

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SINCERE WATCH (HONG KONG) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 444)

ANNOUNCEMENT DECISION OF THE ARBITRATION

Reference is made to the announcements of the Company dated 30 May 2025 (the “**Announcement**”). Unless the context requires otherwise, capitalized terms used in this announcement shall bear the same meaning as defined in the Announcement.

As disclosed in the Annual Report, a subsidiary of the Company, namely Sincere Brand Management Limited (“**SBML**”) has entered into the Arbitration with Multicontinental Distribution (Asia) DMCC (“**Multicontinental**”) and GFM Watchland SA (“**GFM**”) since January 2023 in relation to the alleged termination of SBML’s exclusive distributorship of Franck Muller timepieces and watch accessories and spare parts in the People’s Republic of China, Hong Kong, Macau and Taiwan (“**Exclusive Territory**”) under the exclusive distribution agreement entered into between SBML and Multicontinental in 2018 (the “**EDA**”). From November 2022, Multicontinental stopped supplying Franck Muller (“**FM**”) timepieces and watch accessories to the Group.

The Company recently received the Arbitration results and set out below are a summary of the relevant decision.

1. The EDA was wrongfully terminated but deemed at an end since 3 October 2022, with SBML being entitled to damages;
2. The claim by SBML for indemnity for clientele was rejected;
3. The claim by Multicontinental regarding minimum purchase requirements was rejected;
4. Multicontinental has to repair and return the watches withheld to SBML (excluding those pertaining to the consignment stock) within 60 days from the notification of the partial award;

5. SBML must return the consigned products and an inspection should be organised in this respect and SBML must pay Multicontinental and GFM for each consigned product sold. The book value of the consigned products held by SBML as at 31 March 2025 amounts to approximately HK\$337.7 million;
6. the sole arbitrator found that both Multicontinental and GFM have standing to be sued;
7. SBML shall immediately cease and desist from any use of FM trademark and from presenting itself as (exclusive) distributor of the products, that was a consequence deriving from the sole arbitrator decision that the EDA should be deemed as having terminated.

The Company considers that the Arbitration decision results are largely in line with the original expectations of the Group and will further study the decision and will take appropriate actions to protect the rights and benefits of the Group accordingly. Further announcement will be made when the Group takes further actions in accordance with the Listing Rules.

The Company considers that the Arbitration decision has no material adverse impact on the current business operations and financial position of the Group as a whole.

Shareholders and potential investors are advised to exercise caution when 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 August 2025

As at the date of this announcement, the Executive Directors of the Company are Mr. Zhang Xiaoliang (Chairman and Chief Executive Officer), Mr. Yang Guangqiang and Mr. An Muzong; the Non-executive Director of the Company is Ms. Lu Weina; and the Independent Non-executive Directors of the Company are Mr. Yu Zhenxin, Mr. Zong Hao, and Mr. Hong Sze Lung.