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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)

MAJOR TRANSACTION IN RELATION TO THE FORMATION OF THE JV SECURITIES COMPANY

THE PROMOTERS' AGREEMENT AND THE SUBSCRIPTION

After the Stock Exchange trading hours on 23 May 2016, Realord Manureen Securities (a wholly-owned subsidiary of the Company) and the Co-Promoters had entered into the Promoters' Agreement, pursuant to which the parties thereto agreed to set up the JV Securities Company, a joint venture securities company to be established in Guangzhou Pilot Free Trade Zone, Nanshan area in the PRC, to carry out securities businesses in the PRC.

Pursuant to the Promoters' Agreement, upon establishment of the JV Securities Company, Realord Manureen Securities has agreed to subscribe for 350,000,000 shares of the JV Securities Company in cash, representing 10% equity interests thereof, at an aggregate subscription price of RMB350,000,000 (equivalent to approximately HK\$416,500,000).

The obligation of each of the parties to the Promoters' Agreement to fully pay up the registered capital of the JV Securities Company shall become unconditional after the approval by the CSRC in respect of the formation of the JV Securities Company is obtained. The respective payment by each of the parties to the Promoters' Agreement shall be then made within ten days of their receipts of the written notice from the preparatory working committee.

LISTING RULES IMPLICATIONS

The Subscription constitutes a major transaction for the Company under Chapter 14 of the Listing Rules which is subject to the reporting, announcement and approval of the Shareholders requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder has a material interest in the Subscription and

accordingly, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Subscription, the Promoters' Agreement and the transactions contemplated thereunder. Manureen Holdings Limited, being the controlling Shareholder and interested in 783,337,518 Shares (representing approximately 67.91% of the issued Shares as at the date of this announcement), has given its written approval for the Subscription and such written approval is accepted in lieu of holding a general meeting of the Company for approving the Subscription, the Promoters' Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, information relating to the Subscription, the Promoters' Agreement and the transactions contemplated thereunder is required to be despatched to the Shareholders within 15 business days after the date of this announcement in accordance with Rule 14.41(a) of the Listing Rules. As additional time is needed for the Company to compile the information required for the circular, an application will be made to the Stock Exchange for a waiver for strict compliance with Rule 14.41(a) of the Listing Rules and extending the deadline for the despatch of the circular to a date on or before 30 June 2016.

INTRODUCTION

The Board is pleased to announce that after the Stock Exchange trading hours on 23 May 2016, Realord Manureen Securities (a wholly-owned subsidiary of the Company) and the Co-Promoters had entered into the Promoters' Agreement, pursuant to which the parties thereto agreed to set up the JV Securities Company, a joint venture securities company to be established in Guangzhou Pilot Free Trade Zone, Nanshan area in the PRC, to carry out securities businesses in the PRC.

Pursuant to the Promoters' Agreement, upon establishment of the JV Securities Company, Realord Manureen Securities has agreed to subscribe for 350,000,000 shares of the JV Securities Company in cash, representing 10% equity interests thereof, at an aggregate subscription price of RMB350,000,000 (equivalent to approximately HK\$416,500,000). Details of the Promoters' Agreement are set out below.

THE PROMOTERS' AGREEMENT AND THE SUBSCRIPTION

Date

23 May 2016

Parties

- (i) 廣東粵財投資控股有限公司 (Guangdong Yuechai Investment Holdings Limited*), one of the Co-Promoters which will subscribe for 1,400,000,000 shares and hold 40% equity interests in the JV Securities Company;
- (ii) 深圳市泓景投資有限公司 (Shenzhen Hongjin Investment Holdings Limited*), one of the Co-Promoters which will subscribe for 700,000,000 shares and hold 20% equity interests in the JV Securities Company;
- (iii) Realord Manureen Securities Limited, a wholly-owned subsidiary of the Company, which will subscribe for 350,000,000 shares and hold 10% equity interests in the JV Securities Company; and

- (iv) 保利物業管理有限公司 (Baoli Property Management Company Limited*), Karl-Thomson Securities Company Limited and Eternal Pearl Securities Company Limited, the other three of the Co-Promoters, each of them will subscribe for 350,000,000 shares and hold 10% equity interests respectively in the JV Securities Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, all Co-Promoters and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Subject matter

The JV Securities Company is proposed to be established in Guangzhou Pilot Free Trade Zone, Nanshan area in the PRC, in the form of a joint venture securities company by Realord Manureen Securities and the Co-Promoters under special regime provided in Supplement 10 of the Mainland China and Hong Kong Closer Economic Partnership Arrangement.

The JV Securities Company, once approved, would be principally engaged in securities business. Its scope of business proposed to be registered includes provision of securities brokerage services, securities underwriting and sponsor services, asset management and proprietary trading business.

The formation of the JV Securities Company would be in compliance with all relevant laws, rules and regulations in the PRC and proceed in two stages.

Stage one: Seeking approval from the People's Government of Guangdong Province and the CSRC in relation to the formation of the JV Securities Company.

Stage two: Upon obtaining the approval as required under stage one, a preparatory working committee will be formed to implement the establishment of the JV Securities Company in accordance with the requirements of the CSRC, which include, among other things, the capital injection by Realord Manureen Securities and all Co-Promoters, completion of registration with relevant authorities in the PRC, obtaining the necessary licences required for operating the securities and futures business from the CSRC and the establishment of the corporate governance and management policies and systems of the JV Securities Company.

The proposed registered capital of the JV Securities Company will amount to RMB3.5 billion, represented by 3,500,000,000 shares in the equity interests of the JV Securities Company, which was determined among the parties to the Promoters' Agreement with reference to the expected business needs of the JV Securities Company. The investment amount (including the amount of Subscription) was determined after arm's length negotiation by the parties to the Promoters' Agreement.

Realord Manureen Securities and the Co-Promoters will contribute capital in the aggregate amount of RMB3.5 billion (equivalent to approximately HK\$4.165 billion) to the JV Securities Company in proportion to their respective equity interests in accordance with the Promoters' Agreement. Realord Manureen Securities has agreed to subscribe for 350,000,000 shares of the JV Securities Company in cash, representing 10% equity interests thereof, at an aggregate subscription price of RMB350,000,000 (equivalent to approximately HK\$416,500,000).

The obligation of each of the parties to the Promoters' Agreement to fully pay up the registered capital of the JV Securities Company shall become unconditional after the approval by the CSRC in respect of the formation of the JV Securities Company is obtained. The respective payment by each of the parties to the Promoters' Agreement shall be then made within ten days of their receipts of the written notice from the preparatory working committee as described above. The Subscription is intended to be funded by internal resources of the Group, and/or borrowings from financial institutions and/or other financing alternatives that may be obtained by the Group.

In the event that the application for the incorporation of the JV Securities Company has been terminated or has not been approved by the CSRC, or any parties to the Promoters' Agreement is considered to be unsuitable for being a shareholder of a securities company under the laws, rules and regulations in the PRC, the Promoters' Agreement shall cease and determine and neither party to the Promoters' Agreement shall have any obligations towards each other.

INFORMATION OF THE CO-PROMOTERS

Guangdong Yuechai is an investment holding company incorporated in the PRC and its group is principally engaged in capital and asset management; investment in science and technology and industrial business; and corporate restructuring and merger and acquisition advisory services.

Shenzhen Hongjin is an investment company incorporated in the PRC and is principally engaged in investment in technology related business.

Baoli Property is a company incorporated in the PRC and is principally engaged in property management.

Karl-Thomson is a company incorporated in Hong Kong with limited liability and is a licensed corporation to conduct Type 1 (dealing in securities) regulated activity under the SFO.

Eternal Pearl is a company incorporated in Hong Kong with limited liability and is a licensed corporation to conduct Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, all Co-Promoters and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

REASONS FOR THE SUBSCRIPTION

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; and (vi) property investment.

Realord Manureen Securities is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in the provision of securities broking services and margin financing and is a corporation licensed to conduct Type 1 (dealing in securities) regulated activity under the SFO.

The Group strikes to explore for any potential opportunities to develop its business and has commenced to engage in the securities brokerage business since May 2015. Through the formation of the JV Securities Company and cooperation between Realord Manureen Securities and the Co-Promoters, the Directors believe that the development of the securities business of the JV Securities Company would benefit from the synergies to be generated from the experience and resources of Realord Manureen Securities and the Co-Promoters. The Board is of the view that the Subscription, when materialized, represents a good investment opportunity for the Group to expand its securities services business and strengthen its competitiveness in the PRC market.

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

LISTING RULES IMPLICATIONS

The Subscription constitutes a major transaction for the Company under Chapter 14 of the Listing Rules which is subject to the reporting, announcement and approval of the Shareholders requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, no Shareholder has a material interest in the Subscription and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Subscription, the Promoters' Agreement and the transactions contemplated thereunder. Manureen Holdings Limited, being the controlling Shareholder and interested in 783,337,518 Shares (representing approximately 67.91% of the issued Shares as at the date of this announcement), has given its written approval for the Subscription and such written approval is accepted in lieu of holding a general meeting of the Company for approving the Subscription, the Promoters' Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

A circular containing, among other things, information relating to the Subscription, the Promoters' Agreement and the transactions contemplated thereunder is required to be despatched to the Shareholders within 15 business days after the date of this announcement in accordance with Rule 14.41(a) of the Listing Rules. As additional time is needed for the Company to compile the information required for the circular, an application will be made to the Stock Exchange for a waiver for strict compliance with Rule 14.41(a) of the Listing Rules and extending the deadline for the despatch of the circular to a date on or before 30 June 2016.

As the completion of the Promoters' Agreement and the transactions contemplated thereunder is subject to, among other things, the approval by the CSRC and other relevant regulatory authorities in the PRC, the transactions may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

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

“Baoli Property”	保利物業管理有限公司(Baoli Property Management Company Limited*), a company incorporated in the PRC and will hold 10% of the equity interests in the JV Securities Company
“Board”	the board of Directors
“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)
“Co-Promoters”	together, Guangdong Yuechai, Shenzhen Hongjin, Baoli Property, Karl-Thomson and Eternal Pearl
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Eternal Pearl”	恒明珠證券有限公司(Eternal Pearl Securities Company Limited), a company incorporated in Hong Kong and will hold 10% of the equity interests in the JV Securities Company
“Group”	the Company and its subsidiaries

“Guangdong Yuechai”	廣東粵財投資控股有限公司(Guangdong Yuechai Investment Holdings Limited*), a company incorporated in the PRC and will hold 40% of the equity interests in the JV Securities Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Securities Company”	粵港證券股份有限公司(Yuegang Securities Company Limited*), a company to be incorporated in the PRC
“Karl-Thomson”	高信證券有限公司(Karl-Thomson Securities Company Limited), a company incorporated in Hong Kong and will hold 10% of the equity interests in the JV Securities Company. It is a wholly-owned subsidiary of Hoifu Energy Group Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0007)
“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
“Promoters’ Agreement”	the promoters’ agreement dated 23 May 2016 entered into between Realord Manureen Securities and the Co-Promoters in relation to the formation of the JV Securities Company
“Realord Manureen Securities”	Realord Manureen Securities Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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

“Shenzhen Hongjin”	深圳市泓景投资有限公司(Shenzhen Hongjin Investment Company Limited*), a company incorporated in the PRC and will hold 20% of the equity interests in the JV Securities Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the proposed subscription of 350,000,000 shares of the JV Securities Company by Realord Manureen Securities pursuant to the terms and conditions of the Promoters’ Agreement
“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
“%”	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, 23 May 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.