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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 AND CONNECTED TRANSACTION  
IN RELATION TO  
ACQUISITION OF 40% OF ALL THE ISSUED SHARES OF  
REALORD VEHICLE PARTS LIMITED AND  
ITS SHAREHOLDER'S LOAN OWE TO  
INTERNATIONAL TREASURE HOLDINGS LIMITED**

**THE AGREEMENT**

After the Stock Exchange trading hours on 29 May 2015, the Purchaser (a direct wholly-owned subsidiary of the Company), the Vendor and Mr. Zhan entered into the Agreement, pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares and the Sale Loan at a cash consideration of HK\$12,668,000.

Completion took place immediately after signing of the Agreement. Upon Completion, the Target becomes a wholly-owned subsidiary of the Company.

**LISTING RULES IMPLICATIONS**

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Prior to Completion, the Vendor was interested in 40% of all the issued shares of the Target, which was a non-wholly owned subsidiary of the Company. The Vendor is therefore regarded as a connected person of the Company at the subsidiary level. As such, the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As (i) the Board has approved the Agreement and the transactions contemplated thereunder; and (ii) independent non-executive Directors have confirmed that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements, but are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

After the Stock Exchange trading hours on 29 May 2015, the Purchaser (a direct wholly-owned subsidiary of the Company), the Vendor and Mr. Zhan entered into the Agreement, pursuant to which the Purchaser has agreed to purchase, and the Vendor has agreed to sell, the Sale Shares and the Sale Loan at a cash consideration of HK\$12,668,000. Details of the Agreement are set out below.

## **THE AGREEMENT**

### **Date**

29 May 2015

### **Parties**

- (i) Easy Yield Ventures Limited, a direct wholly-owned subsidiary of the Company, as the Purchaser;
- (ii) International Treasure Holdings Limited, as the Vendor; and
- (iii) Mr. Zhan, as guarantor of the Vendor's obligations under the Agreement.

### **Assets acquired**

The Sale Shares, representing 40% of all the issued shares of the Target, as well as the Sale Loan, representing the shareholders' loan owing by the Target to the Vendor, shall be acquired free from all encumbrances and third party rights together with all rights and benefits accrued thereto as at the Completion Date.

### **Consideration**

The aggregate consideration for the Sale Shares and the Sale Loan is HK\$12,668,000 which shall be paid by the Purchaser to the Vendor in cash at Completion. The consideration for the Sale Loan shall be its face value on the Completion Date on a dollar-for-dollar basis while the consideration for the Sale Shares shall be HK\$12,668,000 minus the consideration for the Sale Loan.

The consideration for the Acquisition was arrived at after arm's length negotiations between the Purchaser and the Vendor having taken into account (i) the unaudited consolidated net assets of the Target in the amount of approximately HK\$1,680,000 as at 30 April 2015; and (ii) the face value of Sale Loan, which amounted to HK\$11,996,000 as at the date of the Agreement. The Acquisition will be funded by the internal resources of the Group.

### **Completion**

Completion took place immediately after signing of the Agreement. Upon Completion, the Target becomes a wholly-owned subsidiary of the Company.

## INFORMATION OF THE VENDOR

The Vendor is an investment holding company, which is wholly and beneficially owned by Mr. Zhan. On 18 August 2014, the Purchaser, the Company, the Vendor and Mr. Zhan entered into an investment and shareholders' agreement, pursuant to which, among other things, the Purchaser and the Vendor would hold 60% and 40% of all the issued shares of the Target respectively. Details of the investment and shareholders' agreement are set out in the announcement of the Company dated 18 August 2014. In September 2014, the Vendor subscribed 4,000 shares in the Target at HK\$4,000 and provided shareholder's loan to the Target in the amount of HK\$11,996,000.

## INFORMATION OF THE TARGET

The Target is a company incorporated in Hong Kong with limited liability and is principally engaged in the sale and distribution of motor vehicle parts. Prior to Completion, the Target was a non-wholly owned subsidiary of the Company.

Set out below are the consolidated financial information of the Target extracted from the unaudited consolidated management accounts of the Target for the period from 21 August 2014 (date of incorporation) to 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards:

### For the year ended 31 December 2014

HK\$'000

Profit before taxation	1,364
Profit after taxation	1,139

As at 30 April 2015, the unaudited consolidated net assets of the Target amounted to approximately HK\$1,680,000.

## REASONS FOR AND BENEFITS 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) sale and distribution of motor vehicle parts; and (iv) provision of securities broking services.

As disclosed in the announcement of the Company dated 18 April 2015, the Group intended to commence e-commerce business for motor vehicle parts, electronic products and computer components. The Group has set up a business-to-business (B2B) e-commerce platform for online purchase of motor vehicle parts – [www.1196.com](http://www.1196.com), which has been officially launched to existing customers of the Group on 20 April 2015. In order to expand the e-commerce business for motor vehicle parts, the collaboration from the Target and additional funding for enhancement of the e-commerce platform are required. However, the Vendor is not willing to provide additional funding for such enhancement. Based on arm-length's negotiation between the Vendor and Purchaser, both parties compromised for the terms of the Acquisition. The Directors consider that

the Acquisition further consolidates the Group's control in the Target and facilitates the collaboration between the e-commerce business and sale and distribution of motor vehicle parts, which will enhance the operating efficiency of the Group.

Based on the above, the Directors (including the independent non-executive Directors) consider (i) the terms of the Agreement are on normal commercial terms, and fair and reasonable although the Acquisition is not in the ordinary and usual course of business of the Group; and (ii) the Acquisition is in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Prior to Completion, the Vendor was interested in 40% of all the issued shares of the Target, which was a non-wholly owned subsidiary of the Company. The Vendor is therefore regarded as a connected person of the Company at the subsidiary level. As such, the Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As (i) the Board has approved the Agreement and the transactions contemplated thereunder; and (ii) independent non-executive Directors have confirmed that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Acquisition is subject to the reporting and announcement requirements, but are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

No Director is considered to have material interest in the Acquisition and therefore no Director was required to abstain from voting at the Board meeting approving the Agreement and the transactions contemplated thereunder.

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the Sale Shares and the Sale Loan by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 29 May 2015 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 Date”	date of Completion, which took place on 29 May 2015
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhan”	Mr. Zhan Jinnan, the sole shareholder of the Vendor
“Purchaser”	Easy Yield Ventures Limited, a company incorporated in the British Virgin Islands with limited liability, being a direct wholly-owned subsidiary of the Company
“Sale Loan”	being all debts owing by the Target to the Vendor immediately prior to Completion
“Sale Shares”	4,000 shares in the Target, representing 40% of all the issued shares of the Target
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Realord Vehicle Parts Limited, a company incorporated in Hong Kong with limited liability
“Vendor”	International Treasure Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“%”

per cent.

By order of the Board  
**Realord Group Holdings Limited**  
**Tsang Chin Pang**  
*Company Secretary*

Hong Kong, 29 May 2015

*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.*