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HOME CONTROL INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1747)

PROFIT WARNING FOR THE SIX MONTHS ENDED 30 JUNE 2023

This announcement is made by Home Control International 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 (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023 and the information currently available to the Board, the Group is expected to record a decrease of revenue for the period for approximately 20%-25% and a probable loss for the period six months ended 30 June 2023 and attributable to owners of the Company, as compared with a profit for the same period in 2022 and attributable to owners of the Company. The revenue and profit attributable to owners of the Company for the same period in 2022 was approximately US\$65.0 million and US\$3.2 million, respectively.

The Board considers that the aforesaid decrease in revenue was primarily due to high customers inventories as a result of slower than expected economy recovery momentum worldwide. The decrease in profit for the period and attributable to owners of the Company was primarily attributable to the decrease in gross profit driven by the decrease in revenue and the increase in the other expenses due to the non-recurring restructuring and severance costs in the amount of US\$2.0 million incurred related to optimising the cost structure so as to maintain competitiveness of the Group in the current business environment. Without taking into account the non-recurring restructuring and severance costs, the adjusted profit attributable to owners of the Company is expected to be not more than approximately US\$0.6 million for the six months ended 30 June 2023.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2023. The information contained in this announcement is based on the preliminary assessment made by the Board with reference to the information currently available and the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023, which have not been audited or reviewed by the Group's auditors and audit committee of the Company and may be subject to amendments or adjustment. Shareholders and potential investors are advised to read carefully the interim results announcement of the Company, which is expected to be published on 18 August 2023.

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

By order of the Board
Home Control International Limited
Alain PERROT
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 11 August 2023

As of the date of this announcement, the Board comprises Mr. Alain PERROT as executive Director; Mr. Wei ZHOU and Mr. Kwok King Kingsley CHAN as non-executive Directors; and Mr. Werner Peter VAN ECK, Dr. Shou Kang CHEN and Ms. Keet Yee LAI as independent non-executive Directors.