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SINCERE WATCH (HONG KONG) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 444)

UPDATE ON PROFIT WARNING

This announcement is made pursuant to the provisions of inside information under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that during the course of the preparation of the interim results of the Group for the six months ended 30 September 2014, it has come to the Company's attention that certain accounting adjustments, including principally adjustments to accounting treatment of fund-raising related expenses, may be necessary in order to comply with the relevant accounting standards. As such, the Board currently expects that the Group may record a lesser decrease in net profit for the six months ended 30 September 2014 than the approximately 40% decrease in net profit stated in the Profit Warning Announcement. Given the accounting adjustments, the unaudited interim results of the Group for the six months ended 30 September 2014 are expected to record an approximately 25% decrease in net profit as compared to that for the six months ended 30 September 2013.

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

This announcement is made by Sincere Watch (Hong Kong) Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to the provisions of inside information under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

Reference is made to the profit warning announcement of the Company dated 23 October 2014 (the "**Profit Warning Announcement**"). Capitalised terms used herein shall have the same meanings as defined in the Profit Warning Announcement, unless otherwise specified.

In the Profit Warning Announcement, the Company stated that (among others) the Group was expected to record a significant decrease in net profit of approximately 40% for the six months ended 30 September 2014 as compared to that of the six months ended 30 September 2013. The Company's expectations contained in the Profit Warning Announcement were based on a preliminary review made by the Board of the draft unaudited consolidated management accounts of the Group for the six months ended 30 September 2014 which have not been reviewed by the Company's auditor.

During the course of the preparation of the interim results of the Group for the six months ended 30 September 2014, it has come to the Company's attention that certain accounting adjustments, including principally adjustments to accounting treatment of fund-raising related expenses, may be necessary in order to comply with the relevant accounting standards. As such, the Board currently expects that the Group may record a lesser decrease in net profit for the six months ended 30 September 2014 than the approximately 40% decrease in net profit stated in the Profit Warning Announcement. Given the accounting adjustments, the unaudited interim results of the Group for the six months ended 30 September 2014 are expected to record an approximately 25% decrease in net profit as compared to that for the six months ended 30 September 2013.

The information contained in this announcement is only based on the preliminary assessment by the Board on the latest information currently available including the latest unaudited management accounts of the Group for the six months ended 30 September 2014 which have not been reviewed by the Company's auditor. It should be noted that the Company has yet to finalize the interim results of the Company for the six months ended 30 September 2014. Detailed financial information of the Group for the six months ended 30 September 2014 will be disclosed in the interim results announcement, which is scheduled to be announced on 21 November 2014.

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

By order of the Board
Sincere Watch (Hong Kong) Limited
Chu, Kingston Chun Ho
Vice Chairman and Managing Director

Hong Kong, 11 November 2014

As at the date of the announcement, the Executive Directors of the Company are Mrs. Chu Yuet Wah (Chairman) and Mr. Chu, Kingston Chun Ho (Vice Chairman and Managing Director); and the Independent Non-executive Directors of the Company are Mr. Lau Man Tak, Ms. Lo Miu Sheung, Betty and Dr. Wong Yun Kuen.