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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 24 January 2020, the Company disposed 60,480,000 Sale Shares on the open market for the aggregate gross sale proceeds of approximately HK\$4,838,400 (excluding transaction costs).

Pursuant to the Previous Disposals, the Company disposed 277,500,000 Imperial Pacific Shares in several phases for total consideration of HK\$41,879,840 (excluding relevant 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 24 January 2020, the Company disposed 60,480,000 Sale Shares on the open market for the aggregate gross sale proceeds of approximately HK\$4,838,400 (excluding transaction costs). After the Disposal, the Company holds no more Imperial Pacific 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 0.042% of the total issued shares of Imperial Pacific as at the date of the Disposal. The carrying value attributed to the Sale Shares as at 31 March 2019 was HK\$3,507,840.

Consideration

The aggregate gross sale proceeds of the Disposal is approximately HK\$4,838,400 (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 IMPERIAL PACIFIC

Imperial Pacific is a company incorporated in Bermuda 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 gaming and resort business.

According to the interim report of Imperial Pacific for the six months ended 30 June 2019 and the annual report of Imperial Pacific for the year ended 31 December 2018, (i) the unaudited net liabilities of Imperial Pacific as at 30 June 2019 was approximately HK\$945 million; (ii) the net loss from ordinary activities before and after taxation for the year ended 31 December 2018 were approximately HK\$3,421 million and HK\$2,965 million respectively; and (iii) the net profit from ordinary activities before and after taxation for the year ended 31 December 2017 were approximately HK\$871 million and HK\$637 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 gain of approximately HK\$1,330,560 in the year ending 31 March 2020 as calculated by the aggregate gross sale proceeds of approximately HK\$4,838,400 from the Disposal less the carrying value attributed to the Sale Shares of HK\$3,507,840 as at 31 March 2019.

As a result of the Previous Disposals, a realised loss of HK\$342,300 was already accounted for in the annual report of the Company for the year ended 31 March 2019, and, subject to audit, an expected gain of HK\$25,739,140 will be accounted for in the year ending 31 March 2020.

It is expected that the Disposal and the Previous Disposals as a whole will result in a net aggregate gain of HK\$27,069,700 (subject to audit) for the year ending 31 March 2020.

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 277,500,000 Imperial Pacific Shares in several phases for total consideration of HK\$41,879,840 (excluding relevant 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 disposals of the Imperial Pacific 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
“Imperial Pacific”	Imperial Pacific International Holdings Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Imperial Pacific Shares”	ordinary shares of HK\$0.0005 each in the share capital of Imperial Pacific
“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, Macau and Taiwan
“Previous Disposals”	the disposals by the Company of the following Imperial Pacific Shares:

Date of disposal	Number of shares disposed	Consideration (excluding transaction costs)
19 March 2019	9,700,000	HK\$608,300
15 April 2019	27,700,000	HK\$3,324,040
16 April 2019	55,700,000	HK\$6,967,000
29 April 2019	8,500,000	HK\$1,554,500
3 May 2019	49,100,000	HK\$8,878,900
6 May 2019	30,800,000	HK\$5,551,100
7 May 2019	2,500,000	HK\$459,000
8 May 2019	5,500,000	HK\$1,024,000
9 May 2019	3,000,000	HK\$543,000
27 May 2019	40,000,000	HK\$6,220,000
20 September 2019	<u>45,000,000</u>	<u>HK\$6,750,000</u>
Total:	<u>277,500,000</u>	<u>HK\$41,879,840</u>

“Sale Shares” 60,480,000 Imperial Pacific Shares, representing 0.042% of the entire issued share capital of Imperial Pacific as at the date of the Disposal, which are fully paid up or credited as fully paid and are beneficially owned by the Company

“Shares” ordinary shares of HK\$0.02 each in the share capital of the Company

“Shareholders”	holders of the Shares
“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, 24 January 2020

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.