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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



英皇證券有限公司
Emperor Securities Limited

On 9 January 2025 (after the trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best efforts basis, up to 477,250,000 Placing Shares to Placee(s), who and whose ultimate beneficial owners will be Independent Third Parties at the Placing Price of HK\$0.167 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date (save for the allotment and issue of the Placing Shares), the maximum number of Placing Shares represents approximately 7.04% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.58% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.167 per Placing Share represents (i) a discount of approximately 1.76% to the closing price of HK\$0.17 per Share as quoted on the Stock Exchange as at the date of this announcement; and (ii) a premium of approximately 0.12% to the average closing price of HK\$0.1668 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

Assuming that all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$79.70 million and the net proceeds from the Placing (after deducting the placing commission and other expenses of the Placing) will be approximately HK\$79.24 million. The net price is approximately HK\$0.1660 per Placing Share. The Company intends to apply the net proceeds for expansion of the Group's retail network and general working capital of the Group.

The Placing is conditional upon, *inter alia*, the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

As Completion is subject to the satisfaction of the conditions precedent in the Placing Agreement, the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

9 January 2025 (after trading hours)

Issuer

The Company

Placing Agent

Emperor Securities Limited

The Placing Agent has conditionally agreed to place a maximum of up to 477,250,000 Placing Shares on a best efforts basis and in consideration thereof, it will receive a fixed fee of HK\$300,000 upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

Placee(s)

The Placing Shares are to be placed to Placee(s) which will be professional, institutional and/or other investors, who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder (as defined in the Listing Rules) immediately after the Placing.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date (save for the allotment and issue of the Placing Shares), the maximum number of 477,250,000 Placing Shares represents approximately 7.04% of the existing issued share capital of the Company as at the date of this announcement and approximately 6.58% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.167 per Placing Share represents (i) a discount of approximately 1.76% to the closing price of HK\$0.17 per Share as quoted on the Stock Exchange as at the date of this announcement; and (ii) a premium of approximately 0.12% to the average closing price of HK\$0.1668 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent with reference to the market condition and the prevailing market price of the Shares.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the other Shares in issue as at the date of allotment and issue of the Placing Shares.

General Mandate

Under the General Mandate, the Company is authorised to issue up to 1,355,891,625 Shares. Up to the date of this announcement, no Shares have been issued under the General Mandate. As such, the General Mandate is sufficient for allotment and issue of all the 477,250,000 Placing Shares. Accordingly, the issue of the Placing Shares is not subject to any additional approval of the Shareholders.

Conditions of the Placing

The Placing is conditional upon the following conditions being fulfilled:

- (i) the Company's representations and warranties given hereto remaining true and accurate and not misleading in all material respects at all times prior to and on the Completion Date and that there is no material breach of the Company's undertakings provided in the Placing Agreement prior to and on the Completion Date;
- (ii) the Stock Exchange having granted or agreeing to grant the Listing Approval and such Listing Approval not subsequently revoked prior to Completion; and
- (iii) the Placing Agreement not having been terminated in accordance with the terms of the Placing Agreement.

If any of the above conditions is not fulfilled on or before 5 February 2025, or such later date as the Company and the Placing Agent may agree in writing, the Placing Agreement shall be terminated and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and terminate and neither party shall have any claim against the other party save for any antecedent breach under the Placing Agreement prior to such termination.

Lock-up Restriction

Each Placee undertakes to the Company (and its successors and assigns) that, within 12 months after completion of the Placing, it shall not, directly or indirectly:

- (i) transfer or dispose of, nor enter into any agreements to transfer or dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the Placing Shares or any interest in such Placing Shares (which includes any interest in a company which holds the Placing Shares) or securities that constitute or confer the right to receive the Placing Shares or securities convertible into or exercisable or exchangeable for or repayable with the Placing Shares;
- (ii) enter into a swap agreement or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the ownership of the Placing Shares, whether any such swap agreement or other agreement or transaction is to be settled by delivery of the Placing Shares or the securities, in cash or otherwise; or
- (iii) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraphs (i) and/or (ii) above.

However, the above lock-up restrictions shall not apply to a transfer of the Placing Shares (or the interest therein) to any wholly-owned subsidiary of each Placee.

Application for listing

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Termination of the Placing

Notwithstanding any other provision of the Placing Agreement, if at any time between the date of the Placing Agreement and at any time prior to 11:00 a.m. (Hong Kong time) on the Completion Date, in the reasonable opinion of the Placing Agent, there occurs:

- (i) any material breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained in the Placing Agreement or any failure to perform any of the Company's undertakings in the Placing Agreement;
- (ii) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the reasonable opinion of the Placing Agent, are or may be materially adverse to the business or financial position of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
- (iii) any change, or development (regardless of whether permanent or not) involving a prospective change, in or affecting, the business, management, general affairs, assets and/or liabilities, prospects, shareholders' equity, results of operations or position, financial or otherwise, of the Company or the Group as a whole, regardless of whether or not arising in the ordinary course of business; or
- (iv) any suspension of dealings in the Shares for any period of ten consecutive trading days or more except for suspension relating to any transaction under the Placing Agreement.

The Placing Agreement may be terminated by the Placing Agent in the event that at any time before 11 a.m. on the Completion Date, in the reasonable opinion of the Placing Agent, the success of the Placing may be, would be or might be adversely affected by any force majeure events (as defined below):

- (i) any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any of its subsidiaries carries on business which, in the reasonable opinion of the Placing Agent, is or may be materially adverse to the business or financial position of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
- (ii) any event, or series of events beyond the reasonable control of the Placing Agent, including but not limited to acts of government, strikes, labour disputes, lock-outs, fire, explosion, flooding, storm, tempest, typhoon, accident, civil commotion, economic sanctions, epidemic, outbreak of infectious disease, pandemic, outbreak or escalation of hostilities (local, national, international or otherwise), acts of war, terrorism, and acts of God; or
- (iii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange.

Without prejudice to any other provisions of the Placing Agreement, the Placing Agent shall have the right exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Company pursuant to the Placing Agreement.

In the event that the Placing Agent terminates the Placing Agreement in accordance with the terms and conditions of the Placing Agreement, all obligations of the parties under the Placing Agreement shall cease and determine (but any termination of the Placing Agreement shall not prejudice the rights of the parties which accrued before the date of termination of the Placing Agreement); and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for:

- (a) any antecedent breach of any obligation under the Placing Agreement;
- (b) liabilities of the Company regarding the payment of all costs, charges and expenses of the Company's share registrar; and
- (c) any rights of the other party which accrued before the date of termination of the Placing Agreement.

Completion of the Placing

Completion of the Placing will take place at 4:00 p.m. (Hong Kong time) within seven (7) Business Days after the date on which all the conditions as set out in the paragraph headed “Conditions of the Placing” above are satisfied or such other date as the Company and the Placing Agent may agree in writing.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in the sale of European-made internationally renowned watches and jewellery products in Hong Kong, Macau, Mainland China, Singapore and Malaysia.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$79.70 million and the net proceeds from the Placing (after deducting the placing commission for the Placing and other relevant expenses) will be approximately HK\$79.24 million, representing a net price of approximately HK\$0.1660 per Placing Share. The Company intends to apply the net proceeds in the following manner: (i) not less than 80% will be used for enrichment of working capital for expansion of the Group’s retail network; and (ii) the remaining balance will be used for general working capital such as staff cost, professional fees and other general administrative and operating expenses of the Group.

The Directors are of the view that the Placing will not only broaden the shareholders’ portfolio and enhance the stock liquidity of the Company, but also provide additional working capital for the Group for its future development. The Directors consider that the terms of the Placing are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before Completion and immediately after Completion are and will be as follows:

	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximately % (Note 1)</i>	<i>Number of Shares</i>	<i>Approximately % (Note 1)</i>
Substantial Shareholder				
Emperor W&J Holdings (Note 2)	4,298,630,000	63.41	4,298,630,000	59.24
Public Shareholders				
Placee(s)	–	–	477,250,000	6.58
Other public Shareholders	2,480,828,129	36.59	2,480,828,129	34.18
Total	6,779,458,129	100.00	7,256,708,129	100.00

Notes:

1. The percentage figures have been subjected to rounding adjustments. Any discrepancies between totals and sums of amounted listed herein are due to rounding adjustments.
2. These Shares were held by Emperor Watch & Jewellery Group Holdings Limited (“Emperor W&J Holdings”), a wholly-owned subsidiary of Albert Yeung Watch & Jewellery Holdings Limited (“AY W&J Holdings”). AY W&J Holdings was in turn held by First Family Advisors Trust reg. in trust for a private discretionary trust set up by Dr. Yeung Sau Shing, Albert (“Dr. Yeung”).

FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS

During the past twelve months immediately before the date of this announcement, the Company has not conducted any equity fund raising activity.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company and Emperor Capital are indirectly controlled by the respective private discretionary trusts which were both set up by Dr. Yeung, who is the deemed substantial Shareholder and the Placing Agent is an indirect wholly-owned subsidiary of Emperor Capital. As such, the Placing Agent is a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Placing Agreement constitute a connected transaction of the Company.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Placing Agreement are less than 5% and the total consideration is less than HK\$3,000,000, the Placing Agreement constitutes a de minimis transaction pursuant to Rule 14A.76(1) of the Listing Rules and are fully exempt from Shareholders’ approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning signal No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general banking business
“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
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement

“Completion Date”	the date within seven (7) Business Days after the date on which all the conditions precedent set out in the Placing Agreement are satisfied or such other date as the Company and the Placing Agent may agree in writing
“connected persons”	has the meanings as ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Emperor Capital”	Emperor Capital Group Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“General Mandate”	general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 21 May 2024 to allot, issue and deal with up to 20% of the total number of issued Shares as at the date thereof
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who is(are) not connected person(s) of the Company and its subsidiaries and is(are) third party(ies) independent of the Company and connected persons of the Company
“Listing Approval”	the approval for the listing of, permission to deal in, the Placing Shares on the Stock Exchange
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	institutional, professional and/or other investors, who are Independent Third Parties with whom the Placing Agent procure(s) to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of a maximum of up to 477,250,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Emperor Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 9 January 2025 entered into between the Company and the Placing Agent in relation to the Placing

“Placing Price”	HK\$0.167 per Placing Share
“Placing Share(s)”	up to 477,250,000 Shares to be placed under the Placing
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 9 January 2025

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

<i>Executive Directors:</i>	Ms. Cindy Yeung Ms. Fan Man Seung, Vanessa Mr. Wong Chi Fai
<i>Independent Non-executive Directors:</i>	Ms. Chan Sim Ling, Irene Mr. Liu Hing Hung Mr. Law, Michael Ka Ming