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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUE SHARE CAPITAL OF CITIBEST GLOBAL LIMITED

THE AGREEMENT

After the Stock Exchange trading hours on 24 March 2016, the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendor had entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the entire issued share capital of the Target and the shareholder's loan owing by the Target Group to the Vendor at Completion (if any) at a cash consideration of RMB238,000,000 (equivalent to approximately HK\$283,220,000).

Upon Completion, it is expected that the principal assets of the Target Group will be the Properties. The consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor having taken into account, among other things, the preliminary valuation of the Properties of HK\$273,000,000 as at 24 March 2016 as assessed by an independent valuer.

The Target Group will become wholly-owned subsidiaries of the Company upon Completion and the financial statements of the Target Group will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

INTRODUCTION

The Company and the Vendor had entered into the Letter of Intent dated 26 December 2015 (as amended and supplemented by supplemental letters of intent dated 4 February 2016 and 6 March 2016). Pursuant to the Letter of Intent, the Vendor has granted an exclusivity period from 8 January 2016 to 31 March 2016 to the Group in relation to the Acquisition and the Company paid a deposit sum of RMB20,000,000 (equivalent to approximately HK\$23,800,000) to the Vendor.

The Board is pleased to announce that after the Stock Exchange trading hours on 24 March 2016, the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendor had entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares and the Sale Loan (if any) at a cash consideration of RMB238,000,000 (equivalent to approximately HK\$283,220,000). Details of the Agreement are set out below.

THE AGREEMENT

Date

24 March 2016

Parties

- (i) Virtue Summit Ventures Limited, an indirect wholly-owned subsidiary of the Company, as the Purchaser; and
- (ii) Ms. Hung Hsin Hui, as the Vendor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares and the Sale Loan (if any). The Sale Shares, representing the entire issued share capital of the Target, will be sold free from all encumbrances and together with all rights attaching thereto from Completion, including any dividend or other distribution declared, made or paid after the date of the Agreement. The Sale Loan (if any), representing the shareholder's loan owing by the Target Group to the Vendor at Completion, will be sold free from all encumbrances together with all rights attaching thereto as at the Completion Date.

The Purchaser shall not be obliged to purchase any of the Sale Shares and the Sale Loan unless the sale and purchase of the Sale Shares and the Sale Loan (if any) are completed simultaneously.

Consideration

The aggregate consideration for the Sale Shares and the Sale Loan (if any) is RMB238,000,000 (equivalent to approximately HK\$283,220,000), which shall be satisfied by the Purchaser to the Vendor in the following manner (or in such other manner as the parties to the Agreement shall agree):

- (i) a deposit of RMB20,000,000 (equivalent to approximately HK\$23,800,000) has been paid by the Company to the Vendor, in accordance with the terms under the Letter of Intent;
- (ii) RMB47,600,000 (equivalent to approximately HK\$56,644,000) shall be paid by the Purchaser and/or the Company to the Vendor within three Business Days after signing of the Agreement; and
- (iii) RMB170,400,000 (equivalent to approximately HK\$202,776,000) (the “**Escrow Amount**”) shall be paid by the Purchaser and/or the Company to an escrow agent designated by the Purchaser and the Vendor within ten Business Days after signing of the Agreement. RMB70,400,000 (equivalent to approximately HK\$83,776,000) out of the Escrow Amount shall be released by the escrow agent to the Vendor on the day which the escrow agent has received the joint written instruction from the Purchaser and the Vendor after (a) the fulfilment of condition precedent numbered (vii) as described in the section headed “Condition precedent” below; and (b) the receipt of the title certificates of the Properties (including but not limited to the certificate of real estate ownership) by the Purchaser. The balance of the Escrow Amount of RMB100,000,000 (equivalent to approximately HK\$119,000,000) shall be released by the escrow agent to the Vendor on the day which the escrow agent has received the joint written instruction to be issued by the Purchaser and the Vendor on the Completion Date.

In the event that Completion does not take place, any portion of the consideration already paid by the Purchaser and/or the Company shall be returned to the Purchaser and/or the Company in full without interest within seven Business Days after the notice in writing by the Purchaser to the Vendor.

Upon Completion, it is expected that the principal assets of the Target Group will be the Properties. The consideration was arrived at after arm’s length negotiations between the Purchaser and the Vendor having taken into account, among other things, the preliminary valuation of the Properties of HK\$273,000,000 as at 24 March 2016 as assessed by an independent valuer.

The consideration will be funded by internal resources of the Group and/or borrowings from financial institutions or borrowings from Manureen Holdings Limited. Manureen Holdings Limited is the controlling Shareholder and interested in 783,337,518 Shares representing approximately 67.91% of the issued share capital of the Company as at the date of this announcement, and is therefore a connected person of the Company. In the

event that the consideration will be financed by borrowings from Manureen Holdings Limited, it will constitute a fully exempt connected transaction of the Company under the Listing Rules as the financial assistance to be received by the Company from a connected person will be conducted on normal commercial terms or better to the Company and is not secured by the assets of the Group.

Conditions precedent

Completion is conditional upon the satisfaction or waiver (as the case may be) of the following conditions:

- (i) the Target having obtained all necessary consents and approvals in respect of the sale and purchase of the Sale Shares and Sale Loan (if any) and the transactions contemplated thereunder;
- (ii) the Purchaser and the Company having obtained all necessary consents and approvals in respect of the sale and purchase of the Sale Shares and Sale Loan (if any) and the transactions contemplated thereunder;
- (iii) the warranties given by the Vendor under the Agreement remaining true and accurate and not misleading, and there being no situation, facts or circumstances which constitute or may constitute any breach of warranties under the Agreement;
- (iv) the Purchaser having obtained a legal opinion issued by a firm of PRC lawyers appointed by the Purchaser in respect of the due establishment and valid existence of the PRC Company and the transactions contemplated under the Agreement, in such form and substance satisfactory to the Purchaser;
- (v) the Purchaser having obtained a valuation report issued by a firm of independent professional valuers appointed by the Purchaser showing the valuation of the Properties to be not less than HK\$273,000,000, in such form and substance satisfactory to the Purchaser;
- (vi) the Purchaser being satisfied with the results of the due diligence review on the assets, liabilities, operations and affairs of the Target Group to be carried out by the Purchaser; and
- (vii) all the necessary approvals, consents and permits from the PRC government or other applicable authorities in respect of the Agreement and the transactions contemplated thereunder having been obtained and the necessary changes in the registration (including but not limited to the changes of directors, legal representatives, articles of association and relevant information) having been filed with the authorities of administration for industry and commerce.

The Vendor shall use its best endeavours to procure the fulfilment of the conditions (i), (iii), (vi) and (vii) above. The Purchaser shall use its best endeavours to procure the fulfilment of the conditions (ii), (iv), and (v) above and may in its absolute discretion at any time waive the conditions set out in (iii) and (vi) by notice in writing to the Vendor. Neither the Purchaser nor the Vendor may waive any of the other conditions. If any of the above conditions have not been fulfilled or waived by the Purchaser (as the case may be) on or before 30 June 2016 (or such later date as the Vendor and the Purchaser may agree in writing), the Agreement shall cease and determine and neither party to the Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the Agreement and the return of any portion of the consideration already paid by the Purchaser.

Completion

Completion shall take place within three Business Days following the due fulfilment (or waiver if applicable) of the above conditions precedent or such other date as the parties to the Agreement shall agree.

Upon Completion, the Target Group will become indirect wholly-owned subsidiaries of the Company and the financial statements of the Target Group will be consolidated into the financial statements of the Group.

Following Completion, the Vendor and the Purchaser shall jointly procure the Target Group to provide the Completion Accounts to the Purchaser within 45 days after Completion. If the consolidated net assets of the Target Group (after excluding the net book value of buildings and land use rights, the bank balance and other payables arisen from the rental deposits and the Sale Loan (if any)) is less than zero, or if the consolidated total liabilities (after excluding the rental deposits and the Sale Loan (if any)) is greater than zero, as shown in the Completion Accounts, the Vendor shall compensate the Purchaser any shortfall in each case on a dollar-for-dollar basis within seven days after receipt of the Completion Accounts by the Purchaser. In the event that the Vendor and the Purchaser fail to agree on the Completion Accounts, the Purchaser has the discretion to appoint a certified public accountant in the PRC to audit the Completion Accounts and issue a certificate in relation to the value of the consolidated net assets and total liabilities of the Target Group within 60 days of such appointment.

INFORMATION OF THE TARGET GROUP

Background information of the Target Group

As at the date of Agreement, the Target Group comprises the Target and the PRC Company.

The Target was incorporated in the British Virgins Islands with limited liability on 3 November 2006. The Target is an investment holding company and is wholly-owned by the Vendor as at the date of Agreement.

The PRC Company was established in the PRC with limited liability on 20 January 1994 and is wholly-owned by the Target as at the date of Agreement. It was principally engaged in, among other things, research, development and manufacturing of motors, sports equipment, household appliances and accessories, baby cots and strollers, and liquid-crystal display monitors and televisions for export. The PRC Company has ceased its production activities since March 2015. As at the date of the Agreement, other than holding the Properties for rental purpose, the Target and the PRC Company do not have any other operations.

As at the date of the Agreement, the principal assets of the PRC Company are, among other things, the Properties, which are located at 深圳市寶安區觀瀾鎮福民社區茜坑工業區 (Qiankeng Industrial Zone, Fumin Community, Guanlan Town, Baoan District, Shenzhen*) in the PRC. The Properties comprise (i) a parcel of land (the “**Land**”) with a total area of 24,262.53 sq.m. for industrial use; (ii) six factory buildings erected on the Land with a total construction area of 28,731.14 sq.m.; (iii) an office building erected on the Land with a total construction area of 2,895.5 sq.m.; (iv) two dormitory buildings erected on the Land with a total construction area of 10,078.75 sq.m.; and (v) other ancilliary buildings erected on the Land with a total construction area of 367.4 sq.m. Based on the preliminary valuation as at 24 March 2016 prepared by an independent valuer, the valuation of the Properties was HK\$273,000,000. As advised by the Vendor, a portion of the factory buildings, office building and dormitory buildings are currently leased to independent third parties. Pursuant to the existing lease agreements, such leases will expire on 3 July 2016.

Financial Information of the Target Group

Set out below are the financial information of the Target Group as extracted from the unaudited consolidated financial statements of the Target Group for each of the two years ended 31 December 2014 and 2015, which were prepared in accordance with the PRC generally accepted accounting principles:

	For the year ended		For the year ended	
	31 December 2014		31 December 2015	
	<i>RMB</i>	<i>HK\$</i>	<i>RMB</i>	<i>HK\$</i>
Net profit before taxation	1,226,859	1,459,962	693,160	824,860
Net profit after taxation	982,797	1,169,528	374,715	445,911

As at 31 December 2015, the unaudited consolidated net assets of the Target Group amounted to approximately RMB15,790,000 (equivalent to approximately HK\$18,790,100), which included the net book value of the buildings and land use rights amounted to approximately RMB9,488,000 (equivalent to approximately HK\$11,290,720).

REASONS FOR THE ACQUISITION

The Group is principally engaged in (i) commercial printing; (ii) manufacture and sale of hangtags, labels, shirt paper boards and plastic bags; (iii) distribution and sales of motor vehicle parts; (iv) provision of securities brokerage services and margin financing; and (v) trading of electronic products, computer equipment and consumer products.

As disclosed in the final results announcement of the Company for the year ended 31 December 2015, the Group will strike to explore for any potential real estate development opportunities. In achieving the development objective of the Group, the Directors consider that the Acquisition is a good investment opportunity for the Group to invest in the PRC property market. The Properties are situated at a geographically convenient location in Guanlan Town, Baoan District, Shenzhen, the PRC. Looking forward, the Directors consider that the Properties may have capital appreciation and development potential. After Completion, the Company intends to hold the Properties for investment purpose and intends to negotiate with the existing tenants for the renewal of the existing lease agreements under the Properties after their expiry on 3 July 2016. The Directors believe that the rental income generated from the Properties is expected to broaden the income stream of the Group in the near future.

In view of the above, the Directors consider that the terms of the Agreement are fair and reasonable and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

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 and the Sale Loan (if any) by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 24 March 2016 and entered into between the Purchaser and the Vendor in relation to the Acquisition
“Board”	the board of Directors
“Business Day(s)”	a day(s) (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong generally open for business throughout their normal business hours

“Company”	Realord Group Holdings Limited, a company incorporated in Bermuda with limited liability and the 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 consolidated accounts of the Target Group for the period from 1 January 2016 to the Completion Date, which shall be prepared in accordance with the PRC generally accepted accounting principles
“Completion Date”	within three Business Days after the conditions precedent in the Agreement are fulfilled or waived (as the case may be) or such other date as the parties to the Agreement shall agree
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Letter of Intent”	the letter of intent dated 26 December 2015 (as amended and supplemented by supplemental letters of intent dated 4 February 2016 and 6 March 2016) entered into between the Company and the Vendor in relation to the Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“PRC Company”	冠彰電器(深圳)有限公司 (Guan Zhang Electrical Appliances (Shenzhen) Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Target

“Properties”	the Land, together with six factory buildings, an office building, two dormitory buildings, and other ancillary buildings erected on the Land, which are situated at 深圳市寶安區觀瀾鎮福民社區茜坑工業區 (Qiankeng Industrial Zone, Fumin Community, Guanlan Town, Baoan District, Shenzhen*) in the PRC
“Purchaser”	Virtue Summit Ventures Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale Loan”	the shareholder’s loan owing by the Target Group to the Vendor at Completion and all debts, liabilities and obligations owing or incurred by the Target Group to the Vendor on Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion
“Sale Shares”	50,000 shares of US\$1 each in the Target, representing the entire issued share capital of the Target
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Citibest Global Limited, a company incorporated in British Virgins Islands with limited liability
“Target Group”	the Target and its subsidiary
“Vendor”	Ms. Hung Hsin Hui
“HK\$”	Hong Kong dollar(s), the lawful currency for the time being of Hong Kong
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“US\$”	United States dollar(s), the lawful currency for the time being of the United States of America

“sq.m.” square metres

“%” per cent.

In this announcement, amounts in RMB are translated into HK\$ on the basis of RMB1 = HK\$1.19. The conversion rate is for illustration purpose only and should not be taken as a representation that RMB could actually be converted into HK\$ at such rate or at all.

* The English translation of certain Chinese names or words in this announcement are included for reference purpose only and should not be regarded as the official English translation of such Chinese names or words.

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

Hong Kong, 24 March 2016

As at the date of this announcement, the executive Directors are Dr. 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.