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## THIS OFFER DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of the Offer, this Offer Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in **The Sincere Company, Limited**, you should at once hand this Offer Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Offer Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offer Document and the accompanying Form of Acceptance.

This Offer Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer.

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### OFFER DOCUMENT IN RELATION TO THE VOLUNTARY CONDITIONAL CASH OFFER BY



### FOR AND ON BEHALF OF REALORD GROUP HOLDINGS LIMITED TO ACQUIRE ALL THE ISSUED SHARES OF THE SINCERE COMPANY, LIMITED

Financial Adviser to the Offeror

**ALTUS CAPITAL LIMITED**

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Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this Offer Document unless the content requires otherwise.

A letter from Altus Capital to the SinCo Shareholders containing, among other things, the merits of the Offer and other relevant matters is set out on pages 6 to 10 of this Offer Document.

A letter from Realord Asia Pacific to the SinCo Shareholders containing, among other things, terms and conditions of the Offer is set out on pages 11 to 27 of this Offer Document.

The procedures of acceptance of the Offer and other related information are set out in Appendix I to this Offer Document and in the accompanying Form of Acceptance. Acceptances of the Offer should be received by the Receiving Agent, Union Registrars Limited, at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong by no later than 4:00 p.m. on Thursday, 3 June 2021 or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Offer Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the paragraph headed “4 Overseas SinCo Shareholders” in the “Letter from Realord Asia Pacific” in this Offer Document before taking any action. It is the responsibility of each Overseas SinCo Shareholder who wishes to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consent and any registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes, duties and other required payments in respect of such jurisdictions. The Overseas SinCo Shareholders are advised to seek professional advice before deciding whether to accept the Offer.

This Offer Document is issued by the Offeror to the SinCo Shareholders. This Offer Document will remain on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)), Sincere ([www.sincere.com.hk](http://www.sincere.com.hk)) and Realord ([www.realord.com.hk](http://www.realord.com.hk)) as long as the Offer remains open.

5 May 2021

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## EXPECTED TIMETABLE

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*The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate.*

<b>Event</b>	<b>Time and date 2021</b>
Despatch date of this Offer Document and the accompanying Form of Acceptance and the Offer opens for acceptance ( <i>Note 1</i> ) . . . . .	Wednesday, 5 May
Latest date for the posting of the Response Document ( <i>Note 2</i> ) . . . . .	Thursday, 20 May
First Closing Date . . . . .	Thursday, 3 June
Latest time and date for acceptance of the Offer on the First Closing Date ( <i>Notes 3 &amp; 4</i> ) . . . . .	4:00 p.m. on Thursday, 3 June
Announcement of the results of the Offer as at the First Closing Date to be posted on the websites of the Stock Exchange, Sincere and Realord . . . . .	by 7:00 p.m. on Thursday, 3 June
Latest date for posting of remittances for the amount due in respect of valid acceptances received under the Offer on or before 4:00 p.m. on the First Closing Date (assuming the Offer becomes or is declared unconditional on the First Closing Date) ( <i>Note 5</i> ) . . . . .	Tuesday, 15 June
Final Closing Date if the Offer becomes or is declared unconditional on the First Closing Date ( <i>Note 6</i> ) . . . . .	Thursday, 17 June
Latest time and date for the Offer remaining open for acceptances on the Final Closing Date (assuming the Offer becomes or is declared unconditional on the First Closing Date) ( <i>Note 6</i> ) . . . . .	4:00 p.m on Thursday, 17 June
Announcement of the results of the Offer as at the Final Closing Date to be posted on the website of the Stock Exchange, Sincere and Realord . . . . .	by 7:00 p.m. on Thursday, 17 June
Latest date for posting of remittances for the amount due in respect of valid acceptances received under the Offer on or before 4:00 p.m. on the Final Closing Date (assuming the Offer becomes or is declared unconditional in all respects on the First Closing Date) ( <i>Note 5</i> ) . . . . .	Monday, 28 June

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## EXPECTED TIMETABLE

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*Notes:*

- (1) The Offer is open for acceptance for at least 28 days following the date on which this Offer Document is posted, as the Response Document will be posted after the date on which this Offer Document is posted, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code.
- (2) In accordance with the Takeovers Code, Sincere is required to post the Response Document within 14 days from the posting of this Offer Document unless the Executive consents to a later date. Such consent will only be given if the Offeror agrees to an extension of the First Closing Date by the number of days in respect of which the delay in the posting of the Response Document is agreed.
- (3) Beneficial owners of SinCo Shares who hold their SinCo Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Offer Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures. Acceptance of the Offer shall be irrevocable and is not capable of being withdrawn, except in the circumstances as set out under “6 Right of Withdrawal” in Appendix I to this Offer Document.
- (4) The Response Document is posted after the date on which this Offer Document is posted. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 28 days following the date on which this Offer Document is posted. Accordingly, the latest time and date for acceptance of the Offer on the First Closing Date is 4:00 p.m. on Thursday, 3 June 2021 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be issued on the websites of the Stock Exchange, Sincere and Realord by 7:00 p.m. on the First Closing Date, stating whether the Offer has been extended, revised or expired. In the event that the Offeror decides to extend the Offer and the announcement does not specify the next closing date, at least 14 days’ notice by way of an announcement will be given before the Offer is closed in accordance with the Takeovers Code.
- (5) Subject to the Offer becoming unconditional, remittances in respect of the cash consideration for the SinCo Shares tendered under the Offer will be posted to each accepting SinCo Shareholder (to the address specified on the relevant SinCo Shareholder’s Form of Acceptance) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following the later of the date of receipt by the Receiving Agent of the accompanying Form of Acceptance and all the relevant documents necessary to render the acceptance under the Offer complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code, and the date on which the Offer becomes or is declared unconditional in all respects.
- (6) In accordance with the Takeovers Code, where the Offer becomes or is declared unconditional in all respects, the Offer should remain open for acceptance for not less than 14 days thereafter. In such case, at least 14 days’ notice in writing must be given before the Offer is closed.
- (7) The latest time and date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances will change if there is a tropical cyclone warning signal number 8 or above, or a “black rainstorm warning”, in force in Hong Kong or “extreme conditions” caused by super typhoon is announced by The Government of Hong Kong Special Administrative Region at any time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances. Instead the latest time for acceptance of the Offer and the posting of remittances will be rescheduled to 4:00 p.m. on the next following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

Save as mentioned above, if the latest time for the acceptance of the Offer does not take effect on the time and date as stated above, the other dates mentioned above may be affected. The Offeror will notify the SinCo Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

**All references to dates and time contained in this Offer Document and the accompanying Form of Acceptance refer to Hong Kong dates and time.**

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## **IMPORTANT NOTICES**

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### **NOTICE TO THE SINCO SHAREHOLDERS OUTSIDE OF HONG KONG**

The Offer made to the SinCo Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions where such persons are located. Such persons should inform themselves about and observe any applicable legal and regulatory requirements of their own jurisdictions and where necessary, seek independent advice. It is the responsibility of any Overseas SinCo Shareholders wishing to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Please refer to the paragraph headed “4 Overseas SinCo Shareholders” in the “Letter from Realord Asia Pacific” in this Offer Document for further information.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Offer Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Offeror assumes no obligation and does not intend to update these forward-looking statements, except as required pursuant to applicable laws. In accordance with Rule 9.1 of the Takeovers Code, the Offeror, together with Altus Capital and Realord Asia Pacific (being the advisers to the Offeror involved in preparing this Offer Document or statements set out herein), must ensure that they remain accurate and up to date throughout the Offer Period, and must notify the SinCo Shareholders of any material changes as soon as possible.

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## DEFINITIONS

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*In this Offer Document, unless the context otherwise requires, the following expressions shall have the following meanings:*

“2020 Sincere Annual Report”	the annual report of Sincere for the year ended 29 February 2020
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Altus Capital”	Altus Capital Limited, a corporation licensed to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, being the financial adviser to the Offeror in relation to the Offer
“associates”	has the meaning ascribed to it under the Takeovers Code
“Business Day”	has the meaning ascribed to it under the Takeovers Code
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing Date”	the First Closing Date or the Final Closing Date (as the case may be)
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Deed”	the deed of gift executed by Win Dynamic in favour of Sincere on 29 October 2020, pursuant to which 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 as more particularly described in the “Letter from Realord Asia Pacific” contained in this Offer Document
“Dr. Lin”	Dr. Lin Xiaohui, the chairman and an executive director of the Offeror and the spouse of Madam Su, also the owner of approximately 70% of the issued share capital of MHL, which is the controlling shareholder of the Offeror
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“February 2020 NAV”	audited consolidated net asset value of the SinCo Group as at 29 February 2020 attributable to the SinCo Shareholders
“Final Closing Date”	the date which is the 14th day after (i) the date on which the Offer is declared unconditional as to acceptances or (ii) the First Closing Date, whichever is the later, provided that the Offer will be open for acceptance for at least 28 days following the despatch of this Offer Document

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## DEFINITIONS

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“Final Offer Price”	HK\$0.3935 per SinCo Share, being the final price for the Offer determined after adjustment, as disclosed in the joint announcement dated 17 June 2020 issued by the Offeror and Sincere
“First Closing Date”	Thursday, 3 June 2021, being the first closing date of the Offer or such subsequent closing date (if any) as may be announced by the Offeror and approved by the Executive
“Form of Acceptance”	the form of acceptance and transfer in respect of the Offer accompanying this Offer Document
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Initial Offer Price”	HK\$0.3806 per SinCo Share, being the initial price for the Offer as disclosed in the Joint Announcement, subject to upward adjustment
“Insurance Authority”	the Insurance Authority established under the Insurance Ordinance
“Insurance Ordinance”	the Insurance Ordinance (Chapter 41 of the Laws of Hong Kong)
“Irrevocable Undertakings”	together, the SC Irrevocable Undertakings and the WD Irrevocable Undertaking
“Joint Announcement”	the announcement dated 15 May 2020 jointly made by Realord and Sincere in relation to, among other things, the Offer and the Pre-Conditions thereto
“Joint Announcement Date”	Friday, 15 May 2020, being the date of the Joint Announcement
“Last Trading Day”	4 May 2020, being the last trading day of the SinCo Shares on the Stock Exchange prior to the issuance of the Joint Announcement
“Latest Practicable Date”	Monday, 3 May 2021, being the latest practicable date prior to the printing of this Offer Document for ascertaining certain information for inclusion in this Offer Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Madam Su”	Madam Su Jiaohua, an executive director of the Offeror and spouse of Dr. Lin, also the owner of approximately 30% of the issued share capital of MHL, which is the controlling shareholder of the Offeror

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## DEFINITIONS

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“Main Board”	the main board maintained and operated by the Stock Exchange
“MHL”	Manureen Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and the controlling shareholder of the Offeror, which is owned as to 70% by Dr. Lin and as to 30% by Madam Su
“No-bid Confirmation”	confirmation from the Executive that the Offeror will not be required to make general offers for each of the Sincere Companies following the completion of the Offer under Note 8 to Rule 26.1 of the Takeovers Code
“Offer”	the voluntary conditional cash general offer being made by Realord Asia Pacific for and on behalf of the Offeror to acquire all of the issued SinCo Shares in accordance with the terms and conditions set out in this Offer Document and the accompanying Form of Acceptance, and any subsequent revision or extension of such offer, and in compliance with the Takeovers Code
“Offer Document”	this offer document dated 5 May 2021 in respect of the Offer issued by the Offeror to all the SinCo Shareholders in accordance with the Takeovers Code, as may be revised or supplemented as appropriate
“Offer Period”	has the meaning ascribed to it under the Takeovers Code and commencing on 15 May 2020, being the Joint Announcement Date, and will end on the later of (i) the Closing Date; and (ii) the date when the Offer lapses
“Offeror” or “Realord”	Realord Group Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board (stock code: 1196)
“Overseas SinCo Shareholder(s)”	SinCo Shareholder(s) whose address(es) as shown on the register of members of Sincere is/(are) outside Hong Kong
“Perfumery”	The Sincere Company (Perfumery Manufacturers), Limited, a company incorporated in Hong Kong with limited liability and a non-wholly owned subsidiary of Sincere
“Pre-Conditions”	the pre-conditions of the Offer as described in the Joint Announcement, which the Offeror has declared fulfilled and/or waived on 28 April 2021
“PRC”	the People’s Republic of China which, for the purpose of this Offer Document, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

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## DEFINITIONS

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“Realord Asia Pacific”	Realord Asia Pacific Securities Limited, a non-wholly owned subsidiary of the Offeror and a corporation licensed to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the SFO, which is making the Offer on behalf of the Offeror
“Realord Board”	the board of the Realord Directors
“Realord Director(s)”	the director(s) of Realord
“Realord Finance”	Realord Finance Limited, a wholly-owned subsidiary of the Offeror principally engaged in money lending business
“Realord Group”	the Offeror and its subsidiaries
“Realord Shareholder(s)”	holder(s) of Realord Share(s)
“Realord Share(s)”	ordinary share(s) in the issued share capital of Realord
“Receiving Agent”	Union Registrars Limited, the receiving agent of the Offeror with respect to the Offer, located at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Registrar”	Tricor Tengis Limited, the share registrar and transfer office of Sincere, located at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Relevant Period”	the period from 16 November 2019, being the date falling six months before the Joint Announcement Date, up to and including the Latest Practicable Date
“Response Document”	the circular required to be issued by Sincere to all the SinCo Shareholders in connection with the Offer in accordance with the Takeovers Code
“SC Irrevocable Undertakings”	collectively, the irrevocable undertakings to accept the Offer all dated 15 May 2020 given by each of the Sincere Companies to the Offeror as described in the paragraph headed “7 The Irrevocable Undertakings” in the “Letter from Realord Asia Pacific” in this Offer Document
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

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## DEFINITIONS

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“Sincere”	The Sincere Company, Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board (stock code: 0244)
“Sincere Board”	the board of the Sincere Directors
“Sincere Companies”	Sincere LA, Sincere II and Perfumery
“Sincere Director(s)”	the director(s) of Sincere
“Sincere II”	The Sincere Insurance & Investment Company, Limited, a company incorporated in Hong Kong with limited liability and a non-wholly owned subsidiary of Sincere
“Sincere LA”	The Sincere Life Assurance Company Limited, a company incorporated in Hong Kong with limited liability and a non-wholly owned subsidiary of Sincere
“SinCo Group”	Sincere and its subsidiaries
“SinCo Shareholder(s)”	holder(s) of the SinCo Share(s)
“SinCo Share(s)”	ordinary share(s) in the issued share capital of Sincere
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers issued by the SFC as amended from time to time
“WD Irrevocable Undertaking”	the irrevocable undertaking to accept the Offer dated 15 May 2020 given by Win Dynamic to the Offeror as described in the paragraph headed “7 The Irrevocable Undertakings” in the “Letter from Realord Asia Pacific” in this Offer Document
“Win Dynamic”	Win Dynamic Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of Sincere, which is owned as to 70% by Mr. Philip K H Ma and 30% by Mr. Charles M W Chan
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM ALTUS CAPITAL

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*Set out below is the letter from the financial adviser of the Offeror in relation to the Offer, highlighting to the SinCo Shareholders the merits of the Offer and other matters for inclusion in this Offer Document.*

# ALTUS.

Altus Capital Limited  
21 Wing Wo Street  
Central, Hong Kong

5 May 2021

*To the SinCo Shareholders*

Dear Sir/Madam,

**VOLUNTARY CONDITIONAL CASH OFFER BY  
REALORD ASIA PACIFIC SECURITIES LIMITED  
FOR AND ON BEHALF OF  
REALORD GROUP HOLDINGS LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
THE SINCERE COMPANY, LIMITED**

### **1 INTRODUCTION**

Reference is made to (i) the Joint Announcement dated 15 May 2020 whereby the Offeror and Sincere jointly announced, among other things, that Realord Asia Pacific intended to make, for and on behalf of the Offeror and subject to the satisfaction or the waiver (as the case may be) of the Pre-Conditions, a voluntary conditional cash offer to acquire all of the issued SinCo Shares; and (ii) the joint announcement dated 17 June 2020 issued by the Offeror and Sincere in relation to the finalisation of the Offer Price at HK\$0.3935 per SinCo Share, which is the Final Offer Price. On 28 April 2021, all the Pre-Conditions have been fulfilled or waived (as the case may be). The Offer is being made by Realord Asia Pacific for and on behalf of the Offeror in compliance with the Takeovers Code. For further details of the Offer, please refer to the “Letter from Realord Asia Pacific” in this Offer Document.

### **2 MERITS OF THE OFFER**

We present below the merits of the Offer and intention of the Offeror on the SinCo Group for the SinCo Shareholders to consider the Offer, based on information available as at the Latest Practicable Date. It is the Offeror’s intention to preserve the brand heritage of “Sincere (先施)” and rally the department store operations on the platform of the Realord Group, to support the operation and improve the liquidity position of the SinCo Group, to enhance the diversity of the Sincere Board and senior management for long-term growth and to retain talents of the SinCo Group. The Offeror will also make any changes it deems necessary or appropriate to Sincere’s business and operations to enhance the value of Sincere and strengthen its revenue. The Offeror will also closely follow any subsequent developments that may significantly impact the SinCo Group, and may revisit and adjust its intentions and plans where appropriate.

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## LETTER FROM ALTUS CAPITAL

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### **2.1 To preserve the brand heritage of “Sincere (先施)” and rally the department store operations on the platform of the Realord Group**

The SinCo Group has been loss making for years. For the three years ended 28 February 2018, 28 February 2019 and 29 February 2020, the SinCo Group recorded losses attributable to its equity holders of approximately HK\$90.5 million, HK\$132.1 million and HK\$147.4 million respectively. With reference to Sincere’s interim report for the six months ended 31 August 2020, the department store operation of the SinCo Group was further dampened during the first half of 2020 by the outbreak of COVID-19 pandemic. With regard to market statistics on department store operations in 2020, as announced by The Census and Statistics Department on 2 February 2021, the value of total retail sales for 2020 as a whole was estimated at approximately HK\$326.5 billion, representing a drop of approximately 24.3% in value as compared with 2019. In particular, certain types of retail outlets were severely affected, the value of sales of commodities in department stores dropped by approximately 18.3%, jewellery, watches and clocks, and valuable gifts dropped by approximately 40.8%, wearing apparel dropped by approximately 27.8% and medicines and cosmetics dropped by approximately 40.9%.

The Offeror, however, considers that the “Sincere (先施)” brand, with a history of more than 120 years in Hong Kong, is a valuable legacy that should be preserved and can be leveraged for future development of the Realord Group after the close of the Offer. The Offeror intends to rally the Sincere’s department store operations by establishing a flagship store using Sincere’s brand (the “**Realord Flagship Store**”) in the “Realord Mall (偉祿購物中心)”, which is part of “Realord Villas (偉祿雅苑)” located in Longhua District of Shenzhen, the PRC. The Realord Mall is designed as a large-scale all-in-one shopping mall with a gross floor area of approximately 51,039 sq.m. integrating local amenities, entertainment and leisure, parent-child education, and specialty food and beverage experience. Signed tenants currently include renowned supermarket, chained convenience stores, restaurants, pharmacy stores and laundry shops. It is conveniently located less than 100 metres away from the High-tech Zone East Station of Shenzhen Tram which is connected to Shenzhen Metro Line 4 recently in operation in October 2020.

It is expected that the Realord Flagship Store will occupy a gross floor area of approximately 1,000 sq.m. in the Realord Mall and will primarily focus on the sale of imported branded goods and products targeting the niche market of middle-class customers. Leveraging on the existing platform and resources of the Realord Group, the Realord Group is confident about the future development of the department store operations of Sincere after it taking over control and management of Sincere.

### **2.2 To support the operation and improve the liquidity position of the SinCo Group**

As set out in the interim report of Sincere for the six months ended 31 August 2020, the SinCo Group recorded cash and bank balances of approximately HK\$21.0 million and net current liabilities of approximately HK\$110.9 million as at 31 August 2020. Its gearing ratio was approximately 429%, with equity attributable to its equity holders amounted to approximately HK\$59.3 million as at 31 August 2020.

With the aforementioned intention of the Realord Group to preserve the “Sincere (先施)” brand and rally the department store operations, and equity attributable to owners of approximately HK\$3,505.5 million, and bank balances and cash amounting to approximately HK\$1,268.3 million as at 31 December 2020 respectively, the Realord Group would be able to support the operation of and provide necessary financial support to the SinCo Group as and when necessary after it taking over control and management of Sincere.

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## LETTER FROM ALTUS CAPITAL

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Furthermore, the Offeror will use its best endeavours to support the new Sincere Board after the change of control to protect and safeguard the assets and interests of Sincere against the purported cancellation of the Deed by Win Dynamic relating to the gift of approximately HK\$260 million irrevocably undertaken to be given by Win Dynamic to Sincere for its working capital use, further details of which are discussed in the paragraph headed “10.5 Purported cancellation of the Deed” in the “Letter from Realord Asia Pacific” in this Offer Document.

On 16 April 2021, Sincere announced that the lender (the “**Lender**”) of a HK\$150,000,000 loan facility (the “**HK\$150 million Loan Facility**”) had not granted consent for any change in the voting control of Sincere. The Offeror had made several requests to Sincere for copy of the relevant loan document(s) for the HK\$150 million Loan Facility but to no avail. Therefore the Offeror has no view whether or not such consent from the Lender is indeed required under the related loan document(s). On 3 May 2021, the Offeror and Altus Capital were informed by the financial adviser of Sincere that the legal adviser of the Lender has issued a letter to Sincere that, among others, the Lender demands Sincere, as the borrower, to make a repayment of the HK\$150 million Loan Facility, including the outstanding principal of HK\$150,000,000 and the interest accrued on the outstanding principal for the period up to 5 May 2021 of HK\$1,117,808, totaling HK\$151,117,808, on 6 May 2021 before 5:00 p.m. (the “**3 May Letter**”). In response to the 3 May Letter, Altus Capital had written to the financial adviser of Sincere on 3 May 2021 that the Offeror expects the Sincere Board to take all necessary actions to protect the interests of Sincere, including serious negotiation with the Lender to minimise disruptions to the business of Sincere. Sincere made an announcement in respect of the 3 May Letter on 4 May 2021. Nevertheless, the Offeror would like to assure the SinCo Shareholders and the Lender that despite the 3 May Letter or an event of default may be purportedly triggered under the terms of the debenture of the HK\$150 million Loan Facility, the Offeror will, upon close of the Offer and appointment of new directors onto the Sincere Board representing a majority of the members of the Sincere Board, provide necessary financial support for repayment in full of the HK\$150 million Loan Facility in order to avoid any unnecessary legal proceedings that may be instituted by the Lender against Sincere. Details of the timing of the proposed nomination onto the Sincere Board are set out in the paragraph headed “11.1 Proposed change of the board composition and the senior management of Sincere” in the “Letter from Realord Asia Pacific” in this Offer Document.

Realord remains committed to the Offer, and is confident about the future development of the department store operations after it taking over control and management of Sincere.

### **2.3 To enhance the diversity of the Sincere Board and senior management for long-term growth**

As at the Latest Practicable Date, the Sincere Board comprised one executive director, one non-executive director and four independent non-executive directors. The Offeror intends to introduce changes to the Sincere Board by appointing new Sincere Directors to the Sincere Board with a view to ensuring smooth transition of the Sincere Board and management of Sincere as well as to enhancing diversity of the Sincere Board. The proposed new Sincere Directors have a diverse background including real estate, electronics, logistics, financial services, manufacturing, department store management, and retail and food industry, as well as hands-on experience to manage listed companies. The proposed new Sincere Directors will strengthen the corporate governance of Sincere in order to enhance management transparency to all stakeholders. Details of the proposed changes in the composition of the Sincere Board and senior management are set out in the paragraph headed “11.1 Proposed change of the board composition and the senior management of Sincere” in the “Letter from Realord Asia Pacific” in this Offer Document. It is believed that

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## LETTER FROM ALTUS CAPITAL

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the new Sincere Board and senior management team as a whole represent a broad and experienced team equipped with necessary expertise to execute the plan that enshrines the synergy from the Realord Flagship Store to be established in the Realord Mall.

### 2.4 To retain the talents of the SinCo Group

As at the Latest Practicable Date, the Offeror had no intention to discontinue the employment of the employees of the SinCo Group (other than the proposed change of the Sincere Board and the senior management of Sincere as set out in the paragraph headed “11.1 Proposed change of the board composition and the senior management of Sincere” in the “Letter from Realord Asia Pacific”), or to dispose of or redeploy the assets of the SinCo Group.

The Offeror acknowledges the long-term contribution by the SinCo Group’s staff to its business and the Sincere brand over the years. Such skillsets and experience are valuable assets that the Offeror believes to be crucial to the SinCo Group’s continued operations and business development. As such, the Offeror intends to retain such talents to continue their contribution to the SinCo Group and its stakeholders.

### 3 FURTHER INFORMATION ON THE INSURANCE BUSINESS OF THE SINCO GROUP

As mentioned in the announcements of Sincere dated 6 May 2019 and 22 May 2019 respectively, there were certain non-compliance incidents in relation to Sincere LA and Sincere II, including but not limited to a failure to make requisite regulatory filings and to obtain necessary consents in connection with Win Dynamic’s acquisition of approximately 26.48% of the issued SinCo Shares and becoming a controller of Sincere LA and Sincere II within the meaning of section 9(1)(a)(iii)(B) of the Insurance Ordinance as a result of the completion of the rights issue of Sincere in December 2017. Sincere LA and Sincere II were required by the Insurance Authority to take appropriate remedial actions. Sincere II was subsequently required by the Insurance Authority not to effect any contracts of insurance and not to vary any contracts effected in the course of carrying on insurance business with effect from on 28 August 2020, as disclosed in the announcement of Sincere dated 28 August 2020.

The Insurance Authority also required Sincere LA and Sincere II to submit a detailed action plan and timetable (the “**Action Plan**”) for the run-off of Sincere LA and Sincere II to ensure that all liabilities under those policies are discharged and the interests of the policyholders of Sincere LA and Sincere II are adequately protected. The final Action Plan was submitted to the Insurance Authority by Sincere LA and Sincere II on 16 February 2021. The Offeror has also given a written undertaking to the Insurance Authority on 18 February 2021 that upon and subject to becoming a controller of Sincere LA and Sincere II, to exercise its control over Sincere LA and Sincere II so as to procure Sincere LA and Sincere II to comply with the Action Plan.

On 16 April 2021, the Insurance Authority notified the Offeror, MHL, Dr. Lin and Madam Su (collectively, the “**New Controllers**”) that the Insurance Authority has no objections (the “**IA No Objections**”) to the Offeror, MHL, Dr. Lin and Madam Su becoming a controller of Sincere LA and Sincere II within the meaning of section 13B(1) of the Insurance Ordinance.

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## LETTER FROM ALTUS CAPITAL

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With regard to the IA No Objections, the Realord Shareholders, the SinCo Shareholders and potential investors of Realord and/or Sincere should note that:

- Sincere LA and Sincere II have ceased to enter into new insurance contracts; and
- the non-objections in relation to the New Controllers have been approved by the Insurance Authority on the basis of their fitness and properness to complete the run-off of Sincere LA and Sincere II, i.e. to ensure the obligations of Sincere LA and Sincere II under their respective existing contracts of insurance are discharged in a timely and efficient manner.

The Insurance Authority has a policy with regards to authorized insurers which are in run-off, to require that the run-off be discharged in an orderly fashion and then for the authorization of the insurer to be withdrawn.

The Offeror notes the Insurance Authority's policy and will run off the insurance business of Sincere LA and Sincere II in accordance with the Action Plan.

The IA No Objections issued by the Insurance Authority will be valid for 6 months from 16 April 2021 and will lapse if the Offeror, MHL, Dr. Lin and Madam Su have not become a controller within the meaning of section 13B(1) of the Insurance Ordinance within the said period.

#### **4 ADDITIONAL INFORMATION**

Your attention is drawn to the detailed terms of the Offer as set out in "Letter from Realord Asia Pacific" in this Offer Document. The Offeror and parties acting in concert with it held no SinCo Shares as at the Latest Practicable Date. You are reminded that the Offer is conditional only on valid acceptances of the Offer by SinCo Shareholders in respect of more than 50% of the voting rights of Sincere. Accordingly, the Offer will not be able to become unconditional as to acceptance if Win Dynamic chooses not to duly perform its obligations under the WD Irrevocable Undertaking.

Yours faithfully,  
For and on behalf of  
**Altus Capital Limited**

**Jeanny Leung**  
*Executive Director*

**Leo Tam**  
*Assistant Director*

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## LETTER FROM REALORD ASIA PACIFIC

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*Set out below is the letter from Realord Asia Pacific, which is making the Offer on behalf of the Offeror, in relation to, among other things, details of the terms of the Offer, the intention of the Offeror with regard to the SinCo Group, as well as information on the Offeror.*



Suites 2402, 24/F  
Jardine House  
1 Connaught Place  
Central, Hong Kong

5 May 2021

*To the SinCo Shareholders*

Dear Sir/Madam,

**VOLUNTARY CONDITIONAL CASH OFFER BY  
REALORD ASIA PACIFIC SECURITIES LIMITED  
FOR AND ON BEHALF OF  
REALORD GROUP HOLDINGS LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES OF  
THE SINCERE COMPANY, LIMITED**

### **1 INTRODUCTION**

Reference is made to (i) the Joint Announcement dated 15 May 2020 whereby the Offeror and Sincere jointly announced, among other things, that Realord Asia Pacific intended to make, for and on behalf of the Offeror and subject to the satisfaction or the waiver (as the case may be) of the Pre-Conditions, a voluntary conditional cash offer to acquire all of the issued SinCo Shares; and (ii) the joint announcement dated 17 June 2020 issued by the Offeror and Sincere in relation to the finalisation of the Offer Price at HK\$0.3935 per SinCo Share, which is the Final Offer Price. On 28 April 2021, all the Pre-Conditions have been fulfilled or waived (as the case may be).

This letter sets out, amongst other things, details of the terms of the Offer, the intention of the Offeror regarding the SinCo Group and the information on the Offeror. Further details of the terms of the Offer are set out in the section headed “Further terms and procedures of acceptance of the Offer” in Appendix I to this Offer Document, of which this letter forms part, and in the accompanying Form of Acceptance.

Pursuant to the Takeovers Code, Sincere is required to despatch the Response Document within 14 days after the posting of this Offer Document. SinCo Shareholders are advised to read this Offer Document and the Response Document (including the letter of recommendation from the independent committee of the Sincere Board and the letter of advice from the independent financial adviser to be contained therein) before taking any action in respect of the Offer.

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## LETTER FROM REALORD ASIA PACIFIC

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### 2 THE OFFER

#### 2.1 Principal terms of the Offer

The Offer is being made by Realord Asia Pacific for and on behalf of the Offeror in compliance with the Takeovers Code on the basis set out below:

**For each SinCo Share . . . . . HK\$0.3935 in cash,  
being the Final Offer Price**

As disclosed in the announcement jointly issued by the Offeror and Sincere dated 17 June 2020, the Initial Offer Price was adjusted upward to the Final Offer Price of HK\$0.3935 per SinCo Share.

The Offer is extended to all SinCo Shareholders in accordance with the Takeovers Code.

#### 2.2 Comparison of value

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 February 2020 NAV of approximately HK\$0.135 per SinCo Share calculated based on the February 2020 NAV of approximately HK\$142.6 million as extracted from the 2020 Sincere Annual Report 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)<sup>(Note)</sup>;

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## LETTER FROM REALORD ASIA PACIFIC

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- (viii) a premium of approximately 602.68% over the unaudited consolidated net assets attributable to the SinCo Shareholders as at 31 August 2020 of approximately HK\$0.056 per SinCo Share calculated based on the unaudited consolidated net assets attributable to the SinCo Shareholders as at 31 August 2020 of approximately HK\$59.3 million as extracted from the interim report of Sincere for the six months ended 31 August 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)<sup>(Note)</sup>; and
- (ix) a discount of approximately 9.54% to the closing price of HK\$0.435 per SinCo Share as quoted on the Stock Exchange on the Latest Practicable Date.

*Note: 260,443,200 SinCo Shares held by the Sincere Companies (which were accounted for as subsidiaries of Sincere) were recognised in the SinCo Group's consolidated financial statements as treasury shares through deduction from equity by approximately HK\$130 million. Accordingly, such number of SinCo Share 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 financial statements of Sincere.*

### 2.3 Highest and lowest SinCo Share prices

During the Relevant Period, the highest closing price per SinCo Share as quoted on the Stock Exchange was HK\$0.54 on 29 April 2021 and the lowest closing price per SinCo Share as quoted on the Stock Exchange was HK\$0.19 on 12 December 2019.

### 2.4 Value of the Offer

Based on the public information of Sincere published on the website of the Stock Exchange, as at the Latest Practicable Date, there were 1,313,962,560 SinCo Shares in issue. There were no outstanding options, derivatives, warrants or securities which are convertible or exchangeable into SinCo Shares and Sincere had not entered into any agreement for the issue of such options, derivatives, warrants or securities convertible into SinCo Shares as at the Latest Practicable Date.

Assuming that there is no change in the issued SinCo Shares from the Latest Practicable Date up to the Closing Date and assuming full acceptance of the Offer, based on the Final Offer Price of HK\$0.3935 per SinCo Share, the total cash consideration payable by the Offeror under the Offer would be HK\$517,044,267.36.

### 2.5 Confirmation of financial resources

The Offeror intends to finance the cash consideration required for the Offer by internal resources.

Altus Capital, being the financial adviser to the Offeror in respect of the Offer, 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.

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## LETTER FROM REALORD ASIA PACIFIC

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### 2.6 Settlement of consideration

Payment (after deducting the accepting SinCo Shareholder's share of stamp duty) in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days following the date of (i) the receipt of duly completed acceptances; or (ii) the Offer has become or is declared unconditional in all respects, whichever is later. Relevant documents of title must be received by the Receiving Agent to render each acceptance of the Offer complete and valid.

No fraction of a cent will be payable and the amount of cash consideration payable to a SinCo Shareholder who accepts the Offer will be rounded up to the nearest cent.

### 2.7 Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% of the consideration payable in respect of the acceptance by the SinCo Shareholders or, if higher, the market value of the SinCo Shares subject to such acceptance, will be deducted from the amount payable to those SinCo Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant SinCo Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with acceptances of the Offer and the transfers of the SinCo Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

## 3 CONDITION OF THE OFFER

The Offer is conditional only on valid acceptances of the Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the SinCo Shares which, together with the SinCo Shares acquired or to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of Sincere, i.e. at least 656,981,281 SinCo Shares (based on the public information published by Sincere on the website on the Stock Exchange, the number of SinCo Shares in issue as at the Latest Practicable Date).

As at the Latest Practicable Date, Win Dynamic beneficially held 662,525,276 SinCo Shares, representing approximately 50.42% of the SinCo Shares in issue. Win Dynamic has given the WD Irrevocable Undertaking to the Offeror to accept or procure acceptances of the Offer by no later than 4:00 p.m. on the fifth Business Day following the despatch of this Offer Document (further details of the Irrevocable Undertakings are set out in the paragraph headed "7 The Irrevocable Undertakings" below in this Offer Document). As such, the condition of the Offer will be satisfied upon Win Dynamic duly tendering its acceptances or procuring acceptances of the Offer in respect of the SinCo Shares beneficially held by it under the WD Irrevocable Undertaking.

The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfilment of the condition of the Offer (as the case may be) in accordance with the Takeovers Code.

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## LETTER FROM REALORD ASIA PACIFIC

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**WARNING: The Offer may or may not become unconditional as to acceptance and will lapse if it does not become unconditional. Accordingly, the Realord Shareholders, the SinCo Shareholders and prospective investors of Sincere 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.**

### **4 OVERSEAS SINCO SHAREHOLDERS**

The Offeror intends to make the Offer available to all SinCo Shareholders, including those who are not resident in Hong Kong. The availability of the Offer to Overseas SinCo Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas SinCo Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibility of Overseas SinCo Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas SinCo Shareholders in respect of such jurisdictions).

**Any acceptance by any Overseas SinCo Shareholder will be deemed to constitute a representation and warranty from such Overseas SinCo Shareholder to the Offeror that the local laws and requirements have been complied with. All such Overseas SinCo Shareholders should consult their professional advisers if in doubt.**

### **5 TAXATION ADVICE**

The SinCo Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, Realord Asia Pacific, Altus Capital and their respective direct or indirect beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### **6 FURTHER TERMS OF THE OFFER**

#### **6.1 Acceptance of the Offer**

Acceptance of the Offer by any person or persons will constitute a representation and warranty by such person or persons to the Offeror, Realord Asia Pacific and Altus Capital that the SinCo Shares sold by such person or persons to the Offeror are free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and any other third party rights of any nature and together with all rights attached to them as at the Closing Date or subsequently becoming attached to them, including but not limited to all rights to any dividend or other distribution declared, made or paid, if any, the record date of which is on or after the date of the despatch of this Offer Document. Any dividend or other distribution, the record date of which is before the date of the despatch of this Offer Document, will be paid by Sincere to the SinCo Shareholders who are qualified for such dividend or distributions.

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## LETTER FROM REALORD ASIA PACIFIC

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To the best of the Offeror's knowledge and according to the published financial information of Sincere, there has been no dividend or distribution declared by Sincere for the year ended 29 February 2020, for the six months ended 31 August 2020 and up to the Latest Practicable Date.

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, subject to the provisions of the Takeovers Code.

### **6.2 Close of the Offer**

The Offer is subject to the condition of the Offer as set out in the paragraph headed "3 Condition of the Offer" above in this letter.

In accordance with Rule 15.1 of the Takeovers Code, the Offer will be open for acceptance for at least 28 days following the despatch of this Offer Document. Pursuant to Rule 15.3 of the Takeovers Code, where a conditional offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptances for not less than 14 days thereafter. When an offer becomes or is declared unconditional in all respects, at least 14 days' notice in writing must be given before the offer is closed to those shareholders who have not accepted the offer. As disclosed in the section headed "Expected timetable" in this Offer Document, the First Closing Date is currently expected to be on Thursday, 3 June 2021. Assuming that the Offer becomes or is declared unconditional on the First Closing Date, the Final Closing Date will be on Thursday, 17 June 2021.

If the condition of the Offer is not satisfied on or before the First Closing Date, the Offer may lapse. The Offeror will issue an announcement stating whether the Offer has been revised or extended or lapsed, by 7:00 p.m. on the First Closing Date in accordance with the Takeovers Code. The latest time at which the Offeror can declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of this Offer Document (or such later date to which the Executive may consent).

If the condition of the Offer is satisfied, the SinCo Shareholders will be notified by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter.

Further terms of the Offer, including, amongst others, the procedures of acceptance and settlement, the acceptance period and taxation matters are set out in "Further terms and procedures of acceptance of the Offer" in Appendix I to this Offer Document and the accompanying Form of Acceptance.

## **7 THE IRREVOCABLE UNDERTAKINGS**

Pursuant to the WD Irrevocable Undertaking, Win Dynamic has irrevocably undertaken to the Offeror (i) to accept or procure acceptances of the Offer in respect of all of the 662,525,276 SinCo Shares (representing approximately 50.42% of the SinCo Shares in issue as at the Latest Practicable Date) beneficially owned by it by no later than 4:00 p.m. on the fifth Business Day following the despatch of this Offer Document; and (ii) that it will be the beneficial owner of the 662,525,276 SinCo Shares until the tender of the SinCo Shares owned by it for acceptance under the Offer.

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## LETTER FROM REALORD ASIA PACIFIC

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Pursuant to the SC Irrevocable Undertakings, each of the Sincere Companies has irrevocably undertaken to the Offeror (i) to accept or procure acceptances of the Offer in respect of all of the SinCo Shares beneficially owned by it, being 183,136,032 SinCo Shares in the case of Sincere LA, 75,608,064 SinCo Shares in the case of Sincere II and 1,699,104 SinCo Shares in the case of Perfumery (representing approximately 13.94%, 5.75% and 0.13% of the SinCo Shares in issue, respectively, as at the Latest Practicable Date), by no later than 4:00 p.m. on the fifth Business Day following the despatch of this Offer Document; and (ii) that it will be the beneficial owner of the SinCo Shares it holds until the tender of the SinCo Shares owned by it for acceptance under the Offer.

Save for the WD Irrevocable Undertaking and the SC Irrevocable Undertakings, none of the Offeror and/or parties acting in concert with it has received any irrevocable commitment to accept the Offer or any irrevocable undertaking from any SinCo Shareholder not to sell or transfer (or cause the same to be done) or otherwise dispose of (or permit any such action to occur in respect of) any interest in any SinCo Shares held by him/her/it/them.

Accordingly, upon Win Dynamic tendering its valid acceptance of the Offer pursuant to the WD Irrevocable Undertaking, the condition of the Offer will be satisfied (as set out in the paragraph headed “3 Condition of the Offer” above in this letter). As such, the Offer will become unconditional upon Win Dynamic duly tendering its acceptances or procuring acceptances of the Offer in respect of the SinCo Shares beneficially held by it under the WD Irrevocable Undertaking.

### **8 INFORMATION OF THE OFFEROR**

The Offeror is a company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange. As at the Latest Practicable Date, MHL was the controlling shareholder of the Offeror beneficially interested in 1,073,160,000 Realord Shares, representing approximately 74.62% of the issued share capital of the Offeror. MHL is owned as to 70% by Dr. Lin and as to 30% by Madam Su.

The Realord Group is principally engaged in (i) provision of financial printing, digital printing and other related services; (ii) sales of hangtags, labels, shirt paper boards and plastic bags principally to manufacturers of consumer products; (iii) distribution and sales of motor vehicle parts; (iv) provision of corporate finance advisory, asset management, securities brokerage services and margin financing services; (v) property investment and development and commercial operations; and (vi) the environmental protection industry. The Realord Group has been actively engaging in property investment and development and urban renewal business in Shenzhen, the PRC. Such properties include the Realord Mall, which is part of “Realord Villas” located in Longhua District of Shenzhen, the PRC. It is designed as a large-scale all-in-one shopping mall with a gross floor area of approximately 51,039 sq.m. integrating local amenities, entertainment and leisure, parent-child education, and specialty food and beverage experience.

As abovementioned, leveraging the existing platform and resources of the Realord Group, the Realord Group is confident about the future development of the department store operation after it taking control and management of Sincere.

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## LETTER FROM REALORD ASIA PACIFIC

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### 9 DEALINGS AND INTERESTS IN SINCERE'S SECURITIES

None of the Offeror, MHL and its ultimate beneficial owners (namely Dr. Lin and Madam Su), and parties acting in concert with any of them has dealt in any SinCo Shares, options, derivatives, warrants or other relevant securities convertible (as defined in Note 4 to Rule 22 of the Takeovers Code) into SinCo Shares during the Relevant Period.

### 10 CIRCUMSTANCES SURROUNDING THE OFFER

#### 10.1 HK\$80 million loan granted by Realord Finance

In view of the pressure of meeting Sincere's financial needs for daily operation amid the outbreak of the COVID-19 pandemic, an unsecured loan in the principal amount of HK\$80 million (the "**HK\$80 million Loan**"), carrying an interest of 10% per annum, was sought by Sincere from and granted by Realord Finance, a subsidiary of the Offeror, on 3 April 2020 for a term of 18 months and such loan was fully drawn. During the discussion between the Offeror and Sincere for the HK\$80 million Loan, it occurred to the Offeror that there was a possibility for it to become the controlling shareholder of Sincere. Given the business operation of the Realord Group as described in the paragraph headed "8 Information of the Offeror" above, the Offeror considers that the acquisition as a result of making the Offer would provide an opportunity for the Realord Group to diversify its business and tap into the department stores business in Hong Kong.

#### 10.2 Joint Announcement

As set out in the Joint Announcement dated 15 May 2020 issued by the Offeror and Sincere, Realord Asia Pacific intended to make, on behalf of the Offeror and subject to the satisfaction or waiver (as the case may be) of the Pre-Conditions, a voluntary conditional cash offer to acquire all of the issued SinCo Shares.

#### 10.3 HK\$70 million loan facility granted by Realord Finance

At the request of Sincere, Realord Finance and Sincere entered into a loan facility of up to HK\$70,000,000 ("**HK\$70 million Facility**") on 26 May 2020. Pursuant to the HK\$70 million Facility, Realord Finance shall be obliged to comply with the utilisation requirement only if on the date of that utilisation request and on the proposed utilisation date, no event of default as defined in the underlying facility agreement would be continuing or would result from the proposed drawdown and all representations made by Sincere were true in all material respects. Please refer to the 2020 Sincere Annual Report for details of the terms of the HK\$70 million Facility.

Sincere lodged an utilisation request to Realord Finance of HK\$10 million under the HK\$70 million Facility on 8 February 2021. As Sincere's continuing failure to repay the accrued but unpaid interests under the HK\$80 million Loan had constituted an event of default, Realord Finance had no obligation to comply with such utilisation request. As such, no amount under the HK\$70 million Facility had been drawn down as at the Latest Practicable Date.

#### **10.4 The Deed**

Sincere announced on 29 October 2020 (the “**29 October 2020 Sincere Announcement**”) that in light of the operating and financial position of the SinCo Group and to alleviate the liquidity adversity of the SinCo Group, Win Dynamic had executed 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 million (after deducting Win Dynamic’s ad valorem stamp duty). As stated in the 29 October 2020 Sincere Announcement, Sincere understood 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, and Sincere intended that this gift from Win Dynamic, when received, will be applied as working capital of the SinCo Group. As stated in the 29 October 2020 Sincere Announcement, the Sincere Board considered that the Deed was in the interests of the SinCo Group and its shareholders as a whole.

#### **10.5 Purported cancellation of the Deed**

On 4 February 2021, Sincere announced (the “**4 February 2021 Sincere Announcement**”) that the Sincere Board had received a letter from Win Dynamic dated 3 February 2021 (the “**WD Letter**”) stating Win Dynamic’s declaration that the Deed is null and void and cancelled with immediate effect, for the reason that it was executed by Win Dynamic under undue influence and duress, given without separate legal representation or proper advice, and is an undervalue transaction pursuant to section 265D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong). According to the 4 February 2021 Sincere Announcement, the Sincere Board confirmed that Win Dynamic has not yet provided evidence in support of the assertions in the WD Letter or that it has any right to terminate the Deed. As stated in the 4 February 2021 Sincere Announcement, the Sincere Board (other than Mr. Philip K H Ma and Mr. Charles M W Chan, who also own and are directors of Win Dynamic) does not admit that the Deed is null or void or has been cancelled.

The Realord Board had not been informed of the WD Letter and Win Dynamic’s unilateral declaration prior to the 4 February 2021 Sincere Announcement.

The Realord Board also noted that the WD Letter was only received by Sincere from Win Dynamic more than three months after the publication of the 29 October 2020 Sincere Announcement.

In respect of the alleged nullity of the Deed, the Offeror considers that the purported cancellation of the Deed would have significant and direct impact on the financial position of the SinCo Group. In order to protect the interests of the SinCo Shareholders, which will include the Offeror following the close of the Offer, the Offeror will use its best endeavor in its capacity as a SinCo Shareholder to urge the new Sincere Board to protect Sincere from the potential loss arising from the purported cancellation of the Deed.

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## LETTER FROM REALORD ASIA PACIFIC

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In the meantime, the legal adviser of the Offeror had written, on behalf of the Offeror, to remind the existing Sincere Board that (i) the Sincere Directors are under fiduciary duty to use their best endeavours to protect and safeguard the assets and interests of Sincere; (ii) the Sincere Board should take immediate action against Win Dynamic by requesting disclosure and substantiation of the claim of alleged undue influence and duress; (iii) Sincere should obtain legal advice for the purpose of protecting the interests of Sincere as well as preserving the rights of Sincere to take legal action against Win Dynamic and those responsible for damages; and (iv) the Offeror reserves its rights to take legal actions against the existing Sincere Directors for loss or damages if Sincere's rights and interests are affected or lost.

### **10.6 Repayment of the HK\$80 million Loan granted by Realord Finance**

Since September 2020, Sincere had failed to repay the accrued interest under the HK\$80 million Loan, despite the repeated requests of Realord Finance. Realord Finance considered that the purported cancellation of the Deed by Win Dynamic as mentioned above would have a direct impact on the financial position of Sincere as Sincere will be deprived of the potential and impending gift when Win Dynamic accepts the Offer. On 11 February 2021, Realord Finance declared, pursuant to the terms of the HK\$80 million Loan, that the principal amount of the HK\$80 million Loan together with accrued interests and all other amounts accrued or outstanding became immediately due and payable and demanded repayment of such amount, which aggregate sum was received by Realord Finance on 18 February 2021.

### **10.7 HK\$150 million loan obtained by Sincere from a financial institution**

On 25 February 2021, Sincere announced that it had entered into the HK\$150 million Loan Facility with an independent financial institution on 18 February 2021, and that the HK\$150 million Loan Facility was secured by unencumbered assets of Sincere and is repayable 18 months after drawdown, or on demand. Sincere also announced that it had repaid all the outstanding principal amount and interest accrued under the HK\$80 million Loan demanded by Realord Finance out of the HK\$150 million Loan Facility and would use the balance of the HK\$150 million Loan Facility for working capital of Sincere.

### **10.8 Failure to obtain consent for the HK\$150 million Loan Facility**

On 16 April 2021, Sincere announced that the Lender of the HK\$150 million Loan Facility had not granted consent to any change in the voting control of Sincere. The Offeror had made several requests to Sincere for copy of the relevant loan document(s) for the HK\$150 million Loan Facility but to no avail. Therefore the Offeror has no view whether or not such consent from the Lender is indeed required under the related loan document(s). On 3 May 2021, the Offeror and Altus Capital were informed by the financial adviser of Sincere that the legal adviser of the Lender has issued the 3 May Letter to Sincere that, among others, the Lender demands Sincere, as the borrower, to make a repayment of the HK\$150 million Loan Facility, including the outstanding principal of HK\$150,000,000 and the interest accrued on the outstanding principal for the period up to 5 May 2021 of HK\$1,117,808, totaling HK\$151,117,808, on 6 May 2021 before 5:00 p.m. In response to the 3 May Letter, Altus Capital had written to the financial adviser of Sincere on 3 May 2021 that the Offeror expects the Sincere Board to take all necessary actions to protect the interests of Sincere, including serious negotiation with the Lender to minimise disruptions to the business of Sincere. Sincere made an announcement in respect of the 3 May Letter on 4 May 2021. Nevertheless, the Offeror would like to assure the SinCo Shareholders and the Lender that despite the 3 May Letter or an event of default may be purportedly triggered under the terms of the

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## LETTER FROM REALORD ASIA PACIFIC

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debenture of the HK\$150 million Loan Facility, the Offeror will, upon close of the Offer and appointment of new directors onto the Sincere Board representing a majority of the members of the Sincere Board, provide necessary financial support for repayment in full of the HK\$150 million Loan Facility in order to avoid any unnecessary legal proceedings that may be instituted by the Lender against Sincere.

### 11 INTENTION OF THE OFFEROR ON THE SINCO GROUP

It is the intention of the Offeror to continue with the SinCo Group's existing principal business. The Offeror will conduct a detailed review on the financial position, business and operations of the SinCo Group in order to formulate a long-term strategy for the SinCo Group and explore other business or investment opportunities for enhancing its future development and strengthening its revenue bases. Further details on the business direction and strategy intended to be taken by the Offeror is set out in the paragraph headed "2 Merits of the Offer" in the section headed "Letter from Altus Capital" in this Offer Document. The Offeror will also closely follow any subsequent developments that may significantly impact the SinCo Group, and may revisit and adjust its intentions and plan where appropriate.

For further details on the Offeror's intention regarding SinCo Group's insurance business, please refer to the paragraph headed "3 Further information on the insurance business of the SinCo Group" in the section headed "Letter from Altus Capital" in this Offer Document. While the Offeror had not been provided with updated financial information by Sincere as at the Latest Practicable Date, the Offeror will provide necessary financial support to the SinCo Group after it taking over control and management of Sincere.

The Offeror reserves the right to make any changes it deems necessary or appropriate to Sincere's business and operations to enhance the value of Sincere and strengthen its revenue. As at the Latest Practicable Date, save for the above, the Offeror had no plan, and had not engaged in any discussion or negotiation, on any injection of any assets or businesses into the SinCo Group, and had no intention to discontinue the employment of the employees of the SinCo Group (other than the proposed change of the Sincere Board and senior management as further mentioned below), or to dispose of or re-deploy the assets of the SinCo Group.

#### 11.1 Proposed change of the board composition and the senior management of Sincere

As at the Latest Practicable Date and based on information disclosed by Sincere in the official website of the Stock Exchange, the Sincere Board comprised one executive director, namely, Mr. Philip K H Ma, one non-executive director, namely Mr. Charles M W Chan, and four independent non-executive directors, namely Mr. King Wing Ma, Mr. Eric K K Lo, Mr. Peter Tan and Mr. Anders W L Lau.

Pursuant to the WD Irrevocable Undertaking, Win Dynamic has irrevocably undertaken to the Offeror to, among other things, accept or procure acceptances of the Offer in respect of all of the 662,525,276 SinCo Shares (representing approximately 50.42% of the SinCo Shares in issue as at the Latest Practicable Date) beneficially owned by it by no later than 4:00 p.m. on the fifth Business Day following the despatch of this Offer Document. As set out in the paragraph headed "3 Condition of the Offer" above, the condition of the Offer will be satisfied upon Win Dynamic tendering valid acceptances or procuring valid acceptances in respect of the 662,525,276 SinCo Shares held by it, following which the Offeror will become the new controlling shareholder of Sincere. As set out in the Joint Announcement, the current Sincere Directors had not decided on whether to stay or to resign when permitted to do so under the Takeovers Code.

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## LETTER FROM REALORD ASIA PACIFIC

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To ensure smooth transition of the Sincere Board and management of Sincere, the Offeror will seek the Sincere Board's facilitation to nominate and appoint two new directors, namely Mr. Chan Chu Kin ("**Mr. Chan**") as a non-executive director (the Offeror will seek to re-designate Mr. Chan as an executive director upon the close of the Offer) and Mr. Chung Chun Hung Simon ("**Mr. Chung**") as an independent non-executive director, to the Sincere Board, with effect from the next Business Day immediately after the despatch of the Response Document in accordance with the Takeovers Code (subject to the necessary procedure required by the articles of association of Sincere). The Offeror intends to further nominate six new directors to the Sincere Board upon the close of the Offer. In order to facilitate the Sincere Board to process the proposed appointments of Mr. Chan and Mr. Chung onto the Sincere Board in accordance with the articles of association of Sincere, the Offeror has provided relevant documents to Sincere.

The new Sincere Directors and senior management and their biographies are set out below:

### **Executive directors**

#### ***Dr. Lin Xiaohui***

Dr. Lin, aged 47, is currently the chairman and an executive director of the Offeror. He obtained a post-graduate diploma in business administration from the Society of Business Practitioners in December 2013, a Master degree of business administration from the City University (formerly known as the City University College of Science and Technology) in September 2014 and a Honorary Doctorate degree of Business Administration from the SABI University in August 2015. Since 2005, Dr. Lin has held management positions in a number of private companies in which he has shareholding interests, and these companies are mainly engaged in real estate, electronics, logistics and financial investment in Shenzhen. Dr. Lin is a member of the Committee of Shenzhen City of the Chinese People's Political Consultative Conference and a member of the Committee of Futian District, Shenzhen City of the Chinese People's Political Consultative Conference. Dr. Lin is the spouse of Madam Su.

#### ***Madam Su Jiaohua***

Madam Su, aged 48, is currently an executive director and the chief executive officer of the Offeror. She obtained the advanced diploma in business studies from Ashford College of Management & Technology Singapore (formerly known as AMGT Management School) in September 2012. Since 2005, Madam Su has held management positions in a number of private companies in which she has shareholding interests, and these companies are mainly engaged in real estate, electronics, logistics and financial investment in Shenzhen. Madam Su also served as a member of the People's Congress of Futian District, Shenzhen City, and a member of the People's Congress of Shenzhen City. Madam Su is the spouse of Dr. Lin.

\* For identification purpose only.

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### *Dr. Yu Lai*

Dr. Yu Lai (“**Dr. Yu**”), aged 66, obtained a master degree and a doctorate degree in business management from Sun Yat-sen Business School in July 1990 and June 2001, respectively. Dr. Yu is currently the chairman of Realord Commercial Group Limited\* (偉祿商業集團有限公司). Dr. Yu has over 18 years of experience in business management and has held management positions in a number of companies. From May 2003 to May 2006, Dr. Yu worked with Guangdong Investment Limited (a company listed on the main board of the Stock Exchange (stock code: 270)) in a number of positions within the group, namely (i) the director and deputy general manager of the company; and (ii) the chairman and director of Guangdong Teemall (holdings) Limited\* (廣東天河城(集團)股份有限公司). From June 2006 to December 2010, Dr. Yu worked in Shenzhen CITIC Commercial Management Co., Ltd\* (深圳市中信商業管理有限公司) and served in various position within the group, including the chairman of Shenzhen CITIC City Plaza Investment Co., Ltd.\* (深圳市中信城市廣場投資有限公司) and the deputy general manager of Sino Hope (H.K.) Limited. From April 2007 to January 2008, Dr. Yu was the deputy general manager of CITIC Shenzhen (Group) Company\* (中信深圳(集團)公司) and from January 2008 to December 2010, Dr. Yu was appointed as the vice president of CITIC Real Estate Co., Ltd (中信房地產股份有限公司). Dr. Yu then worked with Horoy Holdings Limited from January 2011 to August 2013, with his last held position as the president of the company. In September 2013, Dr. Yu joined Guangdong JianJi Group (廣東堅基集團) and served in a number of positions within the group, namely (i) the president of the group; (ii) the general manager of Guangdong JianJi Commercial Operation Management Company\* (廣東堅基商業運營管理公司); and (iii) the general manager of Heyuan JianJi Performing Arts Company Limited\* (河源市堅基演藝有限公司).

### **Non-executive directors**

#### *Dr. Tai Tak Fung, Stephen*

Dr. the Honourable Tai Tak Fung, Stephen (“**Dr. Tai**”), GBM, GBS, SBS, JP, Phd (*honoris causa*), aged 73, is currently the founder, executive director and chairman of Four Seas Mercantile Holdings Limited (Stock Code: 374) and the non-executive director of Hong Kong Food Investment Holdings Limited (Stock Code: 60) both companies of which are listed on the Main Board of the Stock Exchange. Dr. Tai has been awarded the Grand Bauhinia Medal, Gold Bauhinia Star, Silver Bauhinia Star and Justice of the Peace by the Government of the Hong Kong Special Administrative Region. He also served as a member of the National Committee of the Chinese People’s Political Consultative Conference (“**CPPCC**”) from 2003 to 2018, during which he was a standing committee member of the CPPCC from 2008 to 2018. He is currently a standing committee member of the Guangdong Provincial Committee of the CPPCC. Dr. Tai was awarded the Order of the Rising Sun, Gold and Silver Rays by the Government of Japan in 2017 and prior to receiving the said award, Dr. Tai was also awarded The Minister of Agriculture, Forestry and Fisheries Award in recognition of his contribution towards the promotion of Japanese food products. He is currently serving several public office, including the president of the Hong Kong Foodstuffs Association and special advisor to China National Food Industry Association. He had also received a number of awards including Industrialist of the Year Award conferred by Federation of Hong Kong Industries.

\* For identification purpose only.

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## LETTER FROM REALORD ASIA PACIFIC

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### *Mr. Chan Chu Kin*

Mr. Chan, aged 42, obtained a bachelor's degree in commerce from the University of New South Wales in December 2001. Mr. Chan has over 18 years of experience in accounting and finance. Prior to joining the Offeror in 2017, Mr. Chan had been employed by three international audit firms. During the period from 2007 to 2008, he worked in Ernst & Young as senior accountant. During the period from 2008 to 2011, he worked in JBPB & Company (formerly known as Grant Thornton), which was subsequently merged with BDO Limited in 2011. Since then till 2012, Mr. Chan served in BDO Limited, with his last held position as audit manager. During the period from 2013 to 2016, he worked in Grant Thornton Hong Kong Limited, with his last held position as senior audit manager. He is currently the chief financial officer and company secretary of the Offeror. Mr. Chan is also a member of the Certified Practising Accountant of Australia and a fellow member of the Hong Kong Institute of Certified Public Accountants.

### **Independent non-executive directors**

### *Mr. Yu Leung Fai*

Mr. Yu Leung Fai (“**Mr. Yu**”), aged 44, obtained a bachelor's degree in commerce from University of Toronto, Canada in June 2000 and a bachelor's degree in law from University of London, United Kingdom in August 2005. Mr. Yu has over 19 years of experience in corporate services field. He first started his career as an auditor of Deloitte Touche Tohmatsu. Since 2001, Mr. Yu joined Fung, Yu & Co. CPA Limited and is currently the company's managing partner. Mr. Yu has also been the company secretary of Beijing Media Corporation Limited (Stock Code: 1000), Yuanda China Holdings Limited (Stock Code: 2789) and Sany Heavy Equipment International Holdings Company Limited (Stock Code: 631), and the independent non-executive director of the Offeror and Dowway Holdings Limited (Stock Code: 8403), all of which are listed companies in Hong Kong, since 2010, 2012, 2017, 2014 and 2019, respectively. Mr. Yu is also a member of the American Institute of Certified Public Accountants, Certified Practising Accountants of Australia and the Hong Kong Institute of Certified Public Accountants.

### *Mr. Yuan Baoyu*

Mr. Yuan Baoyu (“**Mr. Yuan**”), aged 71, obtained a bachelor degree in administrative management from Guangdong Social Science University in December 1990. Mr. Yuan served in the Shenzhen Local Taxation Bureau and Shenzhen Municipal Office of the State Administration of Taxation (the “**SMOSAT**”) for 25 years. In May 1984, he first served as the deputy chief of the fourth branch of the Shenzhen Local Taxation Bureau. Mr. Yuan was subsequently transferred to the Shekou Branch of the Shenzhen Local Taxation Bureau\* (深圳市稅務局蛇口分局) and was appointed as the director of the second division of the Taxation Office in August 1985 and the chief of the second management section in March 1989. From September 1994 to September 1995, Mr. Yuan was appointed as the deputy director of the Shatoujiao Branch of the Shenzhen Local Taxation Bureau\* (深圳市稅務局沙頭角分局). Mr. Yuan then served as the deputy director and director of the Luohu Branch of the SMOSAT\* (深圳市國家稅務局羅湖分局) in September 1995. In March 2000, he was appointed as the director and the secretary of the party committee of the Bao'an Branch of the SMOSAT\* (深圳市寶安區國家稅務局). In December 2005 and September 2008, Mr. Yuan was further appointed as the director of the import and export tax management office of the SMOSAT\* (深圳市國稅局進出口稅收管理處) and the deputy inspector of the SMOSAT, respectively.

\* For identification purpose only.

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### *Mr. Chung Chun Hung Simon*

Mr. Chung, aged 50, obtained a bachelor degree in mathematics from the University of Waterloo, Canada in May 1993 and a master degree of science in investment management from The Hong Kong University of Science and Technology in November 2001.

Mr. Chung was a licensed person registered with the SFC to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the SFO from July 2005 to May 2017 and has over 20 years of securities brokerage and dealing experience in the financial services industry. He worked in Core Pacific-Yamaichi International (H.K.) Limited from February 2000 to June 2005, with his last held position as assistant sales director, primarily responsible for dealing in securities and futures contracts. From June 2005 to May 2017, Mr. Chung was the investment representative of KGI Hong Kong Limited (a company principally engaged in the provision of investment products and services, wealth management and person investment services), primarily responsible for dealing in securities and future contracts. In June 2012, he cofounded Speedy Finance Limited, a company principally engaged in money lending business in Hong Kong and has been its director since then.

Mr. Chung has also been the honorary treasurer of Hong Kong General Chamber of Property Finance (formerly known as the Hong Kong Property Finance Association) since January 2016 and has been the honorary president of the CityU Industrial and Business Leaders Circle.

### **Senior management**

#### *Mr. Luo Xinwen*

Mr. Luo Xinwen (“**Mr. Luo**”), aged 44, obtained a bachelor degree in engineering from Xiangtan University in June 1999. Mr. Luo is currently the general manager of Realord Commercial Management (Shenzhen) Co., Ltd\* (偉祿商業管理(深圳)有限公司). Prior to joining the Offeror’s group, he worked as an engineer in Shenzhen City Tefa Liming Photoelectric (Group) Co., Ltd (深圳市特發黎明光電(集團)有限公司) from 1998 to December 2006. Mr. Luo then held various management positions in a number of companies, namely, the director of operations of Shenzhen CITIC City Plaza Investment Co., Ltd (深圳市中信城市廣場投資有限公司) from January 2007 to May 2008, the commercial real estate operations manager of CITIC Real Estate Co., Ltd (中信房地產股份有限公司) from June 2008 to December 2010, the operation director and deputy general manager of Shenzhen LVGEM Property Management Co., Ltd\* (深圳市綠景房地產開發有限公司) from June 2013 to April 2017 and the regional operation coordinator of the commercial real estate division of China Resources (Shenzhen) Co., Ltd\* (華潤(深圳)有限公司) from April 2017 to October 2018.

It is expected that the new Sincere Board and senior management team will be equipped with necessary expertise to execute the Offeror’s plan to enshrine the synergy between the SinCo Group and the Realord Group. Despite the proposed change of the board composition and the additional senior management member of Sincere, the Offeror intends that the existing management and staff of Sincere will be retained (other than the proposed change of the Sincere Board and senior management as mentioned above) to run the business operation of Sincere and, together, contribute to Sincere’s success in the future.

\* For identification purpose only.

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## LETTER FROM REALORD ASIA PACIFIC

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Any changes to the Sincere Board will be made in compliance with the Takeovers Code and the Listing Rules.

### **11.2 Public float and maintaining the listing status of Sincere**

The Offeror intends to maintain the listing of the SinCo Shares on the Stock Exchange after the close of the Offer. The Realord Directors and the new Sincere Directors nominated by Realord for appointment to the Sincere Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists for the SinCo Shares. The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to Sincere, being 25%, of the SinCo Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the SinCo Shares; or (ii) there are insufficient SinCo Shares held in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the SinCo Shares until the prescribed level of public float is restored.

## **12 COMPULSORY ACQUISITION**

The Offeror does not intend to avail itself of any power of compulsory acquisition of any SinCo Shares outstanding after the Closing Date.

## **13 GENERAL**

To ensure equality of treatment of all SinCo Shareholders, those SinCo Shareholders who hold SinCo Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the SinCo Shares whose investments are registered in nominee names to accept the Offer, it is essential that they provide instructions of their intentions with regard to the Offer to their nominees.

To accept the Offer, SinCo Shareholders should complete and sign the accompany Form of Acceptance in accordance with the instructions printed thereon. The Form of Acceptance forms part of the terms of the Offer. The duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) must be sent by post or by hand to the Receiving Agent in an envelope marked “The Sincere Company, Limited – Offer” by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine or announce with the consent of the Executive in accordance with the Takeovers Code.

All documents and cheques for payment to the SinCo Shareholders will be sent to them by ordinary post at their own risk to their addresses as they appear in the register of members of Sincere or, in the case of joint SinCo Shareholders, to the SinCo Shareholder whose name appears first in the register of members of Sincere, as applicable, unless otherwise specified in the accompanying Form of Acceptance completed, returned and received by the Receiving Agent. None of the Offeror, Realord Asia Pacific, Altus Capital nor any of their respective directors or any other person involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

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## LETTER FROM REALORD ASIA PACIFIC

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### 14 ADDITIONAL INFORMATION

Your attention is drawn to the “Letter from Altus Capital” to the SinCo Shareholders contained in this Offer Document, as well as the accompanying Form of Acceptance and the additional information set out in the appendices which form part of this Offer Document.

SinCo Shareholders are reminded to review the Response Document (including the letter of recommendation from the independent board committee of the Sincere Board and the letter of advice from the independent financial adviser to be contained therein) before making an informed decision to accept or not to accept the Offer.

Yours faithfully,  
For and on behalf of  
**Realord Asia Pacific Securities Limited**  
**Lam Wing Hei**  
*Executive Director*

**1 PROCEDURES OF ACCEPTANCE OF THE OFFER**

To accept the Offer, you should duly complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your SinCo Shares is/are in your name, and you wish to accept the Offer in respect of your SinCo Shares (whether in full or in part), you must deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of SinCo Shares for which you intend to accept the Offer, by post or by hand, to the Receiving Agent, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong marked "The Sincere Company, Limited – Offer" on the envelope so as to reach the Receiving Agent as soon as possible but in any event by no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce with the consent of the Executive in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your SinCo Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your SinCo Shares (whether in full or in part), you must either:
  - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of SinCo Shares for which you intend to accept the Offer with the nominee company, or other nominee, and with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your SinCo Shares to the Receiving Agent; or
  - (ii) arrange for the SinCo Shares to be registered in your name by Sincere through the Registrar, and deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of SinCo Shares for which you intend to accept the Offer to the Receiving Agent; or
  - (iii) if your SinCo Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you

should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- (iv) if your SinCo Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or the CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
  
- (c) If you have lodged a transfer of any of your SinCo Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of those SinCo Shares, you should nevertheless duly complete and sign the Form of Acceptance and deliver it to the Receiving Agent together with the transfer receipt(s), if any, duly signed by yourself and/or other document(s) of title or entitlement in respect thereof (as the case may be). Such action will constitute an irrevocable authority to the Offeror and/or Realord Asia Pacific and/or their respective agent(s) to collect from Sincere or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Receiving Agent on your behalf and to authorise and instruct the Receiving Agent to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Receiving Agent with the Form of Acceptance.
  
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your SinCo Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of any of your SinCo Shares, the Form of Acceptance should nevertheless be duly completed and delivered to the Receiving Agent together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your SinCo Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your SinCo Shares should be forwarded to the Receiving Agent as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your SinCo Shares, you should report the loss to the Registrar and request the Registrar to replace your share certificate(s). You should also write to the Receiving Agent requesting a letter of indemnity which, when completed in accordance with the instructions given therein, should be returned to the Receiving Agent. The Offeror shall have the absolute discretion to decide whether any SinCo Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

- (e) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Receiving Agent at or before the latest time for acceptance of the Offer and the Receiving Agent has recorded that the acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of SinCo Shares for which you intend to accept the Offer and, if that/those share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other document(s) (e.g. a duly stamped transfer of the relevant SinCo Share(s) in blank or in favour of the acceptor of the Offer executed by the registered holder) in order to establish your right to become the registered holder of the relevant SinCo Shares; or
  - (ii) from a registered SinCo Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the SinCo Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
  - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the Form of Acceptance is executed by a person other than the registered SinCo Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Receiving Agent and the Offeror must be produced.
- (g) Seller's ad valorem stamp duty payable by the SinCo Shareholders who accept the Offer and calculated at a rate of 0.1% of the market value of the SinCo Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is the higher (rounded up to the nearest of HK\$1.00), will be deducted from the amount payable by the Offeror to the relevant SinCo Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the SinCo Shareholders who accept the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the SinCo Shares.
- (h) If the Offer is invalid, withdrawn or lapses, the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post at the risk of the SinCo Shareholders the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the SinCo Shares tendered for acceptance together with the duly cancelled Form of Acceptance to the relevant SinCo Shareholder(s).

- (i) No acknowledgement of receipt of any Form of Acceptance and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of SinCo Shares tendered for acceptance will be given.

## **2 SETTLEMENT UNDER THE OFFER**

Subject to the Offer becoming or being declared unconditional in all respects and provided that a duly completed Form of Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant SinCo Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order in all respects and have been received by the Receiving Agent before the close of the Offer, a cheque for the amount due to each of the SinCo Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the SinCo Shares tendered by him under the Offer will be despatched to such SinCo Shareholder by ordinary post at his own risk as soon as possible but in any event within seven (7) Business Days following the later of (i) the date on which the Offer becomes or is declared unconditional in all respects; and (ii) the date of receipt of a duly completed Form of Acceptance together with all of the relevant document(s) by the Receiving Agent to render such acceptance under the Offer complete and valid.

Settlement of the consideration to which any SinCo Shareholder is entitled under the Offer will be implemented in full in accordance with its terms (save in respect of the payment of the seller's ad valorem stamp duty) without regard to any lien, right of setoff, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such SinCo Shareholder.

No fraction of a cent will be payable and the amount of cash consideration payable to a SinCo Shareholder who accepts the Offer will be rounded up to the nearest cent.

## **3 ACCEPTANCE PERIOD AND REVISIONS**

Unless the Offer is revised or extended with the consent of the Executive in accordance with the Takeovers Code, to be valid, the Form of Acceptance must be received by the Receiving Agent, in accordance with the instructions printed thereon and in this Offer Document by 4:00 p.m. on the First Closing Date.

If the Offer is revised or extended, the Offeror will issue an announcement in relation to any revision or extension of the Offer, which announcement will state either the next closing date or, a statement that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given, before the Offer is closed, to those SinCo Shareholders who have not accepted the relevant Offer. If, in the course of the Offer, the Offeror revises the terms of the Offer, all the SinCo Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. A revised offer must be kept open for at least fourteen (14) days following the date on which the revised offer document is posted.

If the First Closing Date is extended, any reference in this Offer Document and/or in the Form of Acceptance to the First Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

#### **4 NOMINEE REGISTRATION**

To ensure equality of treatment of all the SinCo Shareholders, those SinCo Shareholders who hold SinCo Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the SinCo Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

#### **5 ANNOUNCEMENTS**

By 6:00 p.m. on the Closing Date (or such later time(s) and/or date(s) as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the Offer. The Offeror must publish an announcement in accordance with the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised, extended, expired or have become or been declared unconditional (whether as to acceptances or in all respects). The announcement will state the following:

- (a) the total number of SinCo Shares for which acceptances of the Offer have been received;
- (b) the total number of SinCo Shares held, controlled or directed by the Offeror and the parties acting in concert with it before the Offer Period;
- (c) the total number of SinCo Shares acquired or agreed to be acquired during the Offer Period by the Offeror and the parties acting in concert with it; and
- (d) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Sincere which the Offeror and/or parties acting in concert with it have borrowed or lent, save for any borrowed SinCo Shares which have been either on-lent or sold.

The announcement will specify the percentages of the relevant classes of issued share capital, and the percentages of voting rights, represented by these numbers of SinCo Shares.

In computing the total number of SinCo Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfill the conditions set out in this Appendix I, and which have been received by the Receiving Agent by no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

As required under the Takeovers Code, all announcements in relation to the Offer will be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

**6 RIGHT OF WITHDRAWAL**

The Offer is conditional upon the fulfilment of the condition of the Offer as set out in the “Letter from Realord Asia Pacific” in this Offer Document. Acceptances of the Offer tendered by the SinCo Shareholders, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in this paragraph and the paragraph below. Rule 17 of the Takeovers Code provides that an acceptor of the Offer shall be entitled to withdraw his acceptance after twenty-one (21) days from the First Closing Date (being Thursday, 3 June 2021) if the Offer has not by then become unconditional as to acceptances and up to the earlier of such time as the Offer becomes or is declared unconditional as to acceptances and 4:00 p.m. on the 60th day from the date of despatch of this Offer Document (or the date beyond which the Offeror has stated that the Offer will not be extended, if applicable).

Under Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with the requirements set out in the paragraph headed “5 Announcements” above, the Executive may require that the holders of SinCo Shares who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

If an acceptor of the Offer withdraws his/her/its acceptance, the Offeror shall, as soon as possible but in any event within 10 days thereof, return, by ordinary post and at the risk of the relevant acceptor, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the accompanying Form of Acceptance to the relevant SinCo Shareholder(s) at their own risk.

**7 TAXATION**

Seller’s ad valorem stamp duty at a rate of 0.1% of the market value of the SinCo Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher (rounded up to the nearest HK\$1.00), will be deducted from the amount payable to the relevant SinCo Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller’s ad valorem stamp duty on behalf of the accepting SinCo Shareholders in connection with the acceptance of the Offer and the transfer of the SinCo Shares.

**8 GENERAL**

- (a) All communications, notices, Form of Acceptance, the relevant share certificate(s), transfer receipt(s), document(s) of title or entitlement in respect thereof and/or documentary evidence of authority (and/or any satisfactory indemnity or indemnities required in respect thereof) if delivered by or sent to or from the SinCo Shareholders or their designated agents by post, shall be posted at their own risk, and none of the Offeror, Realord Asia Pacific, Altus Capital, the Receiving Agent and other parties involved in the Offer and any of their respective directors, officers, advisers, associates, agents accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer.

- (c) The accidental omission to despatch this Offer Document and/or Form of Acceptance or either of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an authority to the Offeror, Realord Asia Pacific or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the SinCo Shares in respect of which such person or persons has/have accepted the Offer.
- (f) Subject to the Offer becoming or being declared unconditional in all respects, acceptance of the Offer by any person or persons will be deemed to constitute a representation and warranty by such person or persons to:
  - (i) the Offeror, Realord Asia Pacific and Altus Capital, that the SinCo Shares sold by such person or persons to the Offeror are free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and any other third party rights of any nature and together with all rights attached to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date; and
  - (ii) the Offeror, Realord Asia Pacific and their respective advisers, including Altus Capital, the financial adviser to the Offeror in respect of the Offer, that if such SinCo Shareholder accepting the Offer is a citizen, resident or national of a jurisdiction outside Hong Kong, he/she has observed and is permitted under all applicable laws and regulations to which such overseas SinCo Shareholder is subject to receive and accept the Offer and any revision thereof, and that he/she/it has obtained all requisite governmental, exchange control or other consents and made all registrations or filings required in compliance with all necessary formalities and regulatory or legal requirements, and has paid all issue, transfer or other taxes or other required payments payable by him/her in connection with such acceptance, surrender and/or cancellation in any jurisdiction, and that he/she/it has not taken or omitted to take any action which will or may result in the Offeror, Realord Asia Pacific or their respective advisers, including Altus Capital, the financial adviser to the Offeror, or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Offer or his/her/its acceptance thereof and such acceptance, surrender and/or cancellation shall be valid and binding in accordance with all applicable laws and regulations.
- (g) The SinCo Shares will be acquired in the Offer with all rights attached thereto as at the Closing Date or which subsequently become attached thereto, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, on or after the Closing Date and free from all rights of preemption, options, liens, claims, equities, charges, encumbrances and any other third party rights.

- (h) References to the Offer in this Offer Document and in the Form of Acceptance shall include any extension and/or revision thereof.
- (i) In making their decisions with regard to the Offer, the SinCo Shareholders should rely on their own examination of the Offeror, the SinCo Group and the terms of the Offer, including the merits and risks involved. The contents of this Offer Document, together with the Form of Acceptance, including any general advice or recommendation contained therein shall not be construed as any legal or business advice on the part of the Offeror and/or Realord Asia Pacific and/or Altus Capital. The SinCo Shareholders should consult their own professional advisers for professional advice.
- (j) The English text of this Offer Document and the accompanying Form of Acceptance shall prevail over the Chinese text for the purpose of interpretation.
- (k) The Offer is made in accordance with the Takeovers Code.

**1 RESPONSIBILITY STATEMENT**

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

**2 DISCLOSURE OF INTERESTS OF THE OFFEROR**

None of the Offeror, MHL and its ultimate beneficial owners (namely Dr. Lin and Madam Su), and the parties acting in concert with any of them had dealt in any SinCo Shares, options, derivatives, warrants or other relevant securities convertible (as defined under Note 4 to Rule 22 of the Takeovers Code) into SinCo Shares during the Relevant Period.

The Offeror confirms that, as at the Latest Practicable Date:

- (i) neither the Offeror nor parties acting in concert with it (including the directors of the Offeror) owned or had control or direction over any voting rights in and rights over any SinCo Shares;
- (ii) save for the Irrevocable Undertakings, the Offeror and parties acting in concert with it had not received any irrevocable commitment to accept or reject the Offer;
- (iii) the Offeror and parties acting in concert with it did not hold any convertible securities, warrants or options or securities exchangeable into SinCo Shares;
- (iv) the Offeror and parties acting in concert with it had not entered into any outstanding derivatives in the securities of Sincere;
- (v) save for the acceptance condition as mentioned in the paragraph headed “3 Condition of the Offer” in the “Letter from Realord Asia Pacific” in this Offer Document, the Offer is not subject to any conditions;
- (vi) there were no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code;
- (vii) there were no agreements or arrangements to which the Offeror or parties acting in concert with it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a condition to the Offer;
- (viii) the Offeror and parties acting in concert with it had not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Sincere;

- (ix) save for the consideration in respect of acceptances of the Offer, there was no other consideration, compensation or benefits in whatever form paid or to be paid by the Offeror, MHL and its ultimate beneficial owners or any parties acting in concert with any of them to Win Dynamic and the Sincere Companies or any parties acting in concert with any of them in respect of the SinCo Shares;
- (x) there was no understanding, arrangement or agreement which constitutes a special deal (as defined in Rule 25 of the Takeovers Code) in respect of the Offer (i) between the Offeror, MHL and its ultimate beneficial owners and any party acting in concert with it on the one hand, and Win Dynamic and the Sincere Companies or any parties acting in concert with any of them on the other hand; and (ii) between (a) any SinCo Shareholder; and (b) the Offeror and any party acting in concert with it;
- (xi) as far as the Offeror is aware, there was no understanding, arrangement or agreement which constitutes a special deal (as defined in Rule 25 of the Takeovers Code) in respect of the Offer between (a) any SinCo Shareholder and (b) Sincere;
- (xii) there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;
- (xiii) there was no arrangement whereby benefit (other than statutory compensation) was or will be given to any Sincere Directors as compensation for loss of office or otherwise in connection with the Offer; and
- (xiv) there was no agreement, arrangement, or understanding (including any compensation arrangement) between the Offeror or any person acting in concert with it and any Sincere Directors, recent Sincere Directors, SinCo Shareholders or recent SinCo Shareholders having any connection with or was dependent upon the Offer.

**3 MARKET PRICES**

The table below shows the closing price of the SinCo Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

<b>Date</b>	<b>Closing price per SinCo Share (HK\$)</b>
29 November 2019	0.220
31 December 2019	0.208
31 January 2020	0.250
28 February 2020	0.280
31 March 2020	0.265
29 April 2020	0.325
4 May 2020 (the Last Trading Day)	0.350
29 May 2020	0.375
30 June 2020	0.385
31 July 2020	0.385
31 August 2020	0.380
30 September 2020	0.360
30 October 2020	0.320
30 November 2020	0.345
31 December 2020	0.360
29 January 2021	0.325
26 February 2021	0.270
31 March 2021	0.245
30 April 2021	0.470
3 May 2021 (the Latest Practicable Date)	0.435

During the Relevant Period, the highest closing price per SinCo Share as quoted on the Stock Exchange was HK\$0.54 on 29 April 2021 and the lowest closing price per SinCo Share as quoted on the Stock Exchange was HK\$0.19 on 12 December 2019.

**4 EXPERTS AND CONSENTS**

The following are the names and qualifications of the professional advisers whose letters, opinions or advice are contained or referred to in this Offer Document:

<b>Name</b>	<b>Qualification</b>
Realord Asia Pacific	a corporation licensed to carry out type 1 (dealing in securities) and type 2 (dealing in futures contracts) regulated activities under the SFO, is making the Offer on behalf of the Offeror
Altus Capital	a corporation licensed to carry out type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO, is the financial adviser of the Offeror

The above experts have given and have not withdrawn their written consents to the issue of this Offer Document with the inclusion herein of their advice, letter and/or references to their names in the form and context in which it appears.

**5 MISCELLANEOUS**

- (a) The principal members of the Offeror's concert parties are the Offeror, MHL and its ultimate beneficial owners (namely Dr. Lin and Madam Su);
- (b) The executive directors of the Offeror are Dr. Lin (Chairman), Madam Su (Chief Executive Officer) 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;
- (c) MHL is the controlling shareholder of the Offeror beneficially interested in approximately 74.62% of the issued share capital of the Offeror;
- (d) MHL is owned as to 70% by Dr. Lin and 30% by Madam Su. The directors of MHL are Dr. Lin and Madam Su;
- (e) The registered office of the Offeror is Clarendon House 2 Church Street Hamilton HM 11 Bermuda. The correspondence address of the Offeror is Suites 2403–2410, 24/F, Jardine House, 1 Connaught Place Central, Hong Kong;
- (f) The registered office of MHL is OMC Chambers, Wickhams Cay I, Road Town, Tortola, British Virgin Islands;
- (g) The registered office of Realord Asia Pacific is Suite 2402, 24/F, Jardine House, 1 Connaught Place Central, Hong Kong; and
- (h) The registered office of Altus Capital is 21 Wing Wo Street, Central, Hong Kong.

**6 DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are and will be available for inspection (i) on the website of the SFC at [www.sfc.com.hk](http://www.sfc.com.hk); and (ii) on the websites of Sincere at [www.sincere.com.hk](http://www.sincere.com.hk) and Realord at [www.realord.com.hk](http://www.realord.com.hk) from the date of this Offer Document up to the Closing Date:

- (a) the memorandum of association and bye-law(s) of the Offeror;
- (b) the letter from Altus Capital, the text of which is set out on pages 6 to 10 of this Offer Document;
- (c) the letter from Realord Asia Pacific, the text of which is set out on pages 11 to 27 of this Offer Document; and
- (d) the letters of consent referred to under the paragraph headed “4 Experts and consents” in this appendix.