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## **SINCERE WATCH (HONG KONG) LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 444)**

### **QUARTERLY UPDATE ON STATUS OF RESUMPTION AND CONTINUED SUSPENSION OF TRADING**

This announcement is made by Sincere Watch (Hong Kong) Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to (1) the announcements of the Company dated 7 December 2022, 20 January 2023, 7 March 2023, 7 August 2025, 29 August 2025 and 28 November 2025; (2) the announcements dated 16 June, 30 June and 13 August 2025 in relation to the delay in publication of its annual results for the year ended 31 March 2025 (the “**Annual Results**”); (3) the announcement dated 3 February 2026 in relation to the Acquisition of the Target Company; and (4) the announcement dated 26 August 2025 in relation to the Resumption Guidance and the quarterly update announcements dated 30 September 2025 and 31 December 2025 (together as the “**Announcements**”). Unless the context requires otherwise, capitalized terms used herein shall bear the same meanings as defined in the Announcements.

#### **UPDATE ON BUSINESS OPERATIONS**

The Group is principally engaged in distribution of branded watches, timepieces and accessories (the “**Watch Distribution Business**”) and property investment (the “**Property Investment Business**”).

The Watch Distribution Business 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. The discussions of the Group with other international watch brands are ongoing but there have been no material developments to date since the parties cannot reach consensus on the

key commercial terms including but not limited to the relevant minimum purchase amounts. Despite the aforementioned, the Company will continue to exercise its endeavours to sustain its existing business for the interests of the Company and its Shareholders and will continue to explore cooperation opportunities with other international brands.

The Property Investment Business remains in its normal operation in the PRC. In light of uncertainty of the Mainland property market, the Company intends to maintain the current business scale rather than further invest significantly in property investment. The Company will continuously explore 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 entering into of the Equity Transfer Agreement as disclosed in the announcement of the Company dated 3 February 2026 represents a key step in the diversification of existing businesses of the Group and it is the intention of the Company to diversify its source of income. As disclosed in the Announcement, 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. It is the intention of the Company that the Target Company will continue its existing business and strategy after completion of the Acquisition. Completion of the Acquisition is expected to take place in April 2026.

In light of the macroeconomic uncertainty, 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 potential risks and uncertainties.

Save as disclosed above, the business operations of the Group are continuing as usual in all material respects notwithstanding the suspension of trading in shares of the Company.

## **UPDATE ON RESUMPTION STATUS**

The Group has taken further steps and has published further advertisements for recruiting relevant accounting staff. Despite interviews with relevant candidates, the Company could not reach consensus on the employment terms with such candidates, whereas some candidates did not meet the requirements of the Company. As alternative, the Company has engaged an external accounting firm for preparing the relevant management accounts of the Group and it is contemplated that it will take four to five months for the external accounting firm to prepare the relevant management accounts of the Group.

The Company will continue to liaise with the external accounting firm and its auditors for the purpose of preparing the relevant management accounts of the Group and publication of the Annual Results and the 2025 Interim Results. Further announcement(s) will be made by the Company for any material updates in connection with the publication of the Annual Results and the 2025 Interim Results.

Save as disclosed, the Company does not possess any other material information that is required to be disclosed for the Shareholders and potential investors of the Company to appraise the Company's position.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules to update its Shareholders and potential investors on the progress in complying with the Resumption Guidance.

### **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.**

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

Hong Kong, 31 March 2026

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