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CITYCHAMP WATCH & JEWELLERY GROUP LIMITED

冠城鐘錶珠寶集團有限公司

(Formerly known as China Haidian Holdings Limited 中國海澱集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 256)

APPOINTMENT OF EXECUTIVE DIRECTOR AND NON-COMPLIANCE WITH RULES 3.10A OF THE LISTING RULES

The board of Directors (the “Board”) of Citychamp Watch & Jewellery Group Limited (the “Company”) is pleased to announce that Mr. Hon Hau Wong (“Mr. Hon”) has been appointed as executive director of the Company with effect from 29 August 2014.

Mr. Hon, aged 37, graduated from Tongji University, Shanghai majoring in Engineering Management. He has been the Deputy Chairman of Citychamp Dartong Company Limited (a company listed on the Shanghai Stock Exchange (Stock code: 600067)) since August 2006 and now serves as director in a number of its subsidiaries. He has extensive experience in the real estate industry in Mainland China. He is currently a member of Fujian Province Committee of the Chinese People’s Political Consultative Conference.

Mr. Hon has entered into a service contract with the Company for an initial term of two years commencing from 29 August 2014 and the contract is subject to termination by either party by giving not less than two months written notice. Pursuant to the Articles of Association of the Company, Mr. Hon will be subject to retirement and re-election at the forthcoming annual general meeting. He is then subject to retirement by rotation and re-election at annual general meetings pursuant to the Articles of Association of the Company. According to the service contract, Mr. Hon is entitled to monthly salary of HK\$110,000 for 13 months as director remuneration and a discretionary bonus after one year service in the Company. Mr. Hon’s remuneration and bonus are reviewed and approved by the Board of the Company with reference to his duties and responsibilities within the Company, the composition of the Board and the Company’s performance.

Mr. Hon is the son of Mr. Hon Kwok Lung, the Chairman of the Board and controlling shareholder of the Company. 1,227,523,515 shares of the Company are held by Sincere View International Limited (“Sincere View”), which is owned as to 80% and 20% by Mr. Hon Kwok Lung and his wife, Ms. Lam Suk Ying, respectively. 1,750,000,000 shares are held by Full Day Limited (“Full Day”), which is wholly-owned by Mr. Hon Kwok Lung. Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to have an interest in the same parcel of 2,982,397,515 shares (2,977,523,515 shares are held by Sincere View and Full Day, 3,500,000 shares are held by Mr. Hon Kwok Lung and 1,374,000 shares are held by Ms. Lam Suk Ying). Moreover, Mr. Hon is a nephew of Mr. Lam Toi Man, an Executive Director of the Company. His brother is the husband of Ms. Sit Lai Hei, an Executive Director of the Company. Save as disclosed above, there is no relationship between Mr. Hon and any Director, senior management or substantial or controlling shareholder of the Company.

For Part XV of the Securities and Futures Ordinance, Mr. Hon has interests in 1,750,000 shares of the Company, representing 0.04% of its issued shares as at the date of this announcement. Ms. Lu Xiaojun, Mr. Hon’s wife, owns 31.5% of Fujian Fengrong Investment Company Limited which owns 9% of Zhuhai Rossini Watch Industry Limited, a subsidiary owned by the Company. Save as disclosed above, he does not have any interest in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. Hon does not hold any other position within the Company or any of its subsidiaries nor did he hold any directorship in any other listed public company in the last three years. There is no other matters relating to the aforesaid appointment that need to be brought to the attention of the shareholders of the Company under Rule 13.51(2) of the Listing Rules.

Upon the appointment of Mr. Hon, the Board comprises of 10 Directors, including 7 executive Directors and 3 independent non-executive Directors. The number of independent non-executive Directors is below the minimum number required under Rule 3.10A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) which requires that the number of independent non-executive Directors represent at least one-third of the Board.

The Company intends to identify a suitable candidate for independent non-executive Director, who can promote the diversity of the Board of the Company, so as to enhance the performance and governance of the Company. However, as at the date of this announcement, the Company has not yet identified such suitable candidate. The Company will make its best endeavors to identify a candidate and appoint an independent non-executive Director as soon as practicable within three months from 29 August 2014 with a view to fulfilling the requirement of Rule 3.10A of the Listing Rules. Further announcement will be made at due course.

The Board would like to take this opportunity to welcome Mr. Hon to join the Board.

On behalf of
Citychamp Watch & Jewellery Group Limited
Hon Kwok Lung
Chairman

Hong Kong, 29 August 2014

As at the date of this announcement, the Board comprises Mr. Hon Kwok Lung, Mr. Shang Jianguang, Mr. Shi Tao, Mr. Lam Toi Man, Mr. Bi Bo, Ms. Sit Lai Hei and Mr. Hon Hau Wong as the executive Directors; and Mr. Fung Tze Wa, Dr. Kwong Chun Wai, Michael and Mr. Li Qiang as the independent non-executive Directors.