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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)**

### **ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES**

This announcement is made by Citychamp Watch & Jewellery Group Limited (the “**Company**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 16 July 2019, the Company as borrower and certain of its subsidiaries as guarantors entered into a facility agreement (the “**Facility Agreement**”) with Hang Seng Bank Limited (“**Hang Seng**”), Luso International Banking Ltd. (“**Luso International**”), Industrial Bank, Co., Ltd. Hong Kong Branch (“**Industrial Bank**”), Bank of Communications Co., Ltd. Hong Kong Branch (“**Bank of Communications**”) and Korea Development Bank Qingdao Branch (“**Korea Development Bank**”) as the original lenders (collectively, the “**Lenders**”), Hang Seng as the mandated lead arranger and bookrunner, Luso International and Industrial Bank as the mandated lead arrangers and Korea Development Bank and Bank of Communications as arrangers, pursuant to which the Lenders have agreed to grant a term loan facility in the amount up to US\$150,000,000 (the “**Loans**”) to the Company for a term of 36 months.

Pursuant to the Facility Agreement, it will be an event of default if (1) Mr. Hon Kwok Lung (“**Mr. Hon**”) together with his direct family members and Ms. Sit Lai Hei (the “**Hon Family**”) fail to maintain (i) directly or indirectly, at least 60% of the beneficial shareholding interest in the issued share capital of the Company; or (ii) control over the management and business of the Company and its subsidiaries (excluding Bendura Bank AG and its subsidiaries and Shun Heng Finance Holding (Hong Kong) Limited and its subsidiaries; or (2) Mr. Hon (or another member of the Hon Family) is not the chairman of the board of directors of the Company. On and at any time after the occurrence of such event which is continuing, Hang Seng as the agent may, and shall if so directed by the Lenders whose commitments aggregate  $66\frac{2}{3}\%$  or more of the total commitment, by notice to the Company, (i) cancel the commitments (and reduce them to zero); (ii) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding be immediately due and payable; (iii) declare

that all or part of the Loans be payable on demand; and/or (iv) exercise or direct Hang Seng as the security agent to exercise any or all of its rights, remedies, powers or discretions under the Facility Agreement.

To the best knowledge of the board of directors of the Company, as at the date of this announcement, the Hon Family are in aggregate interested in not less than approximately 74.08% of the issued share capital of the Company for the purposes of Part XV of the Securities and Futures Ordinance (Cap.517 of the Laws of Hong Kong).

The Company will comply with continuing disclosure requirements pursuant to Rule 13.21 of the Listing Rules.

By Order of the Board  
**Citychamp Watch & Jewellery Group Limited**  
**Fong Chi Wah**  
*Chief Financial Officer & Company Secretary*

Hong Kong, 16 July 2019

*As at the date of this announcement, the Board of the Company 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. Teguh Halim 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.*