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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 TENANCIES

On 11 May 2023, the Tenant (a wholly owned subsidiary of the Company) accepted the offers contained in the Offer Letters to enter into the New Tenancy Agreements in respect of the Properties.

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 offers contained in the Offer Letters to enter into the New Tenancy Agreements constitutes a discloseable transaction of the Company under the Listing Rules.

ACCEPTANCE OF OFFER LETTERS ON 11 MAY 2023

Parties

Landlord : Central Building (BVI) Limited

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

The transactions

The Tenant accepted the offers contained in the Offer Letters to enter into (i) Tenancy Agreement I relating to Property I for a term of two years from 1 May 2023 to 30 April 2025; and (ii) Tenancy Agreement II relating to Property II for a term of three years from 1 October 2023 to 30 September 2026 at the total rent of HK\$39,300,000, exclusive of management fee and rates.

The terms of the Offer Letters and the New Tenancy Agreements 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 Letters and the New Tenancy Agreements are fair and reasonable and in the interests of the shareholders of the Company as a whole.

REASONS FOR THE TRANSACTIONS

The Tenant accepted the offers to enter into (i) Tenancy Agreement I in order to renew the tenancy in respect of Property I, which are used as retail outlets of the Group for gold, precious stones and luxury timepieces; and (ii) Tenancy Agreement II for setting up new retail outlets of the Group for watches, jewellery and gold products.

OTHER TENANCY AGREEMENT

The Landlord and the Tenant entered into Tenancy Agreement III on 15 July 2022 for a term of three years from 1 September 2022 to 31 August 2025 at the total rent of \$11,150,000, exclusive of management fee and rates.

The Group uses Property III as retail outlet for watches and timepieces.

The unaudited value of the right-of-use assets recognised by the Group under Tenancy Agreement III is about \$10,703,168, 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.

For the Company, acceptance of the offers to enter into the New Tenancy Agreements constitutes a discloseable transaction under the Listing Rules based on the unaudited value of the right-of-use assets recognised by the Group under (i) the New Tenancy Agreements of approximately \$36,832,214, which is the present value of the total consideration payable under the terms of the New Tenancy Agreements in accordance with HKFRS 16; and (ii) the Tenancy Agreements of approximately \$47,535,382. Save as aforesaid, the Group does not have any transaction with the Landlord which is required to be aggregated with the New Tenancy Agreements 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
“New Tenancy Agreements”	Tenancy Agreement I and Tenancy Agreement II
“Offer Letters”	two offer letters dated 26 April 2023 and 3 May 2023 respectively from the agent of the Landlord to the Tenant in respect of the New Tenancy Agreements
“Properties”	Property I and Property II
“Property I”	Shops 21, 23A, 23B & 25 on Ground Floor, Central Building, 1-3 Pedder Street, Central, Hong Kong
“Property II”	Shop 19 and Shops 20 & 22 on Ground Floor and Mezzanine Floor, Central Building, 1-3 Pedder Street, Central, Hong Kong
“Property III”	Shops 11 and 12 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 to be entered into between the Tenant and the Landlord in respect of Property II
“Tenancy Agreement III”	the tenancy agreement dated 15 July 2022 between the Tenant and the Landlord in respect of Property III
“Tenancy Agreements”	the New Tenancy Agreements and Tenancy Agreement 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, 11 May 2023

As at the date of this announcement, the executive directors of the Company are Mr. Tang Yat Sun, Richard, Dr. Fung Yuk Bun, Patrick and Mr. Wong Wei Ping, Martin; the non-executive directors are Mr. Ho Hau Hay, Hamilton, Mr. Ng Ming Wah, Charles and Ms. Veronica Ho; 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.