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king fook holdings limited

景福集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 280)

DISCLOSEABLE TRANSACTION RELATING TO TENANCY

On 16 May 2025, the Tenant (a wholly owned subsidiary of the Company) accepted the offer contained in the Offer Letter to enter into Tenancy Agreement I in respect of Property I.

The Landlord is not connected with the Company, any directors, chief executive officer or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

Acceptance of the offer contained in the Offer Letter to enter into Tenancy Agreement I constitutes a discloseable transaction of the Company under the Listing Rules.

ACCEPTANCE OF OFFER LETTER ON 16 MAY 2025

Parties

Landlord : Central Building (BVI) Limited

Tenant : King Fook Jewellery Group Limited (a wholly owned subsidiary of the Company)

The transaction

The Tenant accepted the offer contained in the Offer Letter to enter into Tenancy Agreement I relating to Property I for a term of two years from 1 September 2025 to 31 August 2027 at the total rent of $9,888,000, exclusive of management fee and rates. The rent under Tenancy Agreement I is $412,000 per month payable monthly in advance in cash on the first day of each month, exclusive of management fee and rates.

The unaudited value of the right-of-use assets recognised by the Group under Tenancy Agreement I is about $9,405,380, which is the present value of the total consideration payable under the terms of Tenancy Agreement I in accordance with HKFRS 16.

The terms of the Offer Letter and Tenancy Agreement I were arrived at after arm's length negotiations between the Tenant and the Landlord and with reference to the prevailing market rent of comparable properties in Central, Hong Kong. The Directors consider that the terms of the Offer Letter and Tenancy Agreement I are fair and reasonable and in the interests of the shareholders of the Company as a whole.

REASONS FOR THE TRANSACTION

The Tenant accepted the offer to enter into Tenancy Agreement I in order to renew the tenancy in respect of Property I, which are used as retail outlet of the Group for watches and accessories.

OTHER TENANCY AGREEMENTS

The Landlord and the Tenant entered into Tenancy Agreement II on 14 February 2025 for a term of two years from 1 May 2025 to 30 April 2027 at the total rent of $29,664,000, exclusive of management fee and rates.

The Group uses Property II as a retail outlet of the Group for watches, gold and jewellery.

The unaudited value of the right-of-use assets recognised by the Group under Tenancy Agreement II is about $28,039,810, which was the value of the total consideration payable under the terms of Tenancy Agreement II when it was entered into in accordance with HKFRS 16.

The Landlord and the Tenant entered into Tenancy Agreement III on 2 July 2024 for a term of two years from 1 July 2024 to 30 June 2026 at the total rent of $6,720,000, exclusive of management fee and rates.

The Group uses Property III as a retail outlet of the Group for high-end jewellery, watches and accessories.

The unaudited value of the right-of-use assets recognised by the Group under Tenancy Agreement III is about $6,392,006, which was the value of the total consideration payable under the terms of Tenancy Agreement III when it was entered into in accordance with HKFRS 16.

CONNECTION BETWEEN THE PARTIES

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Landlord and its ultimate beneficial owner are independent third parties not connected with the Company, any directors, chief executive officer or substantial shareholders of the Company or any of its subsidiaries or their respective associates.

INFORMATION FOR SHAREHOLDERS

The Group is principally engaged in retailing of gold ornaments, jewellery, watches and gifts, trading of bullion and wholesaling of diamond.

The Landlord is principally engaged in property investment. It is a private company which has a substantive business and is generally known to the public, being the owner of Central Building, a prominent building in Central, Hong Kong where Property I, Property II and Property III are situated.

For the Company, acceptance of the offer to enter into Tenancy Agreement I constitutes a discloseable transaction under the Listing Rules based on the total unaudited value of the right-of-use assets recognised by the Group of $43,837,196, comprising (i) the present value of the total consideration payable under the terms of Tenancy Agreement I in accordance with HKFRS 16 of approximately $9,405,380; (ii) the value of the total consideration payable under the terms of Tenancy Agreement II when it was entered into in accordance with HKFRS 16 of approximately $28,039,810; and (iii) the value of the total consideration payable under the terms of Tenancy Agreement III when it was entered into in accordance with HKFRS 16 of approximately $6,392,006. Save as aforesaid, the Group does not have any transaction with the Landlord which is required to be aggregated with Tenancy Agreement I under Rule 14.22 of the Listing Rules.

Terms used in this announcement

"Company"	King Fook Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"Landlord"	Central Building (BVI) Limited, a company incorporated in the British Virgin Islands
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Offer Letter"	offer letter dated 8 May 2025 from the agent of the Landlord to the Tenant in respect of Tenancy Agreement I
"Property I"	Shops 11 & 12 on Ground Floor, Central Building, 1-3 Pedder Street, Central, Hong Kong
"Property II"	Shops 21, 23A, 23B & 25 on Ground Floor, Central Building, 1-3 Pedder Street, Central, Hong Kong
"Property III"	Shops 9 & 10 on Ground Floor, Central Building, 1-3 Pedder Street, Central, Hong Kong

"Tenancy Agreement I"	the tenancy agreement to be entered into between the Tenant and the Landlord in respect of Property I
"Tenancy Agreement II"	the tenancy agreement dated 14 February 2025 between the Tenant and the Landlord in respect of Property II
"Tenancy Agreement III"	the tenancy agreement dated 2 July 2024 between the Tenant and the Landlord in respect of Property III
"Tenant"	King Fook Jewellery Group Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
"$"	Hong Kong dollar(s)

By Order of the Board
Tang Yat Sun, Richard
Chairman

Hong Kong, 16 May 2025

As at the date of this announcement, the executive directors of the Company are Mr. Tang Yat Sun, Richard and Dr. Fung Yuk Bun, Patrick; the non-executive directors are Mr. Ho Hau Hay, Hamilton, Ms. Veronica Ho and Mr. Kung Lin Cheng Leo; and the independent non-executive directors are Mr. Cheng Kar Shing, Peter, Mr. Sin Nga Yan, Benedict, Mr. Cheng Kwok Shing, Anthony and Ms. Hou Tan Tan Danielle.