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Time2U International Holding Limited

時間由你國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1327)

**PLACING OF EXISTING SHARES AND
SUBSCRIPTION OF NEW SHARES**

Placing Agent

BLACK MARBLE SECURITIES LIMITED

PLACING AND SUBSCRIPTION

On 5 August 2015 (after trading hours), the Company entered into the Agreement with Visual Wise and the Placing Agent, pursuant to which the Placing Agent agreed to place, on a best effort basis, the Placing Shares comprising up to 160,000,000 existing Shares at the Placing Price of HK\$0.40 per Placing Share on behalf of Visual Wise to not less than six professional, institutional, corporate or individual investors who and whose ultimate beneficial owners will be third parties independent of the Company and its connected persons, and Visual Wise will subscribe for the Subscription Shares comprising up to 160,000,000 new Shares, being the same number of the Placing Shares actually placed by the Placing Agent, at the Placing Price.

The maximum number of the Placing Shares (or the maximum number of Subscription Shares) represent (i) approximately 20% of the existing issued share capital of the Company; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the Subscription, assuming the Placing Shares are placed in full and no further new Shares will be issued before the completion of the Subscription.

The Subscription Shares will be in respect of such number which is equal to the number of Placing Shares successfully placed under the Placing.

The Subscription is conditional upon (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently revoked); (ii) completion of the Placing having occurred pursuant to the terms of the Agreement; and (iii) the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (or any delegate of the Executive Director) or the Takeovers and Mergers Panel granting a waiver to Visual Wise and any person acting in concert with it of any obligation for any of them, as a result of the Placing and the Subscription, to make a general offer under Rule 26 of the Takeovers Code for all of the issued Shares other than those already owned by them.

Assuming that 160,000,000 Placing Shares are placed to the Placees in full, the maximum gross proceeds from the Subscription will be approximately HK\$64.0 million and the maximum net proceeds will be approximately HK\$62.0 million. The Company intends to use such net proceeds to finance future business investment and development opportunities (including but not limited to the promotion of international image of branded watches) and/or as general working capital of the Group.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent. The Directors consider that the Placing Price, the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

ISSUE OF SUBSCRIPTION SHARES UNDER GENERAL MANDATE

The Subscription Shares will be issued under the General Mandate. As such, the allotment and issue of the Subscription Shares are not subject to Shareholders' approval.

THE AGREEMENT

Date: 5 August 2015 (after trading hours)

Parties: (1) Visual Wise;
(2) the Company; and
(3) the Placing Agent

Pursuant to the Agreement, the Placing Agent agreed to place, on a best effort basis, the Placing Shares comprising up to 160,000,000 existing Shares at the Placing Price of HK\$0.40 per Placing Share on behalf of Visual Wise, and Visual Wise will subscribe for the Subscription Shares comprising up to 160,000,000 new Shares, being the same number of the Placing Shares actually placed by the Placing Agent, at the Placing Price.

A. THE PLACING

The Vendor

Visual Wise is a controlling shareholder (as defined under the Listing Rules) of the Company and is the beneficial owner of 448,367,020 Shares of approximately 56.05% of the existing issued share capital of the Company.

The Placing Agent

The Placing Agent has been appointed to place, on a best effort basis, the Placing Shares. The Placing Agent is a wholly-owned subsidiary of Lerado Group (Holding) Co. Ltd., which is a company listed on the Main Board of the Stock Exchange. The Placing Agent and Lerado Group (Holding) Co. Ltd. are third parties independent of the Company and its connected persons.

The Placees

The Placing Shares shall be placed to not less than six professional, institutional, corporate, or individual investors. The Placees and their ultimate beneficial owners shall be third parties independent of the Company and its connected persons. The Placees and their ultimate beneficial owners shall also be third parties independent of and not acting in concert with Visual Wise and its connected persons. It is not expected that any individual Placee will become a substantial shareholder of the Company immediately after completion of the Placing and the Subscription.

Number of Placing Shares

The number of Placing Shares shall be up to 160,000,000 Shares. The Placing Shares represent approximately 20% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Placing Price

The Placing Price of HK\$0.40 per Placing Share represents:

- (i) a discount of approximately 13.04% to the closing price of HK\$0.46 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 19.84% to the average of the closing price of approximately HK\$0.499 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Agreement.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the closing prices per Share as shown above. The Directors consider that the Placing Price and the terms of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares will rank pari passu in all respects with the Shares in issue on the date of the Agreement.

Rights

The Placing Shares will be sold free from any lien, charge, encumbrance or third party right whatsoever and together with all rights attaching thereto as at the Trade Date and the Company has not exercised any lien over any of the Placing Shares.

Conditions of the Placing

The Placing is unconditional.

Completion

The Placing is expected to be completed at 9:30 a.m. on the Closing Date or such other time or date as the Placing Agent may notify Visual Wise in writing.

Termination

If at any time prior to 9:30 a.m. on the Closing Date:

- 1 there develops, occurs or comes into force:
 - (i) any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the business or financial condition or prospects of the Group; or
 - (ii) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions which in the reasonable opinion of the Placing Agent is or may be materially adverse in the context of the Placing; or
 - (iii) any significant change (whether or not permanent) in local, national or international market conditions which in the reasonable opinion of the Placing Agent is or may be materially adverse in the context of the Placing or makes it inadvisable or inexpedient to proceed therewith; or
- 2 any breach (which is material in the reasonable opinion of the Placing Agent) of any of the Vendor's warranties or the Company's warranties; or
- 3 there is any adverse change in the business or in the financial or trading position of the Company, or the Group which in the reasonable opinion of the Placing Agent is material in the context of the Placing; or
- 4 any statement contained in the press announcement in relation to the Placing proposed to be issued on behalf of the Company immediately following the execution of this Agreement is or has become untrue, incorrect in any material respect or misleading; or
- 5 matters have arisen which would, if the press announcement in relation to the Placing proposed to be issued on behalf of the Company immediately following the execution of this Agreement were issued at that time, constitute a material omission therefrom,

then, in any such case, the Placing Agent may terminate the Agreement without liability to Visual Wise and the Company by giving notice in writing to Visual Wise and the Company, which notice may be given at any time prior to 9:30 a.m. on the Closing Date.

B. THE SUBSCRIPTION

The Issuer

The Company

The Subscriber

Visual Wise, which, as at the date of this announcement, is interested in 448,367,020 Shares, representing approximately 56.05% of the existing issued share capital of the Company.

Number of Subscription Shares

The number of Subscription Shares shall be equal to the total number of Placing Shares actually placed by the Placing Agent under the Placing, being a maximum of 160,000,000 Shares.

Subscription Price

The Subscription Price is HK\$0.40 per Subscription Share, which is equivalent to the Placing Price. In line with the market practice, the Company will bear all costs and expenses of the Subscription and will reimburse Visual Wise all costs and expenses incurred and paid by Visual Wise in respect of the Placing because it is the fund raising conducted by the Company. Based on the estimated expenses for the Placing and the Subscription, the net subscription price is approximately HK\$0.388 per Share. The Directors are of the view that the Subscription Price is fair and reasonable.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Mandate to issue the Subscription Shares

The Subscription Shares are to be issued under the General Mandate. Under the said General Mandate, up to 160,000,000 Shares may be issued by the Company. As at the date of this announcement, such General Mandate has not been utilised. There shall be sufficient General Mandate for the present purpose.

Conditions of the Subscription

The Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently revoked);
- (ii) completion of the Placing having occurred pursuant to the terms of the Agreement; and
- (iii) the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (or any delegate of the Executive Director) or the Takeovers and Mergers Panel granting a waiver to Visual Wise and any person acting in concert with it of any obligation for any of them, as a result of the Placing and the Subscription, to make a general offer under Rule 26 of the Takeovers Code for all of the issued Shares other than those already owned by them.

If the conditions of the Subscription are not fulfilled within 14 days after the date of the Agreement (or such later date as may be agreed between the Company and the Subscriber), the obligations and liabilities of the Subscriber and the Company under the Subscription will become null and void.

As the Placing and the Subscription are subject to the fulfillment of certain conditions and the Placing Agent's right of termination and may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

Completion of the Subscription

Completion of the Subscription will take place as soon as possible provided that it shall take place on a date no later than a date falling 14 days after the date of the Agreement (or such other time and/or date as the Subscriber and the Company may agree in writing) (subject to compliance with all applicable requirements in relation to connected transactions under the Listing Rules).

Under Rule 14A.92(4) of the Listing Rules, no approval from Shareholders is required in connection with the Subscription if the Subscription is completed within 14 days from the date of the Agreement.

Application for listing

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares to be issued.

CHANGES OF SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after completion of the Placing but before completion of the Subscription (on the basis that all Placing Shares are sold); and (iii) immediately after completion of the Placing and the Subscription, on the assumption that (a) there will be no other change to the share capital of the Company between the date of this announcement and the completion of the Subscription save for the issue of the Subscription Shares; and (b) the Placees do not and will not hold any Shares other than the Placing Shares:

Shareholder	Note	At the date of this announcement		Immediately after completion of the Placing but before completion of the Subscription		Immediately after completion of the Placing and the Subscription	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
Visual Wise	1	448,367,020	56.05	288,367,020	36.05	448,367,020	46.70
Public Shareholders							
The Placees		—	—	160,000,000	20.00	160,000,000	16.67
Other public Shareholders		<u>351,632,980</u>	<u>43.95</u>	<u>351,632,980</u>	<u>43.95</u>	<u>351,632,980</u>	<u>36.63</u>
Total		<u>800,000,000</u>	<u>100.00</u>	<u>800,000,000</u>	<u>100.00</u>	<u>960,000,000</u>	<u>100.00</u>

Note:

1. These Shares are held by Visual Wise, which is wholly owned by Mr. Lin Zhiqiang, an executive Director and Chairman of the Company, as to 62% and by Ms. Yan Xiaotong, an executive Director and Chief Executive Officer of the Company, as to 38%. Mr. Lin and Ms. Yan are spouses to each other and they are deemed to be interested in the shares in which his/her spouse is interested.

REASONS FOR THE PLACING AND THE SUBSCRIPTION

The Directors have considered various ways of raising funds and consider that the Placing and the Subscription represent a good opportunity to raise capital for the Company while broadening the Shareholder base and strengthening the capital base of the Company. Accordingly, the Directors consider the Agreement is in the interests of the Company and the Shareholders as a whole.

Assuming the maximum number of 160,000,000 Placing Shares are placed by the Placing Agents and the equivalent number of Subscription Shares are subscribed for under the Subscription, the gross proceeds and net proceeds from the Subscription to be received by the Company will be approximately HK\$64.0 million and approximately HK\$62.0 million respectively. On such basis, the net price to the Company of each Subscription Share is approximately HK\$0.388. The Group intends to utilise the net proceeds from the Subscription to finance future business investment and development opportunities (including but not limited to the promotion of international image of branded watches) and/or as general working capital of the Group.

The Directors consider that the Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company, Visual Wise and the Placing Agent and that the terms of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY IN PAST 12 MONTHS

There had not been other equity fund raising activity conducted by the Group after the listing of the Group on the Stock Exchange on 30 January 2015.

INFORMATION RELATING TO THE GROUP

The Group is a leading domestic watch brand-owner of economical quartz analogue watches and a leading OEM manufacturer of quartz analogue watches in the PRC.

DISPENSATION FROM RULE 26 OF THE TAKEOVERS CODE

Visual Wise is a controlling shareholder of the Company. The entire issued share capital of Visual Wise is beneficially owned by Mr. Lin Zhiqiang, an executive Director and Chairman of the Company and Ms. Yan Xiaotong, an executive Director and Chief Executive Officer of the Company.

As a result of the Placing, if the maximum number of the Placing Shares are placed in full, the aggregate percentage shareholding of Visual Wise and parties acting in concert with it will be reduced from approximately 56.05% to approximately 36.05%, and as a result of the Subscription, their aggregate percentage shareholding will be increased from approximately 36.05% to approximately 46.70%.

An application will be made to the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (or any delegate of the Executive Director) or the Takeovers and Mergers Panel granting a waiver to Visual Wise and any person acting in concert with it of any obligation for any of them, as a result of the Placing and the Subscription, to make a general offer under Rule 26 of the Takeovers Code for all of the issued Shares other than those already owned by them. As stated above, completion of the Subscription will be subject to the granting of the aforesaid waiver and none of the conditions for the Subscription can be waived by the parties to the Agreement.

DEFINITIONS

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

“Agreement”	the agreement dated 5 August 2015 and entered into between Visual Wise, the Company and the Placing Agent in respect of the Placing and the Subscription
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“Closing Date”	the date of the completion of the Placing, being the second Business Day after the Trade Date (or such other time or date as the Placing Agent may notify Visual Wise)

“Company”	Time2U International Holding Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	director(s) (including the non-executive and independent non-executive directors) of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 22 June 2015 to allot or otherwise deal with the unissued shares of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	5 August 2015, being the date of the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	the placee(s) to be procured by the Placing Agent under the Placing
“Placing”	the placing of the Placing Shares by the Placing Agent on behalf of Visual Wise pursuant to the Agreement
“Placing Agent”	Black Marble Securities Limited, a corporation incorporated in Hong Kong and licensed to conduct type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance, acting as the placing agent for the Placing Shares pursuant to the Agreement

“Placing Price”	the placing price of HK\$0.40 per Placing Share
“Placing Shares”	up to 160,000,000 Shares which are beneficially owned by Visual Wise and will be placed by the Placing Agent on its behalf pursuant to the Agreement
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Subscription”	the subscription for the Subscription Shares by Visual Wise pursuant to the Agreement
“Subscription Price”	HK\$0.40 per Subscription Share
“Subscription Shares”	up to 160,000,000 Shares for which Visual Wise has conditionally agreed to subscribe pursuant to the Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trade Date”	the second Business Day after the date of the Agreement, or where the trading of the Shares are halted or suspended for more than one Business Day, the first Business Day on which dealings resume after suspension of dealings in the Shares on the Stock Exchange
“Visual Wise”	Visual Wise Limited, a company incorporated in the British Virgin Islands and a controlling shareholder (as defined under the Listing Rules) of the Company, which is interested in approximately 56.05% of the entire issued share capital of the Company immediately before the completion of the Placing and the Subscription

“HK\$” Hong Kong dollars, the lawful currency for the time being of Hong Kong

“%” per cent.

By Order of the Board
Time2U International Holding Limited
Lin Zhiqiang
Chairman

Hong Kong, 5 August 2015

As at the date of this announcement, the Board comprises Mr. Lin Zhiqiang, Ms. Yan Xiaotong, Mr. Dang Shuguo and Mr. See Ching Chuen as executive Directors; and Mr. Chang Wei, Mr. Nie Xing and Mr. Yu Chon Man as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.