

CORTINA HOLDINGS LIMITED

(Company Registration No.: 197201771W)
(Incorporated in the Republic of Singapore)

LITIGATION PROCEEDINGS IN HONG KONG

The Board of Directors (“**Board**”) of Cortina Holdings Limited (“**our Company**”; and together with our subsidiaries, “**our Group**” or “**we**”) wishes to announce that Sincere Brand Management Limited (“**SBML**”) has commenced proceedings against our Group in the High Court of the Hong Kong Special Administrative Region (the “**HK High Court**”) by the issuance of a Writ of Summons (the “**Writ**”); and by way of an Originating Summons (the “**Originating Summons**”).

BACKGROUND

We have been granted the exclusive right to distribute, promote, and sell timepieces, watch accessories and spare parts bearing the “Franck Muller” and “Franck Muller Geneve” trademarks (the “**Trademarks**”) (the “**Products**”), together with the right to use the Trademarks exclusively in connection with the promotion and sale of the Products within the Hong Kong Special Administrative Region, the Macao Special Administrative Region, Taiwan (Republic of China) and the People’s Republic of China (the “**Territory**”) by GFM Watchland SA (“**GFM**”). GFM has represented to us that the owner of the Trademarks had granted GFM the sole mandate for the world-wide distribution rights for “Franck Muller” watches; and as such GFM has the right to mandate sub-distributors for the Products for such countries as it chooses.

MORE INFORMATION ABOUT PROCEEDINGS BEFORE HK HIGH COURT

1. The Writ was served on our subsidiaries, (i) Cortina Watch HK Limited; (ii) Franck Muller (North Asia) Limited; and (iii) Franck Muller (HK) Limited (collectively, “**our HK Subsidiaries**”); and Mr Phua Cheng Kee, Francis (“**Phua**”), our employee.
2. SBML alleges in the Writ that, by an exclusive distributorship agreement (the “**EDA**”) with Multicontinental Distribution (Asia) DMCC (“**MDA**”), it is the exclusive distributor of the Products with the exclusive right to distribute, promote and sell the Products, together with the right to use the Trademarks in connection with the promotion and sale of the Products in the Territory. SBML states in the Writ that MDA wrote to SBML “*purporting to terminate*” the EDA, and alleges that the grounds of termination that MDA had relied on were invalid.
3. SBML claims in the Originating Summons that it had commenced arbitration proceedings in Switzerland against Shanghai Franck Muller Fine Watch Company Ltd; and MDA, GFM and Franck Muller Watchland SA (the “**Swiss Arbitration**”).
4. In the Writ, SBML claims, amongst other things, the following reliefs:
 - (1) an injunction to restrain our HK Subsidiaries and Phua, whether by themselves or through others, on their own behalves or on behalf of any other, directly or indirectly, from, amongst other things, selling or distributing, soliciting or canvassing business for, representing that anyone (other than SBML) as distributor of, any Products in the Territory; and

- (2) damages, equitable compensation, account as to profits for, amongst other things, alleged procuring breach of contract, alleged interference with business, alleged conspiracy and/or passing off in respect of SBML's rights as the alleged exclusive distributor under the EDA.
5. SBML has applied to the HK High Court (the "**Interlocutory Application**") for, amongst other things, an interim injunction to restrain our HK Subsidiaries and Phua, whether by themselves or through others, on their own behalves or on behalf of any other, directly or indirectly, from, amongst other things, selling or distributing, soliciting or canvassing business for, representing that they are distributor of, any Products in the Territory. The Interlocutory Application was scheduled to be heard on 23 June 2023 but has been adjourned till 13 July 2023.
6. By an Originating Summons, SBML has applied to the HK High Court for, amongst other things, an order that pending the determination of the Swiss Arbitration or further order, our HK Subsidiaries and Phua be restrained, whether by themselves or through others, on their own behalves or on behalf of any other, directly or indirectly, from, amongst other things, holding themselves out as new distributor(s); and undertaking any action disturbing SBML's position as alleged exclusive distributor, of the Products in the Territory. The Originating Summons has been fixed to be heard on 13 July 2023.
7. We intend to defend the Writ; the Originating Summons and the Interlocutory Application vigorously.
8. We will make further announcements as and when there are material developments on the matters.

DIRECTORS' RESPONSIBILITY STATEMENT

Our Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement. Each of our Directors confirm that, after making all reasonable enquiries, to his best of knowledge and belief, this Announcement constitutes full and true disclosure of all material facts of the matters, and our Group and our Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading.

CAUTIONARY NOTE

Shareholders are advised to exercise caution when dealing in the shares of our Company and to refrain from taking any action in respect of their investments which may be prejudicial to their interests. In the event that shareholders wish to deal in the shares of our Company, they should seek their own professional advice and consult with their own stockbrokers.

BY ORDER OF THE BOARD

Mr Raymond Lim Jit Ming
Group CEO and Executive Director
28 June 2023