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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 NEW SHARES UNDER GENERAL MANDATE

Placing Agent



BLACK MARBLE

On 4 January 2016 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, whereby the Company has conditionally agreed to place, through the Placing Agents, on a best effort basis, a maximum of 192,000,000 Placing Shares to not less than 6 independent Placees at a price of not less than HK\$0.23 per Placing Share. The maximum number of the Placing Shares represent (i) 20% of the existing issued share capital of the Company of 960,000,000 shares as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the Placing.

The Placing Price of HK\$0.23 per Placing Share represents a discount of approximately 17.86% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on 4 January 2016.

The maximum gross proceeds from the Placing will be approximately HK\$44.16 million and the maximum net proceeds will be approximately HK\$43.06 million. The Company intends to use such net proceeds as general working capital of the Group.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

4 January 2016

Issuer

The Company

Placing Agent and the Placees

The Placing Agent has conditionally agreed to place or procure placing of a maximum of 192,000,000 Placing Shares, on a best effort basis, and in consideration thereof, they will receive a placing commission of 2.5% on the gross proceeds of the Placing upon completion of the Placing.

The Placing Agent is a wholly-owned subsidiary of Lerado Group (Holding) Company Limited, which is a company listed on the Main Board of the Stock Exchange. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of the Company and the connected persons of the Company.

The Placing Agent will place the Placing Shares to not less than six Placees, being individuals, institutional or other professional investors, and who and whose ultimate beneficial owners will not be connected persons of the Company and will be independent of and not connected with the Company and its connected persons. It is expected that none of the Placees will become substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Placing.

Number of Placing Shares

A maximum of 192,000,000 Placing Shares, representing 20% of the existing issued share capital of the Company of 960,000,000 Shares as at the date of this announcement and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Placing Shares. The gross proceeds of the Placing Shares is approximately HK\$44.16 million.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the Placing Shares.

Placing Price

The Placing Price of HK\$0.23 per Placing Share represents:

- (i) a discount of approximately 17.86% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on 4 January 2016, being the date of the Placing Agreement; and
- (ii) a discount of approximately 18.73% to the average closing price of approximately HK\$0.283 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 4 January 2016, being the date of the Placing Agreement.

The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to the size of the Placing and the current market price of the Shares, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Refreshed General Mandate

The Placing Shares will be allotted and issued under the refreshed general mandate granted to the Directors by a resolution of the Shareholders passed at the extraordinary general meeting of the Company held on 16 November 2015 pursuant to which the Directors are allowed to allot and issue up to 192,000,000 new Shares.

As at the date of this announcement, no Shares have been issued and allotted pursuant to such general mandate and accordingly the issue of the Placing Shares is not subject to any further approval by the Shareholders.

Conditions to the Placing

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares to be issued pursuant to the Placing Agreement on or before 31 March 2016 or such later date as the Company and the Placing Agent may agree in writing (“**Long Stop Date**”).

If the above condition is not satisfied on or before the Long Stop Date, the obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and terminate and neither the Placing Agent nor the Company shall have any claim against the other in relation to the Placing Agreement (save in respect of any antecedent breaches of any obligation thereunder).

Completion

Completion of the Placing shall take place not later than the third Business Day after the Placing Agreement has become unconditional (or such later date as may be agreed between the Company and the Placing Agent).

Placing Commission

The Placing Agent shall receive a placing commission of 2.5% on the amount equal to the Placing Price multiplied by the number of Placing Shares successfully placed by the Placing Agent.

The placing commission was determined after arm's length negotiations between the Company and the Placing Agent with reference to the market rate.

Termination

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 9:30 a.m. on the date of Completion, if in the reasonable opinion of the Placing Agent, the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties expressed or assumed under the Placing Agreement;
- (ii) any of the following events:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other

nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or

- (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (d) a change or development involving a prospective change in taxation in Hong Kong, Bermuda or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
- (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate this Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 9:30 a.m. on the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement pursuant to the above-mentioned, all obligations of each of the parties under the Placing Agreement, shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement (except for any breach arising prior to such termination).

REASONS FOR THE PLACING AND USE OF THE PROCEEDS

The Group is principally engaged in the manufacture and sales of own-branded watches, OEM watches and third-party watches.

Upon the full placement of the 192,000,000 Placing Shares, the gross proceeds and net proceeds (after deduction of commission and other expenses of the Placing) raised from the Placing will be approximately HK\$44.16 million and approximately HK\$43.06 million respectively. On such basis, the net issue price of each Placing Share is approximately HK\$0.224 per Placing Share. The net proceeds from the Placing are intended to be used for general working capital of the Group.

The Directors consider that the Placing represents a good opportunity to raise additional funds for the Company as well as to widen the Company's shareholder base, and the terms of the Placing Agreement are arrived at on normal commercial terms. Accordingly, the Directors consider that the terms of the Placing are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITY IN PAST 12 MONTHS

Save for the fund raising activity mentioned below, the Company has not carried out other fund raising activities in the past 12 months after the listing of the Group on the Stock Exchange on 30 January 2015.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the date of this announcement
5 August 2015 and 10 August 2015	Placing of 160,000,000 existing Shares and the Subscription of 160,000,000 new Shares at HK\$0.40 per Share	The gross proceeds and net proceeds from the Subscription received by the Company were approximately HK\$64.0 million and HK\$62.0 million, respectively	The Group intended to utilize 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	<ul style="list-style-type: none"> i. Approximately HK\$25.8 million was used on addition of machines and equipment ii. Approximately HK\$19.6 million was used on promotion and marketing activities iii. Approximately HK\$5.7 million was used to purchase watch components iv. Approximately HK\$4.9 million was used on research and development works v. Approximately HK\$6 million was used as general working capital

CHANGES OF SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Placing (assuming there being no other changes in the issued share capital and the shareholding structure of the Company after the date of this announcement):

Shareholders	As at the date of this announcement		Immediately after completion of the Placing		
	No. of Shares	%	No. of Shares	%	
Visual Wise	(Note)	354,367,020	36.91	354,367,020	30.76
Public Shareholders					
Placees		—	—	192,000,000	16.67
Other Shareholders		<u>605,632,980</u>	<u>63.09</u>	<u>605,632,980</u>	<u>52.57</u>
Total		<u>960,000,000</u>	<u>100.00</u>	<u>1,152,000,000</u>	<u>100.00</u>

Note: As at the date of this announcement, Visual Wise is owned as to 62% by Mr. Lin Zhiqiang, the Chief Executive Officer, Chairman and an executive Director, and 38% by Ms. Yan Xiaotong, an executive Director in the last 12 months. Mr. Lin and Ms. Yan are spouses and they are deemed to have interest in the Shares in which his/her spouse is interested in.

GENERAL

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.

As the Placing may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“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
“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 it under the Listing Rules
“Director(s)”	director(s) (including the independent non-executive directors) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 pursuant to the Placing 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 Placing Agreement
“Placing Agreement”	the agreement dated 4 January 2016 and entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	the placing price of HK\$0.23 per Placing Share

“Placing Shares”	up to 192,000,000 new Shares
“PRC”	the People’s Republic of China
“Refreshed General Mandate”	a general and unconditional mandate granted to the Directors at the extraordinary general meeting of the Company held on 16 November 2015 to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Visual Wise”	Visual Wise Limited, a company incorporated in the British Virgin Islands and a controlling Shareholder (as defined under the Listing Rules), which is interested in approximately 36.91% of the entire issued share capital of the Company as at the date of this announcement
“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, Chief Executive Officer and
Executive Director*

Hong Kong, 4 January 2016

As at the date of this announcement, the Board comprises three executive directors, being Mr. Lin Zhiqiang, Mr. See Ching Chuen and Mr. Zheng Qingjie; and three independent non-executive Directors, being Mr. Chang Wei, Mr. Nie Xing and Mr. Yu Chon Man.