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

With preliminary review of the Group’s unaudited management accounts for the six months ended 31 August 2014 and other information currently available, the Board estimates that the Group will record a significant increase in loss for the six months ended 31 August 2014 as compared with that for the corresponding period in last year. The expected substantial increase in loss was mainly attributable to (i) the closure of Central District store which was the biggest store before the lease expiry in August 2013; (ii) the closure of Grand Century Place store which has the highest sales per square foot and the lease was expired in April 2014; (iii) the revenue for the three new stores opened within the last twelve months were still on their learning curves and yet to match with the revenue previously contributed by the Central District and Grand Century Place stores; and (iv) increase in the operating costs on the above mentioned three new stores, in particular the occupancy and advertising expenses.

The information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the six months ended 31 August 2014 and the information currently available. Such information has not been audited, confirmed and/or reviewed by the Company’s auditor. The Company is in the process of finalizing its interim results for the six months ended 31 August 2014 and the said results may be subject to further amendments. Shareholders of the Company and potential investors are advised to read carefully the interim results announcement of the Group for the six months ended 31 August 2014 which is expected to be published in October 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
Philip K H Ma
Chairman & CEO

Hong Kong, 30 September 2014

As at the date of this announcement, the Executive Directors of the Company are 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.