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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)

PROFIT WARNING

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

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders and potential investors of the Company that, based on the preliminary assessment by the Board of the Group’s unaudited management accounts and other information currently available, the Group is expected to record a decrease in net profit of more than 50% for the year ended 31 December 2019, as compared to that of HK\$241,448,000 for the year ended 31 December 2018. Such expected decrease in net profit is primarily attributable to (i) less favorable operating environment in the watch market, especially the market in which our brands operate including the Greater China Region and Europe; (ii) the decrease in revenue and profit for the watches and timepieces businesses; (iii) decrease in revenue and profit of banking and financial businesses; and (iv) increase in finance costs.

The information contained in this announcement is only a preliminary assessment by the Board based on the latest unaudited management accounts of the Group for the year ended 31 December 2019 and other information currently available, which have not been audited by the Company’s independent auditor and have not been confirmed by the Company’s audit committee. The financial results of the Group are still under review and shall be subject to further adjustments and finalisation.

As the annual results of the Group for the year ended 31 December 2019 have not been finalised, the Board is not in a position to quantify the exact financial effects as at the date of this announcement. The annual results announcement of the Group for the year ended 31 December 2019 is expected to be published on 30 March 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 20 March 2020

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.