

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 TRANSACTIONS
IN RELATION TO TENANCY AGREEMENTS

On 11 April 2019, Up Success as tenant entered into the Tenancy Agreements with Wharf Realty as landlord in relation to the renewal of the tenancies of the Properties.

In accordance with HKFRS 16 “Leases”, the Company will recognize the value of the right-of-use assets on its balance sheet in connection with the lease of the Properties under the Tenancy Agreements. Accordingly, the lease transactions under the Tenancy Agreements will be regarded as acquisitions of asset by the tenant 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 aggregated value of the right-of-use of the Properties under the Tenancy Agreements exceed 5% but is less than 25%, the transactions contemplated thereunder constitute discloseable transactions and are subject to the announcement requirement under Chapter 14 of the Listing Rules but exempt from Shareholders’ approval requirement under the Listing Rules.

The Board announces that on 11 April 2019, Up Success as tenant entered into the Tenancy Agreements with Wharf Realty as landlord in relation to the renewal of the tenancies of the Properties.

FIRST TENANCY AGREEMENT DATED 11 APRIL 2019

Landlord:	Wharf Realty
Tenant:	Up Success
First Property :	Shop OT 276-7 & OT 278-80, Level 2, Ocean Terminal, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong
Usage:	for retail shop

Term: 3 years from 27 August 2019 to 26 August 2022 (both days inclusive)

Total consideration payable: HK\$124,506,504, subject to additional turnover rent which may be imposed pursuant to the terms and conditions of the First Tenancy Agreement (exclusive of rates, management fees and air-conditioning charges and other outgoings)

SECOND TENANCY AGREEMENT DATED 11 APRIL 2019

Landlord: Wharf Realty

Tenant: Up Success

Second Property: Shop OT 282, Level 2, Ocean Terminal, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong

Usage: for retail shop

Term: 3 years from 1 September 2019 to 31 August 2022 (both days inclusive)

Total consideration payable: HK\$34,415,064, subject to additional turnover rent which may be imposed pursuant to the terms and conditions of the Second Tenancy Agreement (exclusive of rates, management fees and air-conditioning charges and other outgoings)

REASONS AND BENEFITS FOR THE TENANCY AGREEMENTS

The Company is an investment holding company and its subsidiaries are principally engaged in the sales of European-made internationally renowned watches and self-designed fine jewellery products in Hong Kong, Macau, the PRC, Singapore and Malaysia. Up Success is an indirect wholly-owned subsidiary of the Company and is principally engaged in the provision of tenancy agent services for the Group.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Landlord is an investment holding company incorporated in Hong Kong with limited liability and is an independent third party not connected with the Company or connected persons of the Company.

The terms of the Tenancy Agreements are arrived at after arm's length negotiation and the rental was determined with reference to the prevailing market rental of similar property in the nearby locations. The Directors considered that the terms of the Tenancy Agreements are fair and reasonable and the transactions are 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” as adopted by the Company, the Company will recognize the value of the right-of-use assets on its balance sheet in connection with the lease of the Properties under the Tenancy Agreements. Accordingly, the lease transactions under the Tenancy Agreements will be regarded as acquisitions of asset by the tenant under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the aggregated value of the right-of-use of the Properties under the Tenancy Agreements exceed 5% but is less than 25%, the transactions contemplated thereunder constitute discloseable transactions and are subject to the announcement requirement under Chapter 14 of the Listing Rules but exempt from Shareholders’ approval requirement of the Company under the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Board” or “Director(s)”	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
“First Property”	Shop OT 276-7 & OT 278-80, Level 2, Ocean Terminal, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong
“First Tenancy Agreement”	the tenancy agreement dated 11 April 2019 entered into between Up Success as tenant and Wharf Realty as landlord in relation to the renewal of the tenancy of the First Property
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Properties”	the First Property and the Second Property
“Second Property”	Shop OT 282, Level 2, Ocean Terminal, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong

“Second Tenancy Agreement”	the tenancy agreement dated 11 April 2019 entered into between Up Success as tenant and Wharf Realty as landlord in relation to the renewal of the tenancy of the Second Property
“Shareholders”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreements”	the First Tenancy Agreement and the Second Tenancy Agreement
“Up Success”	Up Success Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Wharf Realty” or “Landlord”	Wharf Realty Limited, a company incorporated in Hong Kong with limited liability, being an independent third party
“%”	per cent

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

Hong Kong, 11 April 2019

As at the date hereof, the Board comprises:

Executive Directors:

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

Independent Non-Executive Directors:

Ms. Chan Sim Ling, Irene
Mr. Liu Hing Hung
Ms. Chan Wiling, Yvonne