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FORWARD FASHION  
HOLDINGS

**Forward Fashion (International) Holdings Company Limited**

**尚晉(國際)控股有限公司**

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

**(Stock Code: 2528)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO TENANCY AGREEMENT**

**THE TENANCY AGREEMENT**

The Board is pleased to announce that on 10 July 2024, the Tenant (an indirect wholly-owned subsidiary of the Company) as tenant, the Company as guarantor and the Landlord as landlord, entered into the Tenancy Agreement in respect of the lease of the Property for a term of three (3) years from 10 July 2024 to 9 July 2027 (both days inclusive).

**IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to IFRS 16 “Leases”, the entering into of the Tenancy Agreement by the Tenant will require the Group to recognise the right-of-use asset in its consolidated financial statements of financial position. Therefore, the entering into of the Tenancy Agreement will be regarded as an acquisition of asset by the Group under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules. The unaudited value of the right-of-use asset recognised by the Company under the Tenancy Agreement amounted to approximately HK\$15,108,008.

As one or more of the applicable percentage ratio(s) (as defined in Chapter 14 of the Listing Rules) in respect of the acquisition of right-of-use assets recognised by the Group under the Tenancy Agreement is 5% or more but is less than 25%, the entering into of the Tenancy Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements but is exempt from Shareholders’ approval under Chapter 14 of the Listing Rules.

## INTRODUCTION

The Board is pleased to announce that on 10 July 2024, the Tenant (an indirect wholly-owned subsidiary of the Company) as tenant, the Company as guarantor and the Landlord as landlord, entered into the Tenancy Agreement in respect of the lease of the Property for a term of three (3) years from 10 July 2024 to 9 July 2027 (both days inclusive).

## THE TENANCY AGREEMENT

Principal terms of the Tenancy Agreement are summarised below:

Date:	10 July 2024
Parties:	(i) Landlord: Hui Kwai Chun* (許桂珍), an individual  (ii) Tenant: Macau Ieng Nam Limited (澳門盈南有限公司), an indirect wholly-owned subsidiary of the Company  (iii) Guarantor: the Company
Property:	The property situated at No. 4, Domingos Street, Macau* (澳門板樟堂街4號之樓宇)
Term:	Three (3) years commencing from 10 July 2024 to 9 July 2027 (both days inclusive)
Rent:	<p>The total rent payable for the entire term under the Tenancy Agreement is HK\$16,020,000. The Tenant shall enjoy a rent-free renovation period for the period from 10 July 2024 to 9 August 2024. The monthly rent is as follows:</p> <p>(a) First year, i.e. from 10 August 2024 to 9 July 2025: HK\$420,000</p> <p>(b) Second year, i.e. from 10 July 2025 to 9 July 2026: HK\$450,000</p> <p>(c) Third year, i.e. from 10 July 2026 to 9 July 2027: HK\$500,000</p>

The rent payable by the Tenant under the Tenancy Agreement was determined after arm's length negotiations between the Landlord and the Tenant, with reference to the prevailing market rental values for comparable premises in the vicinity of the Property.

The rent payable by the Tenant under the Tenancy Agreement will be financed by the internal resources of the Group.

Guarantee: Pursuant to the Tenancy Agreement, the Company guarantees the due and punctual performance and observance by the Tenant of all its obligations under the Tenancy Agreement and waives the right of defense against any civil liability arising from the Tenant's delay or non-performance of its obligations under the Tenancy Agreement.

Deposit: HK\$1,260,000

Use of Property: The Property is leased to the Tenant for retail business

## **RIGHT-OF-USE ASSET**

Pursuant to IFRS 16 "Leases", as a result of the entering into of the Tenancy Agreement, the unaudited value of the right-of-use asset recognised by the Group under the Tenancy Agreement amounted to approximately HK\$15,108,008, being the present value of the aggregate rent under the Tenancy Agreement.

## **INFORMATION OF THE LANDLORD**

The Landlord is an individual who is a Macau resident. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Landlord is an Independent Third Party.

## **INFORMATION ABOUT THE GROUP AND THE TENANT**

The Group is principally engaged in the retail of fashion apparel of international brands ranging from established designer label brands, popular global brands to up-and-coming brands through its multi-brand and multi-store business model in the PRC, Macau, Hong Kong and Taiwan.

The Tenant is a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of the Company. The Tenant is principally engaged in retail of fashion apparel.

## **REASONS AND BENEFITS OF THE ENTERING INTO THE TENANCY AGREEMENT**

The principal activities of the Group consisted of retail of fashion apparel. Due to the nature of its retail businesses, the Group has to enter into tenancy agreements for the leasing of retail stores from time to time. Each of its retail stores, especially sizable stores like the Property, contributes to and maintains the Group's scale of operation which in turn benefits the Group in lowering the overall operation costs, in enhancing the Group's negotiations with its business partners and in expanding its store network and market shares.

The Tenancy Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms after arm's length negotiations between the parties with reference to the prevailing market rent for comparable premises in the vicinity of the Property. Therefore, the Board considers that the terms of the Tenancy Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Pursuant to IFRS 16 "Leases", the entering into of the Tenancy Agreement by the Tenant will require the Group to recognise the right-of-use asset in its consolidated financial statements of financial position. Therefore, the entering into of the Tenancy Agreement will be regarded as an acquisition of asset by the Group under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules. The unaudited value of the right-of-use asset recognised by the Company under the Tenancy Agreement amounted to approximately HK\$15,108,008.

As one or more of the applicable percentage ratio(s) (as defined in Chapter 14 of the Listing Rules) in respect of the acquisition of right-of-use assets recognised by the Group under the Tenancy Agreement is 5% or more but is less than 25%, the entering into of the Tenancy Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements but is exempt from Shareholders' approval under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

"Board"	the board of Directors
"Company"	Forward Fashion (International) Holdings Company Limited (尚晉(國際)控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules

“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IFRS 16”	the International Financial Reporting Standard
“Independent Third Party”	third party(ies) independent of and not connected with the Company and its connected person(s)
“Landlord”	Hui Kwai Chun* (許桂珍), an individual and an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Property”	the property situated at No. 4, Domingos Street, Macau* (澳門板樟堂街4號之樓宇)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenancy Agreement”	the tenancy agreement dated 10 July 2024 entered into between the Landlord, the Tenant and the Company as guarantor in relation to the lease of the Property
“Tenant”	Macau Ieng Nam Limited (澳門盈南有限公司), a company incorporated in Macau with limited liability and an indirect wholly-owned subsidiary of the Company

\* *For identification purpose only.*

By order of the Board  
**Forward Fashion (International) Holdings Company Limited**  
**Fan Wing Ting**  
*Chairman*

Hong Kong, 10 July 2024

*As at the date of this announcement, the Board comprises Mr. Fan Wing Ting, Ms. Chen Xingyi, Mr. Kevin Trantallis, Mr. Fong Yat Ming and Ms. Fan Tammy as the Executive Directors, and Mr. Yu Chun Kau, Mr. Ng Kam Tsun and Mr. Sze Irons as the Independent Non-executive Directors.*

*In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*