
IMPORTANT

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in The Sincere Company, Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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THE SINCERE COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 00244

Executive Director:

Ma King Huen Philip (*Chairman & CEO*)

Non-Executive Director:

Chan Man Wai Charles

Independent Non-Executive Directors:

Ma King Wing

Lo Kai Kin Eric

Tan Peter

Lau Wai Leung Anders

Registered Office:

24th Floor

Leighton Centre

77 Leighton Road

Hong Kong

22 June 2018

To the shareholders and, for information only, the optionholders

Dear Sir or Madam,

**RE-ELECTION OF THE RETIRING DIRECTORS
AND
PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information relating to the Ordinary Resolutions to be proposed at the Company's forthcoming Annual General Meeting to be held on 3 August 2018 at 10:00 a.m. (the "**Annual General Meeting**") for (i) granting of a general mandate to the directors of the Company (the "**Directors**") to exercise the powers of the Company to undertake repurchases of the Company's fully paid up shares representing up to a maximum of 10% of the total number of shares of the Company in issue on the date of the passing of the relevant Ordinary Resolution (the "**Repurchase Mandate**"); (ii) granting of a general mandate to the Directors to issue new shares up to a maximum of 20% of the total number of shares of the Company in issue on the date of passing of the relevant Ordinary Resolution (the "**Issuance Mandate**"). As at 12 June 2018, being the latest practicable date, the number of shares in issue was 918,892,800. Assuming no further shares will be issued before the date of passing such resolution, the Directors would be authorized to issue up to 183,778,560 new shares; (iii) extension of the Issuance Mandate by the number of shares repurchased under the Repurchase Mandate; and (iv) re-election of the retiring Directors; and to give you Notice of the Annual General Meeting at which the ordinary resolutions as set out in the Notice of Annual General Meeting will be proposed.

The existing Repurchase Mandate and Issuance Mandate shall be expired in the conclusion of the forthcoming Annual General Meeting of the Company.

In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), this circular also serves as the explanatory statement to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution on the granting of the Repurchase Mandate.

2. RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING

The Ordinary Resolution no. 2 to be proposed at the Annual General Meeting relates to the re-election of the retiring Directors. Details of the Directors to be re-elected are set out in Appendix I to this circular.

The Ordinary Resolution no. 4 to be proposed at the Annual General Meeting relates to the granting of the Repurchase Mandate.

The Ordinary Resolution no. 5 to be proposed at the Annual General Meeting relates to the granting of the Issuance Mandate.

The Ordinary Resolution no. 6 to be proposed at the Annual General Meeting relates to the extension of the Issuance Mandate by adding to it the number of shares purchased under the Repurchase Mandate, if any.

3. RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Article 85 and 93 of the Articles of Association of the Company, Mr Ma King Wing, Mr Lo Kai Kin Eric, Mr Peter Tan and Mr Lau Wai Leung Anders shall retire by rotation at the Annual General Meeting. These retiring Directors are eligible for re-election at the Annual General Meeting. Details of these four Directors as required by Rule 13.51(2) of the Listing Rules are set out in Appendix I to this circular.

4. REPURCHASE MANDATE

Reasons for Share Buyback

Although the Directors have no present intention of repurchasing any shares, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its shareholders. Trading conditions on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) have sometimes been volatile in recent years. At any time in the future when shares are trading at a discount to their underlying value, the ability of the Company to repurchase shares will be beneficial to those shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of shares repurchased by the Company and thereby resulting in an increase in net assets and/or earnings per share of the Company.

Such repurchases will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

Share Capital

A maximum of 10% of the total number of shares of the Company in issue as at the date of passing of the relevant resolution may be repurchased on the Stock Exchange.

As at 12 June 2018, being the latest practicable date prior to the printing of this circular, the total number of shares of the Company in issue was 918,892,800 shares (the “**Shares**”).

Subject to the passing of the Ordinary Resolution no. 4, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 91,889,280 Shares on the basis that no further shares will be issued or repurchased prior to the date of the Annual General Meeting.

Funding of Repurchases

The Directors propose that repurchases of Shares under the Repurchase Mandate in these circumstances would be financed by the Company’s internal resources.

Repurchases must be funded out of funds legally available for the purpose in accordance with the Company’s Articles of Association and the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (the “**Companies Ordinance**”).

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 28 February 2018) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time inappropriate for the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

Share Prices

The highest and lowest prices at which Shares of the Company have been traded on the Stock Exchange during each of the previous 12 months were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2017:		
June	0.370	0.344
July	0.361	0.325
August	0.343	0.279
September	0.352	0.288
October	0.305	0.283
November	0.345	0.288
December	0.330	0.280
2018:		
January	0.425	0.325
February	0.385	0.295
March	0.325	0.285
April	0.300	0.280
May	0.300	0.275
June (up to latest practicable date)	0.295	0.265

Share Purchases Made by the Company

No purchases of Shares have been made by the Company during the last 6 months (whether on the Stock Exchange or otherwise).

Disclosure of Interests

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make purchases under the Repurchase Mandate in accordance with the Listing Rules and the Companies Ordinance.

If as a result of a share repurchase by the Company, a substantial shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of The Hong Kong Code on Takeovers and Mergers (the "**Code**"). Accordingly, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Code.

As at 12 June 2018, being the latest practicable date prior to the printing of this circular, Win Dynamic Limited ("**Win Dynamic**"), The Sincere Life Assurance Company Limited ("**Sincere Life**") and The Sincere Insurance & Investment Company, Limited ("**Sincere Insurance**") were interested in 243,282,367, 183,136,032 and 75,608,064 Shares representing 26.48%, 19.93% and 8.23% of the total number of shares in issue of the Company respectively, and were acting in concert (together with others) for the purposes of the Code. In the event that the Directors exercised in full the power to repurchase Shares of the Company in accordance with the terms of the Ordinary Resolution to be proposed at the Annual General Meeting, and the interests of Win Dynamic, Sincere Life and Sincere Insurance in the Shares of the Company have not changed by then, their respective interests would be increased to approximately 29.42%, 22.14% and 9.14%, or approximately 60.70% in aggregate, of the total number of shares in issue of the Company but a general offer will not be required to be made by Win Dynamic, Sincere Life and Sincere Insurance or others with whom they are now acting in concert to the shareholders of the Company under the Code, despite those increases, as they already hold in aggregate over 50% of the total number of shares in issue.

The Directors will take necessary steps to comply with the Listing Rules and the Code if and when appropriate. The Company has no present intention to exercise the Repurchase Mandate to the extent that would give rise to an obligation to make a general offer under the Code.

None of the Directors, or, to the best of their knowledge having made all reasonable enquires, any of their associates presently intends to sell Shares to the Company under the Repurchase Mandate in the event that the granting of the Repurchase Mandate is approved by the shareholders of the Company.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by its shareholders.

5. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of the Company to be held on 3 August 2018 at 2/F Hibiscus Room, Hotel Jen Hong Kong, 508 Queen's Road West, Western District, Hong Kong (the "**Notice**") is set out in Appendix II to this circular.

The Notice is also set out in the 2017/18 Annual Report which is dispatched to the shareholders together with this circular.

According to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the Annual General Meeting will be taken by way of poll.

Proxy form for use at the Annual General Meeting is enclosed with the Annual Report. To be valid, the proxy form must be completed in accordance with the instructions printed thereon and deposited together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's Registrar, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and delivery of the form of proxy will not prevent you from attending and voting at the Annual General Meeting.

6. RECOMMENDATION

The Directors consider that the Ordinary Resolutions in relation to the granting of the Repurchase Mandate, the granting and extension of the Issuance Mandate and re-election of the retiring Directors as set out in the Notice are in the best interests of the Company and its shareholders as a whole and accordingly recommend that all shareholders should vote in favour of the proposed Resolutions nos. 2 and 4 to 6 at the Annual General Meeting.

Yours faithfully
Ma King Huen Philip
Chairman & CEO

The following are the particulars of the four Directors proposed to be re-elected at the Annual General Meeting:

1. **MA King Wing (“Mr Ma”)**, aged 86, Independent Non-Executive Director and a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company where Mr Ma is the chairman of the Nomination Committee. Mr Ma has been an Independent Non-Executive Director of the Company since 1980. He is a medical practitioner with over 40 years’ experience in England, the United States of America and Hong Kong. Mr Ma has not held any positions with the Company or any of its subsidiaries and he did not hold any other directorships in other listed companies in the last three years. Mr Ma is the cousin of Mr Ma King Huen Philip who is also Director of the Company. Mr Ma also holds 1,225 ordinary shares and 834 promoter shares in The Sincere Life Assurance Company Limited and 26 ordinary shares in The Sincere Insurance & Investment Company, Limited, which are associated corporations as defined in Part XV of the SFO, respectively and are substantial shareholders of the Company. Save as disclosed above, Mr Ma does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr Ma has a personal interest of 1,240,928 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) and 613,987 share options of the Company. There is no service contract and proposed length of service between Mr Ma and the Company. Mr. Ma is subject to retirement by rotation and re-election at annual general meeting in accordance with the Company’s articles of association. Mr Ma received emolument of HK\$160,000 for the year 2017/18 and it was determined on the basis of his level of responsibilities. Mr Ma has served on the Board as an Independent Non-Executive Director for more than nine years and, during his appointment, he has given independent guidance and advice to the Company. The Company has received from Mr Ma his annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers that Mr Ma is independent.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) – (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the shareholders of the Company.

2. **LO Kai Kin Eric (“Mr Lo”)**, aged 69, Independent Non-Executive Director and a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company where Mr Lo is the chairman of the Audit Committee. Mr Lo has been an Independent Non-Executive Director of the Company since December 1993. Mr Lo is also an Independent Non-Executive Director of Joyce Boutique Holdings Limited (stock code: 647) which is listed on the main board of the Stock Exchange. Mr Lo holds 216 ordinary shares in The Sincere Life Assurance Company Limited and 1,019 ordinary shares in The Sincere Insurance & Investment Company, Limited, which are associated corporations as defined in Part XV of the SFO, respectively and are substantial shareholders of the Company. Save as disclosed above, Mr Lo does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr Lo has a personal interest of 2,200,400 shares of the Company within the meaning of Part XV of the SFO and 613,987 share options of the Company. There is no service contract and proposed length of service between Mr Lo and the Company. Mr. Lo is subject to retirement by rotation and re-election at annual general meeting in accordance with the Company's articles of association. Mr Lo received emolument of HK\$160,000 for the year 2017/18 and it was determined on the basis of his level of responsibilities. Mr Lo has served on the Board as an Independent Non-Executive Director for more than nine years and, during his appointment, he has given independent guidance and advice to the Company. The Company has received from Mr Lo his annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers that Mr Lo is independent.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) – (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the shareholders of the Company.

3. **TAN Peter (“Mr Tan”)**, aged 62, Independent Non-Executive Director and a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company where Mr Tan is the chairman of the Remuneration Committee. Mr Tan has been an Independent Non-Executive Director of the Company since 2012. He was the co-founder and chief executive officer of TLC Capital Management Pte Ltd. Born in Singapore in 1955, he completed his pre-tertiary education in Singapore before leaving for the USA to pursue both his graduate and post-graduate degrees in the USA. After graduating from Northwestern University's Kellogg School of Management MBA class in 1983, he began his career in the banking sector. In early 2013, he joined Knowledge Universe as chief executive officer. Mr Tan is also an independent non-executive director of Tristate Holdings Limited (stock code: 458) which is listed on the main board of the Stock Exchange. Mr Tan does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr Tan has a personal interest of 40,000 shares of the Company within the meaning of Part XV of the SFO and 613,987 share options of the Company. There is no service contract and proposed length of service between Mr Tan and the Company. Mr. Tan is subject to retirement by rotation and re-election at annual general meeting in accordance with the Company's articles of association. Mr Tan received emolument of HK\$160,000 for the year 2017/18 and it was determined on the basis of his level of responsibilities.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) – (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the shareholders of the Company.

4. **LAU Wai Leung Anders (“Mr Lau”)**, aged 62, Independent Non-Executive Director and a member of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. Mr Lau was appointed on 1 March 2018. He has previously worked for an international accounting firm for over 30 years. He is a member of the Hong Kong Institute of Certified Public Accountants and the American Institute of Certified Public Accountants. Mr. Lau has not held any other major appointments or directorships in any other listed company in the last three years and does not hold other professional qualifications or positions with the Company or its subsidiaries. Mr. Lau does not have any relationship with any director, senior management, substantial or controlling shareholders of the Company and is not interested in any shares of the Company within the meaning of Part XV of the SFO. There is no service contract and proposed length of service between Mr Lau and the Company. Mr. Lau is subject to retirement by rotation and re-election at annual general meeting in accordance with the Company’s articles of association. Mr. Lau is entitled to receive an annual emolument of HK\$160,000 and it was determined on the basis of his level of responsibilities.

Save as disclosed above, there is no other information which is required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) – (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the shareholders of the Company.



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THE SINCERE COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Code: 00244

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of shareholders of the Company will be held at 2/F Hibiscus Room, Hotel Jen Hong Kong, 508 Queen's Road West, Western District, Hong Kong on 3 August 2018 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the Reports of the Directors and Independent Auditor for the year ended 28 February 2018.
2.
 - (a) To re-elect Mr Ma King Wing as Independent Non-Executive Director of the Company.
 - (b) To re-elect Mr Lo Kai Kin Eric as Independent Non-Executive Director of the Company.
 - (c) To re-elect Mr Tan Peter as Independent Non-Executive Director of the Company.
 - (d) To re-elect Mr Lau Wai Leung Anders as Independent Non-Executive Director of the Company.
 - (e) To authorize the Board of Directors to fix the Directors' remuneration.
3. To re-appoint Ernst & Young as independent auditor and to authorise the Board of Directors to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase its shares be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of shares of the Company in issue on the date of this Resolution; and

- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next Annual General Meeting of the Company;
 - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Company’s Articles of Association or any applicable laws to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- 5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers at any time during or after the Relevant Period;
- (c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to paragraph (a) above, otherwise than pursuant to: (i) a Rights Issue; or (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company; or (iii) the exercise of subscription rights under the Share Option Scheme of the Company should not exceed 20% of the number of shares of the Company in issue on the date of this Resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
- (i) the conclusion of the next Annual General Meeting of the Company;
 - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Company’s Articles of Association or any applicable laws to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the Register of Members on a fixed record date in proportion to their holdings of shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlement or having regard to any restrictions and obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby extended by the addition thereto of such number of shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate of such number of shares of the Company which has been purchased by the Company since the granting of such general mandate pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares, provided that such number of shares shall not exceed 10% of the total number of shares of the Company in issue on the date of this resolution.”

By order of the Board
Ada S P CHEUNG
Company Secretary

Hong Kong, 22 June 2018

Notes:

1. For determining the entitlement to attend and vote at the Annual General Meeting to be held on Friday, 3 August 2018, the register of members of the Company will be closed from Monday, 30 July 2018 to Friday 3 August, 2018, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch share registrar in Hong Kong Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Friday, 27 July 2018.
2. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's Share Registrars, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of a proxy form will not preclude a member from attending the meeting and voting in person.
4. Concerning item 4 above, the Directors will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of the shareholders.
5. Concerning item 5 above, approval is being sought from the members for a general mandate to authorise allotment of shares under the Companies Ordinance and the Listing Rules. The Directors have no immediate plan to issue any new shares of the Company other than shares to be issued pursuant to the Company's Share Option Scheme.
6. Concerning item 6 above, approval is being sought to increase the number of shares which the Directors may issue under their general mandate by the number of any shares repurchased during the Relevant Period.
7. A circular containing further details in respect of the above items 2 and 4 to 6 will be sent to members together with the 2017/18 Annual Report.
8. As at the date of this notice, the executive director of the Company is Mr Philip K H Ma, the non-executive director of the Company is Mr Charles M W Chan and the independent non-executive directors are Mr King Wing Ma, Mr Eric K K Lo, Mr Peter Tan and Mr Anders W L Lau.