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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF AN ASSET

The Board is pleased to announce that on 26 June 2023 (after trading hours of the Stock Exchange), the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser entered into the Memorandum of Agreement pursuant to which the Vendor agreed to sell, and the Purchaser agreed to buy, the Yacht at a consideration of US\$5,300,000 on and subject the terms and conditions thereof.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are more than 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirement, but is exempt from the circular and Shareholders' approval requirements under the Listing Rules.

Shareholders and potential investors should note that the Disposal contemplated under the Memorandum of Agreement is subject to certain terms and conditions and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

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THE MEMORANDUM OF AGREEMENT

Set out below are the principal terms of the Memorandum of Agreement:

Date: 26 June 2023 (after trading hours of the Stock Exchange)

Parties: (1) Sky Sun Investments Limited (as Vendor)
(2) Ekin Baran Ltd (as Purchaser)

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is an Independent Third Party.

Yacht: a motor yacht licensed in Hong Kong (official no. 143886) with a passenger carrying capacity of 50 persons

Consideration: US\$5,300,000

A deposit in the amount of US\$50,000 has been paid by the Purchaser to the authorized broker of Vendor. On the Completion Date, the deposit shall be released and the Purchaser shall pay the balance of the Consideration in the amount of US\$5,250,000 to the Vendor or its broker in accordance with the terms of the Memorandum of Agreement.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among other things, (i) the book value and market value of the Yacht; (ii) the quality and condition of the Yacht; and (iii) other reasons and benefits of the Disposal as stated under the section headed "Reasons for the Disposal" below.

The Directors (including the independent non-executive Directors) consider that the Consideration to be fair and reasonable and on normal commercial terms and the Disposal is in the interests of the Company and the Shareholders as a whole.

Sea Trial and Condition Survey: The Vendor will make the Yacht available to the Purchaser for a sea trial at a time to be mutually agreed between the parties. The Purchaser may at its own costs place ashore and/or open up the Yacht and her machinery for the purpose of completing a condition survey. The Purchaser may reject the Yacht if it considers that the Yacht has not performed to its satisfaction on the sea trial in accordance with the terms of the Memorandum of Agreement.

Completion: Completion is expected to take place on the Completion Date or such other date as may be agreed between the Vendor and the Purchaser.

INFORMATION OF THE PARTIES

The Group is principally engaged in the manufacturing, wholesale and retail business of watches in the PRC.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser is a company incorporated under the laws of England and Wales whose principal business activity was investment holding as at the date of this announcement; and each of the Purchaser and its ultimate beneficial owner is an Independent Third Party.

REASONS FOR THE DISPOSAL

The Yacht was acquired by the Group in 2020 for the purposes of receiving guests for its business and operation activities. Based on the management accounts of the Company, the Yacht had a book value of approximately HK\$33,683,000 as at 31 December 2022. Accordingly, the Group is expected to recognize a gain on Disposal of approximately HK\$7,864,000 in its financial statements for the year ending 30 June 2023, which is calculated on the basis of the difference between the carrying amount of the Yacht as at 31 December 2022 and the Consideration. It is intended that the sale proceed from the Disposal will be used as general working capital of the Group.

The Directors considered that it is beneficial to the Group to dispose and realise the Yacht at its current market value.

The Directors (including the independent non-executive Directors) considered that the terms of the Memorandum of Agreement are fair and reasonable and are on normal commercial terms and the Disposal is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal are more than 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirement, but is exempt from the circular and Shareholders' approval requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Time Watch Investments Limited (時計寶投資有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2033)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Memorandum of Agreement
“Completion Date”	27 June 2023 (or such other date as may be agreed between the Vendor and the Purchaser)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	US\$5,300,000, being the consideration for the Disposal

“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Yacht pursuant to the terms and conditions of the Memorandum of Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	Third party independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Agreement”	the memorandum of agreement entered into between the Vendor and the Purchaser in respect of the Disposal
“PRC”	the People’s Republic of China
“Purchaser”	Ekin Baran Ltd, a company incorporated under the laws of England and Wales
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the official currency of the United States
“Vendor”	Sky Sun Investments Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

“Yacht” a motor yacht licensed in Hong Kong (official no. 143886) with a passenger carrying capacity of 50 persons

“%” per cent

By Order of the Board
Time Watch Investments Limited
Mr. Tung Koon Ming
Chairman and Executive Director

Hong Kong, 26 June 2023

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