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偉祿集團控股有限公司
REALORD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1196)

ANNOUNCEMENT

FULFILMENT OF PRE-CONDITIONS IN RELATION TO THE PRE-CONDITIONAL VOLUNTARY CASH OFFER BY



偉祿亞太證券

REALORD ASIA PACIFIC SECURITIES

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

Financial Adviser to the Offeror

ALTUS CAPITAL LIMITED

Reference is made to the joint announcements issued by Realord Group Holdings Limited (“**Realord**”) and The Sincere Company, Limited (“**Sincere**”) dated 15 May 2020 (the “**Joint Announcement**”), 5 June 2020, 17 June 2020, 17 July 2020, 4 August 2020, 4 September 2020, 6 October 2020, 6 November 2020, 7 December 2020 and 7 January 2021, respectively, and the announcements issued by Realord dated 9 February 2021, 26 February 2021, 10 March 2021 and 15 April 2021, respectively, in relation to, among other matters, the Offer.

Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Joint Announcement.

ALL PRE-CONDITIONS ARE SATISFIED OR WAIVED (AS THE CASE MAY BE)

As stated in the Joint Announcement, the making of the Offer is subject to the satisfaction or waiver (as the case may be) of the Pre-Conditions by the Pre-Conditions Long Stop Date, except that Pre-Conditions (i) and (ii) cannot be waived.

The Offeror is pleased to announce that on 16 April 2021, the Insurance Authority notified the Offeror, MHL, Dr. Lin Xiaohui and Madam Su Jiaohua that the Insurance Authority has no objections (the “**IA No Objections**”) to the Offeror, MHL, Dr. Lin Xiaohui and Madam Su Jiaohua becoming a controller of Sincere LA and Sincere II within the meaning of section 13B(1) of the Insurance Ordinance. 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 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 Xiaohui and Madam Su Jiaohua have not become a controller within the meaning of section 13B(1) of the Insurance Ordinance within the said period.

Following the receipt of the IA No Objections as mentioned above, the non-waivable Pre-Condition (i) has been fulfilled. As set out in the joint announcement of Realord and Sincere dated 6 October 2020 and the announcements of Realord dated 10 March 2021 and 15 April 2021, respectively, the No-Bid Confirmation has been issued by the Executive on 3 August 2020, and so the non-waivable Pre-Condition (ii) has also been fulfilled. The Offeror has waived all other waivable Pre-Conditions (iii) to (ix). Accordingly, all Pre-Conditions have been satisfied or waived (as the case may be).

TERMS OF THE OFFER

The Offer will be made on terms set out in the offer document (the “**Offer Document**”) to be issued in accordance with the Takeovers Code and on the following basis:

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

The Offer will be extended to all SinCo Shareholders.

DESPATCH OF THE OFFER DOCUMENT

Instead of combining the Offer Document and the offeree board circular required to be issued by Sincere to all the SinCo Shareholders in respect of the Offer (the “**Response Document**”) in the Composite Document as disclosed in the Joint Announcement, the two documents will now be issued separately. Pursuant to the Takeovers Code, the Offer Document is required to be posted within 7 days of fulfilment of the Pre-Conditions (the “**Pre-Conditions Fulfilment**”) that the making of the Offer is subject to. Following the Pre-Conditions Fulfilment, the Offeror will despatch to the SinCo Shareholders the Offer Document (accompanied by the form of acceptance and transfer) containing, among other things, details of the Offer and its respective terms and conditions (including the expected timetable) on or before 5 May 2021. A further announcement will be made on the date of the despatch of the Offer Document. Sincere is required to send to the SinCo Shareholders the Response Document within 14 days of the posting of the Offer Document containing, among other things, financial information of Sincere and other information required under the Takeovers Code.

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 of the Offer (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 date of this announcement).

FINANCIAL SUPPORT TO THE SINCO GROUP

The Offeror notes from the announcement of Sincere dated 16 April 2021 that, Sincere entered into a loan facility agreement of HK\$150,000,000 (the “**Facility**”) with a financial institution (the “**Lender**”) and the Lender has decided not to grant the written consent for the change in the voting control of Sincere as required under the debenture of the Facility. The Offeror would like to assure the SinCo Shareholders and the Lender that despite an event of default may be triggered under the terms of the debenture of the Facility due to the decision of the Lender refusing to grant such consent, the Offeror is committed to, by not later than close of the Offer and appointment of new directors onto the board of Sincere (the “**Sincere Board**”) representing a majority of the members of the Sincere Board, provide necessary financial support within a short period of time for repayment in full under the Facility in order to avoid any unnecessary legal proceedings that may be instituted by the Lender against Sincere.

PROPOSED APPOINTMENT OF NEW DIRECTORS TO THE SINCERE BOARD

The Sincere Board currently comprises one executive director, one non-executive director and four independent non-executive directors. Pursuant to the WD Irrevocable Undertaking, Win Dynamic has irrevocably undertaken to the Offeror to, among other things, tender, or procure the tender of, all of the 662,525,276 SinCo Shares (representing approximately 50.42% of the SinCo Shares in issue as at the date of this announcement) beneficially owned by it for acceptance under the Offer no later than the fifth Business Day following the despatch of the Offer Document. Accordingly, the condition of the Offer will be satisfied upon Win Dynamic tendering 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. 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 non-executive director (the Offeror would re-designate Mr. Chan as an executive director upon the close of the Offer) and Mr. Chung Chun Hung Simon (“**Mr. Chung**”) as 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 biographies of Mr. Chan and Mr. Chung are set out below:

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.

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.

In order to facilitate the Sincere Board to process the proposed appointment of new directors in accordance with the articles of association of Sincere, the Offeror will provide relevant documents to the nomination committee and the remuneration committee of the Sincere Board as soon as possible but in any event before the despatch of the Offer Document.

The Offeror intends to further nominate six new directors to the Sincere Board upon the close of the Offer. Their biographies and further details of the proposed change of the composition of the Sincere Board will be set out in the Offer Document. It is believed 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.

Any changes to the Sincere Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by Sincere as and when appropriate.

WARNING

The Realord Shareholders, the SinCo Shareholders and prospective investors should note that closing of the Offer is subject to the condition of the Offer as to acceptance being fulfilled and the Offer becoming unconditional. Accordingly, the Offer may or may not become unconditional. The Realord Shareholders, the SinCo Shareholders and prospective investors are advised to exercise caution when dealing in the securities of the Offeror or Sincere, and if they are in any doubt about their position, they should consult their professional advisers.

By order of the board of
Realord Group Holdings Limited
Lin Xiaohui
Chairman

Hong Kong, 28 April 2021

As at the date of this announcement, the executive directors of the Offeror are Dr. Lin Xiaohui, Madam Su Jiaohua 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.

The directors of the Offeror 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.