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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
SUBSCRIPTION OF LIMITED PARTNERSHIP INTERESTS
IN A FUND**

THE SUBSCRIPTION

The Board would like to announce that, on 6 July 2023, the Company was informed by the General Partner that its proposed subscription for limited partnership interests in the Fund under the Subscription Agreement has been accepted, pursuant to which the Company agreed to subscribe for limited partnership interests in the Fund in the total subscription amount of US\$5,000,000 (equivalent to approximately HK\$39,196,000).

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription exceed 5% but all the applicable percentage ratios are below 25%, the Subscription constitutes a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements but exempt from the shareholders' approval requirement thereunder.

INTRODUCTION

The Board would like to announce that, on 6 July 2023, the Company was informed by the General Partner that its proposed subscription for limited partnership interests in the Fund under the Subscription Agreement has been accepted the Company agreed to subscribe for limited partnership interests in the Fund in the total subscription amount of US\$5,000,000 (equivalent to approximately HK\$39,196,000).

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarized as follows:

Date:	30 June 2023
Parties:	1) the Company, as the subscriber; and 2) the General Partner (for itself and as agent and attorney-in-fact for each of the existing limited partners of the Fund).
Interests acquired:	Limited partnership interests in the Fund
Subscription amount:	Up to US\$5,000,000 (equivalent to approximately HK\$39,196,000), which shall be payable to the Fund as directed by the General Partner
Closing:	The closing of the sale and purchase of the limited partnership interests in the Fund will take place on the date(s) as determined by the General Partner

The total subscription amount is determined after arm's length negotiations between the Company and the General Partner (for itself and as agent and attorney-in-fact for each of the existing limited partners of the Fund) with reference to, among others, (i) the prospects of the Fund; (ii) financial resources available to the Group; and (iii) the expected duration of the Fund.

The Subscription will be funded by internal resources of the Group. Upon completion of the Subscription, the Company became a limited partner of the Fund. The Fund will be accounted for financial assets at fair value through profit and loss (FVTPL) in the accounts of the Company or consolidated into the financial statements of the Company following completion of the Subscription, subject to the final view of the Company's auditors.

THE LIMITED PARTNERSHIP AGREEMENT AND INFORMATION OF THE FUND

Pursuant to the Subscription Agreement, the Company shall be bound by the limited partnership agreement of the Fund (the "**Limited Partnership Agreement**") entered into among, inter alia, the Fund and the General Partner (for itself and as agent and attorney-in-fact for each of the limited partners of the Fund). The principal terms of the Limited Partnership Agreement and the information of the Fund are as follows:

The Fund: KKR Ascendant Fund SCSp, a special limited partnership formed under the laws of Luxembourg and an alternative investment fund within the meaning of the AIFMD

As the Fund only commenced investments in May 2022, no financial information on the past performance of the Fund is available as at the date of this announcement.

General Partner: KKR Associates Ascendant SCSp, a special limited partnership formed under the laws of Luxembourg

Investment Manager: KKR Alternative Investment Management Unlimited Company, an unlimited company established under the laws of Ireland and an authorized alternative investment fund manager under the AIFMD. The Investment Manager is responsible for, among other things, investment management, marketing and other administrative function in relation to the Fund.

Investment objective and strategies of the Fund: The Fund will primarily invest in middle market companies in the U.S. and Canada and is expected to focus on various target industries, including consumer, financial services, health care, industrials, media, software and tech-enabled services.

Term of the Fund:	The Fund commenced from its establishment on 28 January 2022 and will continue until the expiration of the Fund's term in 2033, subject to relevant provisions under the Limited Partnership Agreement that provide for the early termination or the extension of the term of the Fund.
Investment management fee:	1.5% per annum of the Company's capital commitment and/or invested capital to the Fund
Investment Period:	The period commencing from the founder closing date (i.e. 15 June 2022) until the earlier of, inter alia, (a) the sixth anniversary of the date of the first portfolio investment following the founder closing date; and (b) the date on which limited partners with 75% interest elect to terminate the Investment Period, subject to other terms of the Limited Partnership Agreement.
Distribution policy:	Subject to the sole discretion of the General Partner to retain certain investment proceeds for reinvestment and other terms of the Limited Partnership Agreement, investment proceeds will be distributed to each limited partner and the General Partner taking into account, among other things, the contribution of the limited partner to the Fund (as adjusted in accordance with the terms of the Limited Partnership Agreement) and the preferred return rate on the capital commitment of the limited partner.
Transfer restriction:	Limited partners may not transfer their limited partnership interests in the Fund (or beneficial interest therein) without the prior written consent of the General Partner.

INFORMATION OF THE GENERAL PARTNER AND THE INVESTMENT MANAGER

The General Partner is a special limited partnership formed under the laws of Luxembourg and is indirectly controlled by KKR & Co. Inc., a global private equity firm focusing on investments in a broad range of industries globally, and the shares of which are listed on the New York Stock Exchange in the U.S.

The Investment Manager is a company established under the laws of Ireland and an authorized alternative investment fund manager under the AIFMD, which is principally engaged in funds management. The Investment Management is also ultimately controlled by KKR & Co. Inc.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Fund, the General Partner and their ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group is principally engaged in the manufacturing, wholesale and retail business of watches in the PRC. The Group mainly subscribe for limited partnership interests in the Fund for investment purposes. Taking into account the investment objective and strategy of the Fund and the experience of the General Partner and the Investment Manager, the Directors consider that the Subscription provides the Group with an opportunity to make reasonable and efficient use of its idle fund to enhance the overall capital gain of the Company. The Subscription also allows the Group to participate in the investment in the U.S. and Canadian market while reducing the direct investment risks by leveraging on professional management of the Fund.

Based on the above, the Directors consider that the terms of the Subscription Agreement and the Limited Partnership Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription exceed 5% but all the applicable percentage ratios are below 25%, the Subscription constitutes a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements but exempt from the shareholders' approval requirement thereunder.

RATIFICATION AND REMEDIAL ACTIONS TO BE TAKEN BY THE COMPANY

Pursuant to Chapter 14 of the Listing Rules, the Company should have issued an announcement as soon as possible under the Listing Rules in respect of the Subscription. The Company deeply regrets its delay in compliance with the relevant requirements but the Company would like to stress that the non-compliance of the Listing Rules was inadvertent and unintentional. To prevent the re-occurrence of similar incidents in the future, the Company has implemented the following remedial actions:

1. the Company will enhance the training provided to the Directors, the senior management and staff of the Group, including arranging external legal advisors of the Company to give seminars on the compliance requirements and practical knowledge of notifiable transactions to its staff on a regular basis;
2. the Company will remind its management and the respective person-in-charge of the Group's business units to report all transactions which may constitute potential notifiable transactions to the Board for approval and assessment of the disclosure obligations prior to the entering into of those transactions; and
3. the Company will closely monitor the applicable percentage ratio(s) in relation to all potential notifiable transactions to ensure that the Company is in compliance with the applicable rules at the time when the transactions are finalized.

The Group will continue to enhance its internal control management and strictly control the audit regarding compliance and risk control matters of its businesses, thereby avoiding the re-occurrence of similar incidents.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

“AIFMD”	Alternative Investment Fund Managers Directive of the European Union (Directive 2011/61/EU) (as revised, amended and supplemented from time to time)
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Group”	the Company and its subsidiaries
“Fund”	KKR Ascendant Fund SCSp, a special limited partnership formed under the laws of Luxembourg and an alternative investment fund within the meaning of the AIFMD
“General Partner”	KKR Associates Ascendant SCSp, a special limited partnership formed under the laws of Luxembourg
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party independent of and not connected with the Company and its connected persons
“Investment Manager”	KKR Alternative Investment Management Unlimited Company, a company established under the laws of Ireland and an authorized alternative investment fund manager under the AIFMD
“Investment Period”	having the meaning as set out in “The Limited Partnership Agreement and information of the Fund – Investment Period” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription”	the subscription by the Company of limited partnership interests in the Fund pursuant to the Subscription Agreement in the total subscription amount of US\$5,000,000
“Subscription Agreement”	the subscription agreement dated 30 June 2023 entered into between the Company and the General Partner (for itself and as agent and attorney-in-fact for each of the existing limited partners of the Fund) in respect of the Subscription
“U.S.”	the United States of America
“US\$”	US dollars, the lawful currency of the U.S.
“%”	per cent

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

Hong Kong, 25 July 2023

For the purpose of illustration only, amounts denominated in US\$ in this announcement are translated into HK\$ at the rate of US\$1 = HK\$7.8392. This should not be construed as a representation that the relevant amounts have been, could have been or could be converted at any particular rate at all.

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.