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## **Time Watch Investments Limited**

**時計寶投資有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2033)**

### **CONTINUING CONNECTED TRANSACTION**

### **SUPPLEMENTAL AGREEMENT TO ADMINISTRATIVE SERVICES AGREEMENT**

#### **SUPPLEMENTAL AGREEMENT TO THE ADMINISTRATIVE SERVICES AGREEMENT**

On 31 December 2018, TWB entered into the Supplemental Administrative Services Agreement with Fortune Concept in relation to (i) the revision of the services fee of the Administrative Services under the Administrative Services Agreement from HK\$147,000 per month to HK\$158,000 per month; and (ii) the extension of the expiry date of the Administrative Services Agreement from 31 December 2018 to 31 August 2019 (such that the Administrative Services Agreement shall have a term commencing from 1 January 2019 and ending on 31 August 2019 (both dates inclusive) unless terminated earlier by a party serving three months notice in writing on the other party), with effect from 1 January 2019. It is expected that, following the entering into of the Supplemental Administrative Services Agreement, the services fee payable by TWB under the Administrative Services Agreement for the eight months ending 31 August 2019 will not exceed the annual cap of HK\$1,264,000.

## **IMPLICATION UNDER THE LISTING RULES**

As (i) ILG is owned as to approximately 60.34% by Mr. Chainani and his brother; (ii) Mr. Chainani is the sole shareholder of IWG, being a substantial shareholder of TWB; and (iii) Fortune Concept is wholly owned by ILG, each of ILG and other members of the ILG Group (including Fortune Concept) is a connected person of the Company at the subsidiary level. As such, the transactions under the Supplemental Administrative Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, as (i) Fortune Concept is a connected person of the Company at the subsidiary level; (ii) the terms of the Supplemental Administrative Services Agreement are on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) has approved the transactions and confirmed that the Supplemental Administrative Services Agreement is on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole, the transactions under the Supplemental Administrative Services Agreement are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules. None of the Directors has a material interest in any of the Supplemental Administrative Services Agreement.

Reference is made to the Announcements in relation to, among others, the Administrative Services Agreement. This announcement is made by the Company pursuant to Rule 14A.35 of the Listing Rules.

## **SUPPLEMENTAL AGREEMENT TO THE ADMINISTRATIVE SERVICES AGREEMENT**

As disclosed in the Announcements, pursuant to the Administrative Services Agreement entered into between TWB and Fortune Concept on 4 July 2017 (as amended by a supplemental agreement dated 7 February 2018), Fortune Concept shall provide the Administrative Services to the Group in consideration of a service fee of HK\$147,000 per month to be paid by TWB to Fortune Concept for a term commencing from 30 June 2018 and ending on 31 December 2018 (both dates inclusive) unless terminated earlier by a party serving three months notice in writing on the other party.

The Board hereby announces that on 31 December 2018, TWB entered into the Supplemental Administrative Services Agreement with Fortune Concept in relation to (i) the revision of the services fee of the Administrative Services under the Administrative Services Agreement from HK\$147,000 per month to HK\$158,000 per month; and (ii) the extension of the expiry date of the Administrative Services Agreement from 31 December 2018 to 31 August 2019 (such that the Administrative Services Agreement shall have a term commencing from 1 January 2019 and ending on 31 August 2019 (both dates inclusive) unless terminated earlier by a party serving three months notice in writing on the other party), with effect from 1 January 2019. Save as disclosed above, all the existing major terms and conditions of the Administrative Services Agreement remain unchanged.

### **Annual cap for the eight months ending 31 August 2019**

Following the entering into of the Supplemental Administrative Services Agreement, the Directors expect that the services fee payable by TWB under the Administrative Services Agreement for the eight months ending 31 August 2019 will not exceed the annual cap of HK\$1,264,000. Such annual cap is determined by the Directors based on the revised services fee payable by TWB as agreed under the Supplemental Administrative Services Agreement.

### **Reasons for and benefits in the Supplemental Administrative Services Agreement**

As a result of the increase in rental charged by the Landlord of Fortune Concept, TWB had entered into the Supplemental Administrative Services Agreement with Fortune Concept to increase the services fee payable by TWB under the Administrative Services Agreement and extend the term of the Administrative Services Agreement.

The Directors (including the independent non-executive Directors) considered the terms of the Supplemental Administrative Services Agreement and the related annual caps are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **Implication under the Listing Rules**

As (i) ILG is owned as to approximately 60.34% by Mr. Chainani and his brother; (ii) Mr. Chainani is the sole shareholder of IWG, being a substantial shareholder of TWB; and (iii) Fortune Concept is wholly owned by ILG, each of ILG and other members of the ILG Group (including Fortune Concept) is a connected person of the Company at the subsidiary level. As such, the transactions under the Supplemental Administrative Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

By virtue of Rule 14A.101 of the Listing Rules, as (i) Fortune Concept is a connected person of the Company at the subsidiary level; (ii) the terms of the Supplemental Administrative Services Agreement are on normal commercial terms; (iii) the Board (including all the independent non-executive Directors) has approved the transactions and confirmed that the Supplemental Administrative Services Agreement is on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole, the transactions under the Supplemental Administrative Services Agreement are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules. None of the Directors has a material interest in any of the Supplemental Administrative Services Agreement.

## **INFORMATION OF THE GROUP AND FORTUNE CONCEPT**

The Group is principally engaged in (i) the manufacture of its Tian Wang watches, (ii) the retail sales of its Tian Wang and Balco watches, (iii) retail sales of other brands watches in the PRC, (iv) design, manufacture and global distribution of certain owned and licensed international brands of watches, and (v) the ancillary trading of watch movements business.

Fortune Concept, a company incorporated in Hong Kong with limited liability, is principally engaged in the business of distributing and retailing of various international brands of watches and related accessories in the Far East and Asia Pacific region.

## TERMS USED IN THIS ANNOUNCEMENT

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Administrative Services”	provision of administrative services by Fortune Concept in relation to the Group’s sales of the Multi-brand Watches in the Territory pursuant to the terms and conditions of the Administrative Services Agreement
“Administrative Services Agreement”	a services agreement dated 4 July 2017 and entered into between TWB and Fortune Concept in connection with the provision of Administrative Services by Fortune Concept pursuant to the terms and conditions thereof
“Announcements”	announcement of the Company dated 4 July 2017 and 7 February 2018 in relation to, among others, the Administrative Services Agreement
“Company”	Time Watch Investments 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
“Director(s)”	director(s) of the Company
“Fortune Concept”	Fortune Concept Limited, a limited liability company incorporated in Hong Kong which is wholly owned by ILG
“Group”	the Company and its subsidiaries
“ILG”	ILG of Switzerland Ltd, a limited liability company incorporated in Switzerland which is owned as to approximately 60.34% by Mr. Chainani and his brother
“ILG Group”	collectively, ILG and its subsidiaries from time to time

“Independent Third Party(ies)”	party or parties which, as far as the Directors are aware of after having made all reasonable enquiries, is/are not connected persons (as defined under the Listing Rules) of the Company
“IWG”	International Watch Group Limited, a limited liability company incorporated in Hong Kong and a minority shareholder of TWB which is wholly owned by Mr. Chainani
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chainani”	Mr. Pishu Vashdev Chainani, a United Arab Emirates individual and the sole shareholder of IWG
“Multi-brand Watches”	multi-brand watches and accessories of the Group or those of which the Group is licensed to distribute
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Administrative Services Agreement”	the supplemental agreement dated 31 December 2018 and entered into between TWB and Fortune Concept in relation to the revision of the services fee of the Administrative Services under the Administrative Services Agreement and the extension of the term of the Administrative Services Agreement

“Territory”	any place in the world, other than the United States
“TWB”	TWB Investments Limited, a limited liability company incorporated in Hong Kong and an indirect non-wholly owned subsidiary of the Company which is owned as to 51% by the Group and as to 49% by IWG
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By the order of the Board  
**Time Watch Investments Limited**  
**Tung Koon Ming**  
*Chairman and Executive Director*

Hong Kong, 31 December 2018

*As at the date of this announcement, the executive Directors are Mr. Tung Koon Ming, Mr. Tung Wai Kit and Mr. Deng Guanglei; and the independent non-executive Directors are Mr. Ma Ching Nam, Mr. Wong Wing Keung Meyrick and Mr. Choi Ho Yan.*