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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)

**CONNECTED TRANSACTION
IN RELATION TO
ACQUISITION OF THE ENTIRE EQUITY INTEREST IN
MANUREEN SECURITIES LIMITED**

THE AGREEMENT

The Board is pleased to announce that after trading hours of the Stock Exchange on 12 November 2014, the Purchaser (a direct wholly-owned subsidiary of the Company) entered into the Agreement with the Vendor formalising the terms of the Acquisition. Pursuant to the Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares. The Sale Shares, being 30,000,000 ordinary shares of the Target, representing the entire equity interest in the Target. The Consideration is HK\$21,000,000 (subject to adjustment), which shall be payable in cash at Completion.

IMPLICATIONS UNDER THE LISTING RULES

As the Vendor is an executive Director and the spouse of Mr. Lin, who is the Chairman of the Company and an executive Director, the Vendor is regarded as a connected person of the Company. The entering into of the Agreement therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios under Rule 14.07 of the Listing Rules, are more than 0.1% but less than 5%, the Agreement is only subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 21 October 2014 in relation to the possible acquisition of a securities brokerage company. The Board is pleased to announce that after trading hours of the Stock Exchange on 12 November 2014, the Purchaser (a direct wholly-owned subsidiary of the Company) entered into the Agreement with the Vendor formalising the terms of the Acquisition. Details of the Agreement are set out below.

THE AGREEMENT

Date

12 November 2014

Parties

- (i) Allied Time Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company, being the Purchaser; and
- (ii) Madam Su, an executive Director, being the Vendor.

The Vendor is an executive Director and the spouse of Mr. Lin, who is the Chairman of the Company and an executive Director. Manureen Holdings Limited, the controlling shareholder of the Company, is owned as to 70% by Mr. Lin and as to 30% by the Vendor. The Vendor is therefore regarded as a connected person of the Company under Chapter 14A of the Listing Rules.

Assets to be acquired

Pursuant to the Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares. The Sale Shares, being 30,000,000 ordinary shares of the Target, representing the entire equity interest in the Target. Details of the Target are set out in the section headed “Information on the Target” below.

Consideration

The Consideration is HK\$21,000,000 (subject to adjustment), which shall be payable in cash at Completion.

Pursuant to the Agreement, the Vendor warrants that the net asset value of the Target as shown in the Completion Accounts will not be less than HK\$15,000,000. The Completion Accounts shall be prepared within one month after the Completion Date (or such other date as agreed by the Purchaser and the Vendor) in a form satisfactory to the Purchaser. In the event that the net asset value of the Target as shown in the Completion Accounts is less than HK\$15,000,000, the Consideration shall be adjusted downward accordingly and the Vendor is required to pay to the Purchaser an amount in cash equivalent to any difference between the net asset value of the Target as shown in the Completion Accounts and HK\$15,000,000 within 3 business days after the issue of the Completion Accounts. For the avoidance of doubt, no adjustment to the Consideration is required if the net asset value of the Target as shown in the Completion Accounts is HK\$15,000,000 or more, and the Purchaser shall not be required to make any additional payment to the Vendor.

The Consideration was determined by the Purchaser and the Vendor after arm's length negotiations having taken into account the unaudited net asset value of the Target as at 30 September 2014, the capital injection of HK\$10 million made by the Vendor to the Target in early November 2014, and the recent market value of the Licence. The Purchaser intends to fund the Consideration by internal resources of the Group.

Conditions

Completion is subject to the fulfillment or waiver (as the case may be) of the following conditions:

- (i) the Purchaser and/or its direct and/or indirect holding company(ies) and/or the ultimate beneficial owner(s) of such holding company(ies) having obtained all necessary consents in relation to the transactions contemplated under the Agreement, including but not limited to such consents (if appropriate or required) of the Stock Exchange and the Securities and Futures Commission, including the approval to become a substantial shareholder of the Target being a licensed corporation under the provisions of the SFO, and having made and/or obtained all filings or documents with any relevant governmental or regulatory authorities and other relevant third parties which are required or appropriate for the entering into and the implementation of the Agreement;
- (ii) the Purchaser having confirmed in writing that it is satisfied with the results of the due diligence review of the Sale Shares, legal, financial, taxation, corporate, operations and affairs, contractual, property and trading positions of the Target and other subject matters incidental thereto in every respect;
- (iii) the warranties given by the Vendor pursuant to the Agreement remaining true and accurate in all material respects from the date of the Agreement up to any time before Completion; and

- (iv) the Licence remaining valid and subsisting and has not been suspended, cancelled, revoked, terminated, and has not become non-renewable or invalid for whatever reason.

The Purchaser may at any time waive in writing the conditions set out in (ii) and (iii) above. In the event that the above conditions are not fulfilled or waived (as the case may be) at or before 5:00 p.m. on the date falling six months from the date of the Agreement (or such other date that may be agreed by the parties in writing), the Agreement shall lapse except for the confidentiality obligation and any antecedent breach of the parties and certain incidental provisions.

Completion

Completion shall take place on the third business day after all the above conditions have been fulfilled or waived (as the case may be) in accordance with the terms of the Agreement (or on such other date as agreed by the parties in writing).

Upon Completion, the Target shall become a wholly-owned subsidiary of the Company and the financial statements of the Target shall be consolidated into the Group after Completion.

INFORMATION ON THE TARGET

The Target is a company incorporated in Hong Kong and its principal activity is the provision of securities broking services. The Target is a corporation licensed to conduct Type 1 (dealing in securities) regulated activity under the SFO and is a participant of the Stock Exchange and Hong Kong Securities Clearing Company Limited. The Vendor acquired the entire equity interest in the Target at an acquisition cost of approximately HK\$10 million in August 2014 and made a capital injection of HK\$10 million to the Target in early November 2014.

Financial information

Set out below is the audited financial information of the Target prepared under the Hong Kong Financial Reporting Standards for the two financial years ended 31 March 2014:

	For the year ended 31 March	
	2014	2013
	<i>(HK\$)</i>	<i>(HK\$)</i>
Loss before taxation	(4,107,950)	(3,251,041)
Loss after taxation	(4,107,950)	(3,251,041)

The unaudited net asset value of the Target as at 30 September 2014 amounted to approximately HK\$5.7 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) commercial printing; (ii) manufacture and sale of hangtags, labels, shirt paper boards and plastic bags; and (iii) sale and distribution of motor vehicle parts.

The Directors consider that investment in the Target will provide an opportunity for the Company to participate in the securities trading industry and allow the Company to diversify from its existing businesses. According to the website of the Stock Exchange, market capitalisation of the securities market in Hong Kong on 4 September 2014 reached a record high of HK\$26,539.5 billion and its average daily turnover for the first ten months of 2014 was HK\$65,797 million, representing an increase of approximately 4% when compared with HK\$63,207 million for the same period last year. In light of this, the Directors believe that the Target is expected to be able to take advantage of such growth and the Acquisition provides an opportunity for the Group to broaden its revenue stream.

The Directors (including the independent non-executive Directors) consider that the Acquisition is on normal commercial terms, not in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the Vendor is an executive Director and the spouse of Mr. Lin, who is the Chairman of the Company and an executive Director, the Vendor is regarded as a connected person of the Company. The entering into of the Agreement therefore constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the relevant applicable percentage ratios under Rule 14.07 of the Listing Rules are more than 0.1% but less than 5%, the Agreement is only subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Lin, Madam Su and Mr. Lin Xiaodong (brother of Mr. Lin) are considered to have a material interest in the transactions contemplated under the Agreement, they have abstained from voting on the Board resolution for approving the Agreement and the transaction contemplated thereunder.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement
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“Agreement”	the conditional sale and purchase agreement dated 12 November 2014 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Board”	the board of Directors
“Company”	Realord Group Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1196)
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Completion Accounts”	the unaudited management accounts of the Target prepared in accordance with the Hong Kong Financial Reporting Standards as at the date immediately before the Completion Date
“Completion Date”	the date of Completion
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Sale Shares
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Licence”	the licence to conduct Type 1 (dealing in securities) regulated activity under the SFO held by the Target as at the date of the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Madam Su” or “Vendor”	Madam Su Jiaohua, an executive Director and the spouse of Mr. Lin
“Mr. Lin”	Mr. Lin Xiaohui, an executive Director and the Chairman of the Company, the spouse of Madam Su

“Purchaser”	Allied Time Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Sale Shares”	30,000,000 ordinary shares of the Target, representing the entire issued share capital of the Target as at the date of the Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Manureen Securities Limited (美林證券有限公司), a company incorporated in Hong Kong with limited liability, the entire equity interest of which is legally and beneficially owned by the Vendor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 12 November 2014

As at the date of this announcement, the executive Directors are Mr. Lin Xiaohui, Madam Su Jiaohua and Mr. Lin Xiaodong and the independent non-executive Directors are Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue.