang No. 1 has leased the Total Nanjing Zhujiang Properties to Nanjing Golden Eagle up to 27 December 2027, the rental of which shall be equivalent to the aggregate of:

- (a) with respect to those concessionaires:
- (i) for those concessionaires which (I) the Group charges more than 8% commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges more than 10% commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, 4% of the annual gross sales proceeds derived from the operation of those concessionaires (less value-added tax);
  - (ii) for those concessionaires which (I) the Group charges 8% or less commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges 10% or less commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, the amount to be calculated in accordance with the following formula:

$$\begin{array}{rcccl} \text{Gross sales proceeds} & & & & \\ \text{derived from the operation of} & & & & \\ \text{those concessionaires} & \times & \text{Commission rate} & \times & 50\% \\ \text{(less value-added tax)} & & \text{charged by the Group} & & \\ & & \text{(less sales tax)} & & \end{array}$$

- (b) with respect to sub-letting of units:
- 50% of the rental proceeds derived from sub-letting the units in the Total Nanjing Zhujiang Properties (less business tax and other relevant taxes);
- (c) with respect to supermarket operations:
- 4% of the gross sales proceeds (less value-added tax) derived from the operation of supermarket.

The rental will be settled by the internal resources of the Group.



## Historical figures

The amounts of rental paid by Nanjing Golden Eagle to Nanjing Zhujiang No. 1 under the Zhujiang Tenancy Agreement (as amended by the First, Second and Third Supplemental Agreements) for each of the two years ended 31 December 2019 and the eight months ended 31 August 2020 are set out as follows:

	<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2019</b>	<b>Eight months ended 31 August 2020 (Note)</b>
Actual rental paid	RMB20.99 million (equivalent to approximately HK\$23.79 million)	RMB20.32 million (equivalent to approximately HK\$23.03 million)	RMB9.68 million (equivalent to approximately HK\$10.97 million)

*Note:* A COVID-19 related rental concession in the amount of RMB1.5 million (equivalent to approximately HK\$1.70 million) was granted by Nanjing Zhujiang No. 1 to Nanjing Golden Eagle during the six months ended 30 June 2020.

## Proposed annual caps for the three years ending 31 December 2023

The projected aggregate annual caps for the rental payable under the Zhujiang Tenancy Agreement (as amended by the First, Second and Third Supplemental Agreements) for the three years ending 31 December 2023 are as follows:

*Year ending:*

31 December 2021:	RMB21.31 million	(equivalent to approximately HK\$24.15 million)
31 December 2022:	RMB22.72 million	(equivalent to approximately HK\$25.75 million)
31 December 2023:	RMB23.76 million	(equivalent to approximately HK\$26.93 million)

The above annual caps are determined based on (i) the historical amounts incurred in the past and a COVID-19 related rental concession in the amount of RMB1.5 million granted by Nanjing Zhujiang No. 1 to Nanjing Golden Eagle during the six months ended 30 June 2020; and (ii) the reasonable estimation of the gross sales proceeds to be derived from the operation of Nanjing Zhujiang Store with reference to the sales performance of Nanjing Zhujiang Store in the past, the impact from the COVID-19 outbreak during the year ending 31 December 2020, the expected growth rate during the relevant periods after factoring in the government's effective measures to bring the pandemic under control and to stimulate the economy since the second quarter of 2020, the economic environment which is against the backdrop of protracted combat against the pandemic as a new normal, the prevailing market conditions and the assumption that the Group will be charged at the maximum rental rate of 4%.

## Condition precedent

The proposed annual caps for the Zhujiang Tenancy Agreement (as amended by the First, Second and Third Supplemental Agreements) for each of the three years ending 31 December 2023 are conditional upon all the requirements and approvals (including independent shareholders' approval) required under the Listing Rules having been complied with and obtained.

**(7) LEASE AGREEMENT (GOLDEN EAGLE PLAZA) (AS AMENDED BY THE FIRST, SECOND AND THIRD SUPPLEMENTAL AGREEMENTS)**

On 29 December 2008, Shanghai Golden Eagle and Shanghai Golden Eagle Tiandi entered into the Lease Agreement (Golden Eagle Plaza) for the lease of Shanghai Properties for a term of 20 years commencing from the date on which Shanghai Store commenced operation (i.e. 28 May 2009).

The aforesaid parties subsequently entered into (i) the first supplemental agreement on 19 December 2013, adjusting the annual rental payable by Shanghai Golden Eagle to Shanghai Golden Eagle Tiandi for the year ended 31 December 2013 while the entire leased premise underwent internal renovation and adjusting the calculation of the annual rental subsequently payable; (ii) the second supplemental agreement on 18 March 2015, extending the internal renovation period until 30 September 2015 (subject to adjustment as may be agreed between the parties) and further adjusting the calculation of the annual rental subsequently payable; and (iii) the third supplemental agreement on 29 December 2017, leasing the Additional Shanghai Properties up to 28 May 2029 and paying property management fee to Shanghai Golden Eagle Tiandi.

Details of the Lease Agreement (Golden Eagle Plaza), the first supplemental agreement, the second supplemental agreement and the third supplemental agreement have been disclosed in the announcements of the Company dated 21 January 2009, 20 December 2013, 18 March 2015 and 29 December 2017 respectively and the circulars of the Company dated 4 June 2015 and 20 April 2018 respectively.

Pursuant to the Lease Agreement (Golden Eagle Plaza) (as amended by the First, Second and Third Supplemental Agreements), Shanghai Golden Eagle Tiandi has leased the Total Shanghai Properties to Shanghai Golden Eagle up to 27 May 2029, the rental of which shall be equivalent to the aggregate of:

- (a) for those concessionaires which (I) the Group charges more than 8% commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges more than 10% commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, 4% of the annual gross sales proceeds derived from the operation of those concessionaires (less value-added tax);
- (b) for those concessionaires which (I) the Group charges 8% or less commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges 10% or less commission rate on their concessionaire sales relating to those gold and jewellery concessionaires), the amount to be calculated in accordance with the following formula:

$$\begin{array}{rcccl} \text{Gross sales proceeds} & & & & \\ \text{derived from the operation of} & & & & \\ \text{those concessionaires} & \times & \text{Commission rate} & \times & 50\% \\ \text{(less value-added tax)} & & \text{charged by the Group} & & \\ & & \text{(less sales tax)} & & \end{array}$$

- (c) 50% of the rental proceeds derived from sub-letting the units in Total Shanghai Properties (less value-added tax and other relevant taxes).

The rental will be settled by the internal resources of the Group.

## Historical figures

The amounts of rental and property management fees paid by Shanghai Golden Eagle to Shanghai Golden Eagle Tiandi under the Lease Agreement (Golden Eagle Plaza) (as amended by the First, Second and Third Supplemental Agreements) for each of the two years ended 31 December 2019 and the eight months ended 31 August 2020 are set out as follows:

	<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2019</b>	<b>Eight months ended 31 August 2020 (Note)</b>
Actual fees paid	RMB26.01 million (equivalent to approximately HK\$29.48 million)	RMB27.27 million (equivalent to approximately HK\$30.90 million)	RMB8.25 million (equivalent to approximately HK\$9.35 million)

*Note:* The COVID-19 outbreak and the adjustment of Shanghai Store's concessionaire and rental tenants during the first 10 months of the year 2020 led to a low annual cap utilisation rate for the year ending 31 December 2020.

## Proposed annual caps for the three years ending 31 December 2023

The projected aggregate annual caps for the rental and property management fees payable under the Lease Agreement (Golden Eagle Plaza) (as amended by the First, Second and Third Supplemental Agreements) for the three years ending 31 December 2023 are as follows:

### *Year ending:*

31 December 2021:	RMB32.30 million	(equivalent to approximately HK\$36.60 million)
31 December 2022:	RMB34.50 million	(equivalent to approximately HK\$39.10 million)
31 December 2023:	RMB36.78 million	(equivalent to approximately HK\$41.68 million)

The above annual caps are determined based on:

- (i) the historical amounts incurred in the past;
- (ii) the reasonable estimation of the gross sales proceeds to be derived from the operation of Shanghai Store with reference to the sales performance of Shanghai Store in the past, the impact from the COVID-19 outbreak during the year ending 31 December 2020, the expected growth rate during the relevant periods after factoring in the government's effective measures to bring the pandemic under control and to stimulate the economy since the second quarter of 2020, the economic environment which is against the backdrop of protracted combat against the pandemic as a new normal, the prevailing market conditions and the assumption that the Group will be charged at the maximum rental rate of 4%;
- (iii) the impact from the adjustment of Shanghai Store's concessionaire and rental tenants during the first 10 months of the year ending 31 December 2020; and
- (iv) the estimated costs expected to be incurred by Shanghai Golden Eagle Tiandi in providing property management services, including but not limited to the provision of cleaning, environmental and greenery services, to area outside the Total Shanghai Properties during the relevant periods.

## Condition precedent

The proposed annual caps for the Lease Agreement (Golden Eagle Plaza) (as amended by the First, Second and Third Supplemental Agreements) for each of the three years ending 31 December 2023 are conditional upon all the requirements and approvals (including independent shareholders' approval) required under the Listing Rules having been complied with and obtained.

### **(8) LEASE AGREEMENT (YANCHENG GOLDEN EAGLE OUTLET) (AS AMENDED BY THE FIRST AND SECOND SUPPLEMENTAL AGREEMENTS)**

On 20 January 2012, Yancheng Golden Eagle Shopping and Yancheng Golden Eagle Technology entered into the Lease Agreement (Yancheng Golden Eagle Outlet) for the lease of the Yancheng Golden Eagle Outlet for a term of 10 years from the date on which Yancheng Golden Eagle Outlet commenced soft opening (i.e. 18 May 2012).

The aforesaid parties subsequently entered into (i) the first supplemental agreement on 19 December 2013, removing the minimum guaranteed rental; and (ii) the second supplemental agreement on 18 March 2015 adjusting the calculation of the annual rental payable.

Details of the Lease Agreement (Yancheng Golden Eagle Outlet) (as amended by the First and Second Supplemental Agreements) have been disclosed in the announcements of the Company dated 20 January 2012, 20 December 2013 and 18 March 2015 respectively and the circular of the Company dated 4 June 2015.

Pursuant to the Lease Agreement (Yancheng Golden Eagle Outlet) (as amended by the First and Second Supplemental Agreements), Yancheng Golden Eagle Technology has leased the Yancheng Golden Eagle Outlet to Yancheng Golden Eagle Shopping up to 17 May 2022, the rental of which shall be equivalent to the aggregate of:

- (a) for those concessionaires which (I) the Group charges more than 8% commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges more than 10% commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, 4.5% of the annual gross sales proceeds derived from the operation of those concessionaires (less value-added tax);
- (b) for those concessionaires which (I) the Group charges 8% or less (I) commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges 10% or less commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, the amount to be calculated in accordance with the following formula:

Gross sales proceeds derived from the operation of those concessionaires (less value-added tax)	X	Commission rate charged by the Group (less sales tax)	X	50%
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- (c) 50% of the rental proceeds derived from sub-letting the units in Yancheng Golden Eagle Outlet (less business tax and other relevant taxes).

The rental will be settled by the internal resources of the Group.

## Historical figures

The amounts of rental paid by Yancheng Golden Eagle Shopping to Yancheng Golden Eagle Technology under the Lease Agreement (Yancheng Golden Eagle Outlet) (as amended by the First and Second Supplemental Agreements) for each of the two years ended 31 December 2019 and the eight months ended 31 August 2020 are set out as follows:

	<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2019</b>	<b>Eight months ended 31 August 2020 (Note)</b>
Actual rental paid	RMB6.28 million (equivalent to approximately HK\$7.12 million)	RMB6.53 million (equivalent to approximately HK\$7.40 million)	RMB4.24 million (equivalent to approximately HK\$4.81 million)

*Note:* A COVID-19 related rental concession in the amount of RMB1.0 million (equivalent to approximately HK\$1.13 million) was granted by Yancheng Golden Eagle Technology to Yancheng Golden Eagle Shopping during the six months ended 30 June 2020.

## Proposed annual caps for the period from 1 January 2020 to 17 May 2022

The Lease Agreement (Yancheng Golden Eagle Outlet) (as amended by the First and Second Supplemental Agreements) will expire on 17 May 2022. On the other hand, due to the continuous upgrade and optimisation of Yancheng Golden Eagle Outlet's merchandise portfolio since the second half of 2018, foot traffic along with the sales generated from the outlet has improved gradually, resulting in an increase in rental expenses. As a result, the rental to be payable by the Group for the year ending 31 December 2020 is expected to exceed the previous announced proposed annual cap of RMB6.72 million for the said period. Accordingly, the Company wishes to revise the annual cap for the said period as below.

The revised proposed cap for the year ending 31 December 2020, and the proposed caps for the remaining term of the agreement, i.e. the year ending 31 December 2021, and from 1 January 2022 to 17 May 2022, are as follows:

### *Year/period ending:*

31 December 2020 (Note):	RMB7.23 million	(equivalent to approximately HK\$8.19 million)
31 December 2021:	RMB8.49 million	(equivalent to approximately HK\$9.62 million)
17 May 2022:	RMB4.09 million	(equivalent to approximately HK\$4.64 million)

*Note:* The proposed annual cap for the year ending 31 December 2020 is increased from RMB6.72 million (as disclosed in the Company's announcement dated 29 December 2017) to RMB7.23 million.

The above proposed annual caps are determined based on (i) the historical amounts incurred in the past and a COVID-19 related rental concession in the amount of RMB1.0 million granted by Yancheng Golden Eagle Technology to Yancheng Golden Eagle Shopping during the six months ended 30 June 2020; and (ii) the reasonable estimation of the gross sales proceeds to be derived from the operation of Yancheng Outlet Store with reference to the sales performance of Yancheng Outlet Store in the past, the impact from the COVID-19 outbreak during the year ending 31 December 2020, the expected growth rate during the relevant periods after factoring in the government's effective measures to bring the pandemic under control and to stimulate the economy since the second quarter of 2020, the economic environment which is against the backdrop of protracted combat against the pandemic as a new normal, the prevailing market conditions and the assumption that the Group will be charged at the maximum rental rate of 4.5%.

## Condition precedent

The proposed annual caps for the Lease Agreement (Yancheng Golden Eagle Outlet) (as amended by the First and Second Supplemental Agreements) for the aforesaid periods are conditional upon all the requirements and approvals (including independent shareholders' approval) required under the Listing Rules having been complied with and obtained.

### (9) LEASE AGREEMENT (YANCHENG TIANDI PLAZA)

On 18 March 2015, Yancheng Golden Eagle Julonghu and Yancheng Golden Eagle Technology entered into the Lease Agreement (Yancheng Tiandi Plaza) for the lease of Yancheng Tiandi Lease Area for a term of 20 years commencing from the date on which Yancheng Julonghu Store commenced soft opening (i.e. 6 September 2014). Details of the Lease Agreement (Yancheng Tiandi Plaza) have been disclosed in the announcement of the Company dated 18 March 2015 and the circular of the Company dated 4 June 2015. The rental of the Lease Agreement (Yancheng Tiandi Plaza) shall be equivalent to the aggregate of:

- (a) with respect to those concessionaires:
- (i) for those concessionaires which (I) the Group charges more than 8% commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges more than 10% commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, 4% of the annual gross sales proceeds derived from the operation of those concessionaires (less value-added tax);
  - (ii) for those concessionaires which (I) the Group charges 8% or less commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges 10% or less commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, the amount to be calculated in accordance with the following formula:

Gross sales proceeds derived from the operation of those concessionaires (less value-added tax)	X	Commission rate charged by the Group (less sales tax)	X	50%
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- (b) with respect to sub-letting of units:
- 50% of the rental proceeds derived from sub-letting the units in Yancheng Tiandi Lease Area (less business tax and other relevant taxes);
- (c) with respect to supermarket operations:
- 4% of the gross sales proceeds (less value-added tax) derived from the operation of supermarket.

The rental will be settled by the internal resources of the Group.

## Historical figures

The amounts of rental, property management fees and car parking fees paid by Yancheng Golden Eagle Julonghu to Yancheng Golden Eagle Technology under the Lease Agreement (Yancheng Tiandi Plaza) for each of the two years ended 31 December 2019 and the eight months ended 31 August 2020 are set out as follows:

	<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2019</b>	<b>Eight months ended 31 August 2020</b>
Actual fees paid	RMB32.26 million (equivalent to approximately HK\$36.56 million)	RMB34.99 million (equivalent to approximately HK\$39.65 million)	RMB20.18 million (equivalent to approximately HK\$22.87 million)

## Proposed annual caps for the three years ending 31 December 2023

The projected aggregate annual caps for the rental, property management fees and car parking fees payable under the Lease Agreement (Yancheng Tiandi Plaza) for the three years ending 31 December 2023 are as follows:

### *Year ending:*

31 December 2021:	RMB45.34 million	(equivalent to approximately HK\$51.38 million)
31 December 2022:	RMB49.83 million	(equivalent to approximately HK\$56.47 million)
31 December 2023:	RMB54.80 million	(equivalent to approximately HK\$62.10 million)

The above annual caps are determined based on:

- (i) the historical amounts incurred in the past;
- (ii) the reasonable estimation of the gross sales proceeds to be derived from the operation of Yancheng Julonghu Store with reference to the sales performance of Yancheng Julonghu Store in the past, the impact from the COVID-19 outbreak during the year ending 31 December 2020, the expected growth rate during the relevant periods after factoring in the government's effective measures to bring the pandemic under control and to stimulate the economy since the second quarter of 2020, the economic environment which is against the backdrop of protracted combat against the pandemic as a new normal, the prevailing market conditions and the assumption that the Group will be charged at the maximum rental rate of 4%;
- (iii) the continuous optimisation of Yancheng Julonghu Store's merchandise and lifestyle amenities offerings and further enhancement of its utilisation rate and productivity of floor space;
- (iv) the car parking spaces offered by Yancheng Golden Eagle Technology to the customers of Yancheng Julonghu Store at 20% discount of the normal car parking fee offered by Yancheng Golden Eagle Technology to the general public during the relevant periods. Since October 2015, Yancheng Golden Eagle Technology has been charging car parking fees at the rate of RMB5.0 for the first two hours and RMB1.0 per subsequent hour to the general public. According to the Lease Agreement (Yancheng Tiandi Plaza), in the event that Yancheng Golden Eagle Technology charges any car parking fees, Yancheng Golden Eagle Julonghu shall be entitled to not less than 20% discount of the normal car parking fee offered by Yancheng Golden Eagle Technology to the general public from time to time; and

- (v) the estimated costs expected to be incurred by Yancheng Golden Eagle Technology in providing property management services, including but not limited to the provision of cleaning, environmental and greenery services, to area outside the Yancheng Tiandi Lease Area during the relevant periods.

**Condition precedent**

The proposed annual caps for the Lease Agreement (Yancheng Tiandi Plaza) for each of the three years ending 31 December 2023 are conditional upon all the requirements and approvals (including independent shareholders' approval) required under the Listing Rules having been complied with and obtained.

**(10) LEASE AGREEMENT (NANJING JIANGNING TIANDI PLAZA)**

On 18 March 2015, Nanjing Jiangning Shopping and Nanjing Jiangning Technology entered into the Lease Agreement (Nanjing Jiangning Tiandi Plaza) for the lease of Nanjing Jiangning Tiandi Lease Area for a term of 20 years commencing from the date on which Nanjing Jiangning Store commenced operation (i.e. 3 July 2015). Details of the Lease Agreement (Nanjing Jiangning Tiandi Plaza) have been disclosed in the announcement of the Company dated 18 March 2015 and the circular of the Company dated 4 June 2015. The rental of the Lease Agreement (Nanjing Jiangning Tiandi Plaza) shall be equivalent to the aggregate of:

- (a) with respect to those concessionaires:
  - (i) for those concessionaires which (I) the Group charges more than 8% commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges more than 10% commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, 4.5% of the annual gross sales proceeds derived from the operation of those concessionaires (less value-added tax);
  - (ii) for those concessionaires which (I) the Group charges 8% or less commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges 10% or less commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, the amount to be calculated in accordance with the following formula:

Gross sales proceeds derived from the operation of those concessionaires (less value-added tax)	X	Commission rate charged by the Group (less sales tax)	X	50%
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- (b) with respect to sub-letting of units:
  - 50% of the rental proceeds derived from sub-letting the units in Nanjing Jiangning Tiandi Lease Area (less business tax and other relevant taxes);
- (c) with respect to supermarket operations:
  - 4% of the gross sales proceeds (less value-added tax) derived from the operation of supermarket commencing from 1 January 2018 onwards.

The rental will be settled by the internal resources of the Group.



## Historical figures

The amounts of rental, property management fees and car parking fees paid by Nanjing Jiangning Shopping to Nanjing Jiangning Technology under the Lease Agreement (Nanjing Jiangning Tiandi Plaza) for each of the two years ended 31 December 2019 and the eight months ended 31 August 2020 are set out as follows:

	<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2019</b>	<b>Eight months ended 31 August 2020 (Note)</b>
Actual fees paid	RMB44.15 million (equivalent to approximately HK\$50.03 million)	RMB53.08 million (equivalent to approximately HK\$60.15 million)	RMB27.57 million (equivalent to approximately HK\$31.24 million)

*Note:* The COVID-19 outbreak led to a low annual cap utilisation rate for the year ending 31 December 2020. In addition, a COVID-19 related rental concession in the amount of RMB2.5 million (equivalent to approximately HK\$2.83 million) was granted by Nanjing Jiangning Technology to Nanjing Jiangning Shopping during the six months ended 30 June 2020.

## Proposed annual caps for the three years ending 31 December 2023

The projected aggregate annual caps for the rental, property management fees and car parking fees payable under the Lease Agreement (Nanjing Jiangning Tiandi Plaza) for the three years ending 31 December 2023 are as follows:

### *Year ending:*

31 December 2021:	RMB70.73 million	(equivalent to approximately HK\$80.16 million)
31 December 2022:	RMB80.70 million	(equivalent to approximately HK\$91.46 million)
31 December 2023:	RMB92.14 million	(equivalent to approximately HK\$104.42 million)

The above annual caps are determined based on:

- (i) the historical amounts incurred in the past and a COVID-19 related rental concession in the amount of RMB2.5 million granted by Nanjing Jiangning Technology to Nanjing Jiangning Shopping during the six months ended 30 June 2020;
- (ii) the reasonable estimation of the gross sales proceeds to be derived from the operation of Nanjing Jiangning Store with reference to the sales performance of Nanjing Jiangning Store in the past, the impact from the COVID-19 outbreak during the year ending 31 December 2020, the expected growth rate during the relevant periods after factoring in the government's effective measures to bring the pandemic under control and to stimulate the economy since the second quarter of 2020, the economic environment which is against the backdrop of protracted combat against the pandemic as a new normal, the prevailing market conditions and the assumption that the Group will be charged at the maximum rental rate of 4.5%;
- (iii) the continuous optimisation of Nanjing Jiangning Store's merchandise and lifestyle amenities offerings and further enhancement of its utilisation rate and productivity of floor space. During the year ending 31 December 2020, the Group will undergo store revamp to optimise Nanjing Jiangning Store's shopping route (動線) and introduce high-end cosmetics and accessible luxury brands into the store;

- (iv) the car parking spaces offered by Nanjing Jiangning Technology to the customers of Nanjing Jiangning Store at 20% discount of the normal car parking fee offered by Nanjing Jiangning Technology to the general public during the relevant periods. Since July 2016, Nanjing Jiangning Technology has been charging car parking fees at the rate of RMB3.0 per hour to the general public. According to the Lease Agreement (Nanjing Jiangning Tiandi Plaza), in the event that Nanjing Jiangning Technology charges any car parking fees, Nanjing Jiangning Shopping shall be entitled to not less than 20% discount of the normal car parking fee offered by Nanjing Jiangning Technology to the general public from time to time; and
- (v) the estimated costs expected to be incurred by Nanjing Jiangning Technology in providing property management services, including but not limited to the provision of cleaning, environmental and greenery services, to area outside the Nanjing Jiangning Tiandi Lease Area during the relevant periods.

**Condition precedent**

The proposed annual caps for the Lease Agreement (Nanjing Jiangning Tiandi Plaza) for each of the three years ending 31 December 2023 are conditional upon all the requirements and approvals (including independent shareholders' approval) required under the Listing Rules having been complied with and obtained.

**(11) LEASE AGREEMENT (MA'ANSHAN TIANDI PLAZA)**

On 18 March 2015, Ma'anshan Golden Eagle Shopping and Ma'anshan Golden Eagle Tiandi entered into the Lease Agreement (Ma'anshan Tiandi Plaza) for the lease of Ma'anshan Tiandi Lease Area for a term of 20 years commencing from the date on which Ma'anshan Store commenced operation (i.e. 29 August 2015). Details of the Lease Agreement (Ma'anshan Tiandi Plaza) have been disclosed in the announcement of the Company dated 18 March 2015 and the circular of the Company dated 4 June 2015. The rental of the Lease Agreement (Ma'anshan Tiandi Plaza) shall be equivalent to the aggregate of:

- (a) with respect to those concessionaires:
  - (i) for those concessionaires which (I) the Group charges more than 8% commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges more than 10% commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, 4.5% of the annual gross sales proceeds derived from the operation of those concessionaires (less value-added tax);
  - (ii) for those concessionaires which (I) the Group charges 8% or less commission rate on their concessionaire sales (excluding those gold and jewellery concessionaires) and (II) the Group charges 10% or less commission rate on their concessionaire sales relating to those gold and jewellery concessionaires, the amount to be calculated in accordance with the following formula:

Gross sales proceeds derived from the operation of those concessionaires (less value-added tax)	X	Commission rate charged by the Group (less sales tax)	X	50%
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(b) with respect to sub-letting of units:

50% of the rental proceeds derived from sub-letting the units in Ma'anshan Tiandi Lease Area (less business tax and other relevant taxes);

(c) with respect to supermarket operations:

4% of the gross sales proceeds (less value-added tax) derived from the operation of supermarket commencing from 29 August 2018 onwards.

The rental will be settled by the internal resources of the Group.

### Historical figures

The amounts of rental and car parking fees paid by Ma'anshan Golden Eagle Shopping to Ma'anshan Golden Eagle Tiandi under the Lease Agreement (Ma'anshan Tiandi Plaza) for each of the two years ended 31 December 2019 and the eight months ended 31 August 2020 are set out as follows:

	<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2019</b>	<b>Eight months ended 31 August 2020 (Note)</b>
Actual fees paid	RMB20.95 million (equivalent to approximately HK\$23.78 million)	RMB23.26 million (equivalent to approximately HK\$26.36 million)	RMB13.64 million (equivalent to approximately HK\$15.46 million)

*Note:* A COVID-19 related rental concession in the amount of RMB2.0 million (equivalent to approximately HK\$2.27 million) was granted by Ma'anshan Golden Eagle Tiandi to Ma'anshan Golden Eagle Shopping during the six months ended 30 June 2020.

### Proposed annual caps for the three years ending 31 December 2023

The projected aggregate annual caps for the rental and car parking fees payable under the Lease Agreement (Ma'anshan Tiandi Plaza) for the three years ending 31 December 2023 are as follows:

*Year ending:*

31 December 2021:	RMB36.31 million	(equivalent to approximately HK\$41.15 million)
31 December 2022:	RMB41.89 million	(equivalent to approximately HK\$47.47 million)
31 December 2023:	RMB49.44 million	(equivalent to approximately HK\$56.03 million)

The above annual caps are determined based on:

- (i) the historical amounts incurred in the past and a COVID-19 related rental concession in the amount of RMB2.0 million granted by Ma'anshan Golden Eagle Tiandi to Ma'anshan Golden Eagle Shopping during the six months ended 30 June 2020;
- (ii) the reasonable estimation of the gross sales proceeds to be derived from the operation of Ma'anshan Store with reference to the sales performance of Ma'anshan Store in the past, the impact from the COVID-19 outbreak during the year ending 31 December 2020, the expected growth rate during the relevant periods after factoring in the government's effective measures to bring the pandemic under control and to stimulate the economy since the second quarter of 2020, the economic environment which is against the backdrop of protracted combat against the pandemic as a new normal, the prevailing market conditions and the assumption that the Group will be charged at the maximum rental rate of 4.5%;
- (iii) the continuous optimisation of Ma'anshan Store's merchandise and lifestyle amenities offerings and further enhancement of its utilisation rate and productivity of floor space;
- (iv) the car parking spaces offered by Ma'anshan Golden Eagle Tiandi to the customers of Ma'anshan Store at 20% discount of the normal car parking fee offered by Ma'anshan Golden Eagle Tiandi to the general public during the relevant periods. Since April 2019, Ma'anshan Golden Eagle Tiandi has been charging car parking fees at the rate of RMB3.0 per hour to the general public. According to the Lease Agreement (Ma'anshan Tiandi Plaza), in the event that Ma'anshan Golden Eagle Tiandi charges any car parking fees, Ma'anshan Golden Eagle Shopping shall be entitled to not less than 20% discount of the normal car parking fee offered by Ma'anshan Golden Eagle Tiandi to the general public from time to time; and
- (v) the estimated costs expected to be incurred by Ma'anshan Golden Eagle Tiandi in providing property management services, including but not limited to the provision of cleaning, environmental and greenery services, to area outside the Ma'anshan Tiandi Lease Area during the relevant periods.

### **Condition precedent**

The proposed annual caps for the Lease Agreement (Ma'anshan Tiandi Plaza) for each of the three years ending 31 December 2023 are conditional upon all the requirements and approvals (including independent shareholders' approval) required under the Listing Rules having been complied with and obtained.

### **(12) DECORATION SERVICES AGREEMENT (AS AMENDED AND SUPPLEMENTED)**

On 26 February 2006, Golden Eagle (China) and Golden Eagle Construction Work entered into a decoration services agreement for the provision of decoration services to the Group for a term of 2 years commencing from 1 January 2006 to 31 December 2007. The agreement was supplemented by the first supplemental agreement dated 18 December 2007, the second supplemental agreement dated 16 November 2010, the third supplemental agreement dated 19 December 2013, the fourth supplemental agreement dated 23 December 2016 and the fifth supplemental agreement dated 30 December 2019 respectively, for a renewed term of up to 31 December 2022. Details of the Decoration Services Agreement (as amended and supplemented) have been disclosed in the prospectus and announcements of the Company dated 8 March 2006, 19 December 2007, 16 November 2010, 20 December 2013, 23 December 2016, 30 December 2016 and 30 December 2019.

Pursuant to the Decoration Services Agreement (as amended and supplemented), Golden Eagle Construction Work will provide decoration services to the existing and new stores of the Group at such fees to be determined after arm's length negotiations from time to time with reference to the specific decoration works to be done, the prevailing market rate and on terms no less favourable than (i) the terms the Group can obtain from third party service providers in the market and (ii) the terms offered by Golden Eagle Construction Work to other Independent Third Parties. Such fees shall be paid in accordance with the payment schedule to be agreed between the parties from time to time with reference to the progress of work done. In determining the fees payable to Golden Eagle Construction Work, the Group will obtain at least 2 fee quotations from Independent Third Parties offering similar decoration services.

During the year ending 31 December 2020, in order to respond to the challenging operating environment and demand for high-quality lifestyle among middle-class families and young stylish customers, the Group has decided to undergo revamp of certain stores during the year, including but not limited to the adjustment of store floor plan and layout, optimisation of shopping route (動線) and merchandise portfolio so as to enhance the respective store's foot traffic and sales performance. The decoration services to be provided by Golden Eagle Construction Work under the Decoration Services Agreement (as amended and supplemented) has significantly increased. Hence, the actual transaction amount for the year ending 31 December 2020 is expected to exceed the original projected amount of RMB5.0 million as announced in the announcement of the Company dated 30 December 2019. Accordingly, the Company proposes to revise the aforesaid announced annual cap for the year ending 31 December 2020 as below.

### Historical figures

The amounts of decoration service fees paid by the Group under the Decoration Services Agreement (as amended and supplemented) for each of the two years ended 31 December 2019 and the eight months ended 31 August 2020 are set out as follows:

	<b>Year ended 31 December 2018</b>	<b>Year ended 31 December 2019</b>	<b>Eight months ended 31 August 2020</b>
Actual fees paid	RMB17.21 million (equivalent to approximately HK\$19.50 million)	RMB59.09 million (equivalent to approximately HK\$66.97 million)	RMB4.80 million (equivalent to approximately HK\$5.44 million)

### Proposed annual caps for the three years ending 31 December 2022

The projected aggregate annual cap for the decoration service fees payable under the Decoration Services Agreement (as amended and supplemented), as revised for the year ending 31 December 2020, and the projected annual caps for the two years ending 31 December 2022 are as follows:

#### *Year ending:*

31 December 2020 ( <i>Note 1</i> ):	RMB50.00 million	(equivalent to approximately HK\$56.66 million)
31 December 2021 ( <i>Note 2</i> ):	RMB158.97 million	(equivalent to approximately HK\$180.16 million)
31 December 2022 ( <i>Note 2</i> ):	RMB280.59 million	(equivalent to approximately HK\$317.99 million)

#### *Notes:*

1. The projected annual cap for the year ending 31 December 2020 is increased from RMB5.0 million (as disclosed in the Company's announcement dated 30 December 2019) to RMB50.0 million.
2. The projected annual caps in respect of the two years ending 31 December 2022 (as disclosed in the Company's announcement dated 30 December 2019) remain unchanged.

The revised annual cap for year ending 31 December 2020 is determined based on the revised store renovation plan with reference to the historical transaction amounts. During the year ending 31 December 2020, a total of 9 out of the Group's 30 self-operated stores, including Nanjing Xinjiekou Store, Nanjing Jiangning Store, Suqian Store, Suzhou Store, Danyang Store, Nanjing Zhujiang Store, Xuzhou Store, Xuzhou People's Square Store and Nantong Lifestyle Store, will undergo store revamp in different scales in order to enhance respective store's foot traffic and sales performance.

The historical transaction amounts represent the fees actually paid by the Group for the existing decoration work and this provides a reference for the Group to determine the annual caps. In estimating the fees payable for future decoration works, the Group will take into account various factors, including but not limited to the specification and nature of the decoration work to be done, the costs of decoration materials and labour based on historical transaction amounts and taking into account the rate of general increase in such costs anticipated by the Company during the relevant periods.

### **Condition precedent**

The revised proposed annual cap for the Decoration Services Agreement (as amended and supplemented) for the year ending 31 December 2020 is conditional upon all the requirements and approvals (including independent shareholders' approval) required under the Listing Rules having been complied with and obtained.

### **RELATIONSHIPS WITH GEICO**

As at the date of this announcement, GEICO, through Golden Eagle International Retail Group Limited (one of its wholly-owned subsidiaries), is indirectly holding approximately 66.95% of the entire issued share capital of the Company and is accordingly the controlling shareholder of the Company. GEICO is in turn wholly-owned by The 2004 RVJD Family Trust, the family trust of Mr. Wang. Ms. Wang is a beneficiary of The 2004 RVJD Family Trust.

Each of the GEICO Parties, being: (i) Golden Eagle International Group; (ii) Nanjing Xinbai Group; (iii) Golden Eagle International Industry; (iv) Nanjing Zhujiang No.1; (v) Shanghai Golden Eagle Tiandi; (vi) Yancheng Golden Eagle Technology; (vii) Nanjing Jiangning Technology; (viii) Ma'anshan Golden Eagle Tiandi; and (ix) Golden Eagle Construction Work is an indirect wholly-owned subsidiary of GEICO, the controlling shareholder of the Company. As such, the above companies are the associates of GEICO and are thus the connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the above-mentioned agreements and the underlying agreements, the annual caps of which are required to be renewed, constituted continuing connected transactions for the Company.

### **VIEWS OF THE DIRECTORS**

The Board (including the independent non-executive Directors) considers that (i) the terms of the 2020 Street Shop Management Agreement and (ii) the proposed revised annual cap for the Decoration Services Agreement (as amended and supplemented) for the year ending 31 December 2020 ("**Decoration Services Proposed 2020 Annual Cap**") are on normal commercial terms and are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

The Board (excluding the independent non-executive Directors whose views will be rendered after considering the recommendation from the IFA) considers that (i) the terms of the New Lease Agreements and the respective proposed annual caps for each of the three years ending 31 December 2023; (ii) the proposed revised annual cap for the Lease Agreement (Yancheng Golden Eagle Outlet) (as amended by the First and Second Supplemental Agreements) for the year ending 31 December 2020 (“**Yancheng Golden Eagle Outlet Proposed 2020 Annual Cap**”); and (iii) the Relevant Proposed Annual Caps are on normal commercial terms and are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Mr. Wang and Ms. Wang, the executive Directors who have material interests in the transactions contemplated under these agreements by virtue of their indirect beneficial interests in the GEICO Parties, have abstained from signing on the board resolutions approving (i) the New Agreements and the proposed annual caps thereof; (ii) the Yancheng Golden Eagle Outlet Proposed 2020 Annual Cap; (iii) the Decoration Services Proposed 2020 Annual Cap; and (iv) the Relevant Proposed Annual Caps.

### **ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

The independent board committee of the Company comprising all the independent non-executive Directors has been established to advise and give recommendations to the Independent Shareholders on (i) the New Lease Agreements; (ii) the Yancheng Golden Eagle Outlet Proposed 2020 Annual Cap; and (iii) the Relevant Proposed Annual Caps.

Euto Capital Partners Limited has been appointed as the Independent Financial Adviser to make recommendations to the independent board committee of the Company and the Independent Shareholders in respect of (i) the New Lease Agreements; (ii) the Yancheng Golden Eagle Outlet Proposed 2020 Annual Cap; (iii) the Relevant Proposed Annual Caps; and (iv) the respective term of the Lease Agreement (7/F, Xinjiekou Block A) and the Second Supplemental Agreement to Lease Agreement (Xinjiekou Block B) which both exceed three years.

### **INFORMATION ABOUT THE COUNTER-PARTIES OF THE TRANSACTIONS**

Golden Eagle International Group and Golden Eagle International Industry are principally engaged in the businesses of property development, property investment and investment holding.

Nanjing Xinbai Group is principally engaged in the business of investment holding.

Nanjing Zhujiang No.1, Shanghai Golden Eagle Tiandi, Yancheng Golden Eagle Technology, Nanjing Jiangning Technology and Ma'anshan Golden Eagle Tiandi are principally engaged in the businesses of property development, property investment and property management in the PRC.

Golden Eagle Construction Work is principally engaged in the businesses of provision of property construction services as well as design and decoration services in the PRC.

### **INFORMATION ABOUT THE GROUP**

The Company was incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange. The principal activities of the Group are lifestyle centre and stylish department store chain development and operation, property development and hotel operation in the PRC.

## IMPLICATIONS UNDER THE LISTING RULES

According to Rule 14A.81 of the Listing Rules, the Stock Exchange will aggregate a series of transactions/connected transactions and treat them as if they were on one transaction if they are all completed within a 12-month period or are otherwise related.

The Directors anticipated that all the applicable percentage ratios (as defined in the Listing Rules) in accordance with Rule 14A.81 of the Listing Rules in respect of the amount of management fees to be received by the Group under the 2020 Street Shop Management Agreement and the 2020 Jinqiao Market Management Agreement calculated on an aggregate and annual basis with reference to the annual caps available represent more than 0.1% but are less than 5%. Accordingly, the entering into of the 2020 Street Shop Management Agreement and the transactions contemplated thereunder are subject to announcement, reporting and annual review requirements but are exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Group has entered into certain lease agreements with its connected persons. In this regard, the relevant caps in respect of the New Lease Agreements, the Relevant Lease Agreements and the Other Lease Agreements shall be aggregated in the calculation of the applicable percentage ratios in accordance with Rule 14A.81 of the Listing Rules.

Save for the aforesaid, the Group has not entered into any prior transaction with GEICO and/or any of its connected persons that is required to be aggregated with any of the New Lease Agreements and Relevant Lease Agreements.

The Directors anticipated that the highest applicable percentage ratio in respect of the aggregate amount of rentals, (if applicable) the car parking fees and (if applicable) the property management fees payable under the New Lease Agreements, the Relevant Lease Agreements and the Other Lease Agreements calculated on an aggregate and annual basis with reference to the annual caps available represent more than 5%. Accordingly, (i) the entering into of the New Lease Agreements and the transactions contemplated thereunder and the respective annual caps thereof; (ii) the Yancheng Golden Eagle Outlet Proposed 2020 Annual Cap; and (iii) the Relevant Proposed Annual Caps are subject to announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors anticipated that all the applicable percentage ratios in respect of the amount of decoration service fees to be paid under the Decoration Services Agreement (as amended and supplemented) for the year ending 31 December 2020 (as revised) and for the two years ending 31 December 2022 calculated on an annual basis represent more than 0.1% but are less than 5%. As such, the revised annual cap under the Decoration Services Agreement (as amended and supplemented) is subject to announcement, reporting and annual review requirements but is exempt from the Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

An EGM will be convened and held to consider and, if thought fit, to approve (i) the terms of the New Lease Agreements and the respective proposed annual caps for each of the three years ending 31 December 2023; (ii) the Yancheng Golden Eagle Outlet Proposed 2020 Annual Cap; and (iii) the Relevant Proposed Annual Caps. The Company will publish and despatch a circular to the Shareholders in accordance with the Listing Rules on or around 16 November 2020 as more time is needed to incorporate the relevant information into the circular. Further announcement will be published if there is delay in the despatch of the circular. Details of the continuing connected transactions of the Company will be disclosed in the Company's published annual report and accounts in accordance with Rule 14A.49 of the Listing Rules.



## DEFINITIONS

“Additional Nanjing Zhujiang Properties”	comprise units basement 1st and 2nd floors of the south wing of Zhujiang No. 1 Plaza with an aggregate GFA of approximately 1,919 square metres and units 2nd to 4th floors of the north wing of Zhujiang No. 1 Plaza with an aggregate GFA of approximately 4,359 square metres
“Additional Shanghai Properties”	comprise the entire 7th to 8th floors and a portion of the 9th floor of Golden Eagle Shopping Plaza with an aggregate GFA of approximately 9,982.77 square metres
“Additional Xianlin Retail Area”	comprises the ground floor and the 1st floor of Blocks C and E and the ground floor of Blocks D and F of Zone A Xianlin Hubin Tiandi with an aggregate GFA of approximately 14,556 square metres
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (other than Saturday and Sunday) on which banks in the PRC are open for general banking transactions
“Company”	Golden Eagle Retail Group Limited (金鷹商貿集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“continuing connected transactions”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“Decoration Services Agreement (as amended and supplemented)”	the decoration services agreement dated 26 February 2006 entered into between Golden Eagle (China) and Golden Eagle Construction Work for the provision of decoration services to the Group for a term of two years commencing from 1 January 2006 to 31 December 2007, as supplemented by the supplemental agreements dated 18 December 2007, 16 November 2010, 19 December 2013, 23 December 2016 and 30 December 2019 respectively for a renewed term of up to 31 December 2022
“Directors”	the directors of the Company (including the independent non-executive directors of the Company) and “Director” shall mean any one of them

“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, to approve, inter alia, (i) the New Lease Agreements and the transactions contemplated thereunder and the respective annual caps thereof; (ii) the Yancheng Golden Eagle Outlet Proposed 2020 Annual Cap; and (iii) the Relevant Proposed Annual Caps
“Further Additional Nanjing Zhujiang Properties”	comprise units basement 1st floor to 1st floor of the north wing of Zhujiang No. 1 Plaza with an aggregate GFA of approximately 2,755 square metres
“Further Additional Xianlin Retail Area”	comprises the ground floor of Block B, the ground floor and the 1st floor of Block E and the ground floor of Block F of Zone A Xianlin Hubin Tiandi with an aggregate GFA of approximately 5,700 square metres
“GEICO”	GEICO Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, being the indirect sole shareholder of the GEICO Parties and an indirect controlling shareholder of the Company
“GEICO Parties”	the indirect subsidiaries of GEICO, being (i) Golden Eagle International Group; (ii) Nanjing Xinbai Group; (iii) Golden Eagle International Industry; (iv) Nanjing Zhujiang No.1; (v) Shanghai Golden Eagle Tiandi; (vi) Yancheng Golden Eagle Technology; (vii) Nanjing Jiangning Technology; (viii) Ma’anshan Golden Eagle Tiandi; and (ix) Golden Eagle Construction Work
“GFA”	gross floor area
“Golden Eagle Centre”	南京金鷹中心 (Nanjing Golden Eagle Centre) located at 南京市漢中路101號 (No. 101 Hanzhong Lu, Nanjing City). Golden Eagle Centre comprises two towers. Tower A is a 58-storey building with 2 levels of basement and Tower B is a 42-storey building with 5 levels of basement, and the two towers are connected with a skyscraper corridor
“Golden Eagle (China)” or “Nanjing Xinjiekou Store”	金鷹國際商貿集團(中國)有限公司 (Golden Eagle International Retail Group (China) Co., Ltd.), a company established in the PRC with limited liability on 12 May 2000, being an indirect wholly-owned subsidiary of the Company, or where the context so requires, the store operated by such entity
“Golden Eagle Construction Work”	南京金鷹工程建設有限公司 (Nanjing Golden Eagle Construction Work Co., Ltd.), a company established in the PRC with limited liability on 21 August 2001, which is an indirect wholly-owned subsidiary of GEICO

“Golden Eagle Convenience Store”	南京金鷹便利超市管理有限公司 (Nanjing Golden Eagle Convenience Store and Supermarket Management Co., Ltd.), a company established in the PRC with limited liability on 15 November 2017, being an indirect wholly-owned subsidiary of the Company
“Golden Eagle International Group”	南京金鷹國際集團有限公司 (Nanjing Golden Eagle International Group Co., Ltd.), a company established in the PRC with limited liability on 7 March 1992, which is an indirect wholly-owned subsidiary of GEICO
“Golden Eagle International Industry”	南京金鷹國際實業有限公司 (Nanjing Golden Eagle International Industry Co., Ltd.), a company established in the PRC with limited liability on 21 May 2003, which is an indirect wholly-owned subsidiary of GEICO
“Golden Eagle Longhu No. 1”	金鷹龍湖一號 (Golden Eagle Longhu No. 1), a commercial complex located at Yancheng’s New Business District with an estimated aggregate GFA of approximately 63,600 square metres, which is legally and beneficially owned by Yancheng Golden Eagle Technology
“Golden Eagle Shopping Plaza”	上海金鷹購物廣場, a 9-storey shopping plaza located at 上海市陝西北路278號 (No. 278 Shan Xi Bei Lu, Shanghai) with a total GFA of approximately 40,328.30 square metres, which is legally and beneficially owned by Shanghai Golden Eagle Tiandi
“Golden Eagle Trading”	Golden Eagle International Trading Limited 金鷹國際貿易有限公司, a company incorporated in Hong Kong with limited liability on 12 November 2007, being an indirect wholly-owned subsidiary of the Company
“Golden Eagle World”	南京金鷹世界項目 (Nanjing Golden Eagle World Project) located at 南京市應天大街888號 (No. 888 Yingtian Main Street, Nanjing City), which is legally and beneficially owned by Golden Eagle International Group. Golden Eagle World is the world’s tallest asymmetric three-tower skyscraper under construction with Tower A being the tallest at 368 metres, along with 328-metre-tall Tower B and 300-metre-tall Tower C with total GFA of approximately 920,000 square metres. The three towers are connected with a skyscraper corridor which is at 190 metres above the ground
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Financial Adviser” or “IFA”	Euto Capital Partners Limited, a licensed corporation under the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong) to conduct type 6 (advising on corporate finance) regulated activities

“Independent Shareholders”	Shareholders who are independent of and not connected with Golden Eagle International Group, Nanjing Xinbai Group, Golden Eagle International Industry, Nanjing Zhujiang No.1, Shanghai Golden Eagle Tiandi, Yancheng Golden Eagle Technology, Nanjing Jiangning Technology, Ma’anshan Golden Eagle Tiandi, Golden Eagle Construction Work and their respective associates and who are not required to abstain from voting at the EGM
“Independent Third Party(ies)”	person(s) and company(ies) who/which is/are independent of and not connected (within the meaning of the Listing Rules) with any of the directors, chief executive and substantial shareholders of the Company and its subsidiaries or any of their respective associates
“Jinqiao Markets”	those wholesale and retail markets which are owned, or will be owned, by Nanjing Jinqiao Market and Nanjing Jinqiao Lighting Market from time to time; such properties represent three large scale wholesale and retail markets for general merchandise, decorative materials, lighting and curtain fabrics located at Nanjing City
“Lease Agreement (Danyang Tiandi Plaza)”	the lease agreement in respect of certain lease area in the 丹陽金鷹天地廣場項目 (Danyang Golden Eagle Tiandi Plaza Project) located at 丹陽市丹鳳南路17號 (No. 17 Danfeng Nan Lu, Danyang City) dated 18 March 2015 entered into between 丹陽金鷹國際購物中心有限公司 (Danyang Golden Eagle International Shopping Centre Co., Ltd.), being an indirect wholly-owned subsidiary of the Company, and 丹陽金鷹天地實業有限公司 (Danyang Golden Eagle Tiandi Industry Co., Ltd.), being an indirect wholly-owned subsidiary of GEICO
“Lease Agreement (Golden Eagle Plaza)”	the lease agreement in respect of the Shanghai Properties dated 29 December 2008 entered into between Shanghai Golden Eagle and Shanghai Golden Eagle Tiandi
“Lease Agreement (Golden Eagle Plaza) (as amended by the First, Second and Third Supplemental Agreements)”	the Lease Agreement (Golden Eagle Plaza) as amended by the first supplemental agreement dated 19 December 2013, the second supplemental agreement dated 18 March 2015 and the third supplemental agreement dated 29 December 2017
“Lease Agreement (Golden Eagle World)”	the lease agreement in respect of certain lease area in Golden Eagle World dated 29 December 2017 entered into between 南京建鄴金鷹購物中心有限公司 (Nanjing Jianye Golden Eagle Shopping Co., Ltd.), being an indirect wholly-owned subsidiary of the Company, and 南京建鄴金鷹置業有限公司 (Nanjing Jianye Golden Eagle Properties Co., Ltd.), being an indirect wholly-owned subsidiary of GEICO
“Lease Agreement (Golden Eagle World) (as amended by the Supplemental Agreement)”	the Lease Agreement (Golden Eagle World) as amended by the supplemental agreement dated 3 July 2019

“Lease Agreement (Hanzhong Plaza)”	the lease agreement in respect of certain lease area in 南京漢中新城 (Nanjing Hanzhong Plaza), a 5-storey shopping plaza with an underground accessory room located at 南京市漢中門大街1號 (No.1, Hanzhongmen Da Jie, Nanjing City), dated 3 July 2019 entered into between 南京金鷹商貿特惠中心有限公司 (Nanjing Golden Eagle Retail Outlet Co., Ltd.), being an indirect wholly-owned subsidiary of the Company, and Golden Eagle International Group
“Lease Agreement (Ma’anshan Tiandi Plaza)”	the lease agreement in respect of Ma’anshan Tiandi Lease Area dated 18 March 2015 entered into between Ma’anshan Golden Eagle Shopping and Ma’anshan Golden Eagle Tiandi
“Lease Agreement (Nanjing Jiangning Tiandi Plaza)”	the lease agreement in respect of Nanjing Jiangning Tiandi Lease Area dated 18 March 2015 entered into between Nanjing Jiangning Shopping and Nanjing Jiangning Technology
“Lease Agreement (Total Xianlin Retail Area)”	the lease agreement in respect of certain lease area in Zone A Xianlin Hubin Tiandi dated 9 November 2009 entered into between 南京仙林金鷹購物中心有限公司 (Nanjing Xianlin Golden Eagle Shopping Centre Co., Ltd.), being an indirect wholly-owned subsidiary of the Company, and 南京仙林金鷹天地科技有限公司 (Nanjing Xianlin Golden Eagle Tiandi Technology Co., Ltd.), being an indirect wholly-owned subsidiary of GEICO, as supplemented by the first supplemental agreement dated 20 January 2012, the second supplemental agreement dated 19 December 2019, the third supplemental agreement dated 18 March 2015 and the fourth supplemental agreement dated 3 July 2019
“Lease Agreement (Xinjiekou Block B)”	the lease agreement in respect of Xinjiekou Block B dated 16 April 2014 entered into between Golden Eagle (China) and Golden Eagle International Group
“Lease Agreement (Xinjiekou Block B) (as amended by the Supplemental Agreement)”	the Lease Agreement (Xinjiekou Block B) as amended by the supplemental agreement dated 18 March 2015
“Lease Agreement (Yancheng Golden Eagle Outlet)”	the lease agreement in respect of Yancheng Golden Eagle Outlet dated 20 January 2012 entered into between Yancheng Golden Eagle Shopping and Yancheng Golden Eagle Technology
“Lease Agreement (Yancheng Golden Eagle Outlet) (as amended by the First and Second Supplemental Agreements)”	the Lease Agreement (Yancheng Golden Eagle Outlet), as amended by the first supplemental agreement dated 19 December 2013 and the second supplemental agreement dated 18 March 2015

“Lease Agreement (Yancheng Tiandi Plaza)”	the lease agreement in respect of Yancheng Tiandi Lease Area dated 18 March 2015 entered into between Yancheng Golden Eagle Julonghu and Yancheng Golden Eagle Technology
“Lease Agreement (7/F, Xinjiekou Block A)”	the lease agreement in respect of Xinjiekou Block A dated 29 September 2020 entered into between Golden Eagle (China) and Golden Eagle International Industry
“Lianyungang Tenancy Agreement”	the lease agreement dated 31 December 2018 entered into by 連雲港金鷹國際購物中心有限公司 (Lianyungang Golden Eagle International Shopping Centre Co., Ltd.), being an indirect wholly-owned subsidiary of the Company, and 連雲港金鷹置業有限公司 (Lianyungang Golden Eagle Properties Co., Ltd.), being an indirect wholly-owned subsidiary of GEICO, for the lease of basement floor of Block 11, Golden Eagle International Garden, Lianyungang City with a GFA of approximately 938 square metres for supermarket operation
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ma’anshan Golden Eagle Shopping” or “Ma’anshan Store”	馬鞍山金鷹國際購物中心有限公司 (Ma’anshan Golden Eagle International Shopping Centre Co., Ltd.), a company established in the PRC with limited liability on 4 December 2014, being an indirect wholly-owned subsidiary of the Company, or where the context so requires, the lifestyle centre operated by such entity
“Ma’anshan Golden Eagle Tiandi”	馬鞍山金鷹天地實業有限公司 (Ma’anshan Golden Eagle Tiandi Industry Co., Ltd.), a company established in the PRC with limited liability on 17 December 2009, being an indirect wholly-owned subsidiary of GEICO and the legal and beneficial owner of Ma’anshan Tiandi Plaza
“Ma’anshan Tiandi Lease Area”	a portion of basement 1st floor, 1st floor to 8th floor, Podium Building, Ma’anshan Tiandi Plaza with a GFA of approximately 87,567.86 square metres
“Ma’anshan Tiandi Plaza”	馬鞍山金鷹天地廣場項目 (Ma’anshan Golden Eagle Tiandi Plaza Project) located at 馬鞍山市雨山區湖南西路8號 (No. 8 Hunanxilu, Yushanqu, Ma’anshan City), which is legally and beneficially owned by Ma’anshan Golden Eagle Tiandi
“Mr. Wang”	Mr. Wang Hung, Roger, the Chairman of the Company and an executive Director
“Ms. Wang”	Ms. Wang Janice S. Y., an executive Director of the Company and the daughter of Mr. Wang

“Nanjing Golden Eagle” or “Nanjing Zhujiang Store”	南京金鷹珠江路購物中心有限公司 (Nanjing Golden Eagle Zhujiang Road Shopping Centre Co., Ltd.), a company established in the PRC with limited liability on 20 September 2007, being an indirect wholly-owned subsidiary of the Company, or where the context so requires, the department store operated by such entity
“Nanjing Jiangning Shopping” or “Nanjing Jiangning Store”	南京江寧金鷹購物中心有限公司 (Nanjing Jiangning Golden Eagle Shopping Plaza Co., Ltd.), a company established in the PRC with limited liability on 26 June 2013, being an indirect wholly-owned subsidiary of the Company, or where the context so requires, the lifestyle centre operated by such entity
“Nanjing Jiangning Technology”	南京江寧金鷹科技實業有限公司 (Nanjing Jiangning Golden Eagle Technology Industry Co., Ltd.), a company established in the PRC with limited liability on 30 December 2010, being an indirect wholly-owned subsidiary of GEICO and the legal and beneficial owner of Nanjing Jiangning Tiandi Plaza
“Nanjing Jiangning Tiandi Lease Area”	basement 2nd floor to 5th floor, Nanjing Jiangning Tiandi Plaza with a GFA of approximately 144,710 square metres
“Nanjing Jiangning Tiandi Plaza”	南京江寧金鷹天地廣場項目 (Nanjing Jiangning Golden Eagle Tiandi Plaza Project) located at 南京江寧開發區雙龍大道1688號 (No. 1688, Shuanglong Dadao, Jiangning Development Zone, Nanjing), which is legally and beneficially owned by Nanjing Jiangning Technology
“Nanjing Jinqiao Lighting Market”	南京金橋燈飾市場經營管理有限公司 (Nanjing Jinqiao Lighting Market Management Company Ltd.), a company established in the PRC with limited liability on 23 January 2009, being an indirect wholly-owned subsidiary of GEICO
“Nanjing Jinqiao Market”	南京金橋市場管理有限公司 (Nanjing Jinqiao Market Management Co., Ltd.), a company established in the PRC with limited liability on 31 December 2007, being an indirect wholly-owned subsidiary of GEICO
“Nanjing Xinbai Group”	南京新百集團控股有限公司 (Nanjing Xinbai Group Holding Co., Ltd.), a company established in the PRC with limited liability on 18 June 2002, which is an indirect wholly-owned subsidiary of GEICO
“Nanjing Zhujiang No. 1”	南京珠江壹號實業有限公司 (Nanjing Zhujiang No. 1 Industry Co., Ltd.), a company established in the PRC with limited liability on 25 September 1992, being an indirect wholly-owned subsidiary of GEICO and the legal and beneficial owner of Zhujiang No. 1 Plaza
“Nanjing Zhujiang Properties”	1st to 5th floors of the south wing of Zhujiang No. 1 Plaza

“New Agreements”	collectively, the 2020 Street Shop Management Agreement, the 2020 Cooperation Agreement on Property Lease (Offices), the 2020 Cooperation Agreement on Property Lease (Convenience Stores), the Lease Agreement (7/F, Xinjiekou Block A) and the Second Supplemental Agreement to the Lease Agreement (Xinjiekou Block B)
“New Lease Agreements”	collectively, the 2020 Cooperation Agreement on Property Lease (Offices), the 2020 Cooperation Agreement on Property Lease (Convenience Stores), the Lease Agreement (7/F, Xinjiekou Block A) and the Second Supplemental Agreement to the Lease Agreement (Xinjiekou Block B)
“Other Lease Agreements”	collectively: <ul style="list-style-type: none"> <li>(i) Lease Agreement (Hanzhong Plaza);</li> <li>(ii) Lease Agreement (Total Xianlin Retail Area);</li> <li>(iii) Lease Agreement (Danyang Tiandi Plaza);</li> <li>(iv) Lease Agreement (Golden Eagle World) (as amended by the Supplemental Agreement);</li> <li>(v) Lianyungang Tenancy Agreement; and</li> <li>(vi) Yancheng Aquarium Tenancy Agreement</li> </ul>
“PRC”	the People’s Republic of China
“Quarter”	each of the 3-month periods ended 31 March, 30 June, 30 September and 31 December respectively
“Relevant Lease Agreements”	collectively: <ul style="list-style-type: none"> <li>(i) Zhujiang Tenancy Agreement (as amended by the First, Second and Third Supplemental Agreements);</li> <li>(ii) Lease Agreement (Golden Eagle Plaza) (as amended by the First, Second and Third Supplemental Agreements);</li> <li>(iii) Lease Agreement (Yancheng Golden Eagle Outlet) (as amended by the First and Second Supplemental Agreements);</li> <li>(iv) Lease Agreement (Yancheng Tiandi Plaza);</li> <li>(v) Lease Agreement (Nanjing Jiangning Tiandi Plaza); and</li> <li>(vi) Lease Agreement (Ma’anshan Tiandi Plaza)</li> </ul>



“Relevant Proposed Annual Caps”	the proposed annual caps for the Relevant Lease Agreements for the periods as detailed in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Second Supplemental Agreement to Lease Agreement (Xinjiekou Block B)”	the second supplemental agreement to the Lease Agreement (Xinjiekou Block B) dated 29 September 2020 entered into between Golden Eagle (China) and Golden Eagle International Group
“Shanghai Golden Eagle” or “Shanghai Store”	上海金鷹國際購物廣場有限公司 (Shanghai Golden Eagle International Shopping Centre Co., Ltd.), a company established in the PRC with limited liability on 13 April 2006, being an indirect wholly-owned subsidiary of the Company, or where the context so requires, the department store operated by such entity
“Shanghai Golden Eagle Tiandi”	上海金鷹天地實業有限公司 (Shanghai Golden Eagle Tiandi Industry Limited), a company established in the PRC with limited liability on 27 November 2000, being an indirect wholly-owned subsidiary of GEICO and the legal and beneficial owner of Golden Eagle Shopping Plaza
“Shanghai Properties”	the whole of the 1st to 5th floors and part of the 6th floor and the relevant accessory room of Golden Eagle Shopping Plaza with an aggregate GFA of approximately 19,668 square metres
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Street Shop Properties”	those street shop properties which are being owned, or will be owned, by Golden Eagle International Group and its subsidiaries from time to time; as at the date of this announcement, such properties include standalone non-specialty street shops in the cities of Nanjing, Taizhou, Yancheng, Suqian, Danyang, Kunshan and Ma’anshan which are in the proximity of the chain stores being operated by the Group in the same city
“Total Nanjing Zhujiang Properties”	collectively, the Nanjing Zhujiang Properties, the Additional Nanjing Zhujiang Properties and the Further Additional Nanjing Zhujiang Properties with an aggregate GFA of approximately 33,578 square metres
“Total Shanghai Properties”	collectively, the Shanghai Properties and the Additional Shanghai Properties with an aggregate GFA of approximately 29,650.77 square metres
“Total Xianlin Retail Area”	collectively, the Xianlin Golden Eagle Shopping Plaza, the Additional Xianlin Retail Area, the Further Additional Xianlin Retail Area and the 2019 Further Additional Xianlin Retail Area with an aggregate GFA of approximately 47,495.02 square metres

“Xianlin Golden Eagle Shopping Plaza”	仙林金鷹購物中心, comprising the ground floor to the 4th floor of Block A of Zone A Xianlin Hubin Tiandi with an aggregate GFA of approximately 22,539.4 square metres and ancillary facilities
“Xinjiekou Block B”	comprises the basement 1st floor and 7th to 9th floor of Golden Eagle Centre Block B together with the ancillary facilities with an aggregate GFA of approximately 29,242 square metres, which is legally and beneficially owned by Golden Eagle International Group
“Yancheng Aquarium Tenancy Agreement”	the lease agreement dated 31 December 2018 entered into by 鹽城金鷹聚龍湖購物中心海洋世界分公司 (Yancheng Golden Eagle Julonghu Shopping Centre (Ocean World Branch)), being an indirect wholly-owned subsidiary of the Company, and Yancheng Golden Eagle Technology, for the lease of basement floor 1 of Yancheng Tiandi Plaza with a GFA of approximately 5,000 square metres for aquarium operation
“Yancheng Golden Eagle Julonghu” or “Yancheng Julonghu Store”	鹽城金鷹聚龍湖購物中心有限公司 (Yancheng Golden Eagle Julonghu Shopping Centre Co., Ltd.), a company established in the PRC with limited liability on 31 March 2014, being an indirect wholly-owned subsidiary of the Company, or where the context so requires, the lifestyle centre operated by such entity
“Yancheng Golden Eagle Outlet”	Blocks D, E, F, G, H and M of Golden Eagle Longhu No. 1 with an aggregate GFA of approximately 18,376.65 square metres which is legally and beneficially owned by Yancheng Golden Eagle Technology
“Yancheng Golden Eagle Shopping” or “Yancheng Outlet Store”	鹽城金鷹國際購物中心有限公司 (Yancheng Golden Eagle International Shopping Centre Co., Ltd.), a company established in the PRC with limited liability on 1 February 2007, being an indirect wholly-owned subsidiary of the Company, or where the context so requires, the outlet store operated by such entity
“Yancheng Golden Eagle Technology”	鹽城金鷹科技實業有限公司 (Yancheng Golden Eagle Technology Industry Co., Ltd.), a company established in the PRC with limited liability on 15 May 2008, being an indirect wholly-owned subsidiary of GEICO and the legal and beneficial owner of Golden Eagle Longhu No. 1 and Yancheng Tiandi Plaza
“Yancheng Tiandi Lease Area”	collectively, (i) basement 2nd floor to 7th floor, Block 5, Yancheng Tiandi Plaza and (ii) basement 1st floor to 3rd floor, Block 6, Yancheng Tiandi Plaza with an aggregate GFA of approximately 110,848 square metres
“Yancheng Tiandi Plaza”	鹽城金鷹天地廣場項目 (Yancheng Golden Eagle Tiandi Plaza Project) located at 鹽城解放南路268號 (No. 268 Jiefangnan Lu, Yancheng), which is legally and beneficially owned by Yancheng Golden Eagle Technology

“Zhujiang No. 1 Plaza”	珠江壹號廣場, a commercial building located at 南京市珠江路1號 (No. 1, Zhujiang Lu, Nanjing City) which is legally and beneficially owned by Nanjing Zhujiang No. 1
“Zhujiang Tenancy Agreement”	the tenancy agreement in respect of Nanjing Zhujiang Properties dated 28 August 2007 entered into between Nanjing Golden Eagle and Nanjing Zhujiang No. 1
“Zhujiang Tenancy Agreement (as amended by the First, Second and Third Supplemental Agreements)”	the Zhujiang Tenancy Agreement, as amended by the first supplemental agreement dated 4 June 2008, the second supplemental agreement dated 29 December 2008 and the third supplemental agreement dated 18 March 2015
“Zone A Xianlin Hubin Tiandi”	仙林湖濱天地A區 (Zone A Xianlin Hubin Tiandi), a shopping district comprising 6 blocks of commercial buildings located at 南京市棲霞區學海路1號 (No. 1 Xuehai Road, Qixia District, Nanjing City)
“2015 Street Shop Management Agreement”	the street shop management delegation agreement in respect of the Strep Shop Properties dated 14 December 2015 entered into between Golden Eagle (China) and Golden Eagle International Group
“2017 Cooperation Agreement on Property Lease (Offices)”	the cooperation agreement on property leases in respect of various office premises dated 29 December 2017 entered into between Golden Eagle Trading and Golden Eagle International Group
“2017 Street Shop Management Agreement”	the street shop management delegation agreement in respect of the Strep Shop Properties dated 29 December 2017 entered into between Golden Eagle (China) and Golden Eagle International Group
“2019 Further Additional Xianlin Retail Area”	comprises certain area of the ground floor to the 3rd floor of Block B, the ground floor and the 1st floor of Block C and the ground floor of Block D of Zone A Xianlin Hubin Tiandi with an aggregate GFA of approximately 4,699.62 square metres
“2020 Cooperation Agreement on Property Lease (Convenience Stores)”	the cooperation agreement on property leases in respect of various retail shop premises for the operation of 7-Eleven convenience stores dated 29 September 2020 entered into between Golden Eagle Convenience Store, Golden Eagle International Group and Nanjing Xinbai Group
“2020 Cooperation Agreement on Property Lease (Offices)”	the cooperation agreement on property leases in respect of various office premises dated 29 September 2020 entered into between Golden Eagle Trading and Golden Eagle International Group
“2020 Jinqiao Market Management Agreement”	the management delegation agreement for the provision of management services for the Jinqiao Markets dated 30 December 2019 entered into between Golden Eagle (China), Nanjing Jinqiao Market and Nanjing Jinqiao Lighting Market

“2020 Street Shop Management Agreement” the street shop management delegation agreement in respect of the Street Shop Properties dated 29 September 2020 entered into between Golden Eagle (China) and Golden Eagle International Group

“%” per cent

*Unless otherwise specified in this announcement, amounts denominated in RMB have been converted to HK\$ at a rate of HK\$1.00 to RMB0.8824.*

*If there is any inconsistency between the Chinese names of PRC entities, departments, facilities or titles mentioned in this announcement and their English translation, the Chinese version shall prevail.*

By order of the Board  
**Golden Eagle Retail Group Limited**  
**Wang Hung, Roger**  
*Chairman*

Hong Kong, 29 September 2020

*As at the date of this announcement, the Board comprises 3 executive Directors, namely Mr. Wang Hung, Roger, Ms. Wang Janice S. Y. and Mr. Hans Hendrik Marie Diederer and 3 independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Lay Danny J and Mr. Lo Ching Yan.*