

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purpose only and does not constitute an invitation or offer to acquire, purchase, or subscribe for any securities of the Company.*



## **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)**

### **PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY THREE (3) EXISTING SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS**

#### **Financial Adviser to the Company**



**英皇企業融資有限公司**

**Emperor Corporate Finance Limited**

#### **Placing Agent to the Rights Issue**



**英皇證券有限公司**

**Emperor Securities Limited**

#### **PROPOSED RIGHTS ISSUE**

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every three (3) existing Shares held on the Record Date at the Subscription Price of HK\$0.1 per Rights Share, to raise up to approximately HK\$145.1 million by issuing 1,450,629,402 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) to the Qualifying Shareholders. The Rights Issue will not be extended to the Non-Qualifying Shareholder(s) (if any).

The estimated net proceeds of the Rights Issue, if fully subscribed, will be approximately HK\$143.4 million (assuming no change in the number of Shares in issue on or before the Record Date).

The Rights Issue is only available to Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and must not be a Non-Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) with the Registrar for registration no later than 4:30 p.m. on Thursday, 28 May 2026.

### **IRREVOCABLE UNDERTAKING**

As at the date of this announcement, (a) Mr. Hon holds 3,500,000 Shares, representing approximately 0.1% of the issued share capital of the Company; (b) Ms. Lam (the spouse of Mr. Hon) holds 1,374,000 Shares, representing approximately 0.0% of the issued share capital of the Company; (c) Full Day (a company wholly-owned by Mr. Hon) holds 1,277,392,000 Shares, representing approximately 29.4% of the issued share capital of the Company; and (d) Sincere View (a company the shares of which are owned as to 80% by Mr. Hon and 20% by Ms. Lam) holds 1,163,037,515 Shares, representing approximately 26.7% of the issued share capital of the Company.

Pursuant to the Irrevocable Undertaking, Mr. Hon, Ms. Lam, Full Day and Sincere View have irrevocably undertaken to the Company, among other things, that:

- (i) from the date of the Irrevocable Undertaking to the Record date, they shall not sell, transfer, charge, or create any encumbrance or grant any option over or otherwise dispose of, nor enter into any agreement (whether conditional or not) for the sale, transfer, charge, or creation of an encumbrance or grant of any option over or otherwise dispose of, any of the Shares held by them or any interest in them, save with the prior written consent of the Company;
- (ii) they will take up and pay for in full at the Subscription Price the 815,101,171 Rights Shares, being their full entitlements to the provisional allotment under the Rights Issue, pursuant to the terms of the Prospectus Documents relating to the Rights Issue; and
- (iii) they will lodge the duly completed and signed PALs in respect of the 815,101,171 Rights Shares (which will be their full entitlements to the provisional allotment under the Rights Issue), and all relevant documents with the Registrar or the Company, by no later the Latest Time for Acceptance or otherwise in accordance with the terms of the Prospectus Documents, and provide evidence to the Company demonstrating that they have done so by no later than the Latest Time for Acceptance.

## **THE COMPENSATORY ARRANGEMENTS AND THE PLACING AGREEMENT**

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

Accordingly, on 5 May 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best efforts basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company in relation to the Rights Issue will be closed from Friday, 29 May 2026 to Thursday, 4 June 2026 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

## **LISTING RULES IMPLICATIONS**

As the Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding this announcement, and the Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders pursuant to Rule 7.19A(1) of the Listing Rules.

## **GENERAL**

The Prospectus Documents containing, among other things, the Prospectus setting out details of the Rights Issue and the PAL will be despatched to the Qualifying Shareholders on Friday, 5 June 2026. The Company will, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus to the Non-Qualifying Shareholders for their information only and the Company will not send the PALs to the Non-Qualifying Shareholders.

### **WARNING ON THE RISKS OF DEALINGS IN THE SHARES AND RIGHTS SHARES IN NIL-PAID FORM**

**The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed “Conditions of the Rights Issue” in this announcement.**

**Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed. The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in nil-paid form are recommended to consult their professional advisers.**

**Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.**

## **PROPOSED RIGHTS ISSUE**

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every three (3) existing Shares held on the Record Date at the Subscription Price of HK\$0.1 per Rights Share, to raise up to approximately HK\$145.1 million by issuing 1,450,629,402 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) to the Qualifying Shareholders. The Rights Issue will not be extended to the Non-Qualifying Shareholder(s) (if any).

Further details of the Rights Issue are set out below:

### **Issue statistics**

Basis of the Rights Issue	:	one (1) Rights Share for every three (3) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.1 per Rights Share
Net price per Rights Share (i.e. Subscription Price less estimated cost and expenses incurred in the Rights Issue on a per Rights Share basis)	:	approximately HK\$0.099 per Rights Share ( <i>Note</i> )
Number of Shares in issue as at the date of this announcement	:	4,351,888,206 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	up to 1,450,629,402 Rights Shares ( <i>Note</i> )
Aggregate nominal value of the Rights Shares to be issued	:	up to HK\$145,062,940.2 ( <i>Note</i> )
Number of issued Shares as enlarged by the allotment and issue of the Rights Shares	:	up to 5,802,517,608 Shares ( <i>Note</i> )
Gross proceeds from the Rights Issue (before expenses)	:	up to approximately HK\$145.1 million ( <i>Note</i> )
Net proceeds from the Rights Issue	:	up to approximately HK\$143.4 million ( <i>Note</i> )

*Note:* Assuming no change in the number of Shares in issue on or before the Record Date.

The Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares as at the date of this announcement.

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue, the aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents approximately 33.3% of the Company's issued share capital as at the Record Date and 25.0% of the Company's issued share capital as enlarged by the Rights Issue. The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of such right issues, open offers and/or specific mandate placings within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

### **Non-underwritten basis**

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed to independent placees under the Compensatory Arrangements on a best efforts basis. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s), or transferees of nil-paid Rights Shares (or either of them, whichever shall be appropriate), may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 7.19(5)(b) of the Listing Rules.

## **The Subscription Price**

The Subscription Price of HK\$0.1 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a premium of approximately 31.6% over the closing price of HK\$0.076 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 28.2% over the average closing price of approximately HK\$0.078 per Share as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement;
- (iii) a premium of approximately 17.6% over the average closing price of approximately HK\$0.085 per Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 28.1% to the average closing price of approximately HK\$0.139 per Share as quoted on the Stock Exchange for the ninety (90) consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 19.0% over the theoretical ex-rights price of approximately HK\$0.084 per Share based on the benchmarked price of approximately HK\$0.078 per Share; and
- (vi) a discount of approximately 88.9% to the net asset value of the Company of approximately HK\$0.904 per Share based on the audited net asset value attributable to owners of the Company of approximately HK\$3.9 billion as at 31 December 2025 as shown in the annual report of the Company for the year ended 31 December 2025 and divided by the existing number of Shares in issue (i.e. 4,351,888,206 Shares).

The Rights Issue would not result in a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules), based on the theoretical diluted price of approximately HK\$0.084 per Share and the benchmarked price (as defined under Rule 7.27B of the Listing Rules) of approximately HK\$0.078 per Share.

## Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (i) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Prospectus Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;
- (ii) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the Prospectus only (without the PAL) to the Non-Qualifying Shareholder for their information only and the publication of the Prospectus on the website of the Stock Exchange on or before the Prospectus Posting Date;
- (iii) the grant of listing of the Rights Shares (in both nil-paid and fully-paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked);
- (iv) the Placing Agreement not having been terminated in accordance with the provisions thereof, and remaining in full force and effect; and
- (v) all other necessary waivers, consents, and approvals (if required) from the relevant governmental or regulatory authorities for the Rights Issue and the transaction contemplated thereunder having been obtained and fulfilled.

None of the above conditions can be waived. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so) and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the conditions referred to above are not fulfilled at or before the Latest Time for Termination, the Rights Issue will not proceed.

**As the proposed Rights Issue is subject to the fulfilment of the above conditions, it may or may not proceed. Shareholders and public investors are advised to exercise caution in dealing in the securities of the Company.**

## **Qualifying Shareholders**

The Rights Issue is available to the Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be a Non-Qualifying Shareholder. In order to be registered as members of the Company prior to the close of business on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged with the Registrar at Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration no later than 4:30 p.m. (Hong Kong time) on Thursday, 28 May 2026.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company in relation to the Right Issue and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date. Shareholders and investors of the Company should consult their professional advisers if they are in doubt.

It is expected that the last day of dealings in the Shares on a cum-rights basis is Tuesday, 26 May 2026, and the Shares will be dealt with on an ex-rights basis from Wednesday, 27 May 2026.

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements).

**Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.**

## **Rights of PRC Southbound Trading Investors**

According to the “Stock Connect Southbound Shareholding Search” available on the Stock Exchange’s website, as at the date of this announcement, China Clear held 953,718,000 Shares, representing approximately 21.9% of the total number of the issued Shares.

The PRC Southbound Trading Investors may participate in the Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

However, the PRC Southbound Trading Investors (or the relevant China Clear participants, as the case may be) whose stock accounts in China Clear are credited with nil-paid Rights Shares can only sell those nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange but cannot purchase any nil-paid Rights Shares nor transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors until after the Company completes its filing with the CSRC in accordance with the CSRC Notice.

The PRC Southbound Trading Investors should consult their intermediary (including brokers, custodians, nominees or China Clear participants) and/or other professional advisers for details of the logistical arrangements as required by China Clear, and provide instructions to such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates stated in the section headed “Expected timetable” of this announcement and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.

The Board was advised that, as the Prospectus Documents will not be and are not intended to be filed with or approved by the CSRC other than in accordance with the CSRC Notice, the Rights Shares in nil-paid or fully-paid forms issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect, or such person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

## **Rights of Overseas Shareholders (if any)**

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Board will comply with Rule 13.36(2)(a) of the Listing Rules and make necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice to be provided by the legal advisers to the Company, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Non-Qualifying Shareholders. The basis for excluding the Non-Qualifying Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

The Company will despatch the Prospectus (without the PAL(s)) to the Non-Qualifying Shareholders for their information only on the Prospectus Posting Date.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. If the proceeds from each such sale, less expenses, are more than HK\$100, the excess will be paid on a pro-rata basis (but rounded down to the nearest cent) to the relevant Non-Qualifying Shareholders in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for its own benefit to cover the administrative costs that it would have incurred.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.**

## **Closure of register of members**

The register of members of the Company in relation to the Rights Issue will be closed from Friday, 29 May 2026 to Thursday, 4 June 2026 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of the Shares will be registered during the above book closure period.

## **Basis of provisional allotments**

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every three (3) existing Shares held by a Qualifying Shareholder as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance by cheque or banker's cashier order for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

## **Fractional entitlements to the Rights Shares**

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be aggregated and sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

## **Status of the Rights Shares**

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

## **Certificates of the Rights Shares and refund cheques**

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 10 July 2026.

Refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares, or if the Rights Issue does not proceed, are expected to be despatched on or before Friday, 10 July 2026 to the applicants without interest to their registered addresses by ordinary post at their own risk.

## **Application for listing of the Rights Shares**

The Company will apply to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. None of the Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, the Rights Shares will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

## **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

## **Taxation**

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

## **Irrevocable Undertaking**

As at the date of this announcement, (a) Mr. Hon holds 3,500,000 Shares, representing approximately 0.1% of the issued share capital of the Company; (b) Ms. Lam (the spouse of Mr. Hon) holds 1,374,000 Shares, representing approximately 0.0% of the issued share capital of the Company; (c) Full Day (a company wholly-owned by Mr. Hon) holds 1,277,392,000 Shares, representing approximately 29.4% of the issued share capital of the Company; and (d) Sincere View (a company owned as to 80% by Mr. Hon and 20% by Ms. Lam) holds 1,163,037,515 Shares, representing approximately 26.7% of the issued share capital of the Company.

Pursuant to the Irrevocable Undertaking, Mr. Hon, Ms. Lam, Full Day and Sincere View have irrevocably undertaken to the Company, among other things, that:

- (i) from the date of the Irrevocable Undertaking to the Record date, they shall not sell, transfer, charge, or create any encumbrance or grant any option over or otherwise dispose of, nor enter into any agreement (whether conditional or not) for the sale, transfer, charge, or creation of an encumbrance or grant of any option over or otherwise dispose of, any of the Shares held by them or any interest in them, save with the prior written consent of the Company;
- (ii) they will take up and pay for in full at the Subscription Price the 815,101,171 Rights Shares, being their full entitlements to the provisional allotment under the Rights Issue, pursuant to the terms of the Prospectus Documents relating to the Rights Issue; and

- (iii) they will lodge the duly completed and signed PALs in respect of the 815,101,171 Rights Shares (which will be their full entitlements to the provisional allotment under the Rights Issue), and all relevant documents with the Registrar or the Company, by no later the Latest Time for Acceptance or otherwise in accordance with the terms of the Prospectus Documents, and provide evidence to the Company demonstrating that they have done so by no later than the Latest Time for Acceptance.

### **Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements**

The Company will make arrangements described in Rule 7.21(1)(b) of the Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

Accordingly, on 5 May 2026 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period to placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best efforts basis. Any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders and Non-Qualifying Shareholders on a pro-rata basis. The Placing Agent will, on a best efforts basis, procure, by not later than 4:00 p.m. on Thursday, 2 July 2026, placees for all (or as many as possible) of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and NQS Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the relevant No Action Shareholders and Non-Qualifying Shareholders as set out below on pro-rata basis (but rounded down to the nearest cent):

- (i) the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and

- (ii) the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Non-Qualifying Shareholders become entitled on the basis described above to an amount of (i) more than HK\$100, the entire amount will be paid to the relevant No Action Shareholders or Non-Qualifying Shareholders in Hong Kong Dollars only; or (ii) HK\$100 or less, such amount will be retained by the Company for its own benefit.

### **Placing Agreement**

Details of the Placing Agreement are summarised as follows:

- Date : 5 May 2026 (after trading hours)
- Issuer : The Company
- Placing Agent : Emperor Securities Limited was appointed as the Placing Agent to procure, on a best efforts basis, places to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares during the Placing Period.

The Placing Agent is a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

- Placing Period : The period commencing from the third Business Day after the Latest Time for Acceptance and ending at 4:00 p.m. on the seventh Business Day after the Latest Time for Acceptance.

- Commission and expenses : Subject to the satisfaction of the conditions of the Placing, the Company shall pay to the Placing Agent a placing commission of HK\$300,000 or 1.50% of the gross placing proceeds (the gross placing proceeds should be equalled to the placing price multiplied by the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares successfully placed by the Placing Agent), whichever is higher.
- Placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placing price of the Unsubscribed Rights Shares and NQS Unsold Rights Shares shall be not less than the Subscription Price and the final price determination will be depended on the demand for and the market conditions of the Unsubscribed Rights Shares and NQS Unsold Rights Shares during the process of placement.
- Placees : The Unsubscribed Rights Shares and NQS Unsold Rights Shares are expected to be placed to placee(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies). The Company and the Placing Agent will take appropriate steps to ensure that sufficient public float be maintained in compliance with Rule 13.32B of the Listing Rules.
- Ranking of the placed Unsubscribed Rights Shares and NQS Unsold Rights Shares : The placed Unsubscribed Rights Shares and NQS Unsold Rights Shares (when allotted, issued and fully-paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.
- Conditions of the Placing Agreement : The obligations of the Placing Agent under the Placing Agreement are conditional upon, among others, the following conditions being fulfilled:
- (i) the Company's warranties contained in the Placing Agreement remaining true and accurate and not misleading in all material respects at all times prior to the date of completion of the Placing; and

- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Unsubscribed Rights Shares and the NQS Unsold Rights Shares with or without conditions.

None of the above conditions can be waived. In the event that the above conditions precedent have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties under the Placing Agreement in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination).

#### Termination

- : Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to the Latest Time for Termination upon the occurrence of the following events which, in the absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares or otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industry, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than 7 trading days) or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group or its senior management, which has or may affect the business or financial position of the Group and which in the Placing Agent's absolute opinion would affect the success of the Placing; or

- (e) any breach of any of the representations and warranties given by the Company as set out in the Placing Agreement having come to the knowledge of the Placing Agent or any event having occurred or any matter having arisen on or after the date of the Placing Agreement and prior to the completion of the Rights Issue which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in a material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (f) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The engagement between the Company and the Placing Agent of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Directors consider that the terms of Placing Agreement in respect of the Unsubscribed Rights Shares and NQS Unsold Rights Shares (including the commission payable) are on normal commercial terms.

As explained above, the Rights Shares that are not accepted by the Qualifying Shareholders, together with the Rights Shares that the Non-Qualifying Shareholders are entitled to under the Rights Issue, will be placed by the Placing Agent to Independent Third Parties on a best efforts basis for the benefits of the No Action Shareholders and Non-Qualifying Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any Net Gain will be distributed to the relevant No Action Shareholders and Non-Qualifying Shareholders. Any NQS Unsold Rights Shares and/or Unsubscribed Rights Shares that are not placed by the Placing Agent will not be issued by the Company.

The Directors considered that the Compensatory Arrangements are fair and reasonable and provide adequate safeguard to protect the interests of the Company's minority Shareholders since the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders and the Non-Qualifying Shareholders; and (iii) a compensatory mechanism for the No Action Shareholders and Non-Qualifying Shareholders.

## **REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND INTENDED USE OF PROCEEDS**

The Company is a company incorporated in the Cayman Islands with limited liability. The Group's principal business comprises the manufacture and distribution of watches, timepieces and watch accessories, as well as property investment and banking and financial services.

The estimated net proceeds of the Rights Issue, if fully subscribed, will be up to approximately HK\$143.4 million (assuming no change in the number of Shares in issue on or before the Record Date). The Company intends to utilise the net proceeds from the Rights Issue in the following manner:

- (i) not less than 70% of the net proceeds, or approximately HK\$100.4 million, will be used for repayment of outstanding indebtedness. As at 31 December 2025, the Group's outstanding indebtedness amounted to approximately HK\$805.8 million; and
- (ii) remaining net proceeds will be used for general working capital of the Group.

The Rights Issue will proceed irrespective of the level of acceptance of provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be allocated and utilised in accordance with the same proportion to the above uses. The estimated net subscription price per Rights Share after deducting the related expenses of the Rights Issue is expected to be approximately HK\$0.099.

The Board considers that the Rights Issue will provide an opportunity to raise capital for the Company to accommodate the funding need for the operation of the Group, as well as repayment of indebtedness of the Group whilst increasing the capital base and financial position of the Company and give the Qualifying Shareholders equal opportunity to maintain their respective pro-rata shareholding interests in the Company. Hence, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings will be diluted.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders; and (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than Mr. Hon, Ms. Lam, Full Day and Sincere View pursuant to the Irrevocable Undertaking) has taken up any entitled Rights Shares and all of the Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent:

	As at the date of this announcement		Assuming all Shareholders take up their respective allotment of Rights Shares in full		Immediately upon completion of the Rights Issue Assuming none of the Qualifying Shareholders (other than Mr. Hon, Ms. Lam, Full Day and Sincere View pursuant to the Irrevocable Undertaking) has taken up any entitled Rights Shares and all of the Unsubscribed Rights Shares and NQS Unsold Rights Shares have been placed by the Placing Agent	
	<i>No. of Shares</i>	<i>Approx. % (Note 1)</i>	<i>No. of Shares</i>	<i>Approx. % (Note 1)</i>	<i>No. of Shares</i>	<i>Approx. % (Note 1)</i>
<b>Directors</b>						
Mr. Hon (Note 2)	2,445,303,515	56.19%	3,260,404,686	56.19%	3,260,404,686	56.19%
Mr. Shi Tao	100,000	0.00%	133,333	0.00%	100,000	0.00%
Mr. Hon Hau Wong (Note 3)	201,750,000	4.64%	269,000,000	4.64%	201,750,000	3.48%
Mr. Teguh Halim (Note 4)	6,000,000	0.14%	8,000,000	0.14%	6,000,000	0.10%
Subtotal	2,653,153,515	60.97%	3,537,538,019	60.97%	3,468,254,686	59.77%
<b>Public Shareholders</b>						
Independent placees	–	–	–	–	635,528,231	10.95%
Other public Shareholders	1,698,734,691	39.03%	2,264,979,589	39.03%	1,698,734,691	29.28%
Subtotal	1,698,734,691	39.03%	2,264,979,589	39.03%	2,334,262,922	40.23%
<b>Total</b>	<b>4,351,888,206</b>	<b>100.00%</b>	<b>5,802,517,608</b>	<b>100.00%</b>	<b>5,802,517,608</b>	<b>100.00%</b>

*Notes:*

1. The percentage figures shown in the table above have been subject to rounding adjustments. Any discrepancies between totals and sums of the amounts listed herein are due to rounding adjustments.
2. The 2,445,303,515 Shares comprise of (i) 1,277,392,000 Shares held by Full Day, which is wholly-owned by Mr. Hon, (ii) 1,163,037,515 Shares held by Sincere View, which is owned as to 80% by Mr. Hon and 20% by Ms. Lam, (iii) 3,500,000 Shares held by Mr. Hon and (iv) 1,374,000 Shares held by Ms. Lam.
3. The 201,750,000 Shares comprise of (i) 1,750,000 Shares held by Mr. Hon Hau Wong and (ii) 200,000,000 Shares held by Qiangda Limited, a wholly-owned subsidiary of Fengrong Investment (Hong Kong) Company Limited (“**Fengrong Hong Kong**”), Fengrong Hong Kong is wholly-owned by Fujian Fengrong Investment Company Limited (“**Fujian Fengrong**”) which is owned as to approximately 31.5% by Ms. Lu Xiaojun, the spouse of Mr. Hon Hau Wong.
4. The 6,000,000 Shares comprise of (i) 3,000,000 Shares held by Mr. Teguh Halim and (ii) 3,000,000 Shares held by Mr. Teguh Halim’s wife.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not carried out any other equity fund raising activities during the 12 months immediately preceding the date of this announcement.

## **EXPECTED TIMETABLE**

<b>Events</b>	<b>Date (2026)</b>
Last day of dealings in the Shares on a cum-rights basis relating to the Rights Issue .....	Tuesday, 26 May
First day of dealings in the Shares on an ex-rights basis relating to the Rights Issue .....	Wednesday, 27 May
Latest time for the Shareholders to lodge transfer documents of Shares in order to be qualified for the Rights Issue .....	4:30 p.m. on Thursday, 28 May
Closure of register of members to determine the entitlements to the Rights Issue (both days inclusive) .....	Friday, 29 May to Thursday, 4 June
Record date for the Rights Issue .....	Thursday, 4 June
Register of members of the Company re-opens .....	Friday, 5 June

Expected despatch date of the Prospectus Documents (including the PAL and the Prospectus), and in case of the Non-Qualifying Shareholders, the Prospectus for information purpose only .....	Friday, 5 June
First day of dealings in nil-paid Rights Shares .....	Tuesday, 9 June
Latest time for splitting the PALs .....	4:30 p.m. Thursday, 11 June
Last day of dealings in nil-paid Rights Shares .....	Tuesday, 16 June
Latest time for acceptance of and payment for the Rights Shares .....	4:00 p.m. Monday, 22 June
Announcement of the number of Unsubscribed Rights Shares and NQS Unsold Rights Shares subject to Compensatory Arrangements .....	Wednesday, 24 June
Commencement of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent .....	Thursday, 25 June
Latest time of placing of Unsubscribed Rights Shares and NQS Unsold Rights Shares by the Placing Agent .....	4:00 p.m. Thursday, 2 July
Latest time for termination of the Placing Agreement for the Rights Issue to become unconditional .....	4:00 p.m. Friday, 3 July
Announcement of results of the Rights Issue .....	Thursday, 9 July
Despatch of share certificates for fully-paid Rights Shares and refund cheques (if any) .....	Friday, 10 July
Commencement of dealings in fully-paid Rights Shares .....	Monday, 13 July
Payment of Net Gain to relevant No Action Shareholders and Non-Qualifying Shareholders (if any) .....	Monday, 27 July

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out above and all dates and deadlines specified in this announcement are indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 22 June 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 22 June 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on the currently scheduled date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

### **LISTING RULES IMPLICATIONS**

As the Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding this announcement, and the Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders pursuant to Rule 7.19A(1) of the Listing Rules.

## **GENERAL**

The Prospectus containing further information regarding, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information of the Group, as well as the PAL(s) are expected to be despatched to the Qualifying Shareholders on Friday, 5 June 2026. The Company will, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus to the Non-Qualifying Shareholders for their information only.

### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the paragraph headed “Conditions of the Rights Issue” in this announcement.**

**Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed. The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in nil-paid form are recommended to consult their professional advisers.**

**Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.**

## DEFINITION

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

“Board” or “Directors”	the board of directors of the Company
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China Clear”	China Securities Depository and Clearing Corporation Limited
“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
“Compensatory Arrangements”	the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the section headed “Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“CSRC Notice”	the notice of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No. 21)

“Full Day”	Full Day Limited, a company incorporated in British Virgin Islands with limited liability, which is wholly-owned by Mr. Hon
“General Rules of HKSCC”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HKSCC Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“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 persons
“Irrevocable Undertaking”	the irrevocable undertaking given by Mr. Hon, Ms. Lam, Full Day and Sincere View to the Company as set out in the paragraph headed “Irrevocable Undertaking” in this announcement
“Last Trading Day”	5 May 2026, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
Latest Time for Acceptance”	4:00 p.m. on Monday, 22 June 2026 or other time or date as the Company may determine, being the latest time for acceptance of, and payment for, the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Friday, 3 July 2026 or such later time as may be agreed between the Company and the Placing Agent in writing

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Hon”	Mr. Hon Kwok Lung, Chairman and an executive Director of the Company
“Ms. Lam”	Ms. Lam Suk Ying, spouse of Mr. Hon
“Net Gain”	the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent under the Placing Agreement) under the Compensatory Arrangements after deduction of all reasonable expenses incurred by the Company and the Placing Agent
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s) or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s)
“NQS Unsold Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date with registered address(es) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue

“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best efforts basis by the Placing Agent and/or its sub-placing agent(s), who and whose ultimate beneficial owners shall not be Shareholder(s) and shall be Independent Third Party(ies), to the independent placee(s) during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Emperor Securities Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 5 May 2026 and entered into between the Company and the Placing Agent in relation to the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares
“Placing Period”	the period commencing from the third (3rd) Business Day after the Latest Time for Acceptance and ending on 4:00 p.m. on the seventh (7th) Business Day after the Latest Time for Acceptance
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Taiwan, Hong Kong and the Macau Special Administrative Region
“PRC Southbound Trading Investor(s)”	the PRC investor(s) who hold Shares through China Clear as nominee under the Shenzhen-Hong Kong Stock Connect and the Shanghai-Hong Kong Stock Connect
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL

“Prospectus Posting Date”	Friday, 5 June 2026 or such other date as the Company may determine, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Thursday, 4 June 2026 or such other date as the Company may determine, for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares on the basis of one (1) Rights Share for every three (3) existing Shares held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	the Shares to be allotted and issued pursuant to the Rights Issue of up to 1,450,629,402 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing links programme developed by the Stock Exchange, the Shanghai Stock Exchange, HKSCC and China Clear for the establishment of mutual market access between Hong Kong and Shanghai
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company

“Shareholder(s)”	holder(s) of issued Share(s)
“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links programme developed by the Stock Exchange, the Shenzhen Stock Exchange, HKSCC and China Clear for the establishment of mutual market access between Hong Kong and Shenzhen
“Sincere View”	Sincere View International Limited, a company incorporated in the British Virgin Islands with limited liability, which is owned as to 80% by Mr. Hon and 20% by Ms. Lam
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.1 per Rights Share
“Takeovers Code”	The Codes on Takeovers and Mergers
“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent.

By Order of the Board  
**Citychamp Watch & Jewellery Group Limited**  
**Ho Shuk Han**  
*Company Secretary*

Hong Kong, 5 May 2026

*As at the date of this announcement, the executive directors of the Company are Mr. Hon Kwok Lung, Mr. Siu Chun Wa, Mr. Shi Tao, Mr. Hon Hau Wong and Mr. Teguh Halim; and the independent non-executive directors of the Company are Dr. Kwong Chun Wai, Michael, Mr. Kam, Eddie Shing Cheuk and Ms. Chan Lai Wa.*