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**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 RENEWAL OF TENANCY**

On 9 November 2023, Beauty Royal as tenant entered into the Tenancy Agreement with the Landlord in relation to the renewal of 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 Tenancy Agreement 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 Tenancy Agreement with the following particulars :-

**TENANCY AGREEMENT**

Date:	9 November 2023
Landlord:	the Landlord
Tenant:	Beauty Royal
Property:	Shop No. 16 on Ground Floor & Lower Ground Floor of New World Tower erected on 16-18 Queen's Road Central, Hong Kong
Usage:	for retail shop
Term:	three years commencing from 1 March 2024 to 28 February 2027 (both days inclusive)
Rent:	the aggregate amount of rent covering the whole of lease term under the Tenancy Agreement is approximately HK\$104.5 million (inclusive of rates, service charges and other outgoings); and the rent, service charges and other outgoings shall be payable monthly on or before the first day of each and every calendar month

Deposit: approximately HK\$8.8 million

Right-of-use asset a total of approximately HK\$87.6 million covering the whole of lease term value:

The value (unaudited) of the right-of-use asset to be recognised by the Group under the Tenancy Agreement is approximately HK\$87.6 million which is the present value of lease payments throughout the lease term under the Tenancy Agreement 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 company incorporated in Hong Kong with limited liability and is principally engaged in property investment.

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 TENANCY AGREEMENT**

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 the provision of tenancy agent services for the Group.

The terms of the Tenancy Agreement are arrived at after arm's length negotiation and the rental is determined with reference to the prevailing market rental of similar property in the nearby locations. The Directors consider that the terms of the Tenancy Agreement 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 Tenancy Agreement 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 Tenancy Agreement 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

“Beauty Royal” or “Tenant”	Beauty Royal Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“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”	New World Tower Company Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of New World Development Company Limited, a company incorporated in Hong Kong with limited liability and whose issued shares are listed on the Stock Exchange (Stock Code: 0017)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Shop No. 16 on Ground Floor & Lower Ground Floor of New World Tower erected on 16-18 Queen’s Road Central, Hong Kong
“Shareholder(s)”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 9 November 2023 entered into between the Landlord and the Tenant in relation to the renewal of the tenancy of the Property
“%”	per cent.

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

Hong Kong, 9 November 2023

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

*Executive Directors:*

Ms. Cindy Yeung  
Mr. Ng Koon Keung, Ricky  
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