

*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.*

## **CHOW TAI FOOK JEWELLERY GROUP LIMITED**

### **周大福珠寶集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1929

## **CONTINUING CONNECTED TRANSACTIONS**

### **RENEWAL OF ANNUAL CAPS FOR THE MASTER LEASING AND LICENSING AGREEMENT**

#### **THE MASTER LEASING AND LICENSING AGREEMENT**

Reference is made to the announcements of the Company dated 28 April 2020 and 30 March 2023 in respect of the Master Leasing and Licensing Agreement. Pursuant to the Master Leasing and Licensing Agreement, members of the NWD Group and members of the Group have entered and will, from time to time, enter into leases or tenancy agreements, licensing agreements, concession agreements, other similar collaboration agreements or any other agreements in relation to any real properties (including without limitation retail shops, shops-in-shops and counters).

The Master Leasing and Licensing Agreement between the Company and NWD would be renewed upon the expiry of its existing term (the last date of such term being 30 June 2026) for a further term of three years from the Renewal Date to 30 June 2029 (both days inclusive), subject to compliance with the relevant requirements of the Listing Rules and either party's right to terminate the Master Leasing and Licensing Agreement during its term in accordance with its provisions. On such basis, the New Annual Caps for the three financial years ending 31 March 2027, 31 March 2028 and 31 March 2029 respectively are set forth in this announcement.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CTF Enterprises is a substantial shareholder of the Company. NWD, being a 30%-controlled company (as defined in the Listing Rules) of CTF Enterprises, is an associate of CTF Enterprises. Accordingly, NWD and its subsidiaries are connected persons of the Company. The Transactions therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the New Annual Caps are, on an annual basis, more than 0.1% but less than 5%, the renewal of the Master Leasing and Licensing Agreement and the New Annual Caps are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

## THE MASTER LEASING AND LICENSING AGREEMENT

Reference is made to the announcements of the Company dated 28 April 2020 and 30 March 2023 in respect of the Master Leasing and Licensing Agreement. Pursuant to the Master Leasing and Licensing Agreement, members of the NWD Group and members of the Group have entered and will, from time to time, enter into leases or tenancy agreements, licensing agreements, concession agreements, other similar collaboration agreements or any other agreements in relation to any real properties (including without limitation retail shops, shops-in-shops and counters).

The Master Leasing and Licensing Agreement between the Company and NWD would be renewed upon the expiry of its existing term (the last date of such term being 30 June 2026) for a further term of three years from the Renewal Date to 30 June 2029 (both dates inclusive), subject to compliance with the relevant requirements of the Listing Rules and either party's right to terminate the Master Leasing and Licensing Agreement during its term in accordance with its provisions. There has been no change in the terms of the Master Leasing and Licensing Agreement since it was entered into on 28 April 2020.

## HISTORICAL FIGURES AND ANNUAL CAPS

The actual transaction amounts paid by the Group to the NWD Group in relation to the transactions under the Master Leasing and Licensing Agreement for each of the two financial years ended 31 March 2024 and 31 March 2025 and the ten months ended 31 January 2026 were approximately HK\$119 million, HK\$11 million and HK\$36 million, respectively.

It is currently anticipated that all of the leasing, tenancy, licensing, concession and other similar services under the Master Leasing and Licensing Agreement during its further term will be provided by the NWD Group to the Group. The New Annual Caps for the Transactions for the three financial years ending 31 March 2027, 31 March 2028 and 31 March 2029 respectively are set out below:

	For the financial year ending 31 March		
	2027	2028	2029
	HK\$ million	HK\$ million	HK\$ million
New Annual Caps for acquisition of right-of-use assets	233 <sup>(Note)</sup>	156	172
New Annual Caps for payments recognised as expenses	58 <sup>(Note)</sup>	55	55

*Note:* This amount comprises transactions under the Master Leasing and Licensing Agreement for the period from 1 April 2026 to the date immediately before the Renewal Date and those for the period from the Renewal Date to 31 March 2027.

Pursuant to IFRS 16, the Group as lessee shall recognise the present value of lease payments for acquisition of the right to use the leased premises as right-of-use assets, and recognise short-term lease payment or variable lease payment linked to sales generated from the leased property(ies) as expenses in the consolidated financial statements of the Group. Accordingly, the New Annual Caps reflect the respective maximum amount of (i) the total value of the right-of-use assets to be acquired by the Group under the Definitive Agreements to be entered into by the Group in each year under the Master Leasing and Licensing Agreement; and (ii) the total amount of variable lease payments and short-term lease payments to be paid by the Group under the Definitive Agreements and recognised by the Group as expenses in each year under the Master Leasing and Licensing Agreement.

The New Annual Caps have been estimated with reference to the historical transaction amounts under the Master Leasing and Licensing Agreement, the terms of the underlying leases, the expected market rentals at the time of renewing existing leases, the estimated rentals of new leases in the future, prevailing market rates and the expected growth in the amount of transactions under the Master Leasing and Licensing Agreement.

## **PRICING POLICIES**

The consideration for each Definitive Agreement will be determined in the following manner:

- (a) for lessor, the lessor will provide the lessee with a quote after it has, using its best endeavours, obtained at least one market comparable for similar property(ies) (with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period) and/or reviewed at least one comparable transaction with independent third parties; and
- (b) for lessee, the lessee will, using its best endeavours, obtain at least one market comparable for similar property(ies) (with comparable conditions including but not limited to location, usable space, available facilities, quality and rental period) and/or review at least one comparable transaction with independent third parties before deciding whether to accept the quote provided by the lessor and proceed further.

## **INTERNAL CONTROL MEASURES**

In order to ensure that the terms of each Definitive Agreement are not less favourable to the Group than those available from independent third parties, the Company has adopted the following measures:

1. the consideration for each Definitive Agreement will be negotiated on arm's length basis and with reference to the valuation certificate(s) issued by the independent valuer(s) in relation to the rentals of the real properties concerned;
2. the Company will monitor industry practices and market trends on a regular basis to ensure that the terms of each Definitive Agreement are either equivalent to or better than the prevailing market rates;

3. the independent non-executive Directors will conduct an annual review of the implementation and enforcement of the continuing connected transactions under the Master Leasing and Licensing Agreement;
4. the Company's external auditor will conduct an annual review on the annual caps of the continuing connected transactions under the Master Leasing and Licensing Agreement; and
5. the Company's audit committee will review at least once a year the analysis reports and the improvement measures prepared by the Company's management based on the implementation of the continuing connected transactions by the Company.

## **REASONS FOR AND BENEFITS OF THE RENEWAL OF THE MASTER LEASING AND LICENSING AGREEMENT**

Members of the Group and members of the NWD Group may maintain the current leasing or tenancy arrangement and may from time to time consider entering into new licensing, concession or other similar collaboration arrangements in respect of real property (including without limitation retail shops, shops-in-shops and counters) in addition to new leasing or tenancy arrangements. In order to systematically organise all the said arrangements between the Group and the NWD Group for the purposes of Chapter 14A of the Listing Rules, the Company and NWD decided to enter into the Master Leasing and Licensing Agreement.

The Directors believe that it is in the interests of the Company to renew the Master Leasing and Licensing Agreement so that the Group may regulate the existing and future leasing, tenancy, licensing, concession and other similar collaboration agreements with the NWD Group under a common framework agreement.

The Directors (including the independent non-executive Directors) consider that the renewal of the Master Leasing and Licensing Agreement, the terms of which had been negotiated on an arm's length basis, are fair and reasonable, on normal commercial terms and in the ordinary and usual course of business of the Group and are in the interests of the Group and the shareholders of the Company as a whole, and that the New Annual Caps are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

## **INFORMATION ON THE GROUP AND THE NWD GROUP**

The Group is principally engaged in the business of manufacturing and selling of high-end luxury, mass luxury and youth line jewellery products, and distributing watches of various brands. The Group operates an extensive omni-channel retail ecosystem, with a retail network across China and multiple locations globally, complemented by a growing e-commerce business.

To the best knowledge of the Directors, the NWD Group is principally engaged in property development, property investment, and investment in and/or operation of hotels and other strategic businesses.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CTF Enterprises is a substantial shareholder of the Company. NWD, being a 30%-controlled company (as defined in the Listing Rules) of CTF Enterprises, is an associate of CTF Enterprises. Accordingly, NWD and its subsidiaries are connected persons of the Company. The Transactions therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the New Annual Caps are, on an annual basis, more than 0.1% but less than 5%, the renewal of the Master Leasing and Licensing Agreement and the New Annual Caps are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders' approval and circular requirements under Chapter 14A of the Listing Rules.

## **APPROVAL BY THE BOARD OF DIRECTORS**

None of the Directors has a material interest in the renewal of the Master Leasing and Licensing Agreement and the transactions contemplated thereunder. Dr. Cheng Kar-Shun, Henry, Mr. Cheng Chi-Heng, Conroy and Ms. Cheng Chi-Man, Sonia are common directors of the Company and NWD. The said Directors and their associate, Mr. Cheng Kam-Biu, Wilson, voluntarily abstained from voting on the board resolutions approving the renewal of the Master Leasing and Licensing Agreement and the New Annual Caps. All other Directors (including the independent non-executive Directors) have reviewed and approved the renewal of the Master Leasing and Licensing Agreement and the New Annual Caps.

## **DEFINITIONS**

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Company”	Chow Tai Fook Jewellery Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1929)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CTF Enterprises”	Chow Tai Fook Enterprises Limited, a company incorporated in Hong Kong with limited liability and a substantial shareholder of the Company

“Definitive Agreement(s)”	definitive agreement(s) which may be entered into between any member(s) of the NWD Group and any member(s) of the Group from time to time in relation to any of the Transactions at any time during the term of and contemplated under the Master Leasing and Licensing Agreement
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS 16”	the International Financial Reporting Standard 16 issued by the International Accounting Standards Board, which sets out the principles for the recognition, measurement, presentation and disclosure of leases
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Leasing and Licensing Agreement”	the agreement in relation to the Transactions entered into between NWD and the Company on 28 April 2020
“New Annual Caps”	the annual cap amounts payable by the Group to the NWD Group in respect of the Transactions for the three financial years ending 31 March 2027, 31 March 2028 and 31 March 2029 respectively
“NWD”	New World Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 0017)
“NWD Group”	NWD and its subsidiaries from time to time
“Renewal Date”	1 July 2026
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

“Transactions” all existing and future transactions under the Master Leasing and Licensing Agreement between any member(s) of the NWD Group and any member(s) of the Group arising from the leases or tenancy agreements, licensing agreements, concession agreements, other similar collaboration agreements or any other agreements in relation to any real properties (including without limitation retail shops, shops-in-shops and counters)

“%” per cent

By Order of the Board  
**Chow Tai Fook Jewellery Group Limited**  
**Dr. Cheng Kar-Shun, Henry**  
*Chairman*

Hong Kong, 30 March 2026

*As at the date of this announcement, the executive directors are Dr. Cheng Kar-Shun, Henry, Mr. Cheng Chi-Heng, Conroy, Ms. Cheng Chi-Man, Sonia, Mr. Wong Siu-Kee, Kent, Mr. Cheng Kam-Biu, Wilson, Mr. Cheng Ping-Hei, Hamilton and Mr. Suen Chi-Keung, Peter; and the independent non-executive directors are Mr. Kwong Che-Keung, Gordon, Mr. Lam Kin-Fung, Jeffrey, Dr. Or Ching-Fai, Raymond, Ms. Cheng Ka-Lai, Lily, Mr. Chia Pun-Kok, Herbert, Ms. Fung Wing-Yee, Sabrina, Mr. Tang Ying-Cheung, Eric and Ms. Wong Ching-Ying, Belinda.*