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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)

FURTHER ANNOUNCEMENT IN RESPECT OF PROPOSED ISSUE OF BONDS BY A WHOLLY-OWNED SUBSIDIARY

Financial adviser to Citychamp Watch & Jewellery Group Limited



The Board is pleased to announce that, on 22 July 2014 (Swiss time), the Issuer, a wholly-owned subsidiary of the Company, the Company and UBS entered into the Agreement, pursuant to which the Issuer has agreed to issue and to sell the Bonds of principal amount of CHF100 million unconditionally and irrevocably guaranteed by the Company and UBS has agreed to purchase the Bonds at the issue price of 100% of the nominal amount of the Bonds less commissions, fees, costs and expenses in accordance with the Agreement.

The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange with effect from 22 July 2014 (Swiss time). The payment and settlement of the Bonds between the Issuer and UBS are expected to take place on 24 July 2014 (Swiss time).

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 BONDS ISSUE

Reference is made to the announcement of the Company dated 7 July 2014 in respect of the Bonds Issue (the “**First Announcement**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the First Announcement.

Update on the Bonds Issue

The Board is pleased to announce that, on 22 July 2014 (Swiss time), the Issuer, a wholly-owned subsidiary of the Company, the Company and UBS entered into a bond purchase and paying agency agreement (the “**Agreement**”), pursuant to which the Issuer has agreed to issue and to sell the Bonds of principal amount of CHF100 million unconditionally and irrevocably guaranteed by the Company and UBS has agreed to purchase the Bonds at the issue price of 100% of the nominal amount of the Bonds less commissions, fees, costs and expenses in accordance with the Agreement.

The Bonds have been provisionally admitted to trading on the SIX Swiss Exchange with effect from 22 July 2014 (Swiss time). The payment and settlement of the Bonds between the Issuer and UBS are expected to take place on 24 July 2014 (Swiss time).

Use of proceeds

Based on the principal amount of the Bonds of CHF100 million, 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.

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

Hong Kong, 23 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.

For illustration purposes, figures in CHF in this announcement have been translated into HK\$ at the exchange rate of CHF1 = HK\$8.67. Such conversion shall not be construed as a representation that amounts in CHF were or may have been converted into HK\$ using such exchange rate or any other exchange rate or at all.