

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liabilities whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Time Watch Investments Limited

時計寶投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2033)

SUPPLEMENTAL ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS DISTRIBUTION AGREEMENT FOR WATCHES IN THE UNITED STATES

Reference is made to the announcement (the “**Announcement**”) of Time Watch Investments Limited (the “**Company**”) dated 17 August 2016 in relation to, among others, the entering into of the US Distribution Agreement concerning the sale of Timberland Watches by PTFE to GWG on wholesale basis for GWG’s sale of Timberland Watches in the United States. Terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The Company would like to provide additional information regarding the US Distribution Agreement:

1. the purchase price of each Timberland Watch to be supplied by PTFE to GWG under the US Distribution Agreement from time to time shall be a percentage of discount (the “**Discount Percentage**”) to the then recommended retail price (the “**Recommended Retail Price**”) of that Timberland Watch in the United States from time to time informed by PTFE to GWG. The Discount Percentage has already been fixed and agreed by the parties, and has been expressly stipulated in the US Distribution Agreement;
2. to the best of the knowledge, information and belief of the Directors after making reasonable enquiry, in deciding the Recommended Retail Price of each of the Timberland Watches, PTFE, as a licensee of the brand owner to distribute Timberland Watches globally, has to follow the pricing guidelines set by the brand owner and the market position of the “Timberland” brand from time to time. The Recommended Retail Price of each Timberland Watch as from time to time determined by PTFE and notified to its distributors (including GWG) will be universal and applicable among all the distributors of the Timberland Watches in the world;

3. the terms and conditions of the US Distribution Agreement, including the Discount Percentage, have been determined and agreed among the parties after arms' length negotiation. In particular, in determining the Discount Percentage, the Group had taken into account the percentage of discount PTFE offered to its other distributors of the Timberland Watches who are Independent Third Parties (the "**Independent Distributors**") so as to ensure that the Discount Percentage so offered to GWG is fair and reasonable and no less favourable to the Group than that offered by PTFE to its Independent Distributors;
4. in order to assess whether the Discount Percentage is fair and reasonable and no less favourable than that offered by PTFE to Independent Distributors, the Group would make enquiries to PTFE for the discount offered to its Independent Distributors every six months. The transactions under the US Distribution Agreement will also be subject to annual review by the independent non-executive Directors and the auditors of the Company under R14A.55 and 14A.56 of the Listing Rules;
5. before making any purchase order under the US Distribution Agreement, the Company would consider a number of factors, including but not limited to the demand of the Timberland Watches in the market, and the costs, profit margin of the retail sale of the Timberland Watches by the Group in the United States with reference to the combined effect of the Discount Percentage and the Recommended Retail Price;
6. the Directors considered that the above methods and procedures can ensure that the transactions contemplated under the US Distribution Agreement will be conducted on normal commercial terms and in the interests of the Company and its shareholders as a whole.

The above additional information does not affect other information contained in the Announcement and, the contents of the Announcement remain correct and unchanged.

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

Hong Kong, 25 August 2016

As at the date of this announcement, the executive Directors are Mr. Tung Koon Ming, Mr. Hou Qinghai, 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.