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SINCERE WATCH (HONG KONG) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 444)

DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

The Board announces that on 19 March 2019, the Company disposed 3,000,000 Sale Shares on the open market for the aggregate gross sale proceeds of approximately HK\$12,480,000 (excluding transaction costs).

Pursuant to the Previous Disposals, the Company disposed 1,934,000 Redco Shares on 18 September 2018 for a consideration of HK\$7,147,120 (excluding transaction costs) and 1,066,000 Redco Shares on 19 September 2018 for a consideration of HK\$3,980,480 (excluding transaction costs). The Previous Disposals did not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules as each of the applicable percentage ratios for the Previous Disposals was below 5%.

Each of the Disposals, on a standalone basis, does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. However, the Previous Disposals would need to be aggregated with the Disposal as a series of transactions pursuant to Rules 14.22 and 14.23 of the Listing Rules as the Disposals were implemented within a 12-month period and were similar in nature.

As the applicable percentage ratios for the Disposals are more than 5% but less than 25%, the Disposals constitute a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules.

THE DISPOSAL

On 19 March 2019, the Company disposed 3,000,000 Sale Shares on the open market for the aggregate gross sale proceeds of approximately HK\$12,480,000 (excluding transaction costs). After the Disposal, the Company holds no more Redco Shares as at the date of this announcement.

As the Disposal was conducted in the open market, the Company is not aware of the identities of the purchasers of the Sale Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the Sale Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Assets disposed

The Sale Shares represents about 0.08% of the total issued shares of Redco as at the date of the Disposal. The carrying value attributed to the Sale Shares as at 30 September 2018 was HK\$11,940,000.

Consideration

The aggregate gross sale proceeds of the Disposal is approximately HK\$12,480,000 (excluding transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the market price of the Sale Shares at the time of the Disposal.

INFORMATION OF REDCO

Redco is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange, together with its subsidiaries, is principally engaged in the property development business in the PRC.

According to interim report of Redco for the six months ended 30 June 2018, (i) the unaudited net asset value of Redco as at 30 June 2018 was approximately RMB5,831 million; (ii) the net profit from ordinary activities before and after taxation for the year ended 31 December 2017 were approximately RMB1,598 million and RMB990 million respectively; and (iii) the net profit from ordinary activities before and after taxation for the year ended 31 December 2016 were approximately RMB961 million and RMB555 million respectively.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company and the Group is principally engaged in distribution of branded luxury watches, timepieces and accessories in Hong Kong, Macau, Taiwan, Korea and the PRC, dining business and property investment.

The Directors considered that the Disposal represents a good opportunity for the Group to realise its investments in the Sale Shares. The purpose of the Disposal is for daily working capital requirements of the Group. As a result of the Disposal, subject to audit, the Group is expected to recognise a profit of approximately HK\$540,000 as calculated by the aggregate gross sale proceeds of approximately HK\$12,480,000 from the Disposal less the carrying value attributed to the Sale Shares of HK\$11,940,000 as at 30 September 2018.

As the Disposal was conducted on the open market, the Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to the Previous Disposals, the Company disposed 1,934,000 Redco Shares on 18 September 2018 for a consideration of HK\$7,147,120 (excluding transaction costs) and 1,066,000 Redco Shares on 19 September 2018 for a consideration of HK\$3,980,480 (excluding transaction costs). The Previous Disposals did not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules as each of the applicable percentage ratios for the Previous Disposals was below 5%.

Each of the Disposals, on a standalone basis, does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules. However, the Previous Disposals would need to be aggregated with the Disposal as a series of transactions pursuant to Rules 14.22 and 14.23 of the Listing Rules as the Disposals were implemented within a 12-month period and were similar in nature.

As the applicable percentage ratios for the Disposals are more than 5% but less than 25%, the Disposals constitute a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“Board”	the board of Directors
“Company”	Sincere Watch (Hong Kong) Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Company
“Disposals”	the disposal of the Redco Shares pursuant to the Previous Disposals and of the Sale Shares pursuant to the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excludes Hong Kong, Macao and Taiwan

“Previous Disposals”	the disposal by the Company of 1,934,000 Redco Shares on 18 September 2018 for a consideration of HK\$7,147,120 (excluding transaction costs) and 1,066,000 Redco Shares on 19 September 2018 for a consideration of HK\$3,980,480 (excluding transaction costs)
“Redco”	Redco Properties Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Redco Shares”	ordinary shares of HK\$0.05 each in the share capital of Redco
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	3,000,000 Redco Shares, representing 0.08% of the entire issued share capital of Redco as at the date of the Disposal, which are fully paid up or credited as fully paid and are beneficially owned by the Company
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Sincere Watch (Hong Kong) Limited
Chu Yuet Wah
Chairman

Hong Kong, 20 March 2019

As at the date of this announcement, the Executive Directors of the Company are Mrs. Chu Yuet Wah (Chairman), Mr. Zhang Xiaoliang (Deputy Chairman and Chief Executive Officer), Mr. Chu, Kingston Chun Ho, Mr. Yang Guangqiang and Mr. An Muzong; and the Independent Non-executive Directors of the Company are Ms. Lo Miu Sheung, Betty, Mr. Yu Zhenxin, Mr. Zong Hao and Mr. Chiu Sin Nang, Kenny.