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SINCERE WATCH (HONG KONG) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 444)

PROFIT WARNING

This announcement is made by Sincere Watch (Hong Kong) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 30 June 2023 and 31 July 2023 (the “**Announcements**”) in relation to, amongst others, the unaudited consolidated results of the Group for the year ended 31 March 2023 (“**FY2023**”) and the delays in publication of the consolidated financial statements of the Group for FY2023 which shall have been agreed with the auditors of the Company. Capitalized terms used in this announcement shall have the same meaning as those defined in the Announcements, unless the context requires otherwise.

As disclosed in the Announcements, the unaudited net loss was approximately HK\$185.5 million for FY2023. The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that upon further discussion with the auditors of the Company and based on the information currently available, the Company is expected to record a net loss of not less than approximately HK\$275.6 million for FY2023 as compared to a net loss of approximately HK\$156.8 million for the year ended 31 March 2022. Such expected net loss is primarily attributable to the increase in provision for slow moving inventories, provision for impairment loss on property, plant and equipment and provision for legal and professional fee. The expected increase in net loss for FY2023 as compared to the net loss as previously disclosed in the Announcements is primary attributable to the increase in provision for slow moving inventories in the amount of approximately HK\$39.2 million, increase in provision for impairment loss on property, plant and equipment in the amount of approximately HK\$25.3 million and increase in provision for legal and professional fee in the amount of approximately HK\$25.5 million.

The information contained in this announcement is only based on the Company's preliminary assessment of the consolidated management accounts of the Group for FY2023, which have not been reviewed or audited by the Company's auditors or reviewed by the Company's audit committee. The Company is still in the process of finalizing the Group's audited annual results for FY2023 which are expected to be published by the end of August 2023.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in all securities of the Company on the Stock Exchange has been suspended with effect from 10:33 a.m. on 29 June 2023, and will remain suspended until further notice.

Further announcement(s) will be made by the Company in relation to the publication of the 2023 Audited Annual Results and the further Board meeting to consider and approve the 2023 Audited Annual Results as and when appropriate and in accordance with the Listing Rules.

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

By Order of the Board
Sincere Watch (Hong Kong) Limited
Zhang Xiaoliang
Chairman and Chief Executive Officer

Hong Kong, 24 August 2023

As at the date of this announcement, the Executive Directors of the Company are Mr. Zhang Xiaoliang (Chairman and Chief Executive Officer), Mr. Yang Guangqiang and Mr. An Muzong; and the Independent Non-executive Directors of the Company are Mr. Yu Zhenxin, Mr. Zong Hao, Mr. Cheng Sing Kau Colman and Mr. Hong Sze Lung.