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CHEUK NANG (HOLDINGS) LIMITED

卓能（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 131)

**APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR,
CHAIRMAN OF REMUNERATION COMMITTEE AND MEMBER
OF AUDIT COMMITTEE AND NOMINATION COMMITTEE
AND
GRANT OF WAIVER FROM STRICT COMPLIANCE WITH RULES
3.10(1), 3.10A, 3.11, 3.21, 3.23, 3.25 and 3.27 OF THE LISTING RULES**

**APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR,
CHAIRMAN OF REMUNERATION COMMITTEE AND MEMBER OF AUDIT
COMMITTEE AND NOMINATION COMMITTEE**

The Board wishes to announce that Mr. Sun Dai Hoe Harold has been appointed as an independent non-executive Director, Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee with effect from 29 March 2022.

**GRANT OF WAIVER FROM STRICT COMPLIANCE WITH RULES 3.10(1),
3.10A, 3.11, 3.21, 3.23, 3.25 AND 3.27 OF THE LISTING RULES**

The Company has made an application to the Stock Exchange for the Waiver and the Stock Exchange granted the Waiver to the Company on 23 March 2022.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN OF REMUNERATION COMMITTEE AND MEMBER OF AUDIT COMMITTEE AND NOMINATION COMMITTEE

The board (the “**Board**”) of directors (the “**Director(s)**”) of Cheuk Nang (Holdings) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that Mr. Sun Dai Hoe Harold (“**Mr. Sun**”) has been appointed as an independent non-executive Director, Chairman of the remuneration committee (the “**Remuneration Committee**”) and a member of the audit committee (the “**Audit Committee**”) and the nomination committee (the “**Nomination Committee**”) with effect from 29 March 2022. The biographical information of Mr. Sun are as follows:

Mr. Sun, aged 59, is currently an executive director of the Sun International Group of Companies and has been appointed as an independent non-executive director of Oriental Watch Holdings Limited (HKSE 0398), a company listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), since 23 March 2022. He was previously an independent non-executive director of Saizen REIT, a real estate investment trust listed on the Singapore Exchange Securities Trading Limited, from January 2008 until its voluntary delisting in October 2017.

Mr. Sun was awarded an Master degree in Business Administration from University of British Columbia, Canada in 1987. Mr. Sun possesses over 30 years of experience in marketing and distribution of consumer products in Hong Kong and Southeast Asia. He was the Chairman of the Federation of Hong Kong Watch Trades and Industries Limited from 2017 to 2019 and has been its advisor since 2020. In addition, he has been the Chairman of Qualifications Framework, Watch and Clock Industry Training Advisory Committee since January 2022, a member of Hong Kong Productivity Council’s Watch and Clock Technology Centre Management Committee since 2016, and was a member of Hong Kong Trade Development Council’s Watches and Clocks Advisory Committee from 2016 to 2020. Mr. Sun was the Vice-President of Singapore Clock and Watch Trade Association from 2010 to 2017. Mr. Sun’s experience also includes real estate investment in Hong Kong, Singapore, Malaysia and North America through his family holdings.

Mr. Sun is appointed by way of a letter of appointment with an initial term of three years commencing from 29 March 2022 subject to retirement by rotation and re-election pursuant to the articles of association of the Company. He is entitled to a director’s fee of HK\$68,340 per annum which is determined by the Board and approved by the Remuneration Committee with reference to Mr. Sun’s duties in the Company and comparable market statistics.

Mr. Sun is the son of the late Dr. Samson Sun, M.B.E., J.P. (“**Dr. Sun**”), who was an independent non-executive Director before he passed away on 28 November 2021. Accordingly, Mr. Sun is connected with a Director within two years immediately prior to the date of his proposed appointment as an independent non-executive Director under Rule 3.13(6) of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). The Board (including the Nomination Committee) has assessed the background and qualification of Mr. Sun and having taken into account that (i) save as disclosed above, Mr. Sun meets all the other independence factors set out in Rule 3.13 of the Listing Rules; (ii) Mr. Sun has appropriate experience to act as a Director; and (iii) Mr. Sun’s background and his extensive experience in real estate investment would benefit the management of the Group’s business, considered Mr. Sun to be independent and a suitable candidate for being an independent non-executive Director.

Save as disclosed above, as at the date of this announcement, Mr. Sun (i) has not held and is not holding any other position with the Company and other members of the Group; (ii) has not held any other directorships in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company (within the meaning the Listing Rules); and (iv) does not have and is not deemed to have any interest or short positions in the shares or other securities of the Company or any of its associated corporations which is required to be disclosed under Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Save as disclosed above, there is no other information relating to the appointment of Mr. Sun that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company.

The Board would like to express its warmest welcome to Mr. Sun on his new appointment.

GRANT OF WAIVER FROM STRICT COMPLIANCE WITH RULES 3.10(1), 3.10A, 3.11, 3.21, 3.23, 3.25 AND 3.27 OF THE LISTING RULES

Reference is made to the announcement of the Company dated 30 November 2021 in relation to the passing away of the late Dr. Sun (the “**Announcement**”). As disclosed in the Announcement, following the passing away of the late Dr. Sun, the number of independent non-executive Directors on the Board and the Audit Committee and the Remuneration Committee had fallen below the minimum of three members as required under Rules 3.10(1), 3.10A, 3.21 and 3.25 of the Listing Rules.

Pursuant to Rules 3.11, 3.23 and 3.27 of the Listing Rules, the Company should appoint an additional independent non-executive Director within three months after failing to meet the requirements under Rules 3.10(1), 3.10A, 3.21 and 3.25 of the Listing Rules.

Since the publication of the Announcement, the Company had taken steps to identify suitable candidates with appropriate expertise to fill the casual vacancy on the Board. As the late Dr. Sun passed away on 28 November 2021 which was followed by the Christmas holiday and the spring festival holiday periods, the Company had faced difficulties in identifying potential candidates with such expertise and who are in the Company's view suitable candidate. In addition, the recent development of the COVID-19 pandemic in Hong Kong had substantially restricted the Company's ability to meet with potential candidates.

As the Company required additional time to identify, consider, meet with, and negotiate with the suitable candidate(s) on the offer and terms of engagement to be made, the Company had applied to the Stock Exchange for a waiver from strict compliance with Rules 3.10(1), 3.10A, 3.11, 3.21, 3.23, 3.25 and 3.27 of the Listing Rules (the "Waiver") and the Stock Exchange granted the Waiver to the Company on 23 March 2022 to extend the grace period under Rules 3.11, 3.23 and 3.27 of the Listing Rules to 14 April 2022 to comply with Rules 3.10(1), 3.10A, 3.21 and 3.25 of the Listing Rules.

Following the appointment of Mr. Sun, (i) the Board comprises four executive Directors, two non-executive Directors and three independent non-executive Directors; (ii) the Audit Committee comprises 2 independent non-executive Directors and 1 non-executive Director; (iii) each of the Remuneration Committee and the Nomination Committee comprises 3 members with a majority of them are independent non-executive Directors. Accordingly, the Company has complied with Rules 3.10(1), 3.10A, 3.21 and 3.25 of the Listing Rules as the date of this announcement.

By Order of the Board
CHEUK NANG (HOLDINGS) LIMITED
Ho Sau Fun Connie
Executive Director

Hong Kong, 29 March 2022

As at the date of this announcement, the Executive Directors are Dr. Chao Sze Tsung Cecil (Chairman), Ms. Chao Gigi (Vice Chairman), Mr. Yung Philip and Ms. Ho Sau Fun Connie; the Non-executive Directors are Mr. Lee Ding Yue Joseph and Mr. Chao Howard and the Independent Non-executive Directors are Mr. Ting Woo Shou Kenneth, Mr. Lam Ka Wai Graham and Mr. Sun Dai Hoe Harold.