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SINCERE WATCH (HONG KONG) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 444)

DISCLOSEABLE TRANSACTION ACQUISITION OF 51% EQUITY INTERESTS IN THE TARGET COMPANY INVOLVING ISSUE OF PROMISSORY NOTE

THE EQUITY TRANSFER AGREEMENT

The Board is pleased to announce that on 3 February 2026 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company), the Vendor and the Guarantor entered into the Equity Transfer Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell, 51% equity interests in the Target Company for a Consideration of RMB1,000,000 (equivalent to approximately HK\$1,120,000). The Consideration shall be settled by the issue of the Promissory Note by the Purchaser to the Vendor at Completion.

Upon Completion, the Company will be interested in 51% of the equity interest of the Target Company. As such, the Target Company will become an indirect non-wholly owned subsidiary of the Company, and the financial results of the Target Company will be consolidated into the accounts of the Group.

Further details on the Equity Transfer Agreement and the Promissory Note are set out in the body of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Acquisition under the Equity Transfer Agreement exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 2 July 2025 and will remain suspended until further notice. Further announcement(s) will be made by the Company as and when appropriate and in compliance with the requirements under the Listing Rules.

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

INTRODUCTION

The Board is pleased to announce that on 3 February 2026 (after trading hours), the Purchaser (a wholly-owned subsidiary of the Company), the Vendor and the Guarantor entered into the Equity Transfer Agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell, 51% equity interests in the Target Company for a Consideration of RMB1,000,000 (equivalent to approximately HK\$1,120,000). The Consideration shall be settled by the issue of the Promissory Note by the Purchaser to the Vendor at Completion.

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THE EQUITY TRANSFER AGREEMENT

Set out below are the principal terms of the Equity Transfer Agreement:

Date

3 February 2026 (after trading hours)

Parties

- (1) the Purchaser (a wholly-owned subsidiary of the Company);
- (2) the Vendor; and
- (3) the Company (as the Guarantor).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor, the Target Company and its ultimate beneficial owners are third parties independent of the Company and its connected persons as defined under the Listing Rules.

Subject Matter

Pursuant to the terms and conditions of the Equity Transfer Agreement, the Purchaser agreed to acquire, and the Vendor agreed to sell 51% equity interests in the Target Company.

Consideration and Payment

Pursuant to the Equity Transfer Agreement, the Consideration payable by the Purchaser for the Acquisition is RMB1,000,000 (equivalent to approximately HK\$1,120,000). The Consideration shall be settled by the issue of the Promissory Note by the Purchaser at Completion.

The Consideration was determined after arm's length negotiations between the Purchaser, the Vendor and the Guarantor with reference to, (i) the net assets of the Target Company as at 31 December 2025; (ii) historical financial performance of the Target Company for the year ended 31 December 2025; and (iii) the business and development prospect of the Target Company. The Directors consider the Consideration to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Further information of the Promissory Note is set out below.

Completion

Completion of the Acquisition shall take place on the date on which the relevant business registration for the transfer of equity is completed within 10 days after the signing of the Equity Transfer Agreement and the Purchaser confirming its satisfaction to the due diligence results on the Target Company. The due diligence on the Target Company shall be completed within 40 days from the date of the Equity Transfer Agreement and the Purchaser shall within 60 days from the date of the Equity Transfer Agreement confirming whether it is satisfied with the results.

THE PROMISSORY NOTE

Subject to the terms and conditions of the Equity Transfer Agreement, the Purchaser shall issue the Promissory Note to the Vendor for settlement of the Consideration. The principal terms and conditions of the Promissory Note are as follows:

Issuer:	The Purchaser
Noteholder:	The Vendor
Guarantor:	The Company
Principal amount:	RMB1,000,000

Interest:	5% per annum payable on the maturity date.
Maturity date:	The date falling twelve (12) months after date of issue of the Promissory Note.
Security/Guarantee:	The obligations of the Purchaser under Promissory Note are unsecured. The Company (as the Guarantor) guarantees in favour of the Noteholder in respect of fulfilment of such obligations.
Transferability:	The Promissory Note may be transferred by the Vendor to any persons provided that the Vendor shall serve a prior written notice to the Purchaser of not less than three (3) Business Days.
Early Redemption:	The Promissory Note may be repaid in whole or in part by the Purchaser at any time prior to its maturity without premium or penalty by Purchaser giving the Vendor not less than three (3) Business Days' prior written notice. The Vendor does not have the right to demand early redemption by the Purchaser in whole or in part of the Promissory Note.

As at the date of the Equity Transfer Agreement, the registered capital of the Target Company is RMB5,000,000 and the paid-up capital of the Target Company is RMB500,000. Under the Equity Transfer Agreement, after the Completion, the Purchaser shall be responsible to contribute and pay up its part of registered capital in the Target Company, i.e. RMB2,266,667 on or before 1 August 2029 in accordance with the applicable laws and regulations.

INFORMATION ON THE PARTIES

The Company and the Purchaser

The Company is an investment holding company. The principal activities of the Group are distribution of branded luxury watches, timepieces and accessories in Hong Kong, Macau, Taiwan and the People's Republic of China, and property investment.

The Purchaser is a limited liability company established in the PRC. It is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

The Vendor

The Vendor is an individual who has over 15 years experience in the energy sector. As at the date of this announcement, the Target Company is owned as to 90% by the Vendor.

INFORMATION OF THE TARGET COMPANY

The Target Company is a limited liability company established in the PRC. It is principally engaged in natural gas and refined oil business, and specialises in the wholesale of natural gas, vehicle refuelling, and construction of gas stations.

The Target Company was established in August 2024 and during the period ended 31 December 2024, the Target Company applied for the necessary qualification for operating its business (i.e. the Hazardous Chemicals Business Licence*) and obtained the same in November 2024. For the period since its establishment and ended 31 December 2024, the Target Company has not carried out any business activities and recorded unaudited net loss before and after taxation of approximately RMB9,000 (resulting from administrative costs incurred). For the year ended 31 December 2025, the Target Company recorded unaudited net profit before taxation and net profit after taxation of approximately RMB1,857,000 and RMB1,392,000 respectively. The unaudited total assets and net assets of the Target Company as at 31 December 2025 amounted to approximately RMB4,002,000 and RMB1,883,000 respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in distribution of branded luxury watches, timepieces and accessories in Hong Kong, Macau, Taiwan and the People's Republic of China, and property investment. The sector continues to be challenged by subdued discretionary spending and macroeconomic uncertainties, which led to ongoing softness in consumer demand. The luxury goods market is expected to face continued pressure in the near term.

Against this backdrop, the management has been taking a cautious approach as regards its existing business and is continuously exploring potential opportunities to achieve diversification in the business and income streams of the Group and mitigate the impact of any potential risks and uncertainties.

The Target Company's principal activities are natural gas wholesale and retail sales, including LNG (liquefied natural gas) and CNG (compressed natural gas) distribution. The Target Company cooperates with major gas companies and acts as a supplier to these gas companies. The Target Company's sales amounted to approximately RMB24 million in 2025 and has established stable sales channel gradually across the PRC. Currently, the Target Company operates on a "business-to-business" model, with the objective to further develop its business into an integrated enterprise focusing on clean energy in the long-term. With supportive PRC government policies, natural gas plays a critical role in substituting high-carbon energy sources with low-carbon energy sources. The Board believes that the Acquisition will provide an opportunity for the Group to tap into the clean energy business and diversify its source of income.

The Directors consider that the terms of the Equity Transfer Agreement and the Promissory Note are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Acquisition under the Equity Transfer Agreement exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

CONTINUED SUSPENSION OF TRADING

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DEFINITIONS

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

“Acquisition”	the acquisition of 51% equity interest in the Target Company by the Purchaser from the Vendor pursuant to the Equity Transfer Agreement
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturday, Sunday and public holidays) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company” or “Guarantor”	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 (Stock code: 444)
“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Equity Transfer Agreement

“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Consideration”	the consideration of RMB1,000,000 (equivalent to approximately HK\$1,120,000) for the Acquisition
“Director(s)”	director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 3 February 2026 entered into between the Purchaser, the Vendor and the Company in relation to the Acquisition
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China
“Promissory Note”	the promissory note in the principal amount of RMB1,000,000 which shall be issued by the Purchaser in favour of the Vendor to settle the Consideration under the Equity Transfer Agreement
“Purchaser”	北京麥立威爾科技有限公司 (Beijing Mai Li Wei Er Technology Co., Ltd.)*, a company established in the PRC with limited liability and a wholly- owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shares”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	南通榮煜能源科技有限公司 (Nantong Rongyu Energy Technology Co., Ltd)*, a company established in the PRC with limited liability
“Vendor”	Ms. Feng Meiyong (馮梅英)
“%”	per cent

For ease of reference and unless otherwise specified in this announcement, sums in HK\$ and RMB in this announcement have been translated at the indicative exchange rate HK\$1:RMB0.89249. This does not mean that RMB could be converted into HK\$, or vice versa, based on such exchange rate.

* *The English translation of the Chinese name(s) in this announcement, where indicated, is included for information purposes only, and should not be regarded as the official English name(s) of such Chinese name(s).*

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

Hong Kong, 3 February 2026

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.