

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**英皇鐘錶珠寶有限公司**  
**EMPEROR WATCH & JEWELLERY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 887)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO OFFER LETTER FOR TENANCY  
OF A NEW FLAGSHIP STORE**

On 24 September 2024, the Tenant entered into the Offer Letter with the Landlord in relation to the tenancy of the Property.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the aggregate value of the right-of-use of the Property under the Offer Letter exceed 5% but are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Board announces the execution of the Offer Letter with the following particulars:

**OFFER LETTER FOR TENANCY**

- Date : 24 September 2024
- Landlord : the Landlord
- Tenant : the Tenant
- Property : Shop A on Ground Floor, Whole of 1/F and Storeroom on Ground Floor, Shanghai Commercial Bank Tower, 12 Queen's Road Central, Central, Hong Kong
- Usage : for retail shop
- Term : five years commencing from 3 March 2025 to 2 March 2030 (both days inclusive)

- Rent : the aggregate amount of rent covering the whole of lease term under the Offer Letter is approximately HK\$91.2 million exclusive of management fee, rates, government rent and utility charges
- Deposit : approximately HK\$5.5 million
- Right-of-use asset : a total of approximately HK\$80.43 million covering the whole lease term

The value (unaudited) of the right-of-use asset to be recognised by the Group under the Offer Letter is approximately HK\$80.43 million which is the present value of lease payments throughout the lease term under the Offer Letter and discounted using the incremental borrowing rate in accordance with HKFRS 16. Incremental borrowing rate of the lease liability is determined with reference to the prevailing interest rate of the Group's external borrowings.

### **INFORMATION OF THE LANDLORD**

The Landlord is a financial institution incorporated in Hong Kong and is principally engaged in banking services. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

### **REASONS AND BENEFITS FOR THE OFFER LETTER**

The Company is an investment holding company and its subsidiaries are principally engaged in the sales of European-made internationally renowned watches and fine jewellery products in Hong Kong, Macau, Mainland China, Singapore and Malaysia. The Tenant is an indirect wholly-owned subsidiary of the Company and is principally engaged in watches and jewellery business.

The Board is of the view that executing the Offer Letter for tenancy is an opportunity for the Group to expand the retail network which is in line with the overall business development direction of the Group.

The terms of the Offer Letter are arrived at after arm's length negotiation and the rent is determined with reference to the prevailing market rental of similar property in the nearby locations. The Directors consider that the terms of the Offer Letter are fair and reasonable and the transaction is on normal commercial terms, in the ordinary and usual course of business of the Company and in the interests of the Company and its Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

In accordance with HKFRS 16 "Leases", the Group will recognise a right-of-use asset in its balance sheet in connection with the tenancy of the Property. Accordingly, the lease transaction under the Offer Letter will be regarded as an acquisition of asset by the Group for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the aggregate value of the right-of-use of the Property under the Offer Letter exceed 5% but are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the announcement requirement but exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

## **TERMS USED IN THIS ANNOUNCEMENT**

“Board” or “Director(s)”	the board of directors of the Company
“Company”	Emperor Watch & Jewellery Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Landlord”	Shanghai Commercial Bank Limited, a financial institution incorporated in Hong Kong and is owned as to 57.6% by The Shanghai Commercial & Savings Bank, Ltd., a company incorporated in Taiwan with limited liability and whose issued shares are listed on the Taiwan Stock Exchange Corporation
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Letter”	the offer letter dated 24 September 2024 entered into between the Landlord and the Tenant in relation to the tenancy of the Property, which is a legally binding document
“Property”	Shop A on Ground Floor, Whole of 1/F and Storeroom on Ground Floor, Shanghai Commercial Bank Tower, 12 Queen’s Road Central, Central, Hong Kong
“Shareholder(s)”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tenant” Emperor Watch & Jewellery (HK) Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“%” per cent.

By order of the Board  
**Emperor Watch & Jewellery Limited**  
**Cindy Yeung**  
*Chairperson*

Hong Kong, 24 September 2024

As at the date of this announcement, the Board comprises:

*Executive Directors:*

Ms. Cindy Yeung  
Ms. Fan Man Seung, Vanessa  
Mr. Wong Chi Fai

*Independent Non-executive Directors:*

Ms. Chan Sim Ling, Irene  
Mr. Liu Hing Hung  
Mr. Law, Michael Ka Ming