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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 year ended 31 December 2024 (the “**Management Accounts**”), the Group is expected to record net loss attributable to the Shareholders in the range of between HK\$38 million and HK\$41 million for the year ended 31 December 2024 (“**FY2024**”), as compared to the net loss attributable to the Shareholders for the year ended 31 December 2023 (“**FY2023**”) of approximately HK\$50.5 million.

During FY2024, the consumer and retail market in Hong Kong remained sluggish, and had adversely affected the results of the department store operation of the Group. The gross profit recorded by the Group for FY2024 has decreased to approximately HK\$70 million (FY2023: approximately HK\$83.9 million). The impact of the drop in gross profit had been offset by the gain of approximately HK\$30.6 million (FY2023: nil) recorded from the disposal of a property (details of the property disposal have been disclosed in the circular of the Company dated 6 May 2024), and a decrease in finance costs of approximately HK\$4 million to approximately HK\$23 million. However, in view of the pending litigation against Win Dynamic Limited (“**Win Dynamic**”) (HCA 716/2021) and the extended procedures and time to hearing, there was a modification loss of gift receivable from Win Dynamic of approximately HK\$18 million recorded during FY2024. Overall, the Group’s loss attributable to the Shareholders for FY2024 has improved when compared with FY2023.

The Company is in the process of finalising the audit of the financial results of the Group in respect of FY2024. 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 FY2024 which is expected to be published on 31 March 2025.

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, 27 March 2025

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. Chung Chun Hung Simon and Mr. Lin Lin.