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## **CITYCHAMP WATCH & JEWELLERY GROUP LIMITED**

### **冠城鐘錶珠寶集團有限公司**

*(Formerly known as CHINA HAIDIAN HOLDINGS LIMITED 中國海澱集團有限公司)*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 256)**

### **PROPOSED ISSUE OF BONDS BY A WHOLLY-OWNED SUBSIDIARY**

**Financial adviser to Citychamp Watch & Jewellery Group Limited**



This announcement is made by the Company in accordance with Rule 13.09(2)(a) of the Listing Rules and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that, on 7 July 2014, the Issuer, a wholly-owned subsidiary of the Company and UBS entered into a term sheet, pursuant to which the Issuer proposes to issue the Bonds of principal amount of CHF100 million (equivalent to approximately HK\$867 million) with a maturity date on 24 July 2019. UBS is the listing and principal paying agent in respect of the Bonds Issue. The Bonds will be issued to institutional and private investors. None of the Bonds will be offered to the public in Hong Kong.

**The completion of the Bonds Issue may or may not take place. Shareholders and public investors should therefore exercise caution in dealing with the Shares. The Company will make further announcement(s) on any material progress in respect of the Bonds Issue as and when appropriate.**

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## THE BONDS ISSUE

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The principal terms of the Bonds pursuant to the term sheet are set out as follows:

Issuer:	Citychamp Watch and Jewellery SwissCo AG
Guarantor:	The Company
Principal amount:	CHF100 million
Issue price:	100% of the nominal amount of the Bonds
Interest rate:	3.625% per annum, on the basis of a 360-day year of twelve 30-day months
Issue date:	24 July 2014
Maturity date:	24 July 2019
Listing:	Listing and trading of the Bonds on the SIX Swiss Exchange will be sought by the Issuer

As at the date of this announcement, an approval-in-principle for the trading of the Bonds has been granted by the SIX Swiss Exchange, pursuant to which the Bonds have been provisionally admitted to trading on the SIX Swiss Exchange. Definitive application will be made by the Issuer for the admission to listing and trading of the Bonds on the SIX Swiss Exchange.

The completion of the Bonds Issue is subject to the grant of a formal approval for the listing and trading of the Bonds by the SIX Swiss Exchange upon completion of the relevant listing procedures for debt securities of the SIX Swiss Exchange by the Issuer.

### **Use of proceeds**

The net proceeds from the Bonds Issue are estimated to be approximately CHF98.4 million (equivalent to approximately HK\$853.1 million). The Issuer intends to apply the net proceeds from the Bonds Issue for general corporate purposes, also including without limitation the potential acquisition of additional watch companies and/or brands.

The Bonds Issue provides the Group with long-term funding at reasonable finance costs. Accordingly, the Board considers that the Bonds Issue is in the interests of the Company and the Shareholders as a whole.

**The completion of the Bonds Issue may or may not take place. Shareholders and public investors should therefore exercise caution in dealing with the Shares. The Company will make further announcement(s) on any material progress in respect of the Bonds Issue as and when appropriate.**

### **DEFINITIONS**

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

“Board”	the board of Directors
“Bonds”	the CHF denominated bonds of principal amount of CHF100 million to be issued by the Issuer
“Bonds Issue”	the proposed issue of the Bonds by the Issuer
“CHF”	Swiss Franc, the lawful currency of Switzerland and the exchange rate between CHF and HK\$ for the purpose of this announcement is CHF1:HK\$8.67
“Company”	Citychamp Watch & Jewellery Group Limited 冠城鐘錶珠寶集團有限公司 (formerly known as China Haidian Holdings Limited 中國海澱集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	Citychamp Watch and Jewellery SwissCo AG, a company incorporated under the laws of Switzerland with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the ordinary share(s) of nominal value of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SIX Swiss Exchange”	SIX Swiss Exchange Ltd.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UBS”	UBS AG, acting through its business division UBS Investment Bank
“U.S.” or “United States”	the United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“%”	per cent.

By order of the Board  
**Citychamp Watch & Jewellery Group Limited**  
**Hon Kwok Lung**  
*Chairman*

Hong Kong, 7 July 2014

*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 and Ms. Sit Lai Hei as the executive Directors; and Mr. Fung Tze Wa, Dr. Kwong Chun Wai, Michael and Mr. Li Qiang as the independent non-executive Directors.*