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THE SINCERE COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 0244)

PROFIT WARNING

This announcement is made by The Sincere Company, Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) 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 Company has changed its financial year end date from 28/29 February to 31 December with effect from 2021. The forthcoming interim results will cover a six months period from 1 January 2022 to 30 June 2022 (“**1H 2022**”), while the comparative amounts for the interim results will cover a six month period from 1 March 2021 to 31 August 2021 (“**1H 2021**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the Group’s unaudited consolidated management accounts for 1H 2022 (the “**Management Accounts**”), the Group is expected to record a net loss attributable to the Shareholders ranging from HK\$37.0 million to HK\$42.0 million for 1H 2022 as compared with the net loss attributable to the Shareholders of approximately HK\$60.6 million for the 1H 2021. The reduction in loss was mainly attributable to (i) decrease in legal and professional fee of approximately HK\$5.8 million (1H 2022: approximately HK\$3.2 million; 1H 2021: approximately HK\$9.0 million); (ii) decrease in other operating expenses in 1H 2022 as the amount in 1H 2021 included an one-off loss on termination of lease of approximately HK\$2.9 million (1H 2022: Nil); (iii) impairment loss on right-of-use assets of approximately HK\$2.3 million was recognised for 1H 2021 (1H 2022: Nil); (iv) the recognition of government subsidies under the Hong Kong government employment support scheme of approximately HK\$2.6 million in 1H 2022 (1H 2021: Nil); and (v) other income of approximately HK\$7.9 million in 1H 2022 (1H

2021: Nil) was recognised as imputed interest income calculated based on the discounted present value of the net proceeds of approximately HK\$260.4 million expected to be received from Win Dynamic Limited pursuant to the deed of gift executed by it in favour of the Company on 29 October 2020.

The Company is in the process of finalising the interim results of the Group for 1H 2022. The information contained in this announcement is based on the Management Accounts and has not been reviewed by the Company's auditor. Details of the financial information of the Group shall be disclosed in the Company's results announcement for 1H 2022 which is expected to be published by the Company on 26 August 2022.

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

By Order of the Board
The Sincere Company, Limited
Lin Xiaohui
Chairman

Hong Kong, 18 August 2022

As at the date of this announcement, the executive directors are Dr. Lin Xiaohui, Madam Su Jiaohua and Dr. Yu Lai; the non-executive director is Dr. Tai Tak Fung; and the independent non-executive directors are Mr. Yu Leung Fai, Mr. Yuan Baoyu and Mr. Chung Chun Hung Simon.