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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 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 the six months ended 30 June 2023 (the “**Management Accounts**”), the Group is expected to record net loss attributable to the Shareholders ranging from HK\$15.0 million to HK\$20.0 million for the six months ended 30 June 2023 (“**1H2023**”) as compared to the net loss attributable to the Shareholders for the six months ended 30 June 2022 (“**1H2022**”) of approximately HK\$38.1 million.

The reduction in loss was mainly attributable to (i) increase in revenue of the department store operations of the Group in 1H2023 by approximately HK\$5.5 million resulting from the gradual recovery of economic activities in Hong Kong and the reopening of border with mainland China in 1H2023; (ii) improvement in gross profit margin from approximately 55% to approximately 59%; and (iii) decrease in depreciation of right-of-use assets of approximately HK\$11.0 million as one of our stores closed in late 2022 and due to the rent concession obtained for the department store operation.

The Company is in the process of finalising the interim results of the Group for 1H2023. The information contained in this announcement is based on the Management Accounts and has not been reviewed by the Company's auditors. Details of the financial information of the Group shall be disclosed in the Company's results announcement for 1H2023 which is expected to be published by the Company on 28 August 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 August 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 and Mr. Chung Chun Hung Simon.