THE SINCERE COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 244)

ANNOUNCEMENT OF THE 2007 INTERIM RESULTS

The Board of Directors (the "Board") of The Sincere Company, Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (the "Group") for the six months ended 31 August 2007 together with the comparative amounts. The interim results of the Group are unaudited but have been reviewed by the Audit Committee of the Company.

CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED
For the six months ended 31 August 2007

	Notes	**2007** *HK$'000*	2006 *HK$'000*
REVENUE	*3*	**199,707**	264,619
Cost of sales		**(66,131)**	(146,910)
Other income		**23,018**	81,648
Selling and distribution costs		**(68,178)**	(61,774)
General and administrative expenses		**(58,659)**	(59,817)
Other operating expenses		**(2,881)**	(77,048)
Finance costs		**(2,387)**	(5,717)
Share of profits less losses of associates		**11,110**	13,751
PROFIT BEFORE TAX	*4*	**35,599**	8,752
Tax	*5*	**1,652**	(1,121)
PROFIT FOR THE PERIOD		**37,251**	7,631
ATTRIBUTABLE TO:			
Equity holders of the Company		**37,598**	2,897
Minority interests		**(347)**	4,734
		37,251	7,631
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*6*		
Basic		**6.5 cents**	0.5 cent
Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED BALANCE SHEET – UNAUDITED
31 August 2007

	Notes	**31 August 2007** *HK$'000* **(unaudited)**	28 February 2007 *HK$'000* (audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**65,826**	72,677
Investment properties		**126,180**	126,180
Prepaid land premium		**761**	776
Properties under development		**79,100**	79,100
Interests in associates		**154,104**	141,464
Available-for-sale investments		**9,171**	9,171
Rental deposits		**5,633**	5,661
Pension scheme assets		**5,509**	5,509
Total non-current assets		**446,284**	440,538
CURRENT ASSETS			
Inventories		**66,999**	47,546
Debtors	*7*	**997**	683
Prepayments, deposits and other receivables		**36,563**	129,587
Financial assets at fair value through profit or loss		**429,291**	381,695
Positive fair values of derivative financial instruments		**18,781**	1,281
Pledged bank balances		**32,736**	21,784
Pledged deposits with banks		**76,734**	110,281
Cash and bank balances		**60,935**	76,525
Total current assets		**723,036**	769,382
CURRENT LIABILITIES			
Interest-bearing borrowings and overdrafts		**113,101**	180,821
Creditors	*8*	**59,416**	66,523
Deposits, accrued expenses and other payables		**45,960**	47,781
Negative fair values of derivative financial instruments		**15,312**	5,319
Tax		**704**	3,917
Unclaimed dividends		**–**	4,605
Total current liabilities		**234,493**	308,966
NET CURRENT ASSETS		**488,543**	460,416
TOTAL ASSETS LESS CURRENT LIABILITIES		**934,827**	900,954
EQUITY			
Equity attributable to equity holders of the Company			
Issued share capital		**287,154**	287,154
Share premium account		**26**	26
Reserves		**665,827**	627,934
Proposed final dividend		**–**	6,892
		953,007	922,006
Minority interests		**(18,180)**	(21,052)
TOTAL EQUITY		**934,827**	900,954

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The unaudited condensed consolidated interim financial statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" and other relevant HKASs and Interpretations, Hong Kong Financial Reporting Standards (collectively, the ("HKFRSs")) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). Save for those new HKFRSs adopted during the period as set out in note 2, the accounting policies and basis of preparation adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 28 February 2007.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The HKICPA has issued a number of new and revised HKFRSs that are effective for accounting periods commencing on or after 1 January 2007. In the opinion of directors, the adoption of these HKFRSs does not have any significant impact on the Group's results of operations and financial position.

HKAS 1 Amendment	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

The Group has not early applied the following new HKFRSs that have been issued but are not yet effective. The directors of the Company expect that application of these new HKFRSs will have no material impact on the results and financial position of the Group.

HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC)-Int 12	Service Concession Arrangements[2]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[3]
HK(IFRIC)-Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[2]

[1] Effective for accounting periods beginning on or after 1 January 2009.
[2] Effective for accounting periods beginning on or after 1 January 2008.
[3] Effective for accounting periods beginning on or after 1 July 2008.

3. SEGMENT INFORMATION

(a) *Business segments*

The following table presents revenue and results for the Group's business segments.

	Department store operations		Property rental		Property development		Securities trading		Corporate and others		Eliminations		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:														
Sales to external customers	**161,230**	153,808	**4,640**	4,729	**–**	101,872	**32,444**	2,075	**1,393**	2,135	**–**	–	**199,707**	264,619
Inter-segment sales	**–**	–	**9,338**	8,803	**–**	–	**–**	–	**4,789**	5,212	**(14,127)**	(14,015)	**–**	–
Other revenue	**167**	354	**–**	–	**–**	–	**–**	–	**–**	1	**–**	–	**167**	355
Total	**161,397**	154,162	**13,978**	13,532	**–**	101,872	**32,444**	2,075	**6,182**	7,348	**(14,127)**	(14,015)	**199,874**	264,974
Segment results	**(14,987)**	(11,108)	**(226)**	(80,255)	**(6,788)**	14,965	**28,069**	(725)	**(1,840)**	(2,606)	**–**	–	**4,228**	(79,729)
Interest, dividend income and unallocated revenue													**22,851**	81,107
Unallocated expenses													**(203)**	(660)
Finance costs													**(2,387)**	(5,717)
Share of profits less losses of associates													**11,110**	13,751
Profit before tax													**35,599**	8,752
Tax													**1,652**	(1,121)
Profit for the period													**37,251**	7,631

(b) *Geographical segments*

The following table presents revenue for the Group's geographical segments.

	Hong Kong		Mainland China		United Kingdom		Others		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**194,871**	157,767	**3,529**	3,599	**–**	101,872	**1,307**	1,381	**199,707**	264,619

4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 31 August	
	2007	2006
	HK$'000	*HK$'000*
Depreciation	**5,889**	5,663
Amortisation of prepaid land premium	**12**	12
Changes in fair value of investment properties in Mainland China *	**–**	48,000
Impairment on properties under development in Mainland China *	**–**	32,000
Loss/(gain) on disposal of items of property, plant and equipment	**1,909**	(58)
Gain on deregistration of subsidiaries, net**	**(4,028)**	–

* *Amounts are included in "Other operating expenses" on the face of the condensed consolidated income statement.*

** *Amounts are included in "Other income" on the face of the condensed consolidated income statement.*

5. TAX

	For the six months ended 31 August	
	2007	2006
	HK$'000	*HK$'000*
Provision for tax in the income statement represent:		
Hong Kong	**–**	–
Overseas		
– charge for the period	**27**	3,180
– overprovision in prior years	**(1,679)**	(2,059)
	(1,652)	1,121

No provision for Hong Kong tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (2006: Nil).

Overseas tax has been provided on the profit of subsidiaries in accordance with the tax laws of the locations in which the subsidiaries operate.

6. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the net profit attributable to ordinary equity holders of the Company for the period of HK$37,598,000 (2006: HK$2,897,000) and the 574,308,000 (2006: 574,308,000) shares in issue throughout the period.

No diluted earnings per share is presented for both current and last periods as there are no dilutive potential ordinary shares in existence during these periods.

7. DEBTORS

The age analysis of trade debtors at the balance sheet date was as follows:

	As at 31 August 2007 *HK$'000*	As at 28 February 2007 *HK$'000*
Current – 3 months	**818**	673
4 – 6 months	**179**	10
	997	683

The carrying amounts of debtors approximate to their fair values.

8. CREDITORS

The age analysis of trade creditors at the balance sheet date was as follows:

	As at 31 August 2007 *HK$'000*	As at 28 February 2007 *HK$'000*
Current – 3 months	**55,432**	61,077
4 – 6 months	**2,785**	2,707
7 – 12 months	**590**	477
Over 1 year	**609**	2,262
	59,416	66,523

The carrying amounts of the creditors approximate to their fair values.

9. CONTINGENT LIABILITIES

The Group's share of guarantee provided by certain associates amounted to approximately HK$176,568,000 (28 February 2007: HK$169,361,000) as at the balance sheet date in respect of a banking facility granted to their associate.

INTERIM RESULTS

The Group's unaudited consolidated turnover for the six months ended 31 August 2007 was approximately HK$200 million. This represented a decrease of 25% due to the completion of the sales in UK properties at the end of the last financial year. Excluding the sale of properties in UK, the turnover recorded a like-for-like increase of 23%. Profit attributable to shareholders increased to HK$38 million. This positive result was attributable to the satisfactory investment performance.

BUSINESS REVIEW AND PROSPECTS

During the period under review, the Group faced various challenges in the core retail business. The turnover of the department store operation has been maintained but the cost increased substantially due to increase in rental and staff costs.

To cope with these challenges, the management had focused on strengthening the product gross margin. Despite the hike of Euro currency, the strategy of importing high quality European merchandises has not only continued, but further improving the product assortments to target for the middle clientele market. As a result, the gross profit margin on the department store operation lifted by 0.7 percentage point of sales.

The sales and promotion events “Roadshow” has recorded a decline in the turnover and direct operating profit. This practice of short term sales events were started two years ago and are now followed by other retailers. It is becoming increasingly difficult to find suitable venues.

The turnover of the flagship Central store recorded a decline caused by the refurbishment of the entire store during July to October 2007. The ladies’ department has been re-located to the ground floor; men’s department has been moved to the first and second floor while household remained at the third floor. This store has uplifted the Sincere brand image and is very well received by customers since its reopening. The management will continue to develop new clientele with good spending power to stand out from other competitors.

Due to the soaring stock market in Hong Kong and the PRC, the investment result was satisfactory and contributed to the Group’s result.

In the advertising operation, the company continued providing media and production services to the Group. A solid operation has been in place in Shanghai to serve the PRC clientele.

The furniture business “Sincere Living” recorded a satisfactory growth with turnover increased by over 50%. The turnover growth mainly derived from interior design contracts and projects furniture. A production line has also been established in Shenzhen. This successfully improved the delivery time with guaranteed quality to the customers.

The travel business “UNIGLOBE” is still under the development stage. During the period, the management focused their efforts on expediting the establishment of travel agencies in the PRC to meet the local statutory requirements to grant franchise business.

In the PRC, the Dalian Sincere Building and the Shanghai apartments continued to provide stable income to the Group. The management continued its effort on evaluating proposals to further develop the Building.

In UK, most major projects had been completed and recognised in the last financial year, there are only a few apartments left for resale. The UK market has become increasingly expensive. At the right entry price, the Group will continue to source further projects where there was much success over the years.

Looking ahead, the Group will focus to reinforce the brand positioning of the core department stores, raise the gross profit margin by injecting higher quality merchandises and by introducing more international brands, increase the average spending per transaction and to provide better customer services. On the other lines of business, the prudent securities investment shall be continued, while the advertising, furniture and travel business is confident to improve. To conclude, the management is cautiously optimistic about the Group’s future performance.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 August 2007, the Group had cash and bank balance of total HK$170 million (28 February 2007: HK$209 million) of which HK$109 million were pledged. After repayment of bank borrowings, the Group's gearing dropped by 8% from 20% to 12% in total debt to the shareholders' funds as compared to that of 28 February 2007. The bank borrowings were mainly in HK dollars and US dollars with interest rates ranging from 1.1% to 6.2%. The net interest expense charged to the consolidated income statement for the period was HK$2 million (2006: HK$6 million).

The current ratio improved by 0.6 from 2.5 to 3.1 as compared to that of 28 February 2007. The Group currently has a foreign currency hedging policy on Euro for the purchase of inventories, which is to hedge 50% of anticipated total value of European inventories purchase of the following season. In addition to the internal generated cash flows, the Group also made use of short term borrowings to finance its operation during the period under review. All borrowings were secured against the securities investment, certain properties and bank deposits.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 August 2007, the Group had 534 employees (including part time staff). The Group operates different remuneration schemes for sales and non-sales employees to motivate front-line and back office staff towards higher sales achievement and operating efficiencies. Sales personnel are remunerated on the basis of goal-oriented packages comprising salary and sales commission. Non-sales personnel are offered discretionary year-end bonuses based on individual merit. The Group also provides employee benefits such as subsidised medical care, staff purchase discounts and subsidised internal training.

INTERIM DIVIDEND

The Board of Directors of the Company has decided not to declare an interim dividend for the six months ended 31 August 2007.

PURCHASE, SALE AND REDEMPTION OF OWN LISTED SECURITIES

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities during the period.

CORPORATE GOVERNANCE

The Company has complied throughout the period ended 31 August 2007 with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules, except that the non-executive directors were not appointed for a specific term but are subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the Company's articles of association.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting including the review of the unaudited consolidated interim financial statements for the six months ended 31 August 2007.

ADOPTION OF THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code governing the transactions of securities by the directors. All directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code during the period under review.

DIRECTORS

As at the date of this announcement, the Board of the Company comprises two executive directors: Mr. Walter K. W. Ma and Mr. Philip K. H. Ma and three independent non-executive directors: Mr. King Wing Ma, Mr. Eric K. K. Lo and Mr. Charles M.W. Chan.

By order of the Board
Walter K W MA
Chairman

Hong Kong, 19 November 2007