Time Watch Investments Limited
時計寶投資有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2033)

PROFIT WARNING

This announcement is made by Time Watch Investments Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors of the Company (the "**Directors**") wishes to inform the shareholders of the Company and potential investors that, based on the information currently available to the Company and the preliminary review of the unaudited consolidated results of the Group for the year ended 30 June 2020 ("**FY2020**"), it is expected that the profit for the year attributable to the owners of the Company for FY2020 will decrease by approximately 70% as compared to that for the year ended 30 June 2019. The Board considers that such decrease was mainly attributable to the significant impact on the operations of the Group since January 2020 and the weak consumer sentiment caused by the outbreak of COVID-19 in the PRC. As disclosed in the inside information announcement of the Company dated 2 June 2020 ("**Announcement**"), the operations of some of the point of sales ("**POS**") of the Group in the PRC were suspended for around 14 days in February 2020 and the customer traffic flow in the department stores and shopping malls were relatively low during February to April of 2020. The Group expects such impact may continue as operating environment is still uncertain within the foreseeable future and recovery of the economy and consumer sentiment may takes longer than expected due to the enduring impact of the COVID-19 continuing in the PRC.

In view of the potential unsatisfactory result together with the current extremely negative outlook on the operating environment, the Board is of the view that strong cash position is one of the most important part of a business to maintain a healthy operation during this difficult situation. As mentioned in the Announcement, the Board has planned not to declare final dividend for FY2020. Moreover, the Board will, in the forthcoming Board meeting approving the annual results, review the dividend policy and dividend payout ratio of the Company in order to prepare for the unexpected scenarios and maintain its strength to face the challenges and market uncertainties in the year ahead.

The information contained in this announcement is only based on the Board's preliminary assessment after reviewing the unaudited consolidated management accounts of the Group for FY2020, and such information has not been audited or reviewed by the Company's independent auditors or the audit committee of the Board. The Group's results for FY2020 are subject to further review by the Board, and the audit committee of the Board prior to the finalisation of such accounts. Therefore, the actual results of the Group for FY2020 may differ from the information contained in this announcement. The Group's annual results for FY2020 will be announced in compliance with the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company and read the announcement of the annual results of the Company for FY2020 carefully when it is published.

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

Hong Kong, 28 August 2020

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