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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)**

### **CONNECTED TRANSACTIONS (1) EXTENSION OF THE 2019 HONG KONG TENANCY AGREEMENT; AND (2) EXTENSION OF THE 2019 ZHENGZHOU TENANCY AGREEMENT**

#### **EXTENSION OF THE 2019 HONG KONG TENANCY AGREEMENT**

The 2019 Hong Kong Tenancy Agreement in force will expire on 30 June 2020. To ensure continual use of the CEO Tower Premises after the expiry of the 2019 Hong Kong Tenancy Agreement, on 29 June 2020, the Group and Winning Asia entered into the 2020 Hong Kong Tenancy Agreement for another term of one year commencing from 1 July 2020.

## **EXTENSION OF THE 2019 ZHENGZHOU TENANCY AGREEMENT**

The 2019 Zhengzhou Tenancy Agreement in force will expire on 30 June 2020. To enable the Group's continual operation of a representative office at Zhengzhou, the PRC after the expiry of the 2019 Zhengzhou Tenancy Agreement, on 29 June 2020, the Group and Zhengzhou Weiji entered into the 2020 Zhengzhou Tenancy Agreement to lease the Zijingshan Premises for a term of one year commencing from 1 July 2020.

## **IMPLICATION UNDER THE LISTING RULES**

As Winning Asia is wholly-owned by Red Frame Group Limited, which, in turn, is wholly-owned by Mr. Michael Tung (being an executive Director), Winning Asia is a connected person of the Company. Therefore, the transaction contemplated under the 2020 Hong Kong Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As Zhengzhou Weiji is wholly and beneficially owned by Mr. Michael Tung (being an executive Director), Zhengzhou Weiji is a connected person of the Company. Therefore, the transaction contemplated under the 2020 Zhengzhou Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratios are more than 0.1% but less than 5%, the aggregate of (i) the rents payable by the Group to Winning Asia under the 2020 Hong Kong Tenancy Agreement for the year ending 30 June 2021; and (ii) the rents payable by the Group to the Zhengzhou Weiji under the 2020 Zhengzhou Tenancy Agreement for the year ending 30 June 2021 falls within the threshold prescribed in Rule 14A.76(2) of the Listing Rules. Hence, the connected transactions of the Company under the 2020 Hong Kong Tenancy Agreement and the 2020 Zhengzhou Tenancy Agreement will be subject to reporting, announcement and annual review requirements, but will be exempt from circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

# **EXTENSION OF THE 2019 HONG KONG TENANCY AGREEMENT**

## **Background**

The 2019 Hong Kong Tenancy Agreement in force will expire on 30 June 2020. To ensure continual use of the CEO Tower Premises after the expiry of the 2019 Hong Kong Tenancy Agreement, on 29 June 2020, the Group and Winning Asia entered into the 2020 Hong Kong Tenancy Agreement for another term of one year commencing from 1 July 2020.

## **The 2020 Hong Kong Tenancy Agreement**

Date: 29 June 2020

## ***Parties***

- (a) Lessor:           Winning Asia
- (b) Lessee:           Sky Sun

## ***Term***

One year commencing from 1 July 2020 until 30 June 2021 (both days inclusive) subject to the right for the Group to terminate the 2020 Hong Kong Tenancy Agreement by serving not less than one month prior written notice. The Group has an option to renew the tenancy under the 2020 Hong Kong Tenancy Agreement for a successive term of one year upon expiry of the original term.

## ***Monthly rent***

HK\$394,000, inclusive of repairing and maintenance fee, government rent and rates, management fees, electricity and water bills and other fees in relation to the use of the premises, but exclusive of other utility charges.

The rent payable under the 2020 Hong Kong Tenancy Agreement was negotiated among the parties thereto on an arm's length basis and was determined with reference to the current rent for the CEO Tower Premises under the 2019 Hong Kong Tenancy Agreement and the prevailing market rates for similar properties in the vicinity.

# **EXTENSION OF THE 2019 ZHENGZHOU TENANCY AGREEMENT**

## **Background**

The 2019 Zhengzhou Tenancy Agreement in force will expire on 30 June 2020. To enable the Group's continual operation of a representative office at Zhengzhou, the PRC after the expiry of the 2019 Zhengzhou Tenancy Agreement, on 29 June 2020, the Group and Zhengzhou Weiji entered into the 2020 Zhengzhou Tenancy Agreement to lease the Zijingshan Premises for a term of one year commencing from 1 July 2020.

## **The 2020 Zhengzhou Tenancy Agreement**

Date: 29 June 2020

## ***Parties***

- (a) Lessor: Zhengzhou Weiji
- (b) Lessee: Tian Wang Shenzhen

## ***Term***

One year commencing from 1 July 2020 until 30 June 2021 (both days inclusive) subject to the right for the Group to terminate the 2020 Zhengzhou Tenancy Agreement. The Group has an option to renew the 2020 Zhengzhou Tenancy Agreement for a successive term of one year by serving written notice two months before the expiry of the then original term.

### ***Monthly rent***

RMB32,467 inclusive of water, electricity, management fee and other utility charges, rates, management fees and other fees in relation to the use of the premises.

The rent payable under the 2020 Zhengzhou Tenancy Agreement was negotiated among the parties thereto on an arm's length basis and was determined with reference to the current rent for the Zijingshan Premises under the 2019 Zhengzhou Tenancy Agreement and the prevailing market rates for similar properties in the vicinity.

### **REASONS FOR AND BENEFITS IN THE CONNECTED TRANSACTIONS**

The Group has been using the CEO Tower Premises and the Zijingshan Premises as the Group's headquarters and principal place of business in Hong Kong and the Group's representative office in Zhengzhou, the PRC, respectively. For each of the years ended 30 June 2018 and 2019 and the period from 1 July 2019 to 31 May 2020, the aggregate rent, management fees and other outgoings (other than those which were collected by Winning Asia from the Group for payment to independent third parties) paid by the Group to Winning Asia in respect of the leasing of the CEO Tower Premises were about HK\$4.5 million, HK\$4.5 million and HK\$4.3 million, respectively, while the aggregate rent paid by the Group to Zhengzhou Weiji in respect of the leasing of the Zijingshan Premises were about RMB389,600, RMB389,600 and RMB357,100 respectively. The Directors consider that it will be in the interest of the Group to continue to use the CEO Tower Premises and the Zijingshan Premises.

The Directors (including the independent non-executive Directors) consider that the transactions under the 2020 Hong Kong Tenancy Agreement and the 2020 Zhengzhou Tenancy Agreement have been and will be entered into in the ordinary and usual course of business of the Company and on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole.

## **IMPLICATION UNDER THE LISTING RULES**

As Winning Asia is wholly-owned by Red Frame Group Limited, which, in turn, is wholly-owned by Mr. Michael Tung (being an executive Director), Winning Asia is a connected person of the Company. Therefore, the transaction contemplated under the 2020 Hong Kong Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As Zhengzhou Weiji is wholly and beneficially owned by Mr. Michael Tung (being an executive Director), Zhengzhou Weiji is a connected person of the Company. Therefore, the transaction contemplated under the 2020 Zhengzhou Tenancy Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratios are more than 0.1% but less than 5%, the aggregate of (i) the rents payable by the Group to Winning Asia under the 2020 Hong Kong Tenancy Agreement for the year ending 30 June 2021; and (ii) the rents payable by the Group to the Zhengzhou Weiji under the 2020 Zhengzhou Tenancy Agreement for the year ending 30 June 2021 falls within the threshold prescribed in Rule 14A.76(2) of the Listing Rules. Hence, the connected transactions of the Company under the 2020 Hong Kong Tenancy Agreement and the 2020 Zhengzhou Tenancy Agreement will be subject to reporting, announcement and annual review requirements, but will be exempt from circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

## **INFORMATION OF THE GROUP**

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

## **TERMS USED IN THIS ANNOUNCEMENT**

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

“2019 Hong Kong Tenancy Agreement”	a tenancy agreement dated 28 June 2019 entered into between Winning Asia as lessor and Sky Sun as lessee pursuant to which the Group agreed to lease from Winning Asia the CEO Tower Premises for a term of one year commencing from 1 July 2019
“2019 Zhengzhou Tenancy Agreement”	a tenancy agreement dated 28 June 2019 entered into between Zhengzhou Weiji as lessor and Tian Wang Shenzhen as lessee pursuant to which the Group agreed to lease from Zhengzhou Weiji the Zijingshan Premises for a term of one year commencing from 1 July 2019 (together with a supplemental agreement thereto entered between the parties on the same date)
“2020 Hong Kong Tenancy Agreement”	a tenancy agreement dated 29 June 2020 entered into between Winning Asia as lessor and Sky Sun as lessee pursuant to which the Group agreed to lease from Winning Asia the CEO Tower Premises for a term of one year commencing from 1 July 2020

“2020 Zhengzhou Tenancy Agreement”	a tenancy agreement dated 29 June 2020 entered into between Zhengzhou Weiji as lessor and Tian Wang Shenzhen as lessee pursuant to which the Group agreed to lease from Zhengzhou Weiji the Zijingshan Premises for a term of one year commencing from 1 July 2020 (together with a supplemental agreement thereto entered between the parties on the same date)
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“CEO Tower Premises”	Workshops 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 15 and 16 on 27th Floor, and four car parking spaces at CEO Tower, No. 77 Wing Hong Street, Kowloon, Hong Kong
“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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Michael Tung”	Mr. Tung Koon Ming (董觀明), the chairman of the Board, chief executive officer of the Company and an executive Director



“PRC”	the People’s Republic of China
“Shareholder(s)”	holder(s) of the shares of the Company
“Sky Sun”	Sky Sun Investments Limited (天新投資有限公司), a limited liability company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tian Wang Shenzhen”	天王電子(深圳)有限公司 (Tian Wang Electronics (Shenzhen) Co., Ltd.*), a limited liability company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company
“Winning Asia”	Winning Asia Holdings Group Limited (偉明亞洲控股集團有限公司), a company incorporated in the BVI with limited liability, the shares of which are indirectly wholly-owned by Mr. Michael Tung
“Zhengzhou Weiji”	鄭州偉基房地產營銷策劃有限公司 (Zhengzhou Weiji Real Estate Sales & Marketing Company Limited*), a company established in the PRC with limited liability, the equity interest of which is wholly and beneficially owned by Mr. Michael Tung
“Zijingshan Premises”	18/F, Zijingshan Department Store Building, No.1 Zijingshan Road, Zhengzhou City, Henan Province, PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“RMB” Renminbi, the lawful currency of the PRC

“%” per cent.

\* *The English translation of the Chinese name is for information only, and should not be regarded as the official English translation of such name*

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

Hong Kong, 29 June 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.*