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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **CITYCHAMP WATCH & JEWELLERY GROUP LIMITED**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSALS FOR GENERAL MANDATES  
TO ISSUE SHARES AND TO BUY BACK SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of Citychamp Watch & Jewellery Group Limited (the "Company") to be held at Studio 1, 7/F, W Hong Kong, 1 Austin Road West, Kowloon, Hong Kong on Friday, 28 May 2021 at 11:00 a.m. is set out on pages 7 to 12 of this circular.

Whether or not you propose to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Hong Kong share registrar and transfer office of the Company, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the Annual General Meeting (or adjourned meeting as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting, if you so wish.

Hong Kong, 28 April 2021

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“Annual General Meeting”	the annual general meeting of the Company to be held on Friday, 28 May 2021 at 11:00 a.m., notice of which is set out on pages 7 to 12 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of directors
“Buy-back Mandate”	a general mandate to the Directors to exercise the powers of the Company to buy back Shares during the period as set out in the Buy-back Resolution up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Buy-back Resolution
“Buy-back Resolution”	the proposed ordinary resolution as referred to in resolution No. 5 in the notice of Annual General Meeting
“Company”	Citychamp Watch & Jewellery Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 256)
“Director(s)”	director(s) of the Company
“Executive Director(s)”	the executive director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Non-executive Director(s)”	independent non-executive director(s) of the Company
“Latest Practicable Date”	19 April 2021, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Hon Kwok Lung (*Chairman*)  
Shang Jianguang (*Chief Executive Officer*)  
Shi Tao  
Lam Toi Man  
Bi Bo  
Sit Lai Hei  
Hon Hau Wong  
Teguh Halim

*Independent Non-executive Directors:*

Kwong Chun Wai, Michael  
Zhang Bin  
Kam, Eddie Shing Cheuk  
Li Ziqing

*Registered Office:*

P.O. Box 309  
Ugland House  
South Church Street  
Grand Cayman, KY1-1104  
Cayman Islands

*Principal Place of Business:*

Units 1902–04, Level 19  
International Commerce Centre  
1 Austin Road West  
Kowloon  
Hong Kong

Hong Kong, 28 April 2021

*To the Shareholders,*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO ISSUE SHARES AND TO BUY BACK SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to notify shareholders of the Company the convening of the Annual General Meeting and to provide you with information in connection with the proposals to: (i) grant the general mandates to issue Shares and to buy back Shares; and (ii) re-elect the retiring Directors.

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## LETTER FROM THE BOARD

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### 2. PROPOSED GENERAL MANDATES TO ISSUE SHARES AND TO BUY BACK SHARES

At the annual general meeting of the Company held on 30 June 2020, approval was given by the Shareholders for the granting of, inter alia, the general mandates to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at 30 June 2020; and (ii) to buy back Shares on the Stock Exchange up to 10% of the aggregate nominal amount of the issued share capital of the Company as at 30 June 2020. In accordance with the terms of the approval, these general mandates will shortly expire on 28 May 2021 upon the conclusion of the Annual General Meeting. To keep in line with the current corporate practice the grant of fresh general mandates for the same purpose is being sought from the Shareholders and the ordinary resolutions to grant these mandates to the Directors will be proposed at the Annual General Meeting.

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,351,888,206 Shares. Assuming that there is no change in respect of the issued share capital of the Company after the Latest Practicable Date and up to the passing of the Buy-back Resolution, the Company will therefore be allowed under the mandate to issue a maximum of 870,377,641 Shares.

The Explanatory Statement required by the Listing Rules to be sent to the Shareholders in connection with the Buy-back Resolution is set out in Appendix I to this circular.

Conditional upon the passing of the Resolutions No. 4 and No. 5, an ordinary resolution to authorise the Directors to exercise the powers to allot, issue and deal with additional Shares of the Company under the general mandate to issue shares in respect of the aggregate nominal amount of the share capital in the Company bought back by the Company will also be proposed for approval by the Shareholders at the Annual General Meeting.

### 3. RE-ELECTION OF DIRECTORS

In accordance with Article 99 of the Articles of Association of the Company, any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. In this regard, Mr. Kam, Eddie Shing Cheuk (“**Mr. Kam**”) and Mr. Li Ziqing (“**Mr. Li**”) who were appointed as Independent Non-executive Directors on 6 November 2020 will retire and, being eligible, offer themselves for re-election at the Annual General Meeting.

To ensure the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company’s business, the Company sets out in the Nomination Policy a non-exhaustive list of criteria and in the Board Diversity Policy measurable objectives for the Nomination Committee to assess suitability of a proposed Director candidate to be eligible for nomination by the Board, to be elected by Shareholders and achieve diversity on the Board. In addition to the criteria, the Nomination Committee also assess, select and recommend candidates for the position of the Independent Non-executive Director of the Company by giving

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## LETTER FROM THE BOARD

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due consideration to the factors including but not limited to those set out in Rules 3.10(2) and 3.13 of the Listing Rules (as amended from time to time).

The nominations of Mr. Kam and Mr. Li were made in accordance with the factors set out in the Nomination Policy. These include, among others, reputation for character and integrity, accomplishment and experience in the relevant industries in which the Company's businesses are involved and other professional qualifications, diversity in all aspects (including but not limited to gender, age, cultural and educational background, professional experience or otherwise, skills, knowledge and length to service), with due regard for the benefits of diversity, as set out in the Board Diversity Policy.

The Nomination Committee took into consideration Mr. Kam's extensive experience in auditing, professional accounting, and worked for several Hong Kong listed companies of various industries and served senior roles in financial management and secretarial functions and Mr. Li's in-depth knowledge of the banking industry. The Nomination Committee was satisfied with the independence of Mr. Kam and Mr. Li with reference to the criteria set out in Rule 3.13 of the Listing Rules. Mr. Kam's experience and knowledge in various professions would certainly help the Board in terms of, among others, chairing the Audit Committee and giving opinions from a younger perspective. Mr. Li's extensive experience in the banking industry is in line with the banking and financial businesses of the Company, in which the Company is increasingly focused. It is believed that two new independent non-executive directors can make positive contribution to the development of the Company's strategies and policies through independent and constructive comments.

In accordance with Article 116 of the Articles of Association of the Company, at each annual general meeting, one-third of the directors for the time being shall retire from office, provided that every director shall be subject to retirement by rotation at least once every three years as prescribed by the Listing Rules. In this regard, Mr. Shi Tao ("**Mr. Shi**"), Ms. Sit Lai Hei ("**Ms. Sit**"), Mr. Teguh Halim ("**Mr. Halim**") and Dr. Kwong Chun Wai, Michael ("**Dr. Kwong**") will retire and, being eligible, offer themselves for re-election at the Annual General Meeting.

The Nomination Committee has nominated (i) Mr. Shi, Ms. Sit and Mr. Halim to the Board for it to recommend to Shareholders for re-election as Executive Directors of the Company and (ii) Dr. Kwong, Mr. Kam and Mr. Li to the Board for it to recommend to Shareholders for re-election as Independent Non-executive Directors of the Company at the Annual General Meeting. The Board accepted the nominations from the Nomination Committee and ordinary resolutions will put forward to the Shareholders in relation to the proposed re-election of (i) Mr. Shi, Ms. Sit and Mr. Halim as Executive Directors of the Company, and (ii) Dr. Kwong, Mr. Kam and Mr. Li as Independent Non-executive Directors of the Company at the Annual General Meeting.

According to code provision A.4.3 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, if an independent non-executive director serves more than nine years, any further appointment of such independent non-executive director should be

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## LETTER FROM THE BOARD

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subject to a separate resolution to be approved by the shareholders. Dr. Kwong has served the Company as Independent Non-executive Directors since 2004. In this regard, a separate resolution to approve his re-election will be submitted to the Annual General Meeting.

Details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

A proposal will also be put forward for the Shareholders to authorise the Board to fix the Directors' remuneration.

#### **4. ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting is set out on pages 7 to 12 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the general mandates to issue Shares and to buy back Shares, and the re-election of retiring Directors.

Pursuant to the Listing Rules, the vote of Shareholders at the Annual General Meeting will be taken by poll. Results of the poll voting will be published on the Company's website at [www.irasia.com/listco/hk/citychamp](http://www.irasia.com/listco/hk/citychamp) and the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) after the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the Hong Kong share registrar and transfer office of the Company, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

#### **5. RECOMMENDATION**

The Directors believe that the general mandates to issue Shares and to buy back Shares and the re-election of the retiring Directors are all in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of such resolutions to be proposed at the Annual General Meeting.

By Order of the Board  
**Citychamp Watch & Jewellery Group Limited**  
**HON KWOK LUNG**  
*Chairman*

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the Company will be held at Studio 1, 7/F, W Hong Kong, 1 Austin Road West, Kowloon, Hong Kong on Friday, 28 May 2021 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the report of the directors and the independent auditor's report for the year ended 31 December 2020.
2.
  - (a) To re-elect Mr. Shi Tao as an Executive Director;
  - (b) To re-elect Ms. Sit Lai Hei as an Executive Director;
  - (c) To re-elect Mr. Teguh Halim as an Executive Director;
  - (d) To re-elect Dr. Kwong Chun Wai, Michael as an Independent Non-executive Director;
  - (e) To re-elect Mr. Kam, Eddie Shing Cheuk as an Independent Non-executive Director;
  - (f) To re-elect Mr. Li Ziqing as an Independent Non-executive Director; and
  - (g) To authorise the Board to fix the remuneration of Directors.
3. To re-appoint BDO Limited as the auditor of the Company and to authorise the Board to fix their remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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4. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as defined below); (ii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for grant or issue of shares or rights to acquire shares in the capital of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

5. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate nominal amount of shares of the Company which the Directors of the Company is authorised to buy back pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution; and the said approval shall be limited accordingly; and
  - (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
    - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”
6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** subject to the passing of Resolutions No. 4 and No. 5 set out in the notice convening this meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to Resolution No. 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company bought back by the Company under the authority granted pursuant to Resolution No. 5 set out in the notice convening this meeting, provided that such amount of shares so bought back shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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### **Precautionary Measures for the Annual General Meeting**

In light of the outbreak of novel coronavirus (COVID-19), the Company will implement the following precautionary measures in order to protect the health and safety of the attendees at the Annual General Meeting, including:

- a. all attendees will subject to compulsory body temperature checks at the entrance of the Annual General Meeting venue. Any person with a body temperature of 37 degrees Celsius or higher may be denied entry to the Annual General Meeting venue or be required to leave the Annual General Meeting venue;
- b. all attendees will be required to wear surgical face masks throughout the Annual General Meeting;
- c. any person who does not comply with the above measures may be denied entry to the Annual General Meeting venue; and
- d. no beverage or refreshments will be served at the Annual General Meeting.

Subject to the future development of the COVID-19 and the regulations to be promulgated by the Government of Hong Kong SAR, the proceeding of the Annual General Meeting may or may not be affected and the Company may implement changes to the precautionary measures as appropriate. Shareholders are advised to stay tuned with further announcement (if any) of the Company, which will be published on the website of the Stock Exchange and website of the Company, before they attend the Annual General Meeting.

By Order of the Board  
**Citychamp Watch & Jewellery Group Limited**  
**FONG CHI WAH**  
*Chief Financial Officer & Company Secretary*

Hong Kong, 28 April 2021

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. Any shareholder of the Company entitled to attend and vote at the Annual General Meeting shall be entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the Annual General Meeting. A proxy need not be a shareholder of the Company. In addition, a proxy or proxies representing either an individual shareholder or a corporate shareholder, shall be entitled to exercise the same powers on behalf of the shareholder which he/she or they represent as such shareholder could exercise.
2. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited with the Hong Kong share registrar and transfer office of the Company, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 48 hours before the time appointed for holding the Annual General Meeting (or adjourned meeting as the case may be).
3. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the Annual General Meeting convened or at any adjourned meeting (as the case may be) and in such event, the form of proxy will be deemed to be revoked.
4. Where there are joint holders of any share of the Company, any one of such holders may vote at the Annual General Meeting, either personally or by proxy, in respect of such share as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at the Annual General Meeting personally or by proxy, then the one of such holders whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder in whose name any share stands shall for this purpose be deemed joint holders thereof.
5. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Tuesday, 25 May 2021 to Friday, 28 May 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Monday, 24 May 2021 for registration of the relevant transfer.
6. If a typhoon signal No. 8 or above, or a "black" rainstorm warning signal is in effect any time after 7:00 a.m. on the date of the Annual General Meeting, the Annual General Meeting will be postponed. The Company will post an announcement on the websites of the Company and the Stock Exchange to notify shareholders of the Company of the date, time and place of the rescheduled meeting.
7. A circular containing the information regarding, inter alia, the directors proposed to be re-elected, and the general mandates to issue shares and to buy back shares of the Company will be sent to shareholders of the Company.
8. The translation into Chinese language of this notice is for reference only. In the case of inconsistency, the English text of this notice shall prevail over the Chinese text.

This Appendix serves as an explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the proposed Buy-back Mandate.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,351,888,206 Shares.

Subject to the passing of the Buy-back Resolution and on the assumption that no further Shares are issued or bought back prior to the Annual General Meeting, the Company would be allowed under the Buy-back Resolution to buy back a maximum of 435,188,820 Shares (representing 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the Buy-back Resolution).

### **2. SHAREHOLDERS' APPROVAL**

The Listing Rules provide that all proposed buy-backs of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction.

Such authority may only continue in force during the period from the passing of the resolution until whichever is the earlier of: (i) the conclusion of the next annual general meeting of the company, (ii) the expiration of the period within which the next annual general meeting of the company is required by law to be held, or (iii) the passing of an ordinary resolution by shareholders in general meeting of the company revoking or varying such mandate.

### **3. REASONS FOR BUY-BACKS**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from Shareholders to enable the Directors to buy back the Shares on the market.

Buy-backs of Shares will only be made when the Directors believe that such a buy back will benefit the Company and its Shareholders. Such buy-backs may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the net assets and/or earnings and/or dividend per share.

### **4. FUNDING OF BUY-BACKS**

Buy-backs must be funded out of the funds legally available for the purpose in accordance with the Company's constitutive documents, including memorandum and articles of association, and the applicable laws of the Cayman Islands, being profits available for distribution and the proceeds of a fresh issue of shares made for the purpose of the buy-backs. It is envisaged that the funds required for any buy-back would be derived from profits available for distribution.

The Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. However, there might be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements as at 31 December 2020) in the event that the Buy-back Mandate was exercised in full.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

Month	Share Prices (per share)	
	Highest HK\$	Lowest HK\$
<b>2020</b>		
April	1.650	1.520
May	1.590	1.470
June	1.680	1.540
July	1.650	1.470
August	1.640	1.520
September	1.670	1.550
October	1.650	1.550
November	1.640	1.540
December	1.810	1.600
<b>2021</b>		
January	1.710	1.480
February	1.590	1.480
March	1.680	1.500
April (up to Latest Practicable Date)	1.690	1.640

## 6. TAKEOVERS CODE

If as a result of a buy-back of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the register maintained by the Company pursuant to section 336 of Part XV of the Securities and Futures Ordinance shows the following interests in Shares being 5% or more of the issued share capital of the Company:

	<i>Notes</i>	<b>No. of Shares</b>	<b>Percentage of issued share capital as at the Latest Practicable Date</b>	<b>Percentage of 3,916,699,386 issued share capital if Buy-back Proposal is exercised in full</b>
Sincere View International Limited	(1)	1,377,261,515	31.65%	35.16%
Full Day Limited	(2)	1,640,128,000	37.69%	41.88%
Hon Kwok Lung	(3)	3,022,263,515	69.45%	77.16%
Lam Suk Ying	(3)	3,022,263,515	69.45%	77.16%

*Notes:*

- (1) Mr. Hon Kwok Lung holds 80% and his wife, Ms. Lam Suk Ying holds 20% interests in Sincere View International Limited (“**Sincere View**”), which is a substantial shareholder of the Company holding 1,377,261,515 Shares.
- (2) Mr. Hon Kwok Lung holds 100% interests in Full Day Limited (“**Full Day**”), which is a substantial shareholder of the Company holding 1,640,128,000 Shares.
- (3) Mr. Hon Kwok Lung and Ms. Lam Suk Ying are deemed to have an interest in the same parcel of 3,022,263,515 Shares (3,017,389,515 Shares held by Sincere View and Full Day, 3,500,000 Shares held by Mr. Hon Kwok Lung himself and 1,374,000 Shares held by Ms. Lam Suk Ying herself).

Based on the above shareholding, in the event the Directors would exercise in full the power to buy back Shares pursuant to the Buy-back Mandate and if there is no other change in the issued Shares, the shareholding of Mr. Hon Kwok Lung and parties acting in concert with him will increase from approximately 69.45% to approximately 77.16% and such increase will not give rise to an obligation to make a general offer under Rule 26 of the Takeovers Code.

Save as aforesaid, the Board is not aware of any consequences which would arise under the Takeovers Code as a result of an exercise of the Buy-back Mandate.

The Directors will not exercise the Buy-back Mandate to the extent that would result in the number of Shares held by the public being reduced to less than 25%.

**7. GENERAL**

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their associates, have any present intention, if the Buy-back Mandate is exercised, to sell any Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or that he/she/it has undertaken not to do so in the event that the Buy-back Resolution is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make buy-back pursuant to the Buy-back Mandate only in accordance with the Listing Rules, the Memorandum of Association, the Articles of Association and the laws of the Cayman Islands.

**8. SHARES BUY-BACK MADE BY THE COMPANY**

The Company has not bought back any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

**Mr. Shi Tao**

Mr. Shi Tao, aged 57, has been appointed as an Executive Director of the Company since 8 April 2004. He is also a member of the Risk Management Committee of the Company and director of various subsidiaries of the Group. He holds a Bachelor degree in Engineering from Tsinghua University and a Master degree in Engineering from Wuhan University of Technology (formerly known as Wuhan Industrial University). Mr. Shi has years of business experience in Mainland China. He was an Executive Director of New Capital International Investment Limited, a company listed on the Main Board of the Stock Exchange.

Mr. Shi has entered into a service agreement with the Company for an initial term of two years commencing from 1 July 2004. The service agreement will continue for successive terms of one year unless terminated by not less than two months' written notice served by either party to the other.

Mr. Shi is entitled to a monthly salary of HK\$130,000 payable on a 13-month basis and a discretionary bonus for each completed year of service to be determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Shi was, for the purposes of Part XV of the SFO, interested in 5,000,000 Shares, representing approximately 0.11% of the issued share capital of the Company. Save as disclosed above, he did not have any interests in the securities of the Company within the meaning of Part XV of the SFO, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as at the Latest Practicable Date.

Save as disclosed above, Mr. Shi neither have any positions held with the Company and other members of the Company's group nor have other directorships held in listed public companies in the last three years and other major appointments and qualifications. Besides, there is no other information required to be disclosed under Rules 13.51(2) of the Listing Rules and any other matters that need to be brought to the attention of the shareholders of the Company.

**Ms. Sit Lai Hei**

Ms. Sit Lai Hei, aged 43, was first appointed as a Non-executive Director of the Company on 18 November 2004 and has been re-designated as an Executive Director of the Company since 26 March 2012. Ms. Sit also serves as the chairman of the Risk Management Committee of the Company and director for various subsidiaries of the Group. Ms. Sit graduated in Fuzhou University taking Marketing as her major and is a qualified assistant engineer in Mainland China. Ms. Sit is also a Director of Citychamp Dartong Company Limited, the shares of which are listed on the Shanghai Stock Exchange, and the legal representative and director of Fujian Fengrong Investment Co., Ltd. ("**Fujian Fengrong**").

Ms. Sit has entered into a service agreement with the Company for an initial term of two years commencing from 26 March 2012. The service agreement will continue for successive terms of one year unless terminated by not less than two months' written notice served by either party to the other.

Ms. Sit is entitled to a monthly salary of HK\$110,000 payable on a 13-month basis and a discretionary bonus for each completed year of service to be determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Ms. Sit is the daughter-in-law of Mr. Hon Kwok Lung, niece-in-law of Mr. Lam Toi Man and sister-in-law of Mr. Hon Hau Wong and Mr. Teguh Halim, all are Executive Directors of the Company. Mr. Hon Kwok Lung is the Chairman of the Board and controlling shareholder of the Company. 1,377,261,515 Shares 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. 1,640,128,000 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 3,022,263,515 Shares (3,017,389,515 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), representing approximately 69.45% of the issued share capital of the Company.

As at the Latest Practicable Date, Ms. Sit Lai Hei was deemed to have interest in 200,000,000 Shares of the Company which were held by Qiangda Limited ("**Qiangda**"), representing approximately 4.60% of the issued share capital of the Company. Qiangda is a wholly-owned subsidiary of Fengrong Investment (Hong Kong) Company Limited ("**Fengrong Hong Kong**"). Fengrong Hong Kong is wholly owned by Fujian Fengrong, which is owned approximately 68.5% by Ms. Sit. Fujian Fengrong also directly holds 9% of Zhuhai Rossini Watch Industry Limited, a 91% subsidiary indirectly held by the Company. Save as disclosed above, she did not have any interests in the securities of the Company and its associated corporations within the meaning of Part XV of the SFO, nor did she have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as at the Latest Practicable Date.

Save as disclosed above, Ms. Sit neither have any positions held with the Company and other members of the Company's group nor have other directorships held in listed public companies in the last three years and other major appointments and qualifications. Besides, there is no other information required to be disclosed under Rules 13.51(2) of the Listing Rules and any other matters that need to be brought to the attention of the shareholders of the Company.

**Mr. Teguh Halim**

Mr. Halim, aged 39, has been appointed as an Executive Director of the Company since 23 January 2018. Before being appointed as an Executive Director of the Company, he was an Vice President of the Company. Mr. Halim is also the director of several subsidiaries of the Company engaged in watch business. Mr. Halim has also been appointed as the vice chairman of Ernest Borel Holdings Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 1856) since 12 October 2018. He has gained years of experience in the watch manufacturing and distribution industry and business management. Mr. Halim graduated from Ohio State University as bachelor of science in business administration majoring in accounting.

Mr. Halim has entered into a service agreement with the Company for an initial term of two years commencing from 23 January 2018. The service agreement will continue for successive terms of one year unless terminated by not less than two months' written notice served by either party to the other.

Mr. Halim is entitled to a monthly salary of HK\$110,000 payable on a 13-month basis and a discretionary bonus for each completed year of service to be determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Mr. Halim is the son-in-law of Mr. Hon Kwok Lung, nephew-in-law of Mr. Lam Toi Mon and brother in law of Ms. Sit Lai Hei and Mr. Hon Hau Wong, all are Executive Directors of the Company. Mr. Hon Kwok Lung is the Chairman of the Board and controlling shareholder of the Company. 1,377,261,515 Shares are held by Sincere View, which is owned as to 80% and 20% by Mr. Hon Kwok Lung and his wife, Ms. Lam Suk Ying, respectively. 1,640,128,000 Shares are held by 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 3,022,263,515 Shares (3,017,389,515 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), representing approximately 69.45% of the issued share capital of the Company.

As at the Latest Practicable Date, Mr. Halim was, for the purposes of Part XV of the SFO, deemed to have an interest in 6,000,000 Shares of the Company (3,000,000 Shares held by Mr. Halim himself and 3,000,000 Shares held by his spouse), representing approximately 0.14% of the issued share capital of the Company. Save as disclosed above, he did not have any interests in the securities of the Company within the meaning of Part XV of the SFO, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company as at the Latest Practicable Date.

Save as disclosed above, Mr. Halim neither have any positions held with the Company and other members of the Company's group nor have other directorships held in listed public

companies in the last three years and other major appointments and qualifications. Besides, there is no other information required to be disclosed under Rules 13.51(2) of the Listing Rules and any other matters that need to be brought to the attention of the shareholders of the Company.

**Dr. Kwong Chun Wai, Michael**

Dr. Kwong, aged 56, has been appointed as an Independent Non-executive Director of the Company since 8 April 2004 and is currently a member of the audit committee, the remuneration committee and the nomination committee of the Company. Dr. Kwong is a fellow of the International Institute of Management, a member of the Hong Kong Institute of Marketing, a business strategist specialising in the area of marketing and business administration. Dr. Kwong obtained a Bachelor of arts degree with honours in philosophy from the University of Nottingham in the United Kingdom in 1987 and a Doctorate degree in business administration from Newport University (US) in 2001.

According to the letter of appointment entered into between the Company and Dr. Kwong, his initial term is two years commencing from 3 May 2004. The letter of appointment will continue for successive terms of one year unless terminated by not less than one month's written notice served by either party to the other. Dr. Kwong is currently entitled to a director's fees of HK\$200,000 per annum, which is determined by the Board of the Company with reference to his duties and responsibilities within the Company, the expected time of commitment and the prevailing market conditions.

As at the Latest Practicable Date, Dr. Kwong did not have any interests in the securities of the Company within the meaning of Part XV of the SFO, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, save as disclosed above, Dr. Kwong did not have any other positions in the Company and other members of the Company's group nor did he have other directorships held in listed public companies in the last three years and other major appointments and qualifications. Besides, there is no other information required to be disclosed under Rules 13.51(2) of the Listing Rules and any other matters that need to be brought to the attention of the Shareholders of the Company.

Dr. Kwong has been serving the Company as an Independent Non-executive Director for more than seventeen years. In the process of assessing his independence, each of the factors set forth in the Listing Rule 3.13(1) to (8) has been confirmed by him and reviewed by the Company. Taking into account that Dr. Kwong is not involved in executive management of the Company and is able to demonstrate the independence to fulfill his role effectively during his years of appointment, the Board considers him to be independent under Rule 3.13 of the Listing Rules. Dr. Kwong has acted objectively and independently in monitoring the management team, promoting the objective decision-making of the Board and advising the Board and senior management based on his expertise and experience in business administration. Therefore, the

Board believes that Dr. Kwong should be re-elected since his continuous appointment is valuable to the Company.

**Mr. Kam, Eddie Shing Cheuk**

Mr. Kam (formerly known as Kam Leung Ming), aged 46, has been appointed as an Independent Non-executive Director of the Company since 6 November 2020 and is currently chairman of the audit committee and the remuneration committee and a member of the nomination committee of the Company. He holds a bachelor's degree in accountancy and a master's degree in corporate governance from the Hong Kong Polytechnic University. He is currently a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of The Institute of Chartered Accountants in England and Wales, an associate member of The Hong Kong Institute of Chartered Secretaries and an associate member of The Chartered Governance Institute. Mr. Kam has over 24 years of experience in auditing, professional accounting and worked for several Hong Kong listed companies of various industries and served senior roles in financial management and secretarial functions.

Mr. Kam is currently an executive director and company secretary of Get Nice Holdings Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 64); an independent non-executive director of Ever Harvest Group Holdings Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 1549) and Genes Tech Group Holdings Company Limited (a company listed on the Growth Enterprise Market of the Stock Exchange, Stock Code: 8257). He is an independent non-executive director of Xiezhong International Holdings Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 3663) since 16 December 2020 and a non-executive director of Panagaea Connectivity Technology Ltd. (a company listed on the Main Board of the Stock Exchange, Stock Code: 1473) since 19 February 2021. He was an independent non-executive director of Casablanca Group Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 2223) from April 2015 to May 2017 and also an executive director and company secretary of Get Nice Financial Group Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 1469) from September 2015 to April 2017.

Mr. Kam was appointed as a director of the board of directors of the 6th Term Guangzhou Overseas Friendship Association Committee in March 2013, a committee member of the Chinese People's Political Consultative Conference Shanghai Committee (Baoshan District) in December 2016 and a director of the board of directors of the 7th Term Shenzhen Overseas Friendship Association Committee in 2017.

According to the letter of appointment entered into between the Company and Mr. Kam, his initial term is two years commencing from 6 November 2020. The letter of appointment will continue for successive terms of one year unless terminated by not less than one month's written notice served by either party to the other. According to the terms of the letter of appointment, Mr. Kam is entitled to a director's fees of HK\$200,000 per annum, which is determined by the

Board of the Company with reference to his duties and responsibilities within the Company, the expected time of commitment and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Kam did not have any interests in the securities of the Company within the meaning of Part XV of the SFO, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, save as disclosed above, Mr. Kam did not have any other positions in the Company and other members of the Company's group nor did he have other directorships held in listed public companies in the last three years and other major appointments and qualifications. Besides, there is no other information required to be disclosed under Rules 13.51(2) of the Listing Rules and any other matters that need to be brought to the attention of the Shareholders of the Company.

### **Mr. Li Ziqing**

Mr. Li, aged 69, has been appointed as an Independent Non-executive Director of the Company since 6 November 2020 and is currently a member of the audit committee, remuneration committee and nomination committee of the Company. He graduated from Peking University, and he is a senior economist. From 1981 to 1982, he worked in the General Bureau of Bank of China Headquarters. From September 1982 to March 1998, he served as a cadre of the Foreign Exchange Division and Deputy Director of the Information Department of the State Administration of Foreign Exchange of the People's Republic of China. From March 1998 to 2013, he served as the Vice President and Party Committee Member of China Everbright Bank ("**Everbright Bank**") and he served as Vice President and Chairman of Everbright Financial Leasing Company from 2010 to 2013. In addition, during the tenure of Mr. Li at Everbright Bank, he has been in charge of several departments including the Development Research Department, Accounting Department, Retail Business Department, Wealth Center, Credit Card Department, Financial Market Department, Investment Banking Department, and Technology Department, etc. Among them, the credit card department, investment banking department, wealth center and the leasing company were founded by Mr. Li. Mr. Li also led Everbright Bank to issue the first wealth management products in the banking industry.

According to the letter of appointment entered into between the Company and Mr. Li, his initial term is two years commencing from 6 November 2020. The letter of appointment will continue for successive terms of one year unless terminated by not less than one month's written notice served by either party to the other. According to the terms of the letter of appointment, Mr. Li is entitled to a director's fees of HK\$200,000 per annum, which is determined by the Board of the Company with reference to his duties and responsibilities within the Company, the expected time of commitment and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Li did not have any interests in the securities of the Company within the meaning of Part XV of the SFO, nor did he have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, save as disclosed above, Mr. Li did not have any other positions in the Company and other members of the Company's group nor did he have other directorships held in listed public companies in the last three years and other major appointments and qualifications. Besides, there is no other information required to be disclosed under Rules 13.51(2) of the Listing Rules and any other matters that need to be brought to the attention of the Shareholders of the Company.