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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)

Discloseable Transaction Acquisition of Listed Shares

THE ACQUISITIONS

The Board announces that the Company acquired (i) an aggregate of 8,338,000 Min Xin Shares during the period from 7 July 2017 to 14 July 2017 from open market within 12 months immediately preceding the date of this announcement at a price between HK\$5.56 and HK\$5.99 per Min Xin Share (exclusive of transaction costs); and (ii) 55,500,000 Min Xin Shares off-market from an Independent Third Party at the purchase price of HK\$5.25 per Min Xin Share on 23 November 2017.

Before the Acquisitions, the Company held 24,312,000 Min Xin Shares. Immediately upon settlement of the Last Purchase, the Company will hold an aggregate of 88,150,000 Min Xin Shares, representing approximately 14.76% of the issued share capital of Min Xin.

All the Min Xin Shares acquired by the Group under the Acquisitions are intended to be held by the Group for investment purpose. The Directors believe the Acquisitions help broaden the investment portfolio and increase the profitability of the investment portfolio of the Group.

IMPLICATIONS UNDER THE LISTING RULES

The applicable ratios (as defined in the Listing Rules) for the Open Market Acquisitions, either on a standalone basis or when aggregated together, are less than 5%, while the applicable ratios for the Last Purchase, either on a standalone basis or when aggregated with the Open Market Acquisitions, exceeds 5% but is less than 25%. Accordingly, the Acquisitions constitute a disclosable transaction for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITIONS

The Board announces that the Company acquired (i) an aggregate of 8,338,000 Min Xin Shares in a series of transactions during the period from 7 July 2017 to 14 July 2017 from open market within 12 months immediately preceding the date of this announcement, representing approximately 1.40% of the total issued share capital of Min Xin; and (ii) 55,500,000 Min Xin Shares from an Independent Third Party on 23 November 2017, representing approximately 9.29% of the total issued share capital of Min Xin.

As the Open Market Acquisitions were made on the market, the Company is not aware of the identities of the sellers of the Min Xin Shares. Accordingly, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the sellers under the Open Market Acquisitions are Independent Third Parties.

All the Min Xin Shares under the Open Market Acquisitions were acquired at the then prevailing market prices.

The Min Xin Shares under the Last Purchase were purchased off-market from Fuzhou Jingke Investment Co., Ltd. (福州景科投資有限公司) (the “Seller”) who, to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, is an Independent Third Party.

Save as disclosed above, the Company did not acquire or dispose of any Min Xin Shares within the period of 12 months immediately preceding the date of this announcement.

Considerations

The purchase price of the Min Xin Shares for the Open Market Acquisitions was between HK\$5.56 and HK\$5.99 per Min Xin Share (exclusive of transaction costs), which represented the market price of the Min Xin Shares at the time of the respective purchase. The average price for the Open Market Acquisitions (exclusive of transaction costs) is approximately HK\$5.79 and the aggregate purchase price of the Open Market Acquisitions (exclusive of transaction costs) is approximately HK\$48,256,000.

The total consideration for the Last Purchase is HK\$291,375,000. The purchase price of the Min Xin Shares under the Last Purchase of HK\$5.25 per Min Xin Share represents a discount of approximately 1.83% to the average closing price per Min Xin Share of HK\$5.348 as quoted on the Stock Exchange for the last five consecutive trading days, prior to the date of this announcement. Such purchase price was arrived at after arm’s length negotiations between the Company and the Seller after taking into account of the previous market prices of the Min Xin Shares on the Stock Exchange.

The purchase price of the Min Xin Shares under the Acquisitions was financed by the Group’s internal resources.

Assets acquired

Before the Acquisitions, the Company held 24,312,000 Min Xin Shares. Immediately upon settlement of the Last Purchase, the Company will hold an aggregate of 88,150,000 Min Xin Shares, representing approximately 14.76% of the issued share capital of Min Xin.

INFORMATION OF MIN XIN

Min Xin is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock code: 222). Min Xin is principally engaged in financial services, insurance, trading in motor vehicles, property development and investment and strategic investment.

Certain published financial information on Min Xin is as follows:

	For the 6 months ended 30 June 2017 (unaudited) HK\$'000	For the year ended 31 December 2016 (audited) HK\$'000	For the year ended 31 December 2015 (audited) HK\$'000
Profit before taxation	210,589	272,087	486,020
Profit after taxation	<u>194,814</u>	<u>265,612</u>	<u>477,339</u>

The unaudited asset value and net asset value of Min Xin as at 30 June 2017 was approximately HK\$6.87 billion and HK\$5.95 billion respectively. The audited net asset value per Min Xin Share as at 31 December 2016 was approximately HK\$10.42.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group is mainly engaged in the manufacturing and distribution of watch and timepiece, property investment and financial business.

All the Min Xin Shares acquired by the Group under the Acquisitions are intended to be held by the Group for investment purpose. The Directors believe the Acquisitions help broaden the investment portfolio and increase the profitability of the investment portfolio of the Group.

In light of the financial performance of Min Xin and the discount between current market price and the latest published net asset value per Min Xin Share, the Directors consider that it is a good opportunity for the Group to make investment in the Min Xin Shares.

The Directors (including the independent non-executive Directors) consider that the terms of the Open Market Acquisitions and the Last Purchase are on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The applicable ratios (as defined in the Listing Rules) for the Open Market Acquisitions either on a standalone basis or when aggregated together, are less than 5%, while the applicable ratios for the Last Purchase, either on a standalone or when aggregated with the Open Market Acquisitions, exceeds 5% but is less than 25%. Accordingly, the Acquisitions constitute a disclosable transaction for the Company subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisitions”	the Open Market Acquisitions and the Last Purchase
“Board”	the board of Directors
“Company”	Citychamp Watch & Jewellery Group Limited (冠城鐘錶珠寶集團有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected person
“Last Purchase”	the off-market purchase of 55,500,000 Min Xin Shares by the Company on 23 November 2017
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Min Xin”	Min Xin Holdings Limited (閩信集團有限公司) (Stock code: 222), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Min Xin Share(s)”	ordinary share(s) of Min Xin

“Open Market Acquisitions”	the on market acquisition of Min Xin Shares within 12 months immediately preceding the date of this announcement
“Shareholder(s)”	the holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 23 November 2017

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. Zhang Bin and Mr. Rudolf Heinrich Escher as the independent non-executive Directors.