

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 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 the six months ended 30 June 2024 (“**1H2024**”), the Group is expected to record net loss attributable to Shareholders in the range of between HK\$26.0 million and HK\$28.0 million, as compared to the net loss attributable to Shareholders for the six months ended 30 June 2023 (“**1H2023**”) of approximately HK\$17.5 million.

During 1H2024, the consumer and retail market in Hong Kong experienced a period of sluggish consumer spending, resulting in keen competition among the retailers with more sales promotion campaigns and pricing cutting. The generally stagnant market sentiment had also impacted the results of the Group for 1H2024. The increase in loss of the Group for 1H2024 was mainly attributable to (i) a decrease in revenue of over 10%, when compared to the revenue recorded for the Group of approximately HK\$74.4 million for 1H2023; (ii) a decline in gross profit margin for the revenue made, from approximately 59% for 1H2023 to approximately 55%, as a result of more price cutting to promote sales. This, coupled with the decrease in revenue, resulted in a decline in gross profit of approximately HK\$7.0 million to HK\$8.0 million; and (iii) an increase in finance costs of approximately HK\$1.6 million.

Reference is made to the circular dated 6 May 2024 of the Company (the “**Circular**”) in relation to the disposal of a property held by the Group pursuant to a provisional agreement entered into by the Group and an independent third party purchaser dated 12 April 2024. As stated in the Circular, it was estimated that the Group would record a gain on disposal of approximately HK\$30.0 million, subject to completion of the disposal and audit. The property disposal was completed in July 2024 subsequent to 1H2024. Thus, the result of the Group for 1H2024 did not take into account the financial effects of such disposal.

The Company is in the process of finalising the interim results of the Group in respect of 1H2024. 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 1H2024 which is expected to be published by the Company on 28 August 2024.

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, 25 August 2024

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.