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SINCERE WATCH (HONG KONG) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 444)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE

This announcement is made by Sincere Watch (Hong Kong) Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders (the “**Shareholders**”) of the Company and potential investors informed of the latest business development of the Group.

The Company is an investment holding company and the Group is principally engaged in distribution of branded luxury watches, timepieces and accessories in Hong Kong, Macau, Taiwan, Korea and the People’s Republic of China, and property investment. Whilst the Group intends to maintain the continual operation of its existing principal businesses, the Group has been actively exploring and identifying new business opportunities with an aim to develop and enrich its existing business portfolio in order to diversify its income streams and achieve long term sustainable growth and thereby maximizing the return to its Shareholders.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to announce that, in line with the Group’s abovementioned business strategy, the Company has commenced a new business as a trading agent of commodities such as but not limited to agricultural products and energy and chemical products (the “**New Business**”) through Beijian Xinye (Beijing) Trading Co., Ltd.* (北建新業(北京)商貿有限公司), an indirect wholly-owned subsidiary of the Company. The estimated total gross merchandise value of the transactions conducted between the buyers and sellers matched by the Group under the New Business for the year ending 31 March 2024 is approximately RMB100 million. The New Business is still at exploratory stage and is expected to contribute to the Group’s income base gradually.

In view of the current economic and capital markets environment, the Board believes that engaging in the New Business is an opportunity for the Group to diversify its source of income.

Notwithstanding the Group’s intention to explore the New Business, the existing principal business of the Group in distribution of branded luxury watches, timepieces and accessories will continue to be the core businesses of the Group.

Having considered the above, the Board is of the view that the commencement of the New Business is in the interests of the Company and the Shareholders as a whole.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 March 2024

As at the date of this announcement, the executive Directors are Mr. Zhang Xiaoliang (Chairman and Chief Executive Officer), Mr. Yang Guangqiang and Mr. An Muzong; and the independent non-executive Directors are Mr. Yu Zhenxin, Mr. Zong Hao and Mr. Hong Sze Lung.

** for identification purpose only*