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sincere先施

THE SINCERE COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0244)

**INSIDE INFORMATION
RELATING TO
PRE-CONDITIONAL VOLUNTARY CASH OFFER BY
REALORD ASIA PACIFIC SECURITIES LIMITED
ON BEHALF OF
REALORD GROUP HOLDINGS LIMITED
TO ACQUIRE ALL OF THE ISSUED SHARES OF
THE SINCERE COMPANY, LIMITED**

This announcement is made by The Sincere Company, Limited (“**Sincere**”) pursuant to Rule 13.09(2) 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).

Reference is made to the announcement dated 15 May 2020 (the “**Joint Announcement**”) jointly issued by Sincere and Realord Group Holdings Limited (the “**Offeror**”) in relation to, among other things, the Offer and the announcements dated 5 June 2020, 17 June 2020, 17 July 2020, 4 August 2020, 4 September 2020 and 6 October 2020 jointly issued by Sincere and the Offeror in respect of the updates on the Offer subsequent to the Joint Announcement. Capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement unless the context requires otherwise.

The board of directors of Sincere announces that, on 29 October 2020, Win Dynamic, the controlling shareholder of Sincere interested in approximately 50.42% of the SinCo Shares in issue, executed a deed of gift (the “**Deed**”) in favour of Sincere at no consideration. Pursuant to the Deed, Win Dynamic has irrevocably undertaken to Sincere to give to Sincere the net sale proceeds that Win Dynamic will be entitled to receive from the Offeror upon its acceptance of the Offer relating to all the 662,525,276 SinCo Shares held by it, which is expected to amount to approximately HK\$260,442,992 (after deducting Win Dynamic’s ad valorem stamp duty).

The SinCo Group is principally engaged in the operation of department stores, securities trading, securities investments and the provision of general and life insurances. For the year ended 29 February 2020, the SinCo Group had recorded audited losses for the year attributable to equity holders of Sincere of approximately HK\$147.4 million. The equity attributable to equity holders of Sincere was approximately HK\$142.6 million as at 29 February 2020. Retail market conditions in Hong Kong continue to suffer from the prevailing COVID-19 pandemic, which has had a negative impact on the operation of the SinCo Group too. In light of the operating and financial position of the SinCo Group and to alleviate the liquidity adversity of the SinCo Group, after its discussion with the management of Sincere, Win Dynamic offered to help restore the financial health of Sincere by giving to Sincere the net sale proceeds to be received from the Offer if the Offer is made and becomes unconditional. To effect this, Win Dynamic has executed the Deed in favour of Sincere. Sincere at present intends that this gift from Win Dynamic, when received, will be applied as working capital of the SinCo Group.

Sincere understands that in order to facilitate the Deed, Mr. Philip K H Ma and Mr. Charles M W Chan, who are the shareholders and directors of Win Dynamic (and are also directors of Sincere) have irrevocably agreed to waive all sums owed to them by Win Dynamic. As at the date of this announcement, there is no other relevant understanding, agreement or arrangement between (i) Sincere, its subsidiaries or associated companies on the one hand, and (ii) the Offeror and/or Win Dynamic or any person known to Sincere to be acting in concert with the Offeror and/or Win Dynamic on the other hand.

The directors of Sincere consider that the Deed is in the interests of the SinCo Group and its shareholders as a whole.

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

Hong Kong, 29 October 2020

As at the date of this 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 Sincere 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.