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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)**

### **RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTORS; CHANGE IN THE COMPOSITION OF AUDIT COMMITTEE, NOMINATION COMMITTEE AND REMUNERATION COMMITTEE; AND NON-COMPLIANCE WITH RULES 3.10, 3.10A, 3.21 AND 3.25 OF THE LISTING RULES AND CODE PROVISION A.5.1 OF THE CG CODE**

- (1) Mr. Fung Tze Wa has resigned as the Independent Non-executive Director, chairman of Audit Committee and Remuneration Committee, and a member of Nomination Committee with effect from 1 September 2020; and
- (2) Mr. Rudolf Heinrich Escher has resigned as the Independent Non-executive Director and a member of Audit Committee, Nomination Committee and Remuneration Committee with effect from 1 September 2020.

### **RESIGNATION OF MR. FUNG TZE WA AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

The board of directors (the “**Board**”) of Citychamp Watch & Jewellery Group Limited (the “**Company**”, together with its subsidiaries the “**Group**”) announces that Mr. Fung Tze Wa has resigned as an independent non-executive director of the Company (the “**Independent Non-executive Director**”) with effect from 1 September 2020. Accordingly, Mr. Fung has also ceased to be the chairman of audit committee (the “**Audit Committee**”) and remuneration committee (the “**Remuneration Committee**”), and a member of nomination committee (the “**Nomination Committee**”) of the Company with effect from the same date. Mr. Fung has served as an Independent Non-executive Director for more than 16 years. He believes that a new director would bring different skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business, and also stronger independent element to the Board. Meanwhile, as Mr. Fung intends to allocate more time in running his full time

business, the accounting firm of which he currently serves as the practising director, he has decided to tender resignation.

## **RESIGNATION OF MR. RUDOLF HEINRICH ESCHER AS INDEPENDENT NON-EXECUTIVE DIRECTOR**

The Board further announces that Mr. Rudolf Heinrich Escher has resigned as an Independent Non-executive Director with effect from 1 September 2020. Accordingly, Mr. Escher will also cease to be a member of the Audit Committee, the Nomination Committee and Remuneration Committee with effect from the same date. Mr. Escher has not been able to travel to Hong Kong to attend board meetings and committee meetings in person since April 2019 due to the social disturbances in Hong Kong and the COVID-19 travel restrictions. As the full recovery time for the COVID-19 disease is still unknown, he anticipates that it will continue to affect his performance of duties as a director of a company based in Hong Kong. Coupled with his intention to focus on his projects in Switzerland, he has decided to tender resignation.

In accordance with the requirements of Rule 13.51(2) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), each of Mr. Fung Tze Wa and Mr. Rudolf Heinrich Escher has confirmed that he has no disagreement with the Board and there is no matter that needs to be brought to the attention to the shareholders of the Company (the “**Shareholder**”) regarding the aforesaid resignation.

Save as disclosed above, there are no other matters concerning the aforesaid resignation that need to be brought to the attention of the Shareholders nor any information required to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

## **NON-COMPLIANCE WITH RULES 3.10, 3.10A, 3.21 and 3.25 OF THE LISTING RULES AND CODE PROVISION A.5.1 OF THE CG CODE**

Upon the resignation of Mr. Fung Tze Wa and Mr. Rudolf Heinrich Escher, the Board comprises of ten directors, including eight executive directors and two Independent Non-executive Directors. The number and composition of Independent Non-executive Directors fail to meet the requirements under (i) Listing Rule 3.10(1) which requires that every board of directors must include at least three independent non-executive directors; (ii) Listing Rule 3.10(2) which requires at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise; (iii) Listing Rule 3.10A which requires that the number of independent non-executive directors must represent at least one-third of the board; (iv) Listing Rule 3.21 which requires that the Audit Committee must be chaired by an independent non-executive director and comprise a minimum of three members and at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under rule 3.10(2); (v) Listing Rule 3.25 requires that the Remuneration Committee must be chaired by an independent non-executive director and comprise a majority of independent non-executive directors; and (vi) Code Provision A.5.1 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the “**CG Code**”) requires the Nomination Committee must comprise a majority of independent non-executive directors.

The Company intends to identify suitable candidates for Independent Non-executive Directors, who can promote the diversity of the Board and give the Board the benefit of their skills, expertise and varied backgrounds and qualifications as required under the code provision A.6.7 of the CG Code. One of the candidates must have appropriate professional qualifications or accounting or related financial management expertise. However, as at the date of this announcement, the Company has not yet identified such suitable candidates. The Company will make its best endeavors to identify candidates and appoint Independent Non-executive Directors as soon as practicable within three months from the date of this announcement with a view to fulfilling the requirement of Rules 3.10, 3.10A, 3.21 and 3.25 of the Listing Rules and code provision A.5.1 of the CG Code. Further announcement will be made at due course.

## **APPRECIATION**

The Board would like to take this opportunity to express its gratitude and appreciation to Mr. Fung Tze Wa and Mr. Rudolf Heinrich Escher for their valuable contributions to the Company during their tenure of office.

By Order of the Board  
**Citychamp Watch & Jewellery Group Limited**  
**Fong Chi Wah**  
*CFO & Company Secretary*

Hong Kong, 1 September 2020

*As at the date of this announcement, the Board of the Company comprises Mr. Hon Kwok Lung, Mr. Shang Jianguang, Mr. Shi Tao, Mr. Lam Toi Man, Mr. Bi Bo, Ms. Sit Lai Hei, Mr. Hon Hau Wong and Mr. Teguh Halim who are the Executive Directors, and Dr. Kwong Chun Wai Michael and Mr. Zhang Bin, who are the Independent Non-Executive Directors.*