

MEDIA RELEASE

21 September 2016

Closing on the takeover of Valartis Bank (Liechtenstein) AG by Citychamp Watch & Jewellery Group Ltd. – final precondition for successful implementation of recovery plans fulfilled

Hong Kong-based Citychamp Watch & Jewellery Group Ltd. today took over 83.22 percent of the capital of Valartis Bank (Liechtenstein) AG from Valartis Finance Holding AG and from minority shareholders of the bank at a price of approximately CHF 93,545,470 (approximately HK\$ 757,718,300). Valartis Finance Holding AG is the Liechtenstein-based finance holding of Valartis Group AG, Baar. Closing on this transaction means that the final precondition for the successful implementation of recovery plans for Valartis Finance Holding AG in Liechtenstein and Valartis Group AG in Switzerland has been fulfilled. Final implementation of recovery plans is expected in the fourth quarter of 2016.

Citychamp Watch & Jewellery Group Ltd. intends to continue the business activities of the private bank in Liechtenstein, with the existing management and employees, in order to carry on providing professional financial services in the fields of wealth management, investment advisory and fund management.

Hon Kwok Lung, Chairman of the Board of Directors of Citychamp Watch & Jewellery Group Ltd.: «Considering the unique position of Hong Kong as an international financial centre, especially after the implementation of the Belt Road Strategy of the PRC Central Government, the Group is interested in diversifying into securities and banking businesses. With the outlook and confidence in the future prospects of the banking industry, we believe that the acquisition provides an opportunity for the Group to diversify its businesses and broaden its revenue and income stream.»

Gustav Stenbolt, Chairman of the Board of Directors of Valartis Group AG: «The Board of Directors and Group Executive Management of Valartis Group are pleased to have found a solid and, in the long term, attractive acquirer for the bank in Liechtenstein. Citychamp Watch & Jewellery Group has the ideal prerequisites for providing the bank and its employees with a sustainable development potential».

Successful implementation of recovery plans for Valartis Group is expected in the fourth quarter of 2016

The agreed purchase price for around 70 percent of the capital of Valartis Bank (Liechtenstein) AG is CHF 77.4 m, plus a pro rata share in the bank's net income for the current period until the closing of this sale's transaction. This means that Valartis Finance Holding AG will repay its outstanding credit liability of CHF 43.2 m to Valartis Bank (Liechtenstein) AG. A further portion of the sales price will be used for the partial repayment of Valartis Finance Holding AG's outstanding credit liability of around EUR 68.4 m to Valartis Bank (Austria) AG. Following closing on divestment of the major banking operations of Valartis Bank (Austria) AG on 1 April 2016¹, the Austrian group retains EUR 11.0 m (net), plus equity amounting to

¹ see also media release from 1 April 2016: Closing on takeover of banking operations of Valartis Bank (Austria) AG by Wiener Privatbank SE;
<http://www.valartisgroup.ch/de/News-Medien/News-Medienmitteilungen/>

EUR 61.8 m (as at 31 December 2015). On this basis, following the return of the banking license in Austria which has already taken place, the credit liability to Valartis Bank (Austria) AG will be reduced in full. The remaining proceeds from the sale's transaction in Liechtenstein will cover other Valartis Finance Holding AG outstanding liabilities and secure the Group's liquidity requirements.

Closing on the sales' transactions in Austria and Liechtenstein concludes the divestments which were required as a basis for the recovery of Valartis Group AG and Liechtenstein-based Valartis Finance Holding AG². These divestments and the cash flows they have generated, together with the agreements which have since been reached with creditors, enable the Board of Directors of Valartis Group AG and Valartis Finance Holding AG to implement final recovery measures targeted on the successful lifting of bankruptcy deferment in Liechtenstein and the moratorium in Switzerland during the course of the fourth quarter of 2016 – and ultimately to achieve complete recovery at the end of the process³.

Reduced Group loss expected for 2016

From a current viewpoint, following successful closing on the transaction in Liechtenstein, Group loss in 2016 is expected to be lower in comparison to the previous year (2015: Group loss for continued and discontinued operations amounted to CHF 58.4 m).

Divestment of the banks in Liechtenstein and Austria means that reporting on the segment Private Clients will be dropped entirely. In the fourth quarter of financial year 2016, Valartis Group will thus alter its segment reporting structure in order to better correspond with the new, slimmer Valartis Group structure. The following changes will be made: management of the several business segments will not be required any longer, and the continued operations will report directly to the Group CEO.

Valartis Group – a holding company

By resolving to divest most of the Group's private banking holdings, the Board of Directors of Valartis Group AG also determined to focus strategically on management of investments in the fields of financial services, real estate projects and private equity. Valartis Group AG thus remains a holding company with three operative approaches. These comprise active management of own participations, management of third-party assets and identification of new opportunities.

Agenda

General Meeting 2017

16 May 2017

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² see also media release from 16 November 2015: Valartis Group AG, Baar, under provisional moratorium: application for a definitive moratorium will be submitted today;
<http://www.valartisgroup.ch/de/News-Medien/News-Medienmitteilungen/>

³ Bankruptcy deferment in Liechtenstein is currently granted until 28 October 2016 and the moratorium in Switzerland until 23 November 2016.

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Valartis Group

Valartis Group is an international finance group with offices in Switzerland, Luxembourg, as well as Moscow and St. Petersburg. Valartis Group AG (Baar, Switzerland) is listed on the Swiss stock exchange, SIX Swiss Exchange. Continued operations include the fields of financial services, Real Estate Project Management and Private Equity. www.valartisgroup.ch