

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 CTFE TENANCY FRAMEWORK AGREEMENT

THE CTFE TENANCY FRAMEWORK AGREEMENT

Reference is made to the 2014 Announcement, the 2017 Announcement, the 2020 Announcement and the 2023 Announcement in respect of the CTFE Tenancy Framework Agreement. Pursuant to the CTFE Tenancy Framework Agreement, members of the Group and members of the CTF Enterprises Group have entered and will, from time to time, enter into various tenancy arrangements in respect of the lease of certain premises owned by the CTF Enterprises Group to the Group for retail shops, residential and office uses.

The CTFE Tenancy Framework Agreement between the Company and CTF Enterprises would be renewed upon the expiry of its existing term (the last date of such term being 31 March 2026) for a further term of three years from 1 April 2026 to 31 March 2029 (both days inclusive), subject to compliance with the relevant requirements of the Listing Rules and either party's right to terminate the CTFE Tenancy Framework Agreement during its term in accordance with its provisions. 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 and is therefore a connected person of the Company. As such, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the New Annual Caps is, on an annual basis, more than 0.1% but less than 5%, the renewal of the CTFE Tenancy Framework 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 CTFE TENANCY FRAMEWORK AGREEMENT

Reference is made to the 2014 Announcement, the 2017 Announcement, the 2020 Announcement and the 2023 Announcement in respect of the CTFE Tenancy Framework Agreement. Pursuant to the CTFE Tenancy Framework Agreement, members of the Group and members of the CTF Enterprises Group have entered and will, from time to time, enter into various tenancy arrangements in respect of the lease of certain premises owned by the CTF Enterprises Group to the Group for retail shops, residential and office uses.

The CTFE Tenancy Framework Agreement between the Company and CTF Enterprises would be renewed upon the expiry of its existing term (the last date of such term being 31 March 2026) for a further term of three years from 1 April 2026 to 31 March 2029 (both days inclusive), subject to compliance with the relevant requirements of the Listing Rules and either party's right to terminate the CTFE Tenancy Framework Agreement during its term in accordance with its provisions. There has been no change in the terms of the CTFE Tenancy Framework Agreement since it was entered into on 28 November 2011.

HISTORICAL FIGURES AND ANNUAL CAPS

The actual transaction amounts paid by the Group to the CTF Enterprises Group in relation to the transactions under the CTFE Tenancy Framework Agreement for each of the three financial years ended/ending 31 March 2024, 31 March 2025 and 31 March 2026 were approximately HK\$107 million, HK\$0 million and HK\$0 million, respectively.

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
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
New Annual Caps for acquisition of right-of-use assets	189	99	97
New Annual Caps for payments recognised as expenses	37	37	37

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 CTFE Tenancy Framework 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 CTFE Tenancy Framework Agreement.

The New Annual Caps have been estimated with reference to the historical transaction amounts under the CTFE Tenancy Framework Agreement, the terms of the underlying leases, the expected market rentals at the time of renewing existing leases, and the estimated rentals of new leases in the future.

PRICING POLICIES

As a general principle, rentals of premises to be renewed or leased will follow the prevailing market rates around the time of entering into or renewing the respective Definitive Agreements. The Group will obtain relevant market comparable from available sources or independent valuers and make comparison with the rental rates of premises in similar locations leased by the Group, where appropriate.

Subject to the general principle disclosed above, the Group will take into account the following factors when determining the rentals to be paid by the Group contemplated under the CTFE Tenancy Framework Agreement: (i) attributes of the premises; (ii) location of the premises; (iii) size of the premises; and (iv) rental rate of surrounding premises with similar attributes, including those offered to the Group by independent third parties in the market (if any).

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 forecast letter(s) in relation to the rentals provided by the independent valuer(s);
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 CTFE Tenancy Framework Agreement;

4. the Company's external auditor will conduct an annual review on the annual caps of the continuing connected transactions under the CTFE Tenancy Framework 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 CTFE TENANCY FRAMEWORK AGREEMENT

The Group and the CTF Enterprises Group may maintain the current leases and tenancy agreements and may from time to time consider entering into new leases and tenancy agreements. In order to systematically organise all Definitive Agreements between the Group and the CTF Enterprises Group for the purposes of Chapter 14A of the Listing Rules, the Company and CTF Enterprises decided to enter into the CTFE Tenancy Framework Agreement. The Directors believe that it is in the interest of the Group to renew the CTFE Tenancy Framework Agreement so that the Group may regulate the current and future leases and tenancy agreements with the CTF Enterprises Group under a common framework agreement.

The Directors (including the independent non-executive Directors) consider that the renewal of the CTFE Tenancy Framework 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 OF THE GROUP AND CTF ENTERPRISES

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, CTF Enterprises is principally engaged in investment holding.

LISTING RULES IMPLICATIONS

As at the date of this announcement, CTF Enterprises is a substantial shareholder of the Company and is therefore a connected person of the Company. As such, the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the New Annual Caps is, on an annual basis, more than 0.1% but less than 5%, the renewal of the CTFE Tenancy Framework 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 have a material interest in the renewal of the CTFE Tenancy Framework Agreement and the transactions contemplated thereunder, but certain Directors, namely Dr. Cheng Kar-Shun, Henry, Mr. Cheng Chi-Heng, Conroy, Ms. Cheng Chi-Man, Sonia and Mr. Cheng Kam-Biu, Wilson, voluntarily abstained from voting on the board resolutions approving the renewal of the CTFE Tenancy Framework Agreement and the New Annual Caps. All other Directors (including the independent non-executive Directors) have reviewed and approved the renewal of the CTFE Tenancy Framework Agreement and the New Annual Caps.

DEFINITIONS

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

“2014 Announcement”	the announcement of the Company dated 6 March 2014 in respect of the CTFE Tenancy Framework Agreement
“2017 Announcement”	the announcement of the Company dated 22 March 2017 in respect of the CTFE Tenancy Framework Agreement
“2020 Announcement”	the announcement of the Company dated 27 March 2020 in respect of the CTFE Tenancy Framework Agreement
“2023 Announcement”	the announcement of the Company dated 30 March 2023 in respect of the CTFE Tenancy Framework Agreement
“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
“CTF Enterprises Group”	CTF Enterprises and its subsidiaries from time to time

“CTFE Tenancy Framework Agreement”	the framework agreement entered into between the Company and CTF Enterprises on 28 November 2011 in respect of the tenancy arrangements between the Group and the CTF Enterprises Group, details of which have been disclosed in the Prospectus, the 2014 Announcement, the 2017 Announcement, the 2020 Announcement and the 2023 Announcement
“Definitive Agreement(s)”	definitive agreement(s) which may be entered into between any member(s) of the Group and any member(s) of the CTF Enterprises Group from time to time in relation to any of the Transactions at any time during the term of and contemplated under the CTFE Tenancy Framework 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
“New Annual Caps”	the annual cap amounts payable by the Group to the CTF Enterprises Group in respect of the Transactions for the three financial years ending 31 March 2027, 31 March 2028 and 31 March 2029 respectively
“Prospectus”	the Company’s prospectus dated 5 December 2011 in relation to the initial public offering of its shares, which is available from the Company’s website at www.ctfjewellerygroup.com
“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 CTFE Tenancy Framework Agreement between any member(s) of the CTF Enterprises Group and any member(s) of the Group arising from the leases or tenancy agreements in respect of premises for retail shops, residential and office uses

“%” 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.