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**sincere先施**

**THE SINCERE COMPANY, LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 0244)**

**ANNOUNCEMENT**

**UPDATE ON LOAN FACILITY**

**Financial Adviser to the Company**



Reference is made to (i) the announcements issued by The Sincere Company, Limited (“**Sincere**” or the “**Company**”) dated 25 February 2021, 31 March 2021, 16 April 2021 and 4 May 2021 in relation to, among other matters, the HK\$150 million Loan Facility (collectively the “**Sincere Announcements**”); (ii) the voluntary announcements issued by Realord Group Holdings Limited (“**Realord**”) on 6 May 2021, 7 May 2021 and 10 May 2021 and 12 May 2021 in relation to, among other things, its proposals for repayment of the HK\$150 million Loan Facility (collectively, the “**Realord Announcements**”); (iii) the offer document issued by Realord dated 5 May 2021 in relation to the Offer (the “**Offer Document**”); and (iv) the announcement issued by Realord on 7 May 2021 regarding the Offer becoming unconditional in all respects. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Sincere Announcements, the Offer Document and the Realord Announcements.

## REPAYMENT OF THE LOAN FACILITY

The Board announces that, on 12 May 2021, the Company has arranged for the repayment of the HK\$150 million Loan Facility, together with interest accrued thereon under the Loan Agreement and all amounts payable thereunder as full and final settlement. Such repayment was funded by the provision of the Realord Loan Facility (as defined hereinafter) and for the amount in excess of HK\$152,000,000, by Sincere's internal resources.

## THE REALORD LOAN AGREEMENT

As disclosed in the announcement of Realord dated 10 May 2021, Realord Finance entered into a loan facility agreement (the “**Realord Loan Agreement**”) with Sincere on 10 May 2021, pursuant to which Realord Finance had agreed to provide a term loan facility of up to HK\$152,000,000 (the “**Realord Loan Facility**”), which carries an interest rate of ten per cent (10%) per annum, repayable 12 months after drawdown and subject to Realord Finance's right to demand for early repayment.

Under the Realord Loan Agreement, Sincere has executed a debenture on 10 May 2021 in favour of Realord Finance (the “**Realord Debenture**”), which gives (i) a first fixed charge over the fixed property and assets of Sincere; and (ii) first floating charge over the undertaking and all other property assets and rights of Sincere, subject to the debenture under the HK\$150 million Loan Facility to the extent that they have not been discharged and/or released by the Lender.

As stated in the Realord Loan Agreement and Realord Debenture, once Realord becomes entitled to exercise, or control the exercise of, more than 50% of the voting power at any general meeting of Sincere, and have appointed the majority of the members of the Sincere Board, Realord Finance shall release and/or discharge all of its rights, benefits, title and interests under the Realord Debenture (the “**Release Clause**”).

## LISTING RULES IMPLICATIONS

In the event that Realord becomes a substantial shareholder of Sincere, the Realord Loan Agreement might be deemed to be a connected transaction of the Sincere. However, due to the existence of the Release Clause, the Realord Loan Facility will become financial assistance provided by a connected person of Sincere on normal commercial terms without any security over the assets of the Group, which will be fully exempt from shareholders' approval, annual review and all disclosure requirements under Rule 14A.90 of the Listing Rules.

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

Hong Kong, 13 May 2021

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

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