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CITYCHAMP WATCH & JEWELLERY GROUP LIMITED

冠城鐘錶珠寶集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 256)

DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER

This announcement is made by Citychamp Watch & Jewellery Group Limited (the “Company”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

The board (the “Board”) of directors of the Company has been informed by Full Day Limited (“Full Day”), a substantial shareholder of the Company holding 1,840,128,000 shares of the Company (the “Shares”) (representing approximately 42.30% of the issued share capital of the Company), that on 18 May 2017 it entered into an agreement, under which it would sell 200,000,000 Shares (the “Disposed Shares”) (representing approximately 4.60% of the issued share capital of the Company) to Qiangda Limited (“Qiangda”) at the consideration of HK\$1.75 per share (the “Disposal”). The transfer of the Disposed Shares was lodged with the share registrar and transfer office of the Company on 22 May 2017.

Full Day is wholly owned by Mr. Hon Kwok Lung, an executive director of the Company and the chairman of the Board. Immediately before the Disposal, Mr. Hon Kwok Lung and his spouse, Ms. Lam Suk Ying, are deemed to have an interest in the same parcel of 3,222,263,515 Shares, representing approximately 74.07% of the issued share capital of the Company, in the manner illustrated below:–

	No. of Shares	Percentage of Issued Capital immediately before the Disposal
Full Day	1,840,128,000	42.30%
Sincere View International Limited (<i>Note</i>)	1,377,261,515	31.66%
Hon Kwok Lung	3,500,000	0.08%
Lam Suk Ying	1,374,000	0.03%
Total	<u>3,222,263,515</u>	<u>74.07%</u>

Note: Sincere View International Limited (“Sincere View”) is owned as to 80% and 20% by Mr. Hon Kwok Lung and Ms. Lam Suk Ying.

Qiangda is incorporated in British Virgin Islands and is a wholly-owned subsidiary of Fengrong Investment (Hong Kong) Company Limited (“Fengrong Hong Kong”). Ms. Sit Lai Hei, an executive director of the Company, is the sole director of Qiangda. Fengrong Hong Kong is wholly owned by Fujian Fengrong Investment Company Limited (“Fujian Fengrong”), which is owned as to approximately 68.5% by Ms. Sit Lai Hei and approximately 31.5% by Ms. Lu Xiaojun. Both of Ms. Sit Lai Hei and Ms. Lu Xiaojun are daughters-in-law of Mr. Hon Kwok Lung. Ms. Lu is the spouse of Mr. Hon Hau Wong, an executive director of the Company. Accordingly, each of Ms. Sit Lai Hei, Ms. Lu Xiaojun and Mr. Hon Hau Wong is deemed to be interested in the Disposed Shares through their controlling interest in Fujian Fengrong, Fengrong Hong Kong and Qiangda under the SFO.

Immediately after the Disposal, Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to be interested in 3,022,263,515 Shares, representing approximately 69.47% of the issued share capital of the Company, in the manner illustrated below:–

	No. of Shares	Percentage of Issued Capital immediately after the Disposal
Full Day	1,640,128,000	37.70%
Sincere View	1,377,261,515	31.66%
Hon Kwok Lung	3,500,000	0.08%
Lam Suk Ying	1,374,000	0.03%
Total	<u>3,022,263,515</u>	<u>69.47%</u>

By order of the Board of
Citychamp Watch & Jewellery Group Limited
Fong Chi Wah
CFO & Company Secretary

Hong Kong, 22 May 2017

As at the date of this announcement, the Board comprises Mr. Hon Kwok Lung, Mr. Shang Jianguang, Mr. Shi Tao, Mr. Lam Toi Man, Mr. Bi Bo, Ms. Sit Lai Hei, Mr. Hon Hau Wong and Mr. Tao Li as the executive Directors, and Mr. Fung Tze Wa, Dr. Kwong Chun Wai, Michael, Mr. Zhang Bin and Mr. Rudolf Heinrich Escher as the independent non-executive Directors.