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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)**

### **INSIDE INFORMATION IN RELATION TO VALARTIS BANK (LIECHTENSTEIN) AG**

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

The board of directors of the Company (the “**Board**”) is pleased to announce that the acquisition of Valartis Bank (Liechtenstein) AG (the “**Bank**”) was duly completed on 20 September 2016 and the Bank is a subsidiary of the Company. The Bank will publish a press release today, which contains inside information related to unaudited financials of the Bank. The full version of the press release is set out below.

*((Presse release))*

*Gamprin-Bendern, 12 October 2016–11.00 a.m. CET*

#### **Valartis Bank to become LICORUM BANK**

Chinese ownership strategy to give new impetus to the private banking business

**Valartis is heading into the future at full speed and armed with a new name. Its acquisition by the Hong Kong-based Chinese luxury goods group Citychamp Watch & Jewellery Group Ltd. (“CWJ”) will open up new, innovative business opportunities and promising prospects in Asia for the private bank from Liechtenstein. Shortly to be renamed LICORUM BANK (formerly known as “Valartis Bank (Liechtenstein) AG”) (“the Bank”), the Bank is also set to become a key hub for Chinese investors eyeing up Europe.**

The formal takeover on 20 September by CWJ, a group listed on the Hong Kong stock exchange, ended over a year's uncertainty for Valartis Bank and its staff. The new owner currently holds 83% of the Liechtenstein-based bank, having paid around CHF 93.5 million for its stake. There have been some changes on the Board of Directors: the nine-strong body is now made up of five members from Europe and four from Mainland China and led by Citychamp chairman Hon Kwok Lung. The Bank's unchanged management team and its employees hold 15% of the shares. In the future, there are opportunities that their stake will be topped up via a supplementary participation scheme.

The long-standing CEO of the Bank, Andreas Insam, said: "We feel very happy with the new owner, who will open up some favourable prospects for us. We see the fact that our management team and staff are retaining a stake in the Bank as a major success factor and sign of trust. Sharing some of the entrepreneurial responsibility for the Bank's business development will help us preserve a key element of our corporate culture."

### **Favourable business performance in 2016 is expected**

The 2016 financial year has been a successful one for the Bank so far despite the ongoing takeover process. The Bank has currently met its forecast, helped by stable commission income. After completing the transfer of ownership, it has also paved the way for the Bank to release substantial loan loss provisions, which is another positive development on the financial side. Valartis CFO Gerhard Lackinger commented: "The unaudited recurring profit after tax for the month of September 2016 was approximately CHF 695,000. After taking into consideration of the written back of loan of approximately CHF 13.9 million, the unaudited accumulated profit after tax was approximately CHF 20.9 million for the period ended 30 September 2016."

### **Mainland China's dynamism meets Liechtenstein's banking expertise and Switzerland's deluxe quality**

A new strategic era is now beginning for the Bank under the ownership of CWJ. This new focus is also reflected in the bank's rebranding as LICORUM, a name that echoes the Swiss luxury watch brand Corum, part of the successful Chinese investor's empire alongside Eterna and the MIRADOR luxury hotel in Vevey. For the first time, therefore, players from different industries are joining forces to target identical client segments in what is an unprecedented marketing strategy. Another key to the Bank's further development will be its link with Mainland China, where the new ownership will open doors for the Liechtenstein private bank.

## **A LICORUM office in Hong Kong and a tie-up with a Chinese Bank**

The Bank intends to open a LICORUM representative office at the extremely attractive premises of CWJ in Hong Kong subject to the regulatory approval, while its banking activities in Asia will be underpinned by the strategic tie-up that it agreed in April 2016 with a Chinese bank. The Mandarin desk at LICORUM's head office, which has already been in place for five years, is likely to be expanded from its current staff of three to 20 Chinese native speakers in the medium term.

## **Diversification to stimulate the entire group**

The Bank's management and staff celebrated the change of owner a few days after the deal was finalised by holding a joint party with the new Board of Directors. In his speech, Board chairman Hon Kwok Lung stressed how important the bank was to the future business success of the entire group: "As Mainland China's capital market is now being opened up to foreign investors and at the same time the Mainland China's central government encourages Chinese enterprises to invest overseas, we firmly believe that diversification will enable our group to increase its sales and earnings. I have great trust in the management and staff at our Liechtenstein bank and am relying on their skills and their loyalty."

## **Dozens sign up for Mandarin language course**

To foster an understanding of the context and culture of its new owner, the Bank is now putting on Mandarin language courses for staff at its head office. The offer has proved popular, with dozens already signed up for a course.

## **Contact for media enquiries:**

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

Hong Kong, 12 October 2016

*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. Li Qiang and Mr. Zhang Bin as the independent non-executive Directors.*