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**sincere先施**

**THE SINCERE COMPANY, LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 0244)**

**VOLUNTARY ANNOUNCEMENT**

**BUSINESS UPDATE**

This is a voluntary announcement made by The Sincere Company, Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) to provide its shareholders and potential investors with a business update about a non-wholly owned subsidiary of the Company, namely The Sincere Insurance & Investment Company, Limited (“**Sincere II**”).

Reference is made to the announcement dated 22 May 2019 issued by the Company in relation to, among other things, certain non-compliance matters of Sincere II. Sincere II has been in the process of carrying out the requisite remediation actions in respect of the non-compliance matters thereafter.

On 18 August 2020, Sincere II received a letter from the Insurance Authority (the “**IA**”) by which the IA exercised a power conferred by section 27 of the Insurance Ordinance (Chapter 41 of the laws of Hong Kong) requiring Sincere II (i) not to effect any contracts of insurance; and (ii) not to vary any contracts of insurance, being contracts effected in the course of carrying on insurance business and in force when the requirement is imposed (collectively, the “**Requirements**”). The effective date of the Requirements is 28 August 2020.

As at the date of this announcement, Sincere II has minimal operations which mainly involve the annual renewals of certain property damage insurance policies. It has no other active business operation and recorded revenues of HK\$66,545 and HK\$19,666 for the two years ended 28 February 2019 and 29 February 2020 respectively. Upon the Requirements becoming effective, the existing insurance policies could not be further renewed. Taking into account the minimal operation of Sincere II, the Company is of the view that the Requirements will have no material impact on the consolidated revenues and profit or loss or the operations of the Group.

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

Hong Kong, 28 August 2020

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

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