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SINCERE WATCH (HONG KONG) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 444)

INSIDE INFORMATION NOTICE OF TERMINATION IN RELATION TO EXCLUSIVE DISTRIBUTOR AGREEMENT

This announcement is made by Sincere Watch (Hong Kong) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform shareholders of the Company and potential investors that on 7 December 2022, Sincere Brand Management Limited (“**SBML**”), an indirect wholly-owned subsidiary of the Company, received an notice of termination (the “**Notice**”) from Multicontinental Distribution (Asia) DMCC (“**MD (Asia)**”) claiming to terminate the exclusive distributor agreement dated 15 June 2018 (the “**Exclusive Distributor Agreement**”) entered into between SBML and MD (Asia) in relation to the appointment of SBML as an exclusive distributor of Franck Muller timepieces and watch accessories and spare parts in the People’s Republic of China (the “**PRC**”), the Hong Kong Special Administrative Region of the PRC (“**Hong Kong**”), the Macau Special Administrative Region of the PRC and Taiwan.

As stated in the Notice, it is MD (Asia)’s contention that SBML has breached the Exclusive Distributor Agreement as (i) there has been a change of control over SBML which was not disclosed to MD (Asia); and (ii) SBML failed to meet the guaranteed minimum annual purchases. The Company does not agree with the allegations made in the Notice and is seeking legal advice in respect of its position under the Exclusive Distributor Agreement. The Company intends to rigorously defend its legitimate interests under the Exclusive Distributor Agreement and any proceedings that may be brought by MD (Asia).

The Company will make further announcement(s) to inform shareholders of the Company and potential investors in respect of further material developments in connection with the purported termination of the Exclusive Distributor Agreement as and when appropriate.

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

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

Hong Kong, 7 December 2022

As at the date of this announcement, the Executive Directors of the Company are Mr. Zhang Xiaoliang (Chairman and Chief Executive Officer), Mr. Chu, Kingston Chun Ho (Vice Chairman), Mr. Yang Guangqiang and Mr. An Muzong; the Non-executive Director of the Company is Mrs. Chu Yuet Wah; and the Independent Non-executive Directors of the Company are Ms. Lo Miu Sheung, Betty, Mr. Yu Zhenxin, Mr. Zong Hao and Mr. Chiu Sin Nang, Kenny