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THE SINCERE COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 0244)

INSIDE INFORMATION

UPDATE ON THE STATUTORY DEMAND BY A DIRECTOR

Reference is made to the announcement dated 11 June 2021 (the “**Announcement**”) issued by The Sincere Company, Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in respect of the statutory demand (the “**Statutory Demand**”) dated 4 June 2021 received by the Company from the legal advisers acting on behalf of Mr. Philip K H Ma, the former Chairman and Chief Executive Officer, and a non-executive director of the Company (“**Mr. Ma**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board of the Company wishes to inform the shareholders and potential investors of the Company that the Company has sought legal advice in respect of the Statutory Demand and was advised that the Statutory Demand is a nullity for the reasons that (i) the Statutory Demand is fundamentally defective as it was not issued in the prescribed form as required under section 178(1)(a)(i)(A) of the Companies (Winding Up Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong); and (ii) pursuant to the Labour Tribunal Ordinance (Chapter 25 of the Laws of Hong Kong), Mr. Ma’s claim for the alleged outstanding remunerations falls within the exclusive jurisdiction of the Labour Tribunal. The Company was also advised that it has a *bona fide* dispute to the sum demanded by Mr. Ma as all the salaries and director’s fees owed by the Company for the period from 1 March 2020 to 28 February 2021 have already been duly paid to Mr. Ma.

In light of the above, the Company had, through its legal advisers, requested Mr. Ma to (i) withdraw the Statutory Demand and (ii) undertake not to issue any winding-up petition against the Company in reliance on the Statutory Demand. The Company had also instructed its legal advisers to prepare for an injunction application to restrain Mr. Ma from presenting any winding-up petition against the Company.

Subsequently on 21 June 2021, the Company received a Form of Claim dated 17 June 2021 filed by Mr. Ma with the Labour Tribunal (the “**LBTC Claim**”). According to the said Form of Claim, Mr. Ma claims against the Company for unpaid director’s fees and management fees in the total sum of HK\$8,244,000, which is the same amount as that demanded by him in the Statutory Demand. The Company further received a letter from Mr. Ma’s legal advisers on 21 June 2021 stating that Mr. Ma will not present a winding-up petition against the Company in respect of the alleged outstanding remunerations pending the determination of the Labour Tribunal.

The Company is currently seeking legal advice in respect of the LBTC Claim and will keep its shareholders as well as potential investors informed of any significant developments in relation to the LBTC Claim by way of further announcement(s) as and when appropriate or as required under the Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 1 June 2021 and will remain suspended until further notice.

By order of the Board
The Sincere Company, Limited
Chan Chu Kin
Executive Director

Hong Kong, 23 June 2021

As at the date of this announcement, the executive directors of the Company are Dr. Lin Xiaohui, Madam Su Jiaohua, Dr. Yu Lai and Mr. Chan Chu Kin, the non-executive directors of the Company are Dr. Tai Tak Fung and Mr. Philip K H Ma, and the independent non-executive directors of the Company are Mr. King Wing Ma, Mr. Eric K K Lo, Mr. Peter Tan, Mr. Anders W L Lau, Mr. Yu Leung Fai, Mr. Yuan Baoyu and Mr. Chung Chun Hung Simon.