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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) COMPLETION OF DISCLOSEABLE TRANSACTION OF
CITYCHAMP WATCH & JEWELLERY GROUP LIMITED
IN RELATION TO ACQUISITION OF SHARES IN
ERNEST BOREL HOLDINGS LIMITED BY VGB LIMITED**

AND

**(2) 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**

FINANCIAL ADVISER TO THE OFFEROR



Reference is made to the announcement jointly issued by the Offeror, Citychamp and Ernest Borel dated 16 September 2018 (the “**Joint Announcement**”) in relation to, amongst other things, the sale and purchase of the Sale Shares and the Offers. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

COMPLETION OF THE AGREEMENTS AND DISCLOSEABLE TRANSACTION OF CITYCHAMP

Citychamp, the Offeror and Ernest Borel (as informed by Top One Global and Sino Wisdom) are pleased to announce that Top One Global Completion and Sino Wisdom Completion took place on 18 September 2018. Immediately upon Top One Global Completion and Sino Wisdom Completion, the Offeror and parties acting in concert with it beneficially own 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. Ernest Borel has become an indirect non-wholly owned subsidiary of Citychamp.

UNCONDITIONAL MANDATORY CASH OFFERS

Pursuant to Rule 13.5 and Rule 26.1 of the Takeovers Code, the Offeror is required to make the Share Offer and the CB Offer.

CCBI will make the Offers on behalf of the Offeror on the terms to be set out in the Composite Document to be issued in compliance with the Takeovers Code.

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.

DESPATCH OF THE 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 the Joint Announcement or such later date as the Executive may approve.

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, 18 September 2018

As at the date of this joint announcement, the directors of Ernest Borel are Mr. Sit Yau Chiu and 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.