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THE SINCERE COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0244)

ANNOUNCEMENT

**MONTHLY UPDATE IN RELATION TO
THE 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**

Reference is made to (i) the joint announcements issued by The Sincere Company, Limited (“**Sincere**”) and Realord Group Holdings Limited dated 15 May 2020, 5 June 2020, 17 June 2020, 17 July 2020, 4 August 2020, 4 September 2020, 6 October 2020, 6 November 2020, 7 December 2020 and 7 January 2021 (collectively the “**Joint Announcements**”) and (ii) the announcements issued by Sincere dated 29 October 2020, 4 February 2021, 11 February 2021 and 25 February 2021 (the “**Update Announcements**”), in relation to, among other matters, the Offer. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcements and the Update Announcements.

STATUS OF FULFILMENT OF THE PRE-CONDITIONS

Reference is made to the announcements issued by Realord dated 9 February 2021 and 26 February 2021 (collectively referred to as the “**February Realord Announcement**”) and 10 March 2021 (the “**March Realord Announcement**”) relating to, among other things, the monthly update in relation to the Offer. As disclosed in the Joint Announcements, the making of the Offer by the Offeror is subject to the satisfaction or waiver (as the case may be) of the Pre-Conditions.

With regard to Pre-Condition (i), apart from the information disclosed by Realord in the March Realord Announcement, Sincere would like to inform the SinCo Shareholders that, on 25 February 2021, a corresponding application with regard to such proposed change of “controllers” was submitted by the legal advisor of Sincere to the Insurance Authority by email on behalf of Sincere II, and the legal advisor of Sincere is currently liaising with the Insurance Authority to resolve any outstanding matters. Save as aforesaid, there has been no update in respect of the fulfilment of the Pre-Conditions since the Update Announcements.

LOAN FACILITY

As disclosed in the announcement of Sincere dated 25 February, 2020, in order to satisfy the demand of repayment of the HK\$80,000,000 loan advanced to Sincere by Realord Finance, and to finance the working capital of the SinCo Group, Sincere entered into the Facility of HK\$150,000,000 with a financial institution that is independent of Sincere and of its connected persons on 18 February 2021. As disclosed in the same announcement, the Facility was entered into in the ordinary course of business of Sincere.

As one of the conditions of the Facility, Sincere has executed a debenture which gives a (i) first fixed charge over the fixed property and assets of Sincere; and (ii) first floating charge over the undertaking and all other property assets and rights of Sincere, in favor of the lender. The board of directors of Sincere would like to supplement that, a prior written consent would need to be obtained from the lender if there is (in the opinion of the lender) any change in the voting control of Sincere, failing to do so would constitute an event of default of the debenture. In this respect, Sincere has sought the lender’s consent to the potential change of voting control of Sincere which may occur as a result of the Offer. As at the date of this announcement, despite Sincere has discussed the matter with the said lender, the lender has yet given any indication on whether the consent will be granted. Aside from the said lender’s consent, Sincere believes all other consents required from the relevant landlords and/or banks and financial institutions in accordance with Pre-Condition (iv) have been duly obtained.

On 3 March 2021, Realord, through its legal adviser, wrote to Sincere requesting Sincere to provide a copy of the Facility Agreement and related security document(s) executed by Sincere. On 11 March 2021, the legal adviser of Sincere provided a response to the legal adviser of Realord on the matter. Due to confidential nature of the content of the Facility Agreement, Sincere was not able to provide a copy of such to Realord.

Apart from the above, there has been no update since the Update Announcements up to the date of this announcement. Further announcements will be made as and when appropriate in accordance with the Listing Rules and the Takeovers Code.

WARNINGS:

The making of the Offer by the Offeror will or will not materialise and is subject to the Pre-Conditions being satisfied or, if permitted, waived (as the case may be) by the Offeror. Accordingly, the SinCo Shareholders and prospective investors are advised to exercise caution when dealing in the securities of Sincere. Persons who are in doubt as to the action they should take should consult their professional advisers.

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

Hong Kong, 31 March 2021

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.