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JOINT ANNOUNCEMENT

FINALISATION OF THE OFFER PRICE OF THE PRE-CONDITIONAL VOLUNTARY CASH OFFER BY



ON BEHALF OF

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

FINALISATION OF THE OFFER PRICE

As disclosed in the Joint Announcement, the Initial Offer Price is subject to upward adjustment. In the event that the consolidated net assets of the SinCo Group attributable to the SinCo Shareholders as at 29 February 2020 (after deduction of the 2020 Final Dividend, if any) are higher than HK\$123 million, the Initial Offer Price will be adjusted upwards by the amount calculated by dividing the difference between the February 2020 NAV and HK\$123 million by the total number of 1,313,962,560 SinCo Shares, subject to a cap of the February 2020 NAV of HK\$140 million.

On 16 June 2020, Sincere published its 2020 Annual Report which indicated that the February 2020 NAV is approximately HK\$142.6 million and no 2020 Final Dividend was declared. Based on the amount of the February 2020 NAV, the Offer Price is adjusted upwards to the Final Offer Price of HK\$0.3935 per SinCo Share, which is the same as the Maximum Offer Price.

The Offeror will not increase the Offer Price beyond the Final Offer Price. The SinCo Shareholders and potential investors of Sincere should be aware that this is a “no increase” statement for the purpose of Rule 18.3 of the Takeovers Code and the Offeror does not reserve the right to increase the Final Offer Price, which is the same as the Maximum Offer Price.

Confirmation of financial resources

As stated in the Joint Announcement, the Offeror intends to finance the cash consideration required for the Offer by internal resources.

Altus Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total cash consideration payable by the Offeror upon full acceptance of the Offer based on the Final Offer Price.

Updates on disclosures as required under Rule 3.5 of the Takeovers Code are also set out in this joint announcement.

Reference is made to the joint announcement (the “**Joint Announcement**”) issued by Realord Group Holdings Limited (the “**Offeror**”) and The Sincere Company, Limited (“**Sincere**”) dated 15 May 2020 in relation to, among other matters, the Offer and the joint announcement published by the Offeror and Sincere dated 5 June 2020 in relation to the delay in despatch of the Composite Document. Unless otherwise defined, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Joint Announcement.

FINALISATION OF THE OFFER PRICE

As disclosed in the Joint Announcement, the Initial Offer Price is subject to upward adjustment. In the event that the consolidated net assets of the SinCo Group attributable to the SinCo Shareholders as at 29 February 2020 (after deduction of the 2020 Final Dividend, if any) are higher than HK\$123 million, the Initial Offer Price will be adjusted upwards by the amount calculated by dividing the difference between the February 2020 NAV and HK\$123 million by the total number of 1,313,962,560 SinCo Shares, subject to a cap of the February 2020 NAV of HK\$140 million.

On 16 June 2020, Sincere published its 2020 Annual Report which indicated that the February 2020 NAV is approximately HK\$142.6 million and no 2020 Final Dividend was declared. Based on the February 2020 NAV, the Offer Price is adjusted upwards to a final Offer Price (the “**Final Offer Price**”) of HK\$0.3935 per SinCo Share, which is the same as the Maximum Offer Price.

The Offeror will not increase the Offer Price beyond the Final Offer Price. The SinCo Shareholders and potential investors of Sincere should be aware that this is a “no increase” statement for the purpose of Rule 18.3 of the Takeovers Code and the Offeror does not reserve the right to increase the Final Offer Price, which is the same as the Maximum Offer Price.

UPDATES TO THE INFORMATION SET OUT IN THE JOINT ANNOUNCEMENT

The Final Offer Price of HK\$0.3935 per SinCo Share represents:

- (i) an increase of approximately 3.39% as compared to the Initial Offer Price of HK\$0.3806 per SinCo Share;
- (ii) a premium of approximately 4.93% to the closing price of HK\$0.375 per SinCo Share as quoted on the Stock Exchange on 18 May 2020, being the first trading day after the publishing of the Joint Announcement;
- (iii) a premium of approximately 12.43% over the closing price of HK\$0.35 per SinCo Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a premium of approximately 24.53% over the average of the closing prices per SinCo Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.316;
- (v) a premium of approximately 28.18% over the average of the closing prices per SinCo Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.307;
- (vi) a premium of approximately 43.09% over the average of the closing prices per SinCo Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.275;
- (vii) a premium of approximately 191.48% over the audited consolidated net asset value per SinCo Share attributable to the SinCo Shareholders as at 29 February 2020 of approximately HK\$0.135 per SinCo Share calculated based on the audited consolidated net assets of the SinCo Group attributable to the SinCo Shareholders of approximately HK\$142.6 million as at 29 February 2020 as extracted from the annual report of Sincere for the year ended 29 February 2020 and 1,053,519,360 SinCo Shares (being the number of SinCo Shares then in issue other than the SinCo Shares held by the Sincere Companies ^{Note}); and
- (viii) a premium of approximately 6.35% over the closing price of HK\$0.37 per SinCo Share as quoted on the Stock Exchange on 17 June 2020, being the date of this joint announcement.

Note: The number of the SinCo Shares, being 260,443,200 SinCo Shares, held by the Sincere Companies, being accounted for as subsidiaries of Sincere, was excluded from the total number of issued SinCo Shares for calculating the net assets per SinCo Share as the value attributable to such number of SinCo Shares held by the Sincere Companies is eliminated upon consolidation of the SinCo Group in arriving at the audited consolidated net assets of the SinCo Group. This calculation is consistent with the calculation of the earnings per SinCo Share in the audited accounts of Sincere.

Total value of the Offer

As at the date of this joint announcement, the total issued share capital of Sincere is 1,313,962,560 SinCo Shares, and based on that issued share capital and the Final Offer Price of HK\$0.3935 per Offer Share, the total cash consideration payable by the Offeror under the Offer will be approximately HK\$517,044,267.

Confirmation of financial resources

As stated in the Joint Announcement, the Offeror intends to finance the cash consideration required for the Offer by internal resources.

Altus Capital, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the total cash consideration payable by the Offeror upon full acceptance of the Offer based on the Final Offer Price.

Save for the above disclosures, there are no other updates on disclosure at present required under Rule 3.5 of the Takeovers Code, and consequently, the Joint Announcement shall be read in conjunction with this joint announcement and the disclosures made herein.

WARNINGS:

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.

The board of directors of Sincere make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer, which has not yet been made and strongly recommend the SinCo Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendation of the SinCo IBC in respect of the Offer and the letter of advice from the SinCo IFA.

The Realord Shareholders, the SinCo Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Offeror or Sincere, and if they are in any doubt about their position, they 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, 17 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.