

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 Company 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 Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) (“SFO”).

The board of directors (the “Board”) of the Company would like to inform the shareholders of the Company and potential investors that the Group expects to record a significant loss for the financial year ending 28 February 2014 as compared to a profit for the financial year ended 28 February 2013.

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

This announcement is made by The Sincere Company, Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

With preliminary review of the Group’s unaudited management accounts for the eleven months ended 31 January 2014 and other information currently available, the Board estimates that the Group will record a significant loss for the financial year ending 28 February 2014. The loss as compared to a profit from last financial year was mainly attributable to (i) a substantial gain from a discontinued operation in the last financial year while no such profit will be recorded in the current financial year; (ii) revenue dropped from two major stores due to the trading area of the Grand Century Place Store shrunk by two thirds since October 2012 and the Central Store was returned to the landlord upon lease expiry in August 2013; (iii) the compliance to relevant accounting standard to recognise the effective rent of the new stores during the rent-free period; and (iv) the performance of some new stores are still building up and not in full force.

The Company is in the process of finalising the full year results of the Group for the year ending 28 February 2014. The information contained in this announcement has not been finalised nor audited by the Company's auditors. Shareholders of the Company and potential investors are advised to read the Group's annual results announcement for the financial year ending 28 February 2014, which is expected to be published in May 2014.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
The Sincere Company, Limited
Walter K W Ma
Chairman

Hong Kong, 28 February 2014

As at the date of this announcement, the Executive Directors of the Company are Mr Walter K W Ma, Mr Philip K H Ma and Mr John Y C Fu; and the Independent Non-Executive Directors are Mr King Wing Ma, Mr Eric K K Lo, Mr Charles M W Chan and Mr Peter Tan.