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JOINT ANNOUNCEMENT

DELAY IN DESPATCH OF THE COMPOSITE DOCUMENT IN RELATION TO THE PRE-CONDITIONAL VOLUNTARY CASH OFFER BY



REALORD GROUP HOLDINGS LIMITED TO ACQUIRE ALL OF THE ISSUED SHARES OF THE SINCERE COMPANY, LIMITED

Reference is made to the joint announcement (the “**Joint Announcement**”) issued by Realord Group Holdings Limited and The Sincere Company, Limited dated 15 May 2020, in relation to, among other matters, the Offer. Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Joint Announcement.

DELAY IN DESPATCH OF THE COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, within 21 days after the date of the Joint Announcement, i.e. 5 June 2020, the Offeror is required to despatch an offer document in relation to the Offer and Sincere is required to send to the SinCo Shareholders within 14 days of the posting of the offer document a response circular containing, among other things, financial information of Sincere and other information required under the Takeovers Code. It is the intention of the Offeror and Sincere that the offer document and the offeree board circular in respect of the Offer be combined in the Composite Document.

Pursuant to Note 2 of Rule 8.2 of the Takeovers Code, the Executive's consent is required if the making of the Offer is subject to the prior fulfilment of waiver (as the case may be) of the Pre-Conditions and the Pre-Conditions cannot be fulfilled within the time period contemplated by Rule 8.2 of the Takeovers Code.

As disclosed in the Joint Announcement, the Offer is subject to the satisfaction or waiver (as the case may be) of the following Pre-Conditions:

- (i) the Offeror, MHL, Dr. Lin Xiaohui, Madam Su Jiaohua and any person who falls into the meanings of “controllers” under section 9(1)(a)(iii)(B) or section 13B(1) of the Insurance Ordinance having been approved by the Insurance Authority as “controllers” (within the meanings of the Insurance Ordinance) of Sincere LA and Sincere II (the “**IA approval**”);
- (ii) the Executive having issued the No-bid Confirmation and such confirmation not having been withdrawn;
- (iii) the SinCo Shares remaining listed on the Main Board of the Stock Exchange and trading not being suspended for a period of 30 consecutive days or more and no indication being received from the SFC and/or the Stock Exchange to the effect that the listing of the SinCo Shares on the Stock Exchange is or is likely to be withdrawn (save for any temporary suspension of trading of the SinCo Shares pending the release of any announcement in respect of the Offer) and Sincere has not received any letter from the Stock Exchange expressing the view that Sincere is or may be in breach of Rule 13.24 of the Listing Rules as at the date of satisfaction of Pre-Condition (i) or (ii) above, whichever is the later;
- (iv) all consents (including the consents from any relevant lenders) to a change in the controlling shareholder of Sincere as a result of the Offer required under any existing contractual or other obligations of the SinCo Group having been obtained and remaining in effect;

- (v) the retail outlets of the SinCo Group having been opened for business every day, save for the Chinese New Year holiday or where failure to open is due to or in connection with circumstances or expected circumstances beyond the control of Sincere including, without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes;
- (vi) none of the members of the SinCo Group is engaged in any litigation, arbitration or governmental proceeding which (individually or in aggregate) is likely to have a material adverse effect on the financial or trading position of the SinCo Group as a whole and no such litigation, arbitration or proceeding has been threatened in writing to Sincere and there are no circumstances likely to give rise to any such litigation, arbitration or proceeding as at the date of satisfaction of Pre-Condition (i) or (ii) above, whichever is the later;
- (vii) no order has been made and no resolution has been passed for the winding up of, or for a provisional liquidator to be appointed in respect of, any member of the SinCo Group, and no petition has been presented to any member of the SinCo Group and no meeting has been convened for the purpose of winding up any of the same, and no receiver has been appointed in respect of any member of the SinCo Group or all or any of its assets as at the date of satisfaction of Pre-Condition (i) or (ii) above, whichever is the later;
- (viii) none of Sincere or any of its subsidiaries is insolvent, or unable to pay its debts within the meaning of section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), or has stopped paying its debts as they fall due, and no unsatisfied judgment which is materially adverse to the condition of Sincere is outstanding against Sincere or any of its subsidiaries as at the date of satisfaction of Pre-Condition (i) or (ii) above, whichever is the later; and
- (ix) Sincere has not been given notice of any ongoing governmental or other investigation, enquiry or disciplinary proceeding concerning Sincere or any member of the SinCo Group in any jurisdiction that is material to the SinCo Group as a whole or that any investigation, enquiry or disciplinary proceeding is pending or threatened as at the date of satisfaction of Pre-Condition (i) or (ii), whichever is the later.

The Offeror reserves the right to waive all Pre-Conditions except that Pre-Conditions (i) and (ii) above cannot be waived.

As time is needed to satisfy the Pre-conditions, in particular to obtain the IA Approval, an application was made to the Executive pursuant to Rule 8.2 of the Takeovers Code for its consent to an extension of time to despatch the Composite Document (together with the form of acceptance and transfer or cancellation (the “**Form of Acceptance**”)) to a date within 7 days of fulfilment or waiver (as the case may be) of the Pre-Conditions or 7 May 2021, whichever is the earlier.

The Executive has indicated that it is minded to grant consent for such extension.

Further announcement(s) will be made jointly by Sincere and the Offeror in relation to the despatch of the Composite Document and the accompanying Form of Acceptance as and when appropriate.

WARNING: The Pre-Conditions must be satisfied or, if permitted, waived (as the case may be) before the making of the Offer. The making of the Offer is therefore a possibility only. Accordingly, the Realord Shareholders, the SinCo Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Offeror or Sincere. Persons who are in doubt as to the action they should take should consult their professional advisers.

By order of the board of
Realord Group Holdings Limited
Lin Xiaohui
Chairman

By order of the Board
The Sincere Company, Limited
Philip K H Ma
Chairman & CEO

Hong Kong, 5 June 2020

As at the date of this joint announcement, the executive directors of the Offeror are Dr. Lin Xiaohui, Madam Su Jiaohua and Mr. Lin Xiaodong and the independent non-executive directors of the Offeror are Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue.

As at the date of this joint announcement, the executive director of Sincere is Mr. Philip K H Ma, the non-executive director of Sincere is Mr. Charles M W Chan, and the independent non-executive directors of Sincere are Mr. King Wing Ma, Mr. Eric K K Lo, Mr. Peter Tan and Mr. Anders W L Lau.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the SinCo Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of Sincere) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The directors of Sincere jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.