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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)



**ERNEST BOREL HOLDINGS LIMITED**

依波路控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 1856)

**VGB LIMITED**

國際名牌有限公司

*(incorporated in Hong Kong with limited liability)*

## **JOINT ANNOUNCEMENT**

### **(1)(a) CONDITIONAL AGREEMENTS IN RELATION TO THE ACQUISITION OF SHARES IN ERNEST BOREL HOLDINGS LIMITED BY VGB LIMITED**

### **(b) DISCLOSEABLE TRANSACTION FOR CITYCHAMP WATCH & JEWELLERY GROUP LIMITED IN RELATION TO THE ACQUISITION OF SHARES IN ERNEST BOREL HOLDINGS LIMITED THROUGH VGB LIMITED**

### **(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS BY CCB INTERNATIONAL CAPITAL LIMITED FOR AND ON BEHALF OF VGB LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN ERNEST BOREL HOLDINGS LIMITED**

**(OTHER THAN THOSE ALREADY OWNED OR AGREED TO  
BE ACQUIRED BY VGB LIMITED AND PARTIES ACTING IN  
CONCERT WITH IT) AND TO ACQUIRE ALL THE OUTSTANDING  
CONVERTIBLE BONDS OF ERNEST BOREL HOLDINGS LIMITED**

### **(3) RESUMPTION OF TRADING IN THE SHARES OF ERNEST BOREL HOLDINGS LIMITED**

**AND**

### **(4) RESUMPTION OF TRADING IN THE SHARES OF CITYCHAMP WATCH & JEWELLERY GROUP LIMITED**

**FINANCIAL ADVISER TO THE OFFEROR**



**(1) THE TOP ONE GLOBAL AGREEMENT**

On 12 September 2018 (after trading hours), the Offeror (as purchaser), Top One Global (as vendor) and Mr. Sit (as vendor guarantor) entered into the Top One Global Agreement pursuant to which Top One Global conditionally agreed to sell and the Offeror conditionally agreed to purchase 102,520,000 Ernest Borel Shares, representing approximately 29.51% of the issued share capital of Ernest Borel as at the date of this joint announcement, at a price of HK\$1.85 per Ernest Borel Share.

**(2) THE SINO WISDOM AGREEMENT**

On 12 September 2018 (after trading hours), the Offeror (as purchaser) and Sino Wisdom (as vendor) entered into the Sino Wisdom Agreement pursuant to which Sino Wisdom conditionally agreed to sell and the Offeror conditionally agreed to purchase 99,755,000 Ernest Borel Shares, representing approximately 28.71% of the issued share capital of Ernest Borel as at the date of this joint announcement, at a price of HK\$1.85 per Ernest Borel Share.

**(3) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS**

As at the date of this joint announcement, the Offeror and parties acting in concert with it did not hold any Ernest Borel Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Ernest Borel, other than the interest in the Sale Shares under the Agreements. Immediately following Top One Global Completion and Sino Wisdom Completion, the Offeror and parties acting in concert with it will be interested in a total of 202,275,000 Ernest Borel Shares, representing approximately 58.22% of the issued share capital of Ernest Borel as at the date of this joint announcement.

Pursuant to Rule 13.5 and Rule 26.1 of the Takeovers Code, immediately following Top One Global Completion and Sino Wisdom Completion, the Offeror will be required to make the Share Offer and the CB Offer.

As at the date of this joint announcement, Ernest Borel has 347,437,000 Ernest Borel Shares in issue. Save for the Convertible Bonds, Ernest Borel has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Ernest Borel Shares as at the date of this joint announcement.

Subject to and upon Top One Global Completion and Sino Wisdom Completion, CCBI, the financial adviser to the Offeror, will, on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

**The Share Offer**

For each Offer Share. . . . . HK\$1.85 in cash

The Share Offer Price of HK\$1.85 per Ernest Borel Share under the Share Offer is the same as the price per Ernest Borel Share payable by the Offeror to Top One Global and Sino Wisdom under the Top One Global Agreement and the Sino Wisdom Agreement respectively.

**The CB Offer**

For each outstanding HK\$1 of face value of  
the Convertible Bonds. . . . . HK\$0.925 in cash

Based on the Share Offer Price of HK\$1.85 per Ernest Borel Share divided by the prevailing conversion price of the Convertible Bonds of HK\$2.00 per Ernest Borel Share, the offer price under the CB Offer is HK\$0.925 for each outstanding HK\$1 of face value of the Convertible Bonds.

The CB Offer will be extended to the CB Holder in accordance with the Takeovers Code.

The Offers, if and when made, will be unconditional in all respects.

**Future intention of the Offeror**

The Offeror intends to maintain the listing of the Ernest Borel Shares on the Stock Exchange after the close of the Offers.

**Confirmation of financial resources**

The Offeror intends to finance the consideration payable under the Offers and the consideration for the Sale Shares payable under the Agreements using its internal resources. CCBI, as the financial adviser to the Offeror, is satisfied that sufficient resources are available to (i) the Offeror to satisfy the amount of funds required for full acceptance of the Offers; and (ii) the Offeror to satisfy its payment obligations under the Agreements.

## **Despatch of Composite Document**

It is the intention of the Offeror and Ernest Borel that the offer document and the offeree board circular be combined in a composite document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) the terms of the Offers, (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders and the CB Holder in relation to the Offers, (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the Offers, together with the relevant forms of acceptance and transfer, should be despatched to the shareholders of Ernest Borel and the CB Holder within 21 days of the date of this joint announcement or such later date as the Executive may approve.

## **Independent board committee and Independent financial adviser**

The Independent Board Committee has been established by Ernest Borel to advise the Independent Shareholders and the CB Holder in respect of the Offers pursuant to Rule 2.1 of the Takeovers Code.

An independent financial adviser will be appointed to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers. A further announcement will be made by Ernest Borel as soon as possible after the appointment of the independent financial adviser. The advice of the independent financial adviser and the recommendation of the Independent Board Committee will be included in the Composite Document to be despatched to the shareholders of Ernest Borel and the CB Holder.

## **(4) DISCLOSEABLE TRANSACTION FOR CITYCHAMP**

The applicable ratios (as defined in the Listing Rules) for the transactions contemplated under the Agreements, either on a standalone basis or when aggregated with the Offers, exceed 5% but are less than 25%. The transactions contemplated under the Agreements and/or the Offers constitute a disclosable transaction for Citychamp and are subject to the announcement requirement under Chapter 14 of the Listing Rules.

**(5) RESUMPTION OF TRADING**

At the request of Ernest Borel, trading in the Ernest Borel Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 13 September 2018 pending the release of this joint announcement. Application has been made by Ernest Borel for resumption of trading in the Ernest Borel Shares on the Stock Exchange with effect from 9:00 a.m. on 17 September 2018.

At the request of Citychamp, trading in the shares of Citychamp on the Stock Exchange was halted with effect from 9:00 a.m. on 13 September 2018 pending the publication of this joint announcement. Application has been made by Citychamp for the resumption of trading in the shares of Citychamp on the Stock Exchange with effect from 9:00 a.m. on 17 September 2018.

**WARNING: THE OFFERS WILL ONLY BE MADE IF TOP ONE GLOBAL COMPLETION AND SINO WISDOM COMPLETION TAKE PLACE. EACH OF TOP ONE GLOBAL COMPLETION AND SINO WISDOM COMPLETION IS SUBJECT TO FULFILLMENT AND/OR WAIVER, AS APPLICABLE, OF THE CONDITIONS PRECEDENT CONTAINED IN THE RELEVANT AGREEMENTS. ACCORDINGLY, THE OFFERS MAY OR MAY NOT BE MADE. THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE OFFERS WILL BE MADE. SHAREHOLDERS AND POTENTIAL INVESTORS OF ERNEST BOREL AND CITYCHAMP ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE RELEVANT SECURITIES OF ERNEST BOREL AND CITYCHAMP. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT A LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.**

## **(1) THE TOP ONE GLOBAL AGREEMENT**

On 12 September 2018 (after trading hours), the Offeror (as purchaser), Top One Global (as vendor) and Mr. Sit (as vendor guarantor) entered into the Top One Global Agreement.

The principal terms of the Top One Global Agreement are set out below.

### **Subject matter**

Top One Global conditionally agreed to sell, and the Offeror conditionally agreed to purchase, 102,520,000 Ernest Borel Shares, representing approximately 29.51% of the issued share capital of Ernest Borel as at the date of this joint announcement.

### **Consideration for the Top One Global Sale Shares**

The total consideration for the Top One Global Sale Shares is HK\$189,662,000, equivalent to HK\$1.85 per Ernest Borel Share, which was determined after arm's length negotiations between the Offeror and Top One Global taking into account the prevailing market price of the Ernest Borel Shares and the listing status of Ernest Borel.

The Offeror shall pay or cause to be paid the consideration in cash for the Top One Global Sale Shares to Top One Global on the Top One Global Completion Date.

### **Conditions precedent to Top One Global Completion**

Top One Global Completion is subject to all of the following conditions precedent being satisfied or, if applicable, waived:

- (a) Top One Global's warranties remaining true, accurate and complete in all respects and not misleading in any respect as of the Top One Global Completion Date by reference to the facts and circumstances subsisting as at the Top One Global Completion Date;
- (b) Top One Global and Mr. Sit having performed all their obligations under the Top One Global Agreement which are required to be performed by them at or prior to the Top One Global Completion Date;
- (c) the Ernest Borel Shares remaining as of the Top One Global Completion Date listed and trading on the Main Board of the Stock Exchange and there being, as of the Top One Global Completion Date, no indication from the Stock Exchange or the SFC that the listing and/or trading of the Ernest Borel Shares on the Stock Exchange will be suspended, revoked or withdrawn at any time immediately after Top One Global Completion as a result of the transactions contemplated by the Top One Global Agreement or otherwise;

- (d) there having occurred no material adverse effect with respect to any member of the Ernest Borel Group and there having been promulgated, put into effect, commenced, granted or issued and subsisting or pending as at the Top One Global Completion Date, no statute, regulation, proceeding, or order pertaining to the Ernest Borel Group which would or could reasonably be expected to prohibit or restrict the consummation of the transactions contemplated under the Top One Global Agreement;
- (e) the Executive having confirmed that it has no further comment on this joint announcement to be released by Ernest Borel and the Offeror in connection with the Offers and the publication of this joint announcement on the website of the Stock Exchange; and
- (f) results of the due diligence review in relation to the Ernest Borel Group being satisfactory to the Offeror.

The Offeror may, in its absolute discretion, waive the conditions precedent set out above (other than the condition precedent in paragraph (e) above) at any time by specific notice in writing to such effect to Top One Global.

Save as otherwise expressly provided in the Top One Global Agreement, if the condition precedent set out in paragraph (e) above shall not have been fulfilled by the Long Stop Date, or the conditions precedent set out in paragraphs (a), (b), (c), (d) and (f) above shall not have been fulfilled or waived by the Offeror on or before the Top One Global Completion Date, the Top One Global Agreement and everything therein contained shall become null and void and of no effect, except certain surviving provisions, subject to any liability in respect of any antecedent breach.

As at the date of this joint announcement, save for the condition precedent in (e) above, none of the conditions precedent above has been fulfilled or, if applicable, waived by the Offeror.

### **Top One Global Completion**

Subject to the satisfaction, or, if applicable, waiver of the conditions precedent set out above, Top One Global Completion will take place on (i) the third Business Day following the satisfaction of the condition precedent in paragraph (e) above; (ii) such deferred date for completion as determined pursuant to the terms of the Top One Global Agreement; or (iii) such other Business Day as the parties to the Top One Global Agreement may agree in writing.

## **(2) THE SINO WISDOM AGREEMENT**

On 12 September 2018 (after trading hours), the Offeror (as purchaser) and Sino Wisdom (as vendor) entered into the Sino Wisdom Agreement. The principal terms of the Sino Wisdom Agreement are set out below.

### **Subject matter**

Sino Wisdom conditionally agreed to sell, and the Offeror conditionally agreed to purchase, in aggregate 99,755,000 Ernest Borel Shares, representing approximately 28.71% of the issued share capital of Ernest Borel as at the date of this joint announcement.

### **Consideration for the Sino Wisdom Sale Shares**

The total consideration for the Sino Wisdom Sale Shares is HK\$184,546,750, equivalent to HK\$1.85 per Ernest Borel Share, which was determined after arm's length negotiations between the Offeror and Sino Wisdom taking into account of the prevailing market price of Ernest Borel Shares and the listing status of Ernest Borel.

The Offeror shall pay or cause to be paid the consideration in cash for the Sino Wisdom Sale Shares to Sino Wisdom on the Sino Wisdom Completion Date.

### **Conditions precedent to Sino Wisdom Completion**

Sino Wisdom Completion is subject to all of the following conditions precedent being satisfied or, if applicable, waived:

- (a) Sino Wisdom's warranties remaining true, accurate and complete in all respects and not misleading in any respect as of the Sino Wisdom Completion Date by reference to the facts and circumstances subsisting as at the Sino Wisdom Completion Date;
- (b) Sino Wisdom having performed all its obligations under the Sino Wisdom Agreement which are required to be performed by it at or prior to the Sino Wisdom Completion Date;
- (c) the Ernest Borel Shares remaining as of the Sino Wisdom Completion Date listed and trading on the Main Board of the Stock Exchange and there being, as of the Sino Wisdom Completion Date, no indication from the Stock Exchange or the SFC that the listing and/or trading of the Ernest Borel Shares on the Stock Exchange will be suspended, revoked or withdrawn at any time immediately after Sino Wisdom Completion as a result of the transactions contemplated by the Sino Wisdom Agreement or otherwise; and

- (d) the Executive having confirmed that it has no further comment on this joint announcement to be released by Ernest Borel and the Offeror in connection with the Offers and the publication of this joint announcement on the website of the Stock Exchange.

The Offeror may, in its absolute discretion, waive the conditions precedent above (other than the condition precedent in paragraph (d)) at any time by specific notice in writing to such effect to Sino Wisdom.

Save as otherwise expressly provided in the Sino Wisdom Agreement, if any of the conditions precedent set out above shall not have been fulfilled or waived by the Offeror on or before the Sino Wisdom Completion Date, the Sino Wisdom Agreement and everything therein contained shall become null and void and of no effect, except certain surviving provisions, subject to any liability in respect of any antecedent breach.

As at the date of this joint announcement, save for the condition precedent in paragraph (d) above, none of the conditions precedent above has been fulfilled or, if applicable, waived by the Offeror.

### **Sino Wisdom Completion**

Subject to the satisfaction, or, if applicable, waiver of the conditions precedent set out above, Sino Wisdom Completion will take place on (i) the third Business Day following the satisfaction of the condition precedent in paragraph (d) above; (ii) such deferred date for completion as determined pursuant to the terms of the Sino Wisdom Agreement; or (iii) such other Business Day as the parties to the Sino Wisdom Agreement may agree in writing.

The Sino Wisdom Agreement and the Top One Global Agreement are not inter-conditional upon each other.

It is expected that Sino Wisdom Completion and Top One Global Completion will take place at or about the same time.

## **(3) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS**

### **Terms of the Offers**

As at the date of this joint announcement, the Offeror and parties acting in concert with it did not hold any Ernest Borel Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Ernest Borel, other than the interest in the Sale Shares under the Agreements. Immediately following Top One Global Completion and Sino Wisdom Completion, the Offeror and parties acting in concert with it will be interested in a total of 202,275,000 Ernest Borel Shares, representing approximately 58.22% of the issued share capital of Ernest Borel as at the date of this joint announcement.

Pursuant to Rule 13.5 and Rule 26.1 of the Takeovers Code, immediately following Top One Global Completion and Sino Wisdom Completion, the Offeror will be required to make the Share Offer and the CB Offer.

Subject to Top One Global Completion and Sino Wisdom Completion, the Offers are unconditional mandatory cash offers and will not be conditional upon acceptances being received in respect of a minimum number of Ernest Borel Shares or any other conditions.

As at the date of this joint announcement, Ernest Borel had 347,437,000 Ernest Borel Shares in issue. Save for the outstanding Convertible Bonds, Ernest Borel had no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Ernest Borel Shares as at the date of this joint announcement.

Subject to and upon Top One Global Completion and Sino Wisdom Completion, CCBI, the financial adviser to the Offeror, will, on behalf of the Offeror, make the Offers in compliance with the Takeovers Code on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

### **The Share Offer**

For each Offer Share. . . . .HK\$1.85 in cash

The Share Offer Price of HK\$1.85 per Ernest Borel Share under the Share Offer is the same as the price per Ernest Borel Share payable by the Offeror to Top One Global and Sino Wisdom under the Top One Global Agreement and the Sino Wisdom Agreement respectively.

### **The CB Offer**

The CB Offer will be extended to the CB Holder in accordance with the Takeovers Code.

For each outstanding HK\$1 of face value of  
the Convertible Bonds. . . . .HK\$0.925 in cash

Based on the Share Offer Price of HK\$1.85 per Ernest Borel Share divided by the prevailing conversion price of the Convertible Bonds of HK\$2.00 per Ernest Borel Share, the offer price under the CB Offer is HK\$0.925 for each outstanding HK\$1.00 of face value of the Convertible Bonds.

### **Comparisons of value**

The Share Offer Price of HK\$1.85 per Ernest Borel Share represents:

- (a) a premium of approximately 28.47% over the closing price of HK\$1.440 per Ernest Borel Share as quoted on the Stock Exchange on the Last Trading Day;

- (b) a premium of approximately 30.65% over the average closing price of approximately HK\$1.416 per Ernest Borel Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (c) a premium of approximately 30.56% over the average closing price of approximately HK\$1.417 per Ernest Borel Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (d) a premium of approximately 34.25% over the average closing price of approximately HK\$1.378 per Ernest Borel Share as quoted on the Stock Exchange for the last thirty consecutive trading days up to and including the Last Trading Day;
- (e) a premium of approximately 102.41% over the audited consolidated net asset value of the Ernest Borel Group of approximately HK\$0.914 per Ernest Borel Share as at 31 December 2017 as set out in the annual report of Ernest Borel for the year ended 31 December 2017; and
- (f) a premium of approximately 134.77% over the unaudited consolidated net asset value of the Ernest Borel Group of approximately HK\$0.788 per Ernest Borel Share as at 30 June 2018 as set out in the interim results announcement of Ernest Borel for the six months ended 30 June 2018.

### **Highest and lowest Share prices**

During the six-month period immediately preceding the Last Trading Day from 12 March 2018 to the date of this joint announcement, the highest closing price of the Ernest Borel Shares was HK\$1.47 per Ernest Borel Share as quoted on the Stock Exchange on 9 August 2018 and the lowest closing price of the Ernest Borel Shares was HK\$1.06 per Ernest Borel Share as quoted on the Stock Exchange on 20 April 2018.

### **Value of the Offers**

As at the date of this joint announcement, there are 347,437,000 Ernest Borel Shares in issue. Assuming that there is no change in the issued share capital of Ernest Borel and none of the Convertible Bonds will be converted into Ernest Borel Shares prior to the making of the Offers and on the basis of the Share Offer Price at HK\$1.85 per Ernest Borel Share, the entire issued share capital of Ernest Borel would be valued at HK\$642,758,450.

Assuming that all the outstanding Convertible Bonds will be converted into Ernest Borel Shares prior to the making of the Offers and there is no other change in the issued share capital of Ernest Borel, there would be 397,437,000 Ernest Borel Shares in issue, on the basis of the Share Offer Price at HK\$1.85 per Ernest Borel Share, the entire issued share capital of Ernest Borel would be valued at HK\$735,258,450.

Based on the respective offer prices for the Offer Shares and the outstanding Convertible Bonds as referred to in the paragraph headed “Terms of the Offers” above, assuming that none of the outstanding Convertible Bonds subject to the CB Offer is converted into Ernest Borel Shares prior to the making of the Offers and there is no change in the issued share capital of Ernest Borel up to the making of the Offers, a total of 145,162,000 Ernest Borel Shares will be subject to the Share Offer and the Convertible Bonds in the outstanding principal amount of HK\$100,000,000 will be subject to the CB Offer. On the basis of full acceptance of the Offers, the cash consideration payable by the Offeror would be HK\$268,549,700 for the Share Offer and HK\$92,500,000 for the CB Offer, amounting to a total of HK\$361,049,700.

Assuming that all of the Convertible Bonds subject to the CB Offer are converted into Ernest Borel Shares prior to the making of the Offers, an aggregate of 50,000,000 new Ernest Borel Shares would be allotted and issued by Ernest Borel. On such basis, further assuming that there is no other change in the issued share capital of Ernest Borel up to the making of the Offers, a total of 195,162,000 Ernest Borel Shares will be subject to the Share Offer (and no Convertible Bond will be subject to the CB Offer), and on the basis of full acceptance of the Share Offer, the cash consideration payable by the Offeror under the Share Offer would amount to HK\$361,049,700.

### **Confirmation of financial resources**

The Offeror intends to finance the consideration payable under the Offers and the consideration for the Sale Shares payable under the Agreements using its internal resources. CCBI, as the financial adviser to the Offeror, is satisfied that sufficient resources are available to (i) the Offeror to satisfy the amount of funds required for full acceptance of the Offers; and (ii) the Offeror to satisfy its payment obligations under the Agreements.

### **Dealing and interest in Ernest Borel’s securities**

The Offeror and the parties acting in concert with it (including Citychamp) have not dealt in nor did they have any interest in Ernest Borel Shares, options, derivatives, warrants or other securities convertible into Ernest Borel Shares during the six-month period prior to the date of this joint announcement and up to the date of this joint announcement.

## **Other arrangements**

The Offeror confirms that, save for the entering into of the Agreements, as at the date of this joint announcement:

- (a) none of the Offeror, Citychamp and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Ernest Borel Shares or convertible securities, warrants, options or derivatives of Ernest Borel;
- (b) the Offeror, Citychamp and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offers;
- (c) there is no outstanding derivative in respect of the securities in Ernest Borel which has been entered into by the Offeror, Citychamp and/or any person acting in concert with any of them;
- (d) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Ernest Borel Shares and which might be material to the Offers;
- (e) there is no agreement or arrangement to which the Offeror, Citychamp and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; and
- (f) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Ernest Borel which the Offeror, Citychamp and/or parties acting in concert with any of them has borrowed or lent.

Save for the consideration payable under the Top One Global Agreement and the Sino Wisdom Agreement, there is no other consideration, compensation or benefits in whatever form provided by the Offeror and parties acting in concert with it (including Citychamp) to Top One Global, Sino Wisdom and parties acting in concert with any them.

As at the date of this joint announcement, there is no special deal (under Rule 25 of the Takeovers Code) between the Offeror and parties acting in concert with it (including Citychamp) on the one hand and Top One Global and Sino Wisdom and parties acting in concert with any of them on the other hand.

## **Effect of accepting the Offers**

By validly accepting the Share Offer, Independent Shareholders will sell their tendered Ernest Borel Shares to the Offeror free from all encumbrances and together with all

rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document.

By validly accepting the CB Offer, the CB Holder would agree to assign to the Offeror the tendered Convertible Bonds and all rights attached thereto with effect from the date on which the CB Offer is made, that is, the date of despatch of the Composite Document.

Acceptance of the Offers by any Independent Shareholder or CB Holder (as the case may be) will be deemed to constitute a warranty by such person that all Ernest Borel Shares or Convertible Bonds (as the case may be) sold by such person under the Offers are free from all encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions declared, made or paid, if any, on or after the date on which the Offers are made, that is, the date of despatch of the Composite Document.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, except as permitted under the Takeovers Code.

### **Payment**

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event, within seven business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offers and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

### **Hong Kong stamp duty**

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Share Offer will be payable by the relevant Independent Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Independent Shareholders accepting the Share Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Independent Shareholders accepting the Share Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Ernest Borel Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No Hong Kong stamp duty is payable in connection with the acceptance of the CB Offer.

## Overseas shareholders and CB Holder

The availability of the Offers to the shareholders of Ernest Borel and the CB Holder who are not resident in Hong Kong may be subject to, or limited by, the laws or regulations of their respective jurisdictions. Any shareholder of Ernest Borel or CB Holder who is not resident in Hong Kong should observe any applicable legal or regulatory requirements and restrictions in his/her own jurisdiction and, where necessary, seek legal advice.

### (4) SHAREHOLDING STRUCTURE OF ERNEST BOREL

The table below sets out the shareholding structure of Ernest Borel (i) as at the date of this joint announcement; and (ii) upon Top One Global Completion and Sino Wisdom Completion but before the Offers are made assuming that none of the Convertible Bonds is converted:

	As at the date of this joint announcement		Immediately upon Top One Global Completion and Sino Wisdom Completion but before the Offers are made	
	<i>Number of Ernest Borel Shares</i>	<i>(approximately) %</i>	<i>Number of Ernest Borel Shares</i>	<i>(approximately) %</i>
<b>Substantial shareholder(s)</b>				
Top One Global ( <i>Note 1</i> )	102,520,000	29.51	–	–
Sino Wisdom ( <i>Note 2</i> )	99,755,000	28.71	–	–
Prime Route Investment Limited ( <i>Note 3</i> )	37,935,000	10.92	37,935,000	10.92
The Offeror and parties acting in concert with it	–	–	202,275,000	58.22
Public shareholders	107,227,000	30.86	107,227,000	30.86
<b>Total</b>	<b>347,437,000</b>	<b>100.00</b>	<b>347,437,000</b>	<b>100.00</b>

Notes:

1. Top One Global is wholly owned by Mr. Sit, an executive director of Ernest Borel, who is deemed to be interested in the 102,520,000 Ernest Borel Shares held by Top One Global under the SFO.
2. Sino Wisdom is wholly owned by Ms. Yu Lai, who is deemed to be interested in the 99,755,000 Ernest Borel Shares held by Sino Wisdom under the SFO.
3. Prime Route Investment Limited is wholly owned by Mr. Xiong Wei, an executive director of Ernest Borel who is deemed to be interested in the 37,935,000 Ernest Borel Shares held by Prime Route Investment Limited under the SFO.

**(5) INFORMATION ON THE ERNEST BOREL GROUP**

The Ernest Borel Group is engaged in the design, production, marketing and sale of mechanical and quartz premium watches. The extensive distribution network of the Ernest Borel Group covers retail markets in the People's Republic of China, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Southeast Asia. As at 31 December 2017, the Ernest Borel Group had a total of 847 points of sale. The following table is a summary of certain audited consolidated financial information of the Ernest Borel Group for the two financial years ended 31 December 2017 as extracted from the annual report of Ernest Borel for the year ended 31 December 2017 and certain unaudited consolidated financial information of the Ernest Borel Group for the six months ended 30 June 2018 as extracted from the interim results announcement of Ernest Borel for the six months ended 30 June 2018:

	<b>Six months ended 30 June 2018 (unaudited) HK\$'000</b>	<b>Year ended 31 December 2017 (audited) HK\$'000</b>	<b>2016 (audited) HK\$'000</b>
Revenue	84,276	227,205	248,883
Profit/(loss) before tax	(41,332)	(183,184)	(142,585)
Profit/(loss) after tax	(43,121)	(197,283)	(145,011)

The unaudited net asset value of the Ernest Borel Group as at 30 June 2018 (as set out in the interim results announcement of Ernest Borel for the six months ended 30 June 2018) was HK\$273,894,000.

Further financial information of the Ernest Borel Group will be set out in the Composite Document to be despatched to the Independent Shareholders.

**(6) INFORMATION ON THE OFFEROR AND CITYCHAMP**

The Offeror was incorporated in Hong Kong with limited liability. The Offeror is an investment holding company.

The Offeror is a wholly-owned subsidiary of Citychamp. Citychamp is a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange with stock code 256. Citychamp's principal activity is investment holding and its subsidiaries are engaged in watches and timepieces, banking and financial and property investments businesses. The ultimate controlling shareholder of Citychamp is Mr. Hon Kwok Lung, who is interested in approximately 69.45% of the issued shares of Citychamp as at the date of this joint announcement.

Immediately preceding Top One Global Completion and Sino Wisdom Completion, neither of the Offeror and Citychamp owns any Ernest Borel Shares.

## **(7) DISCLOSEABLE TRANSACTION FOR CITYCHAMP**

### **Chapter 14**

The applicable ratios (as defined in the Listing Rules) for the transactions contemplated under the Agreements, either on a standalone basis or when aggregated with the Offers, exceed 5% but are less than 25%. The transactions contemplated under the Agreements and/or the Offers constitute a disclosable transaction for Citychamp and are subject to the announcement requirement under Chapter 14 of the Listing Rules.

#### **Reasons for the Agreements**

The Ernest Borel Group is engaged in the design, production, marketing and sale of mechanical and quartz premium watches, while Citychamp and its subsidiaries are engaged in watches and timepieces, banking and financial and property investments businesses. The directors of Citychamp believe that the acquisition contemplated under the Agreements and the Offers is in line with its market diversification strategy and is complementary to each of Ernest Borel and Citychamp.

The directors of Citychamp (including the independent non-executive directors of Citychamp) consider that the terms of the Agreements and the Offers are on normal commercial terms and are fair and reasonable, and in the interests of Citychamp and its shareholders as a whole.

#### **Information on the parties to the Agreements (other than the Offeror)**

Top One Global is a company incorporated in the British Virgin Islands and its principal business is investment holding.

To the best of the knowledge, information and belief of the directors of Citychamp, having made all reasonable enquiries, each of Top One Global and its ultimate beneficial owner are independent of Citychamp and connected persons of Citychamp.

Sino Wisdom is a company incorporated in the British Virgin Islands and its principal business is investment holding.

To the best of the knowledge, information and belief of the directors of Citychamp, having made all reasonable enquiries, each of Sino Wisdom and its ultimate beneficial owner are independent of Citychamp and connected persons of Citychamp.

**(8) FUTURE INTENTIONS OF THE OFFEROR REGARDING THE ERNEST BOREL GROUP**

Subject to and upon Top One Global Completion and Sino Wisdom Completion, the Offeror will become a controlling shareholder of Ernest Borel. As at the date of this joint announcement, the Offeror intended to continue the existing principal businesses of the Ernest Borel Group and had no intention to discontinue the employment of the employees (save for changes in the composition of the board of directors of Ernest Borel) or to dispose of or re-deploy the assets of the Ernest Borel Group other than those in its ordinary course of business.

The Offeror will, following the close of the Offers, conduct a review on the business activities/operations and financial position of the Ernest Borel Group for the purpose of formulating business plans and strategies for the future business development of the Ernest Borel Group. Subject to the results of the review and should suitable investment or business opportunities arise, the Offeror may explore other business opportunities for Ernest Borel which may involve acquisitions or investments in assets and/or businesses or cooperation with business partners of the Offeror with a view of enhancing the Ernest Borel Group's business growth and asset base as well as broadening its income stream. As at the date of this joint announcement, the Offeror had no plan, and had not engaged in any discussion or negotiation, on any injection of any assets or businesses into the Ernest Borel Group.

**Proposed change of board composition of Ernest Borel**

The board of directors of Ernest Borel is currently made up of six directors, comprising two executive Directors, namely Mr. Sit and Mr. Xiong Wei, one non-executive director, namely Ms. Lou Liuqing and three independent non-executive directors, namely Mr. Lui Wai Ming, Mr. To Chun Kei and Ms. Chan Lai Wa.

As at the date of this joint announcement, the Offeror has not decided on the future composition of the board of directors of Ernest Borel. Pursuant to the terms of the Top One Global Agreement, subject to and upon Top One Global Completion, Mr. Sit shall tender his written resignation as director of each of Ernest Borel and the other members of the Ernest Borel Group which will take effect from such time as the Offeror deems appropriate, subject to the requirement under the Takeovers Code, the Listing Rules and applicable laws.

Any changes to the board of directors of Ernest Borel will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by Ernest Borel as and when appropriate.

## **Public float and maintaining the listing status of Ernest Borel**

The Offeror intends to maintain the listing of the Ernest Borel Shares on the Main Board after the close of the Offers. The Offeror and Ernest Borel will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offers to ensure that not less than 25% of the Ernest Borel Shares will be held by the public.

**The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the listed issuer, being 25% of the issued Ernest Borel Shares, are held by the public, or if the Stock Exchange believes that:**

- (a) a false market exists or may exist in the trading of the Ernest Borel Shares; or**
- (b) there are insufficient Ernest Borel Shares in public hands to maintain an orderly market,**

**it will consider exercising its discretion to suspend trading in the Ernest Borel Shares.**

**The Offeror intends Ernest Borel to remain listed on the Stock Exchange. The directors of the Offeror and the new directors to be appointed to the board of Ernest Borel will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in Ernest Borel Shares.**

## **(9) GENERAL**

### **Despatch of the Composite Document**

It is the intention of the Offeror and Ernest Borel that the offer document and the offeree board circular be combined in a composite document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) the terms of the Offers, (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders and the CB Holder in relation to the Offers, (iii) the letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offers, together with the relevant forms of acceptance and transfer, should be despatched to the shareholders of Ernest Borel and the CB Holder within 21 days of the date of this joint announcement or such later date as the Executive may approve.

### **Independent Board Committee**

The Independent Board Committee, comprising all the non-executive Directors namely Ms. Lou Liuqing, Mr. Lui Wai Ming, Mr. To Chun Kei and Ms. Chan Lai Wa, has been established by Ernest Borel to advise the Independent Shareholders and the CB Holder in respect of the Offers pursuant to Rule 2.1 of the Takeovers Code.

## **Appointment of the independent financial adviser**

An independent financial adviser will be appointed pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to the acceptance of the Offers.

A further announcement will be made by Ernest Borel as soon as possible after the appointment of the independent financial adviser. The advice of the independent financial adviser and the recommendation of the Independent Board Committee will be included in the Composite Document to be despatched to the shareholders of Ernest Borel and the CB Holder.

## **(10) RESUMPTION OF TRADING**

At the request of Ernest Borel, trading in the Ernest Borel Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 13 September 2018 pending the publication of this joint announcement. Application has been made by Ernest Borel for the resumption of trading in the Ernest Borel Shares on the Stock Exchange with effect from 9:00 a.m. on 17 September 2018.

At the request of Citychamp, trading in the shares of Citychamp on the Stock Exchange was halted with effect from 9:00 a.m. on 13 September 2018 pending the publication of this joint announcement. Application has been made by Citychamp for the resumption of trading in the shares of Citychamp on the Stock Exchange with effect from 9:00 a.m. on 17 September 2018.

## **(11) DISCLOSURE OF DEALINGS**

In accordance with Rule 3.8 of the Takeovers Code, associates (as defined in the Takeovers Code) of Ernest Borel and the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of Ernest Borel or the Offeror) are hereby reminded to disclose their dealings in any securities of Ernest Borel pursuant to the requirements of the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

### ***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who*

*deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

**WARNING: THE OFFERS WILL ONLY BE MADE IF TOP ONE GLOBAL COMPLETION AND SINO WISDOM COMPLETION TAKE PLACE. EACH OF TOP ONE GLOBAL COMPLETION AND SINO WISDOM COMPLETION IS SUBJECT TO FULFILLMENT AND/OR WAIVER, AS APPLICABLE, OF THE CONDITIONS PRECEDENT CONTAINED IN THE RELEVANT AGREEMENTS. ACCORDINGLY, THE OFFERS MAY OR MAY NOT BE MADE. THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE OFFERS WILL BE MADE. SHAREHOLDERS AND POTENTIAL INVESTORS OF ERNEST BOREL AND CITYCHAMP ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE RELEVANT SECURITIES OF ERNEST BOREL AND CITYCHAMP. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT A LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.**

## (12) DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“acting in concert”	has the meaning defined in the Takeovers Code;
“Agreements”	the Top One Global Agreement and the Sino Wisdom Agreement;
“Business Day”	a day (other than Saturday or Sunday and calendar days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general banking business;
“CB Holder”	the holder of the Convertible Bonds, which, as at the date of this joint announcement, is Phoenix Green Limited;
“CB Offer”	the unconditional mandatory cash offer to be made by CCBI on behalf of the Offeror to acquire all the outstanding Convertible Bonds in accordance with the Takeovers Code;
“CCBI”	CCB International Capital Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror;
“Citychamp”	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 (stock code: 256);
“Composite Document”	the offer and response document in composite form together with the form of acceptance and transfer to be despatched to the shareholders of Ernest Borel and the CB Holder pursuant to the Offers;

“Convertible Bonds”	the 10% coupon convertible bonds in the aggregate principal amount of HK\$100,000,000 issued by Ernest Borel due 2019 convertible into Ernest Borel Shares at the initial conversion price of HK\$2.00 per Ernest Borel Share, subject to adjustments;
“Ernest Borel”	Ernest Borel Holdings Limited, a company incorporated under the laws of the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange (stock code: 1856);
“Ernest Borel Group”	Ernest Borel and its subsidiaries;
“Ernest Borel Shares”	the shares of HK\$0.01 each in the share capital of Ernest Borel;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“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;
“Independent Board Committee”	the independent committee of the board of directors of Ernest Borel comprising all non-executive Directors, namely, Ms. Lou Liuqing, Mr. Lui Wai Ming, Mr. To Chun Kei and Ms. Chan Lai Wa, which has been established by Ernest Borel to make recommendation to the Independent Shareholders and the CB Holder in respect of the Offers;
“Independent Shareholders”	shareholders of Ernest Borel other than the Offeror and parties acting in concert with it;
“Last Trading Day”	12 September 2018, being the last trading day for Ernest Borel Shares prior to the trading halt of Ernest Borel Shares on 13 September 2018 pending the publication of this joint announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Long Stop Date”	5:00 p.m. (Hong Kong time) on 31 December 2018 or such later time or date as the parties to the Top One Global Agreement may agree in writing;
“Mr. Sit”	Mr. Sit Yau Chiu, the ultimate beneficial owner of Top One Global and an executive director of Ernest Borel;
“Offer Shares”	any and all of the Ernest Borel Share(s), other than those already owned and/or agreed to be acquired by the Offeror and/or parties acting in concert with it;
“Offeror”	VGB Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Citychamp;
“Offers”	collectively, the Share Offer and the CB Offer;
“Sale Shares”	collectively, the Top One Global Sale Shares and the Sino Wisdom Sale Shares;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share Offer”	the unconditional mandatory cash offer to be made by CCBI on behalf of the Offeror to acquire the Offer Shares in compliance with the Takeovers Code;
“Share Offer Price”	HK\$1.85 for each Offer Share payable by the Offeror to the Independent Shareholders accepting the Share Offer;
“Sino Wisdom”	Sino Wisdom Ventures Limited, a company incorporated in the British Virgin Islands with limited liability;
“Sino Wisdom Agreement”	the agreement dated 12 September 2018 entered into by and among Sino Wisdom (as vendor) and the Offeror (as purchaser) in relation to the sale and purchase of the Sino Wisdom Sale Shares;
“Sino Wisdom Completion”	completion of the Sino Wisdom Agreement;

“Sino Wisdom Completion Date”	the date on which Sino Wisdom Completion takes place;
“Sino Wisdom Sale Shares”	the 99,755,000 Ernest Borel Shares held by Sino Wisdom as at the date of the Sino Wisdom Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Top One Global”	Top One Global Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“Top One Global Agreement”	the agreement dated 12 September 2018 entered into by and among Top One Global (as vendor), the Offeror (as purchaser) and Mr. Sit (as vendor guarantor) in relation to the sale and purchase of the Top One Global Sale Shares;
“Top One Global Completion”	completion of the Top One Global Agreement;
“Top One Global Completion Date”	the date on which Top One Global Completion takes place; and
“Top One Global Sale Shares”	the 102,520,000 Ernest Borel Shares held by Top One Global as at the date of the Top One Global Agreement.

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

By order of the board of directors of  
**Ernest Borel Holdings Limited**  
**Sit Yau Chiu**  
*Chairman*

By order of the board of directors of  
**VGB Limited**  
**Teguh Halim**  
*Director*

Hong Kong, 16 September 2018

*As at the date of this joint announcement, the directors of Ernest Borel are Mr. Sit Yau Chiu, Mr. Xiong Wei as executive directors, Ms. Lou Liuqing as non-executive director and Mr. Lui Wai Ming, Mr. To Chun Kei and Ms. Chan Lai Wa as independent non-executive directors.*

*The directors of Ernest Borel jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*As at the date of this joint announcement, the directors of the Offeror are Mr. Teguh Halim and Ms. Lam Lai. As at the date of this joint announcement, the directors of Citychamp are 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 executive directors, and Mr. Fung Tze Wa, Dr. Kwong Chun Wai Michael, Mr. Zhang Bin and Mr. Rudolf Heinrich Escher as independent non-executive directors.*

*The directors of the Offeror and the directors of Citychamp jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Ernest Borel Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of Ernest Borel) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.*

*In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.*