Time Watch Investments Limited
時計寶投資有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2033)

REVISION OF ANNUAL CAP FOR CONTINUING CONNECTED TRANSACTIONS UNDER THE MASTER SUPPLY AGREEMENT

THE MASTER SUPPLY AGREEMENT

Reference is made to the Announcement of the Company dated 28 June 2024 in relation to the continuing connected transactions contemplated under the Master Supply Agreement.

On 28 June 2024, the Company entered into the Master Supply Agreement with ILG, pursuant to which the Company (for itself and as trustee for the benefit of the members of the Group) has agreed to supply watch movements and watches produced on OEM basis to members of the ILG Group.

REVISION OF ANNUAL CAP

Due to an increase in demand from the ILG Group for both watch movements and watches manufactured on an OEM basis, the Company anticipates that the Existing Annual Cap will not be sufficient to meet the expected increase in order volume from the ILG Group. Accordingly, the Company has decided to revise the Existing Annual Cap. Save for the revision of the Existing Annual Cap, all other terms and conditions of the Master Supply Agreement shall remain unchanged.

LISTING RULES IMPLICATIONS

As at the date of this announcement, ILG is owned as to approximately 67.8% by Mr. Chainani and his brother and Mr. Chainani is the sole shareholder of IWG, which in turn holds 49.0% of the issued share capital of TWB, an indirect non-wholly owned subsidiary of the Company. Accordingly, each of ILG and other members of the ILG Group is a connected person of the Company at the subsidiary level. As such the transactions under the Master Supply Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The highest applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Revised Annual Cap is higher than 5%. By virtue of Rule 14A.101 of the Listing Rules, given that (i) ILG is a connected person of the Company at the subsidiary level; and (ii) the Board (including all the independent non-executive Directors) has approved the transactions and confirmed that the transactions under the Master Supply Agreement are on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the revision of the Existing Annual Cap and the Revised Annual Cap were are subject to the reporting and announcement requirements but are exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE MASTER SUPPLY AGREEMENT

Reference is made to the announcement of the Company dated 28 June 2024 (the "**Announcement**") in relation to the continuing connected transactions contemplated under the Master Supply Agreement. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

On 28 June 2024, the Company entered into the Master Supply Agreement with ILG, pursuant to which the Company (for itself and as trustee for the benefit of the members of the Group) has agreed to supply watch movements and watches produced on OEM basis to members of the ILG Group. The term of the Master Supply Agreement is two years from 1 July 2024 to 30 June 2026 (both days inclusive). The principal terms of the Master Supply Agreement were set out in the Announcement.

REVISION OF EXISTING ANNUAL CAP

As set out in the Announcement, the expected annual transaction amounts under the Master Supply Agreement for the financial year ending 30 June 2026 (the "**Existing Annual Cap**") was HK$30.0 million. Due to an increase in demand for both watch movements and watches manufactured on an OEM basis, the Company anticipates that the Existing Annual Cap may not be sufficient to meet the expected increase in order volume from the ILG Group. Accordingly, the Company has decided to revise the Existing Annual Cap. Save for the revision of the Existing Annual Cap, all other terms and conditions of the Master Supply Agreement shall remain unchanged.

HISTORICAL TRANSACTIONS AMOUNTS AND ANNUAL CAPS

During the year ended 30 June 2025 and the eight months ended 28 February 2026, transaction amounts under the Master Supply Agreement were approximately HK$26.9 million and HK$29.2 million, respectively.

With reference to (i) the historical transaction amounts under the Master Supply Agreement; (ii) the latest projections of the expected demand from the ILG Group for watch movements and watches; and (iii) the market price of watch movements and estimated production costs for watches on OEM basis, it is expected that the annul transaction amounts payable by ILG Group for the purchase of watch movements and watches from the Group under the Master Supply Agreement will not exceed HK$50.0 million for the year ending 30 June 2026 (the "**Revised Annual Cap**").

REASONS FOR THE REVISION OF ANNUAL CAP

Following more than a year of cooperation, ILG, being satisfied with the quality of the Group's design services, product quality and pricing, has gradually placed additional production orders with the Group for various branded watch products. As such, the Group has experienced an increase in orders from the ILG Group under the Master Supply Agreement since the fourth quarter of 2025. Based on the latest projections of the anticipated demand from the ILG Group, the Company expects the transaction amounts under the Master Supply Agreement will soon exceed the Existing Annual Cap. In light of the long-standing business relationship between the Group and the ILG Group, the Directors are of the view that the revision of the Existing Annual Cap will facilitate the Group in capturing the additional business opportunities arising from the ILG Group, further deepen the cooperation between the parties and is expected to contribute positively to the revenue and profitability of the Group.

The Directors (including the independent non-executive Directors), consider that the Master Supply Agreement and the transactions contemplated thereunder have been entered into on normal commercial terms or better (having such meaning as defined in the Listing Rules), in the ordinary and usual course of business of the Group and that the terms of the Master Supply Agreement as well as the Revised Annual Cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

None of the Directors attending the relevant Board meeting has any material interest in the Master Supply Agreement and the transactions contemplated thereunder (including the Revised Annual Cap), and none of the Directors present at the Board meeting has abstained from voting on the relevant Board resolutions approving the revision of the Existing Annual Cap.

INTERNAL CONTROL ON PRICING POLICY

The Group has adopted the following policy to monitor and govern the transactions between the Group and ILG Group:

1. the Group shall from time to time maintain updated price list for each type of watch movements offered by the Group to its customers (including Independent Third Party customers). Relevant members of the Group shall make reference to the price list before providing quotation to ILG Group for the purchase of watch movements;

2. for OEM production of watches, the relevant members of the Group shall provide quotations to ILG Group based on the costs for the required components and production costs for the specific order, plus a mark-up rate which shall be no less than the mark-up rate charged to customers which are Independent Third Parties, taking into account the specifications and quantity of the relevant orders;

3. the independent non-executive Directors will conduct annual review on the continuing connected transactions to confirm whether the transactions have been entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and

4. the auditors of the Company will conduct annual review on the continuing connected transactions of the Group to confirm that the continuing connected transactions (i) have been approved by the Board; (ii) were in all material respects, in accordance with the pricing policies of the Group; (iii) were entered into, in all material respects, in accordance with the relevant agreement governing them; and (iv) have not exceeded the Revised Annual Cap.

INFORMATION OF THE PARTIES

The Company is a company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the manufacturing, wholesale and retail business of watches in the PRC.

ILG Group is principally engaged in, among other business, the OEM and original design manufacturing of different brands of watches, and the global distribution of multi-brand watches. To the best knowledge and belief of the Directors, as at the date of this announcement, ILG is ultimately held as to approximately 67.8% by Mr. Chainani and his brother, 19.6% by Mr. Christian Fromnherz, 7.4% by Mr. Tung Koon Ming (an executive Director) and 5.2% by Mr. Padamkumar Baid. Save for Mr. Chainani, his brother and Mr. Tung Koon Ming, each of the other shareholders of ILG is an Independent Third Party.

LISTING RULES IMPLICATIONS

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The highest applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Revised Annual Cap is higher than 5%. By virtue of Rule 14A.101 of the Listing Rules, given that (i) ILG is a connected person of the Company at the subsidiary level; and (ii) the Board (including all the independent non-executive Directors) has approved the transactions and confirmed that the transactions under the Master Supply Agreement are on normal commercial terms or better, fair and reasonable and in the interests of the Company and the Shareholders as a whole, the revision of the Existing Annual Cap and the Revised Annual Cap were are subject to the reporting and announcement requirements but are exempted from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

Hong Kong, 31 March 2026

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.