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**新世界百貨中國有限公司**

**New World Department Store China Limited**

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

**(Stock Code: 825)**

## **DISCLOSEABLE TRANSACTIONS**

### **(1) THE SUPPLEMENTAL SHANGHAI TENANCY AGREEMENT**

### **(2) EXTENSION OF THE BEIJING TENANCY AGREEMENTS**

#### **THE SUPPLEMENTAL SHANGHAI TENANCY AGREEMENT**

On 26 October 2001, Shanghai Huimei (as the tenant) and Shanghai BLCT (as the then lessor) entered into the Shanghai Tenancy Agreement in respect of the Shanghai Premises, for a term of twenty years commencing on 1 December 2001 and expiring on 30 November 2021.

On 4 September 2019, Shanghai Huimei, Shanghai Yimin (as the landlord), BLCT Commercial Building (as the current lessor) and NWDSI (as the guarantor of Shanghai Huimei) entered into the Supplemental Shanghai Tenancy Agreement to (i) extend the term of the tenancy in respect of the Shanghai Premises under the Shanghai Tenancy Agreement and (ii) amend certain terms of the Shanghai Tenancy Agreement.

#### **EXTENSION OF THE BEIJING TENANCY AGREEMENTS**

##### **The First Beijing Tenancy Agreement**

On 3 September 2008, NWDSI (as the then tenant) and Beijing Borun (as the landlord) entered into the First Beijing Tenancy Agreement in respect of the First Beijing Premises.

On 1 April 2020, NWQDS (Beijing) (as the current tenant) exercised its right to extend the tenancy in respect of the First Beijing Premises, for a term of ten years commencing from 1 October 2020 and expiring on 30 September 2030, pursuant to the First Beijing Tenancy Agreement by serving a written notice on Beijing Borun.

##### **The Second Beijing Tenancy Agreement**

On 5 September 2008, Beijing Wanya (as the then tenant) and Beijing Borun (as the then landlord) entered into the Second Beijing Tenancy Agreement in respect of the Second Beijing Premises.

On 1 April 2020, Miaogou (Beijing) (as the current tenant) exercised its right to extend the tenancy in respect of the Second Beijing Premises for a term of ten years commencing from 1 October 2020 and expiring on 30 September 2030, pursuant to the Second Beijing Tenancy Agreement by serving a written notice on Beijing Bolian (as the current lessor).

## **LISTING RULES IMPLICATION**

Pursuant to HKFRS 16 “Leases”, effective from 1 January 2019, the lease payments payable by the Group under the Supplemental Shanghai Tenancy Agreement and the Beijing Tenancy Agreements are recognised as right-of-use assets acquired by the Group in its consolidated statement of financial position. Accordingly, the transactions contemplated under the Supplemental Shanghai Tenancy Agreement and the extension of the Beijing Tenancy Agreements are regarded as acquisitions of assets under the definition of “transaction” as set out in Rule 14.04(1)(a) of the Listing Rules.

As one of the applicable percentage ratios calculated based on the value of the right-of-use asset recognised by the Group under the Supplemental Shanghai Tenancy Agreement is more than 5% and all of them are less than 25%, the transactions contemplated under the Supplemental Shanghai Tenancy Agreement constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As one of the applicable percentage ratios calculated based on the values of the right-of-use assets recognised by the Group under the extension of the Beijing Tenancy Agreements is more than 5% and all of them are less than 25%, the transactions contemplated under the extension of the Beijing Tenancy Agreements constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Due to inadvertent oversight, the Company had not complied with the disclosure requirements by way of publishing an announcement under Rule 14.34(2) of the Listing Rules in respect of the Supplemental Shanghai Tenancy Agreement and the Beijing Tenancy Agreements at the material time.

Going forward, the Company will closely monitor the effectiveness and efficiency of its compliance system and the relevant corporate governance measures so as to prevent the future occurrence of any similar incidents. Further remedial actions are detailed in the section headed “Remedial Actions” of this announcement.

## **THE SUPPLEMENTAL SHANGHAI TENANCY AGREEMENT**

### **Background**

On 26 October 2001, Shanghai Huimei (as the tenant) and Shanghai BLCT (as the then lessor) entered into the Shanghai Tenancy Agreement in respect of the Shanghai Premises, for a term of twenty years commencing on 1 December 2001 and expiring on 30 November 2021.

### **The Supplemental Shanghai Tenancy Agreement**

On 4 September 2019, Shanghai Huimei, Shanghai Yimin (as the landlord), BLCT Commercial Building (as the current lessor) and NWDSI (as the guarantor of Shanghai Huimei) entered into the Supplemental Shanghai Tenancy Agreement to (i) extend the term of the tenancy in respect of the Shanghai Premises under the Shanghai Tenancy Agreement and (ii) amend certain terms of the Shanghai Tenancy Agreement.

The principal terms of the Supplemental Shanghai Tenancy Agreement are set out below.

<b>Date:</b>	4 September 2019
<b>Tenant:</b>	Shanghai Huimei
<b>Landlord:</b>	Shanghai Yimin
<b>Lessor:</b>	BLCT Commercial Building <sup>Note</sup>
<b>Guarantor:</b>	NWDSI
<b>Premises:</b>	939-949 Central Huaihai Road, Huangpu District, Shanghai, the PRC
<b>Gross floor area:</b>	Approximately 22,487.03 sq.m.
<b>Permitted use:</b>	The Shanghai Premises shall only be managed and operated in a manner that (i) fits the image of Central Huaihai Road as a high-end commercial street and (ii) promotes the development of Central Huaihai Road.
<b>Term:</b>	<p>The term of the Shanghai Tenancy Agreement shall be extended for an initial term of five years commencing on 1 December 2021 and expiring on 30 November 2026 (the “<b>Shanghai Tenancy Initial Extended Term</b>”).</p> <p>Shanghai Huimei has the right to extend the tenancy for a further term of five years upon the expiration of the Shanghai Tenancy Initial Extended Term by serving a written notice on BLCT Commercial Building six months before the expiration of the Shanghai Tenancy Initial Extended Term.</p>
<b>Rent payable:</b>	<p>The rent payable is calculated based on the daily rate of RMB6.5/sq.m., amounting to an annual rent of RMB53,350,000 for the first three years of the Shanghai Tenancy Initial Extended Term (subject to the rent free period), with an increment of 6% for every subsequent three years.</p> <p>The amount of rent was determined after arm’s length negotiations between Shanghai Huimei and Shanghai Yimin, after taking into consideration the prevailing market rental rate for comparable premises in the vicinity of the Shanghai Premises.</p>
<b>Rent free period:</b>	Shanghai Huimei shall be entitled to enjoy the use and occupation of the Shanghai Premises free of rent for a period of one month during the first year of the Shanghai Tenancy Initial Extended Term.

**Terms of settlement:** The rent shall be paid in accordance with the terms of the Shanghai Tenancy Agreement.

The rent shall be payable quarterly in advance within the first five working days of the first, fourth, seventh and tenth month of the respective year during the Shanghai Tenancy Initial Extended Term.

**Deposit:** RMB13,300,000.

**Guarantee:** NWDSI irrevocably guarantees full performance of the rights and obligations of Shanghai Huimei under the Supplemental Shanghai Tenancy Agreement

*Note: BLCT Commercial Building replaced Shanghai BLCT as the lessor of the Shanghai Premises with effect from 10 December 2002 pursuant to a tripartite agreement dated 10 December 2002 made among Shanghai BLCT, Shanghai Huimei and BLCT Commercial Building.*

The value of the right-of-use asset recognised by the Group under the Supplemental Shanghai Tenancy Agreement amounts to approximately HK\$226,588,000 in accordance with HKFRS 16. Incremental borrowing rate of 4.9% is applied to compute the present value of the right-of-use asset recognised by the Group under the Supplemental Shanghai Tenancy Agreement.

## **EXTENSION OF THE BEIJING TENANCY AGREEMENTS**

### **The First Beijing Tenancy Agreement**

On 3 September 2008, NWDSI (as the then tenant) and Beijing Borun (as the landlord) entered into the First Beijing Tenancy Agreement in respect of the First Beijing Premises.

The principal terms of the First Beijing Tenancy Agreement are set out below.

**Date:** 3 September 2008

**Tenant:** NWDSI <sup>Note</sup>

**Landlord:** Beijing Borun

**Premises:** 18 Xinchunnan Road, Shunyi District, Beijing, the PRC

**Gross floor area:** 40,144.29 sq.m.

**Permitted use:** The First Beijing Premises shall be used by NWDSI for operating department store and supermarket, as well as general merchandise retailing.

**Term:** Initial term  
An initial term of ten years commencing on 1 October 2010 and expiring on 30 September 2020 (the “**First Beijing Tenancy Initial Term**”).

First extension  
NWDSI has the right to extend the tenancy for a further term of ten years upon the expiration of the First Beijing Tenancy Initial Term (the “**First Beijing Tenancy Extended Term**”) by serving a written notice on Beijing Borun six months before the expiration of the First Beijing Tenancy Initial Term.

Second extension  
NWDSI has the right to extend the tenancy for a further term of ten years upon the expiration of the First Beijing Tenancy Extended Term by serving a written notice on Beijing Borun six months before the expiration of the First Beijing Tenancy Extended Term.

**Rent payable:** The rent payable for the tenancy is calculated based on fixed daily per sq.m. rates for specific portions of the First Beijing Premises, with an annual increment rate of 3% from the fourth year to the tenth year, and an annual increment rate of 4% from the eleventh year onwards.

The amount of rent was determined after arm’s length negotiations between NWDSI and Beijing Borun, after taking into consideration the prevailing market rental rate for comparable premises in the vicinity of the First Beijing Premises.

**Rent free period:** NWDSI shall be entitled to enjoy the use and occupation of specific portions of the First Beijing Premises for varying periods in accordance with the relevant provisions under the First Beijing Tenancy Agreement.

**Terms of settlement:** The rent shall be payable monthly in advance within the first ten days of each month.

**Deposit:** RMB2,335,446

*Note: NWQDS (Beijing) replaced NWDSI as the tenant of the First Beijing Premises with effect from 15 October 2009 pursuant to a tripartite agreement dated 15 October 2009 made among Beijing Borun, NWDSI and NWQDS (Beijing).*

### *Extension of the First Beijing Tenancy Agreement*

On 1 April 2020, NWQDS (Beijing) (as the current tenant) exercised its right to extend the tenancy in respect of the First Beijing Premises, for a term of ten years commencing from 1 October 2020 and expiring on 30 September 2030, pursuant to the First Beijing Tenancy Agreement by serving a written notice on Beijing Borun.

The value of the right-of-use asset recognised by the Group as a result of the extension of the First Beijing Tenancy Agreement amounts to approximately HK\$348,435,000 in accordance with HKFRS 16. Incremental borrowing rate of 4.9% is applied to compute the present value of the right-of-use asset recognised by the Group as a result of the extension of the First Beijing Tenancy Agreement.

### **The Second Beijing Tenancy Agreement**

On 5 September 2008, Beijing Wanya (as the then tenant) and Beijing Borun (as the then landlord) entered into the Second Beijing Tenancy Agreement in respect of the Second Beijing Premises.

The principal terms of the Second Beijing Tenancy Agreement are set out below.

<b>Date:</b>	5 September 2008
<b>Tenant:</b>	Beijing Wanya <sup>Note 1</sup>
<b>Landlord:</b>	Beijing Borun <sup>Note 2</sup>
<b>Premises:</b>	Levels B1, 6 and 7, Borun Commercial Building, 18 Xinshunnan Road, Shunyi District, Beijing, the PRC
<b>Gross floor area:</b>	15,501 sq.m.
<b>Permitted use:</b>	The Second Beijing Premises shall be used by Beijing Wanya for operating department store and supermarket, as well as general merchandise retailing.
<b>Term:</b>	<u>Initial term</u> An initial term of ten years commencing on 1 October 2010 and expiring on 30 September 2020 (the “ <b>Second Beijing Tenancy Initial Term</b> ”).  <u>First extension</u> Beijing Wanya has the right to extend the tenancy for a further term of ten years upon the expiration of the Second Beijing Tenancy Initial Term (the “ <b>Second Beijing Tenancy Extended Term</b> ”) by serving a written notice on Beijing Borun six months before the expiration of the Second Beijing Tenancy Initial Term.  <u>Second extension</u> Beijing Wanya has the right to extend the tenancy for a further term of ten years upon the expiration of the Second Beijing Tenancy Extended Term by serving a

written notice on Beijing Borun six months before the expiration of the Second Beijing Tenancy Extended Term.

**Rent payable:**

The rent payable for the tenancy is calculated based on fixed daily per sq.m. rates for specific portions of the Second Beijing Premises, with an annual increment rate of 3% from the fourth year to the tenth year, and an annual increment rate of 4% from the eleventh year onwards.

The amount of rent is determined after arm's length negotiations between Beijing Wanya and Beijing Borun, after taking into consideration the prevailing market rate for comparable premises in the vicinity of the Second Beijing Premises.

**Rent free period:**

Beijing Wanya shall be entitled to enjoy the use and occupation of specific portions of the Second Beijing Premises for varying periods in accordance with the relevant provisions under the Second Beijing Tenancy Agreement.

**Terms of settlement:**

The rent shall be payable monthly in advance within the first ten days of each month.

**Deposit:**

RMB860,464

*Notes:*

1. *Miaogou (Beijing) replaced Beijing Wanya as the tenant of the Second Beijing Premises with effect from 15 May 2009 pursuant to a tripartite agreement dated 15 May 2009 made among Beijing Borun, Beijing Wanya and Miaogou (Beijing).*
2. *Beijing Bolian replaced Beijing Borun as the lessor of the Second Beijing Premises with effect from 1 April 2017 pursuant to a tripartite agreement dated 1 April 2017 made among Beijing Borun, Miaogou (Beijing) and Beijing Bolian.*

*Extension of the Second Beijing Tenancy Agreement*

On 1 April 2020, Miaogou (Beijing) (as the current tenant) exercised its right to extend the tenancy in respect of the Second Beijing Premises for a term of ten years commencing from 1 October 2020 and expiring on 30 September 2030, pursuant to the Second Beijing Tenancy Agreement by serving a written notice on Beijing Bolian (as the current lessor).

The value of the right-of-use asset recognised by the Group as a result of the extension of the Second Beijing Tenancy Agreement amounts to approximately HK\$127,400,000 in accordance with HKFRS 16. Incremental borrowing rate of 4.9% is applied to compute the present value of the right-of-use asset recognised by the Group as a result of the extension of the Second Beijing Tenancy Agreement.

## **INFORMATION OF THE PARTIES**

The Company is principally engaged in the business of operating department stores and other retail-related businesses and property investment operations in the PRC.

Shanghai Huimei is a company established in the PRC, a direct wholly-owned subsidiary of NWDSI and an indirect wholly-owned subsidiary of the Company as at the date of this announcement. It is principally engaged in the business of operating department store.

NWDSI is a company established in the PRC and is 100% beneficially owned by the Company as at the date of this announcement. It is primarily an investment holding company.

NWQDS (Beijing) is a company established in the PRC, a direct wholly-owned subsidiary of NWDSI and an indirect wholly-owned subsidiary of the Company as at the date of this announcement. It is principally engaged in the business of operating department store.

Miaogou (Beijing) is a company established in the PRC, an indirect wholly-owned subsidiary of NWQDS (Beijing) and an indirect wholly-owned subsidiary of the Company as at the date of this announcement. It is principally engaged in the business of operating department store.

Shanghai Yimin is a company established in the PRC, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600824). It is the holding company of Shanghai BLCT and BLCT Commercial Building as at the date of this announcement and is principally engaged in the business of commercial wholesaling and retailing.

BLCT Commercial Building is a company established in the PRC. It is a wholly-owned subsidiary of Shanghai Yimin as at the date of this announcement and is principally engaged in the business of operating department store.

Beijing Borun is a company established in the PRC and the holding company of Beijing Bolian. It is principally engaged in the business of investment management.

Beijing Bolian is a company established in the PRC and a direct wholly-owned subsidiary of Beijing Borun. It is principally engaged in the business of wholesaling daily necessities and fashion items, as well as property and commercial facilities leasing.

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shanghai Yimin, BLCT Commercial Building, Beijing Borun and Beijing Bolian, as well as their respective ultimate beneficial owners are Independent Third Parties.

## **REASONS AND BENEFITS FOR ENTERING INTO THE SUPPLEMENTAL SHANGHAI TENANCY AGREEMENT AND THE EXTENSION OF THE BEIJING TENANCY AGREEMENTS**

The management of the Company monitors and reviews the overall business performance of the Group's department stores from time to time, and considers various factors when deciding whether or not to enter into tenancy agreements and/or to extend the tenancies in relation to the Group's department stores, including but not limited to the historical performance, business prospects, costs and benefits of relocation, availability of alternative premises in relation to the Group's department stores. At the material time of entering into the Supplemental Shanghai Tenancy Agreement and extending the Beijing Tenancy Agreements, the management of the Company considered that it was appropriate and in the overall interest



of the Group's business to maintain the tenancy arrangements with Shanghai Yimin, BLCT Commercial Building, Beijing Borun and Beijing Bolian.

The terms of the Supplemental Shanghai Tenancy Agreement were determined after arm's length negotiations between Shanghai Huimei, Shanghai Yimin and BLCT Commercial Building with reference to the open market rental rates of comparable properties.

Each of NWQDS (Beijing) and Miaogou (Beijing) also made reference to the open market rental rates of comparable properties prior to deciding to extend the First Beijing Tenancy Agreement and the Second Beijing Tenancy Agreement, respectively.

The Directors are of the view that the terms and entering into of the Supplemental Shanghai Tenancy Agreement, as well as the extension of the Beijing Tenancy Agreements are (i) fair and reasonable; (ii) on normal commercial terms and in the ordinary and usual course of business of the Group; and (iii) in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Pursuant to HKFRS 16 "Leases", effective from 1 January 2019, the lease payments payable by the Group under the Supplemental Shanghai Tenancy Agreement and the Beijing Tenancy Agreements are recognised as right-of-use assets acquired by the Group in its consolidated statement of financial position. Accordingly, the transactions contemplated under the Supplemental Shanghai Tenancy Agreement and the extension of the Beijing Tenancy Agreements are regarded as acquisitions of assets under the definition of "transaction" as set out in Rule 14.04(1)(a) of the Listing Rules.

As one of the applicable percentage ratios calculated based on the value of the right-of-use asset recognised by the Group under the Supplemental Shanghai Tenancy Agreement is more than 5% and all of them are less than 25%, the transactions contemplated under the Supplemental Shanghai Tenancy Agreement constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As one of the applicable percentage ratios calculated based on the values of the right-of-use assets recognised by the Group under the extension of the Beijing Tenancy Agreements is more than 5% and all of them are less than 25%, the transactions contemplated under the extension of the Beijing Tenancy Agreements constitute discloseable transactions of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Due to inadvertent oversight, the Company had not complied with the disclosure requirements by way of publishing an announcement under Rule 14.34(2) of the Listing Rules in respect of the Supplemental Shanghai Tenancy Agreement and the extension of the Beijing Tenancy Agreements at the material time.

## **REMEDIAL ACTIONS**

Upon becoming aware of the disclosure requirements in relation to the Supplemental Shanghai Tenancy Agreement and the extension of the Beijing Tenancy Agreements, the Board took immediate actions by publishing this announcement in compliance with the requirements under the Listing Rules.

Going forward, the Company will closely monitor the effectiveness and efficiency of its compliance system and the relevant corporate governance measures so as to prevent the future occurrence of any similar incidents. The Company will also take remedial measures to tighten its internal control procedures, with an aim to ensure timely compliance with the Listing Rules and other regulatory requirements, including but not limited to:

- (i) consulting legal advisers and the Stock Exchange (whenever necessary) in a timely manner prior to the entry into any proposed transaction which may potentially constitute notifiable transaction or trigger other reporting requirements under the Listing Rules;
- (ii) implementation of measures throughout the Group to ensure prompt reporting of any proposed transaction or event which may potentially constitute notifiable transaction or trigger other reporting requirements under the Listing Rules; and
- (iii) arranging regular training sessions for all the Directors and senior management/relevant personnel of the Group to attend, so as to enhance understanding and awareness of the relevant personnel in relation to the compliance requirements under the Listing Rules.

## DEFINITIONS

“Board”	the board of Directors
“Beijing Bolian”	Beijing Bolian Times Commercial Plaza Co., Ltd.* (北京博聯時代商業廣場有限公司), a company established in the PRC, a direct wholly-owned subsidiary of Beijing Borun and an Independent Third Party
“Beijing Borun”	Beijing Borun Investment Co., Ltd* (北京博潤投資有限公司), a company established in the PRC, the holding company of Beijing Bolian and an Independent Third Party
“Beijing Store”	Beijing New World Qianzi Department Store which is owned and operated by the Group, located at the First Beijing Premises and Second Beijing Premises
“Beijing Tenancy Agreements”	the First Beijing Tenancy Agreement and the Second Beijing Tenancy Agreement
“Beijing Wanya”	Beijing Wanya Department Store Co., Ltd.* (北京萬雅百貨有限公司), a company established in the PRC and an indirect wholly-owned subsidiary of the Company

“BLCT Commercial Building”	Shanghai Yimin Commercial Group Co. Ltd. Ba Li Chun Tian Commerical Building* (上海益民商業集團股份有限公司巴黎春天商廈), a company established in the PRC and a wholly-owned subsidiary of Shanghai Yimin as at the date of this announcement and an Independent Third Party
“Company”	New World Department Store China Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 825)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“First Beijing Premises”	the premises as more particularly set out under the sub-heading “Premises” in the section headed “Extension of the Beijing Tenancy Agreements – The First Beijing Tenancy Agreement” in this announcement
“First Beijing Tenancy Agreement”	the tenancy agreement in relation to the First Beijing Premises dated 3 September 2008 entered into between NWDSI and Beijing Borun, as amended and supplemented from time to time
“Group”	the Company and its subsidiaries
“HKFRS 16”	the Hong Kong Financial Reporting Standard 16 issued by the Hong Kong Institute of Certified Public Accountants, which sets out the principles for the recognition, measurement, presentation and disclosure of leases
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) (including the ultimate beneficial owner) who is(are) independent of and not connected with (within the meaning of the Listing Rules) the Company and its connected persons
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

“percentage ratio”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Miaogou (Beijing)”	Miaogou (Beijing) Department Store Co., Ltd.* (妙購 (北京) 百貨有限公司), a company established in the PRC, an indirect wholly-owned subsidiary of NWQDS (Beijing) and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“NWDSI”	New World Department Stores Investment (China) Co. Ltd* (新世界百貨投資 (中國) 集團有限公司)(formerly known as 新世界百貨投資 (中國) 有限公司), a company established in the PRC and is 100% beneficially owned by the Company as at the date of this announcement
“NWQDS (Beijing)”	Beijing New World Qianzi Department Store Co., Ltd.* (北京新世界千姿百貨有限公司), a company established in the PRC, a direct wholly-owned subsidiary of NWDSI and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Second Beijing Premises”	the premises as more particularly set out under the sub-heading “Premises” in the section headed “Extension of the Beijing Tenancy Agreements – The Second Beijing Tenancy Agreement” in this announcement
“Second Beijing Tenancy Agreement”	the tenancy agreement in relation to the Second Beijing Premises dated 5 September 2008 entered into between Beijing Wanya and Beijing Borun, as amended and supplemented from time to time
“Shanghai BLCT”	Shanghai Ba Li Chun Tian Yimin Department Store Company Limited* (上海巴黎春天益民百貨有限公司), a company established in the PRC, was a wholly-owned subsidiary of Shanghai Yimin and an Independent Third Party

“Shanghai Huimei”	Shanghai New World Department Store Co., Ltd.* (新世界百貨集團上海匯美百貨有限公司), a company established in the PRC, a direct wholly-owned subsidiary of NWDSI and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Shanghai Premises”	the premises as more particularly set out under the sub-heading “Premises” in the section headed “The Supplemental Shanghai Tenancy Agreement” in this announcement
“Shanghai Store”	Hong Kong New World Department Store – Shanghai Huaihai Branch Store, which is owned and operated by the Group, located at the Shanghai Premises
“Shanghai Tenancy Agreement”	the tenancy agreement in relation to the Shanghai Premises dated 26 October 2001 entered into between Shanghai Huimei and BLCT Commercial Building, as amended and supplemented from time to time
“Shanghai Yimin”	Shanghai Yimin Commercial Group Co. Ltd.* (上海益民商業集團股份有限公司), a company established in the PRC, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600824), is the holding company of Shanghai BLCT and BLCT Commercial Building as at the date of this announcement and an Independent Third Party
“Shareholders”	shareholders of the Company
“sq. m.”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supplemental Shanghai Tenancy Agreement”	the supplemental tenancy agreement in relation to the Shanghai Premises dated 4 September 2019 entered into between Shanghai Huimei, Shanghai Yimin, BLCT Commercial Building and NWDSI in relation to the renewal of the Shanghai Tenancy Agreement
“%”	per cent.

*\* for identification purpose only*

By order of the board of  
**New World Department Store China Limited**  
**Dr. Cheng Kar-shun, Henry**  
*Chairman*

Hong Kong, 23 September 2020

*As at the date of this announcement, the non-executive Director is Dr. Cheng Kar-shun, Henry; the executive Directors are Dr. Cheng Chi-kong, Adrian and Mr. Cheung Fai-yet, Philip; and the independent non-executive Directors are Mr. Cheong Ying-chew, Henry, Mr. Chan Yiu-tong, Ivan, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai.*