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## **HOME CONTROL INTERNATIONAL LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1747)**

### **PROFIT WARNING FOR THE YEAR ENDED 31 DECEMBER 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 (Chapter 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 year ended 31 December 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% to 25% and a probable loss for the year ended 31 December 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\$126.6 million and US\$4.6 million, respectively.

The Board considers that the aforesaid decrease in revenue was mainly due to high customer inventories as a result of slower-than-expected economic recovery worldwide. The decrease in profit for the period and attributable to owners of the Company was primarily attributable to the decrease in gross profit mainly due to changes in product mix and the increase in the other expenses due to the non-recurring restructuring and severance costs in the amount of approximately US\$2.5 million incurred to optimise 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 approximately US\$0.7 million to US\$1.1 million for the year ended 31 December 2023.

Although it is expected that there will be a loss for the year ended 31 December 2023 and attributable to the owners of the Company, the Board would like to emphasise that the Group's performance in the second half of year 2023 improved when compared to the first half of year 2023, given a decrease in loss attributable to owners of the Company by approximately 90% to 95%.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 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 year ended 31 December 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 annual results announcement of the Company, which is expected to be published on 27 March 2024.

**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, 21 March 2024

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