

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sincere Watch (Hong Kong) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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SINCERE WATCH (HONG KONG) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 444)

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS
GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Sincere Watch (Hong Kong) Limited to be held with a combination of physical meeting at Offices Nos. 6101–6103, 61st Floor, The Center, 99 Queen's Road Central, Hong Kong and virtual meeting on Wednesday, 21 September 2022 at 11:00 a.m. is set out on pages 15 to 19 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Sincere Watch (Hong Kong) Limited's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if the form of proxy will be deposited before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the form of proxy will be deposited on or after 15 August 2022) or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof (as the case may be) should you so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.

IMPORTANT INFORMATION FOR THE 2022 ANNUAL GENERAL MEETING

In view of the ongoing COVID-19 pandemic, the forthcoming AGM will be held as a hybrid meeting whereby **Shareholders can participate electronically through the Tricor e-Meeting System.**

Pursuant to the regulatory social distancing measures which are in force in Hong Kong as at the date hereof, the Company is required to minimise the number of persons in physical attendance at the AGM. **Shareholders shall not physically attend the AGM at the Principal Meeting Place. Any Shareholder who attempts to physically attend the AGM will be denied entry to the Principal Meeting Place.**

The Company encourages Shareholders to attend and vote at the AGM electronically through the Tricor e-Meeting System in person or by proxy or to exercise their voting rights by appointing the chairman of the AGM as proxy to cast the votes on their behalf.

12 August 2022

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held with a combination of physical meeting at Offices Nos. 6101–6103, 61st Floor, The Center, 99 Queen’s Road Central, Hong Kong and virtual meeting on Wednesday, 21 September 2022 at 11:00 a.m.
“AGM Notice”	the notice convening the AGM
“Articles”	the Articles of Association of the Company
“Board”	the board of Directors
“close associate(s)”	has the meaning as ascribed to it under the Listing Rules
“Companies Act”	the Companies Act of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	Sincere Watch (Hong Kong) Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“core connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares not exceeding 20% of the total number of Shares in issue at the date of the passing of the resolution granting such mandate, such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of such resolution (as extended by adding to it the aggregate number of Shares repurchased by the Company pursuant to the Repurchase Mandate)

DEFINITIONS

“Latest Practicable Date”	8 August 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the Memorandum of Association of the Company
“Principal Meeting Place”	Offices Nos. 6101–6103, 61st Floor, The Center, 99 Queen’s Road Central, Hong Kong
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to purchase Shares up to a maximum of 10% of the total number of Shares in issue at the date of the passing of the resolution granting such mandate, such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of such resolution
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission, as amended, supplemented or otherwise modified from time to time
“%”	per cent.

LETTER FROM THE BOARD



SINCERE WATCH (HONG KONG) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 444)

Executive Directors:

Mr. ZHANG Xiaoliang
(Chairman and Chief Executive Officer)
Mr. CHU, Kingston Chun Ho *(Vice Chairman)*
Mrs. CHU Yuet Wah
Mr. YANG Guangqiang
Mr. AN Muzong

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Independent Non-executive Directors:

Ms. LO Miu Sheung, Betty
Mr. YU Zhenxin
Mr. ZONG Hao
Mr. CHIU Sin Nang, Kenny

Head Office and Principal Place

of Business in Hong Kong:
Offices Nos. 6101–6103
61st Floor, The Center
99 Queen's Road Central
Hong Kong

12 August 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS
GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you the AGM Notice and provide you with information of the resolutions to be proposed at the AGM for approval of (i) re-election of retiring Directors; (ii) grant of the Issue Mandate to issue Shares; and (iii) grant of the Repurchase Mandate to repurchase Shares.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 108 of the Articles, Mr. Chu, Kingston Chun Ho, Mr. An Muzong and Ms. Lo Miu Sheung, Betty shall retire from office by rotation at the AGM and, being eligible, have offered themselves for re-election at the AGM.

The nomination committee of the Company (the “**Nomination Committee**”), having reviewed the Board’s composition, nominated Mr. Chu, Kingston Chun Ho, Mr. An Muzong and Ms. Lo Miu Sheung, Betty to the Board for it to recommend to the Shareholders for re-election at the AGM.

The nominations were made in accordance with the nomination policy of the Company and the diversity aspects (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) as set out in the board diversity policy of the Company. The Nomination Committee has also taken into account the respective contributions of Mr. Chu, Kingston Chun Ho, Mr. An Muzong and Ms. Lo Miu Sheung, Betty to the Board and their commitment to their roles. The Nomination Committee has assessed the independence of Ms. Lo Miu Sheung, Betty based on reviewing her annual written confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules and confirmed that she remains independent. Ms. Lo has been an independent non-executive Director for more than nine years, but does not have any management role in the Company and its subsidiaries since her appointment on 19 June 2012. She has expressed her willingness clearly to exercise independent judgement and has been giving objective views to the Company. There is no evidence that length of tenure is having an unfavourable influence on her independence. The Board is satisfied that, as well proven by the valuable independent judgement and advice given by Ms. Lo Miu Sheung, Betty over the years, she has the required character, integrity, independence and experience to perform the role of an independent non-executive Director. The Board is not aware of any circumstances that might influence Ms. Lo Miu Sheung, Betty in exercising her independent judgement and therefore believes she is still independent and should be re-elected. The Board, having considered the recommendation of the Nomination Committee, is of the view that each of Mr. Chu, Kingston Chun Ho, Mr. An Muzong and Ms. Lo Miu Sheung, Betty will continue to contribute to the Board with their skills, experience and diversity of perspectives appropriate to the requirements of the Group’s business as well as devotion to the Group. The Board believed that their re-election as Directors would be in the best interests of the Company and the Shareholders as a whole.

Information of retiring Directors who are proposed to be re-elected at the AGM are provided in Appendix I to this circular.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Pursuant to the ordinary resolutions passed by the Shareholders at the annual general meeting of the Company held on 26 August 2021, the Directors were granted general mandates to (i) repurchase Shares on the Stock Exchange up to 10% of the total number of Shares in issue as at 26 August 2021; (ii) allot, issue and otherwise deal with Shares not exceeding 20% of the total number of Shares in issue as at 26 August 2021; and (iii) allot, issue and otherwise deal with Shares repurchased pursuant to the repurchase mandate granted.

LETTER FROM THE BOARD

No Share has been repurchased or issued pursuant to the above general mandates granted.

At the AGM, separate ordinary resolutions will be proposed to seek the approval of the Shareholders to renew these general mandates to enable the Directors to:

- (i) repurchase Shares up to a maximum of 10% of the total number of Shares in issue at the date of the passing of the resolution, such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of such resolution;
- (ii) allot, issue and otherwise deal with new Shares up to a maximum of 20% of the total number of Shares in issue at the date of the passing of the resolution, such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of such resolution; and
- (iii) subject to the passing of the aforesaid ordinary resolutions, extend the mandate granted to the Directors under (ii) above by adding to it the aggregate number of Shares repurchased by the Company pursuant to the Repurchase Mandate.

An explanatory statement as required by the relevant provisions of the Listing Rules concerning the repurchase by companies of their own shares on the Stock Exchange is set out in Appendix II to this circular.

AGM

The AGM Notice is set out on pages 15 to 19 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. To be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if the form of proxy will be deposited before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the form of proxy will be deposited on or after 15 August 2022) or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the AGM or any adjournment thereof (as the case may be). In such event, the instrument appointing the proxy shall be deemed to be revoked.

All registered Shareholders will be able to join the AGM via the Tricor e-Meeting System. The Tricor e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer. Through the Tricor e-Meeting System, our registered Shareholders will be able to view the live video broadcast and participate in voting and submit questions online by using the username and password provided on the notification letter sent by the Company. Login details and information regarding the Tricor e-Meeting

LETTER FROM THE BOARD

System are included in the Company's notification letters to registered Shareholders. Registered Shareholders are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairman of the AGM) for the proxy to receive the login access code to participate in the AGM by electronic means through the Tricor e-Meeting System. **Shareholders and their proxies are advised to keep the login credentials in safe custody and shall not disclose them to any other person.**

Non-registered Shareholders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may also be able to attend the AGM, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

If any Shareholder has any question on the arrangements of attending the AGM by electronic means, please contact Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at the following address or by the following means:

Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (on or after 15 August 2022)

Email: is-enquiries@hk.tricorglobal.com

Telephone: (852) 2980 1333 from 9:00 a.m. to 5:00 p.m. (Monday to Friday, excluding Hong Kong public holidays)

LISTING RULES REQUIREMENT

According to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

RECOMMENDATIONS

The Board considers that the proposals for the re-election of the retiring Directors, the grant of the Issue Mandate and the Repurchase Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Sincere Watch (Hong Kong) Limited
Zhang Xiaoliang
Chairman and Chief Executive Officer

The following are the particulars of the retiring Directors proposed to be re-elected at the AGM:

A. Mr. Chu, Kingston Chun Ho

Vice Chairman and Executive Director

Mr. Chu, Kingston Chun Ho, aged 37, was appointed as an Executive Director of the Company on 29 May 2012. He was the Vice Chairman and Managing Director of the Company from July 2012 to January 2017. Mr. Chu was appointed as the Vice Chairman of the Company on 1 December 2021. He is also a director of a number of the Company's subsidiaries. Mr. Chu is an executive director of Kingston Financial Group Limited and the chairman and an executive director of ISP Holdings Limited (formerly known as Synergis Holdings Limited), both of which are listed on the Main Board of the Stock Exchange. He is a member of Guangxi Committee of The Chinese People's Political Consultative Conference, member of General Committee of The Chamber of Hong Kong Listed Companies, vice president of Hong Kong CPPCC Youth Association, vice president of Federation of HK Guangxi Community Organisations, honorary chairman of Hong Kong Guangxi Youth Organisations, founder chairman of Youth Committee of Hong Kong Federation of Dongguan Associations, vice chairman of Hong Kong Guangdong Youth Association and vice director of Youth Committee of Hong Kong CPPCC (Provincial) Members Association. Mr. Chu holds a Bachelor Degree of Science in Business Administration from the University of Southern California in the USA. He is the son of Mrs. Chu Yuet Wah, an Executive Director of the Company.

Apart from being an executive director of Kingston Financial Group Limited in which (i) Mrs. Chu Yuet Wah, being an Executive Director and a substantial shareholder of the Company, holds board position and has controlling interests therein, (ii) Ms. Lo Miu Sheung, Betty, being an Independent Non-executive Director of the Company, holds board position therein, and (iii) Mr. Chiu Sin Nang, Kenny, being an Independent Non-executive Director of the Company, holds board position therein, Mr. Chu does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is a service agreement entered into between the Company and Mr. Chu. The term of service of Mr. Chu is initially for a period of three years commencing from 1 April 2013 and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of his appointment. Mr. Chu is subject to the requirements of retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. Mr. Chu was entitled to a monthly salary of HK\$100,000 and a housing allowance on reimbursement basis. With effect from 1 January 2022, his monthly salary has been reduced to HK\$30,000 with the housing allowance on reimbursement basis remaining unchanged. The emoluments of the Directors are determined by the Board on the basis of the Company's performance and profitability, the duties, responsibility and contribution of

the Directors, and the remuneration benchmark in the industry, with reference to the recommendation of the remuneration committee of the Company (the “Remuneration Committee”).

As at the Latest Practicable Date, Mr. Chu did not have any interest in the Shares within the meaning of Part XV of the SFO.

Saved as disclosed above, (i) Mr. Chu does not hold any directorship in other public listed companies in Hong Kong or overseas in the past three years or any position in the Group, nor he has any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company, and (ii) there is no information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matters that need to be brought to the attention of the Shareholders in connection with his re-election.

B. Mr. An Muzong

Executive Director

Mr. An Muzong, aged 58, was appointed as an Executive Director of the Company on 27 August 2016. He is also a director of a number of the Company’s subsidiaries and the general manager of Shenyang Development Beida Education Science Park Company Limited (瀋陽發展北大教育科學園有限公司). Mr. An was the general manager of Beijing Beida Sci-Tech Industry Development Center (北京北大科技實業發展中心) from September 2000 to June 2005, during which period he was also the general manager and consultant of several companies within the group, the business of which involves communication, real estate, investment and education. He was also an executive director (from November 2005 to June 2013) and the chairman of the board (from February 2009 to June 2013) of Shenyang Public Utility Holdings Company Limited, a company listed on the Main Board of the Stock Exchange. Mr. An graduated from Beijing Institute of Aeronautics (北京航空學院) in June 1987.

There is a service agreement entered into between the Group and Mr. An. The term of service of Mr. An is initially for a period of one year commencing from 27 August 2016 and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of his appointment. Mr. An is subject to the requirements of retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. Mr. An was entitled to the monthly salary of RMB84,983 plus discretionary bonus. With effect from 1 January 2022, his monthly salary has been adjusted to RMB85,083 plus discretionary bonus. The emoluments of the Directors are determined by the Board on the basis of the Company’s performance and profitability, the duties, responsibility and contribution of the Directors, and the remuneration benchmark in the industry, with reference to the recommendation of the Remuneration Committee.

As at the Latest Practicable Date, Mr. An did not have any interest in the Shares within the meaning of Part XV of the SFO.

Saved as disclosed above, (i) Mr. An does not hold any directorship in other public listed companies in Hong Kong or overseas in the past three years or any position in the Group, nor he has any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company, and (ii) there is no information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matters that need to be brought to the attention of the Shareholders in connection with his re-election.

C. Ms. Lo Miu Sheung, Betty
Independent Non-Executive Director

Ms. Lo Miu Sheung, Betty, aged 60, was appointed as an Independent Non-executive Director of the Company on 19 June 2012. She is a qualified solicitor in Hong Kong and has over 30 years of experience in general legal practice, with specialisation in conveyancing, commercial and probate laws. Ms. Lo has been in active practice since qualification and is currently a consultant of Messrs. K.C. Ho & Fong, Solicitors & Notaries. She graduated from The University of Hong Kong with a Bachelor Degree in Laws (LL.B.) in 1985 and also holds a Postgraduate Certificate in Laws (PCLL). Ms. Lo is currently an independent non-executive director of Kingston Financial Group Limited, which is listed on the Main Board of the Stock Exchange. She was an independent non-executive director of AEON Stores (Hong Kong) Co., Limited, a company listed on the Main Board of the Stock Exchange, from November 2013 to December 2021.

Apart from being an independent non-executive director of Kingston Financial Group Limited in which (i) Mrs. Chu Yuet Wah, being an Executive Director and a substantial shareholder of the Company, holds board position and has controlling interests therein, (ii) Mr. Chu, Kingston Chun Ho, being the Vice Chairman and an Executive Director of the Company, holds board position therein, and (iii) Mr. Chiu Sin Nang, Kenny, being an Independent Non-executive Director of the Company, holds board position therein, Ms. Lo does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is a letter of appointment entered into between the Company and Ms. Lo. The term of appointment of Ms. Lo is initially for a period of one year commencing on 19 June 2012 and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of her appointment. Ms. Lo is subject to the requirements of retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles. Ms. Lo is entitled to an annual director's fee of HK\$192,000. The emoluments of the Directors are determined by the Board on the basis of the Company's performance and profitability, the duties, responsibility and contribution of the Directors, and the remuneration benchmark in the industry, with reference to the recommendation of the Remuneration Committee.

As at the Latest Practicable Date, Ms. Lo did not have any interest in the Shares within the meaning of Part XV of the SFO.

Saved as disclosed above, (i) Ms. Lo does not hold any directorship in other public listed companies in Hong Kong or overseas in the past three years or any position in the Group, nor she has any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company, and (ii) there is no information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matters that need to be brought to the attention of the Shareholders in connection with her re-election.

This appendix serves as an explanatory statement as required by the Listing Rules to provide the requisite information to you for your consideration of the proposal of the Repurchase Mandate.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to exercise all the powers of the Company to repurchase Shares up to a maximum of 10% of the total number of Shares in issue at the date of the passing of the resolution to approve the Repurchase Mandate, such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of such resolution.

The Repurchase Mandate will continue to be in force until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by any applicable laws of the Cayman Islands or the Articles; or (iii) the revocation by ordinary resolution of Shareholders in general meeting, whichever is the earlier.

(a) Share capital

As at the Latest Practicable Date, the number of Shares in issue was 6,043,950,000 Shares. Accordingly, the exercise of the Repurchase Mandate in full (being the repurchase of 10% of the Shares in issue at the date of the passing of the resolution to approve the Repurchase Mandate) would enable the Company to repurchase 604,395,000 Shares (assuming no Share is issued or repurchased after the Latest Practicable Date and up to the date of the passing of the relevant resolution).

(b) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles and the laws of the Cayman Islands. Under the laws of the Cayman Islands, any repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorised by its Articles and subject to the provisions of the Companies Act, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by its Articles and subject to the provisions of the Companies Act, out of capital.

(c) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

(d) Funding of repurchases

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles, the Listing Rules and the applicable laws of the Cayman Islands.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements as at 31 March 2022) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as it would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

(e) General

As at the Latest Practicable Date, none of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any Share to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. To the best of the knowledge and belief of the Directors, Sky League Limited, which is wholly owned by Wang Fang, is interested in 1,294,370,000 Shares, representing approximately 21.42% of the total number of issued Shares as at the Latest Practicable Date. In the event that the Directors should exercise in full the power to repurchase the Shares which is proposed to be granted pursuant to the Repurchase Mandate, assuming the present shareholding otherwise remained the same, the interests of Sky League Limited in the Company would be increased to approximately 23.80% of the total number of issued Shares. In the opinion of the Directors, such increase may not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which will arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate. The Directors have no present intention to exercise the power to repurchase Shares to the extent that the total number of issued Shares in public hands would be reduced to less than 25%.

No repurchase of Shares (whether on the Stock Exchange or otherwise) has been made by the Company or any of its subsidiaries during the six months preceding the Latest Practicable Date.

(f) Share prices

The highest and lowest traded prices for Shares recorded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

Year	Month	Highest HK\$	Lowest HK\$
2021	August	0.078	0.047
	September	0.062	0.051
	October	0.065	0.049
	November	0.055	0.047
	December	0.057	0.044
2022	January	0.059	0.040
	February	0.079	0.048
	March	0.059	0.046
	April	0.059	0.041
	May	0.045	0.040
	June	0.051	0.041
	July	0.049	0.037
	August (up to the Latest Practicable Date)	0.044	0.038



SINCERE WATCH (HONG KONG) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 444)

NOTICE IS HEREBY GIVEN that an annual general meeting of Sincere Watch (Hong Kong) Limited (the “Company”) will be held with a combination of physical meeting at Offices Nos. 6101–6103, 61st Floor, The Center, 99 Queen’s Road Central, Hong Kong as the Principal meeting place (the “Principal Meeting Place”) and virtual meeting on Wednesday, 21 September 2022 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors and the independent auditor for the year ended 31 March 2022.
2. To re-elect the retiring directors and to authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint BDO Limited as auditor for the year ending 31 March 2023 and to authorise the board of directors to fix the auditor’s remuneration.
4. To consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company (“Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the maximum number of Shares which the Directors are authorised to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10% of the total number of Shares in issue at the date of the passing of this resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of this resolution), and the said approval shall be limited accordingly; and

(c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company (the “Articles”) or any applicable laws of the Cayman Islands to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”.

5. To consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution:

“THAT

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares) which would or might require the exercise of such power after the end of the Relevant Period (as hereinafter defined);
- (c) the total amount of Shares allotted or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of (i) a Rights Issue (as hereinafter defined); (ii) an issue of Shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or rights to acquire Shares; (iii) an issue of Shares upon the exercise of the subscription or conversion rights under the terms of any warrants or any securities of the Company which are convertible into Shares or warrants to subscribe for Shares; or (iv) any scrip dividends or similar arrangement, providing for the allotment and issue of Shares in lieu of the whole or part of a dividend or Shares in accordance with the Articles from time to time, shall not exceed 20% of the total number of Shares in issue at the date of the passing of this resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the

Shares into a larger or smaller number of shares of the Company after the passing of this resolution) and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”.

6. To consider and, if thought fit, pass (with or without modifications) the following resolution as an ordinary resolution:

“**THAT** subject to the passing of the resolution nos. 4 and 5 set out in the notice convening this meeting, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to resolution no. 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of such number of Shares repurchased by the Company under the authority granted pursuant to resolution no. 4 set out in the notice convening this meeting, provided that such amount of Shares so repurchased shall not exceed 10% of the total number of Shares in issue at the date of the passing of this resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the Shares into a larger or smaller number of shares of the Company after the passing of this resolution).”.

By Order of the Board
Sincere Watch (Hong Kong) Limited
Zhang Xiaoliang
Chairman and Chief Executive Officer

Hong Kong, 12 August 2022

Notes:

1. The AGM will be a hybrid meeting. **Shareholders shall not physically attend the AGM at the Principal Meeting Place. Any shareholder who attempts to physically attend the AGM will be denied entry to the Principal Meeting Place.** Shareholders will be able to attend and vote at the AGM electronically through the e-Meeting System (“Tricor e-Meeting System”) at <https://spot-emeeting.tricor.hk/>. Shareholders attending the AGM through the Tricor e-Meeting System will be counted towards the quorum and they will be able to view a live webcast of the AGM, submit questions and cast votes via the Tricor e-Meeting System.
2. All registered shareholders of the Company will be able to join the meeting via the Tricor e-Meeting System for facilitating the conduct of the meeting. The Tricor e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer. Through the Tricor e-Meeting System, registered shareholders of the Company will be able to view the live video broadcast and participate in voting and submit questions online by using the username and password provided on the notification letter sent by the Company. Login details and information regarding the Tricor e-Meeting System are included in the Company’s notification letters to registered shareholders of the Company. Registered shareholders of the Company are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairman of the meeting) for the proxy to receive the login access code to participate in the meeting by electronic means through the Tricor e-Meeting System. **Shareholders of the Company and their proxies are advised to keep the login credentials in safe custody and shall not disclose them to any other person.**

Non-registered shareholders of the Company whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited may also be able to attend the meeting, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

3. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it. Any member of the Company who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the meeting. A proxy need not be a member of the Company.
4. To be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (if the form of proxy will be deposited before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the form of proxy will be deposited on or after 15 August 2022) or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting or any adjournment thereof (as the case may be) should he/she/it so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.
5. Where there are joint holders of any Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
6. For determining the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Friday, 16 September 2022 to Wednesday, 21 September 2022, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the entitlement to attend and vote at the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong (if the transfer documents will be lodged

before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the transfer documents will be lodged on or after 15 August 2022) for registration not later than 4:30 p.m. on Thursday, 15 September 2022.

7. If typhoon signal no. 8 or above, or a “black” rainstorm warning or extreme conditions caused by super typhoons is in effect in Hong Kong at any time after 8:00 a.m. on the date of the annual general meeting, the meeting will be adjourned. The Company will publish an announcement on the website of the Company at <http://www.sincerewatch.com.hk> and on the HKEXnews website of the Stock Exchange at <http://www.hkexnews.hk> to notify shareholders of the date, time and venue of the adjourned meeting.
8. As at the date of this notice, the board of Directors comprises 5 executive Directors, namely Mr. Zhang Xiaoliang (*Chairman and Chief Executive Officer*), Mr. Chu, Kingston Chun Ho (*Vice Chairman*), Mrs. Chu Yuet Wah, Mr. Yang Guangqiang and Mr. An Muzong, and 4 independent non-executive Directors, namely Ms. Lo Miu Sheung, Betty, Mr. Yu Zhenxin, Mr. Zong Hao and Mr. Chiu Sin Nang, Kenny.

IMPORTANT INFORMATION FOR THE 2022 ANNUAL GENERAL MEETING

In view of the ongoing COVID-19 pandemic, the forthcoming AGM will be held as a hybrid meeting whereby **Shareholders can participate electronically through the Tricor e-Meeting System.**

Pursuant to the regulatory social distancing measures which are in force in Hong Kong as at the date hereof, the Company is required to minimise the number of persons in physical attendance at the AGM. **Shareholders shall not physically attend the AGM at the Principal Meeting Place. Any Shareholder who attempts to physically attend the AGM will be denied entry to the Principal Meeting Place.**

The Company encourages Shareholders to attend and vote at the AGM electronically through the Tricor e-Meeting System in person or by proxy or to exercise their voting rights by appointing the chairman of the AGM as proxy to cast the votes on their behalf.