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**sincere先施**

## **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 audited final results will cover the financial year from 1 January 2022 to 31 December 2022 (“**FY2022**”), while the comparative amounts for the final results will cover a ten-month period from 1 March 2021 to 31 December 2021 (“**FP2021**”).

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 (the “**Management Accounts**”) for FY2022, the Group is expected to record net loss attributable to the Shareholders ranging from HK\$57.0 million to HK\$62.0 million for FY2022, as compared to the net loss attributable to the Shareholders of approximately HK\$75.9 million for FP2021 as set out in the annual report of the Company for FP2021.

It is noted that the reduction in net loss in FY2022, as compared with FP2021 was mainly attributable to (i) decrease in other operating expenses. Included in FP2021 results were (a) an one-off impairment on “property, plant and equipment” of approximately HK\$2.0 million; and (b) an one-off loss on early termination of lease of approximately HK\$2.9 million, whereas FY2022 recorded nil for both items; (ii) the recognition of government subsidies of approximately HK\$3.7 million under the Hong Kong government employment support scheme (FP2021: nil); and (iii) an increase in other income mainly attributable to an increase in imputed interest income from HK\$9.3 million for FP2021 to HK\$15.5 million for FY2022 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 audit of the financial results of the Group in respect of FY2022. The information contained in this announcement is based on the Management Accounts. Details of the audited financial information of the Group shall be disclosed in the Company’s results announcement for FY2022 which is expected to be published on or before 28 March 2023.

**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, 17 March 2023

*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*