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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

The Board announces that (1) the Connected Borrower will enter into the Bank Loan Agreement with the Bank pursuant to which the Bank shall provide the Bank Loan Facility to the Connected Borrower subject to the terms of the Bank Loan Agreement; and (2) the Company as borrower and Manureen Holdings as lender will enter into the New Loan Agreement pursuant to which Manureen Holdings shall provide an unsecured loan facility of not more than RMB450 million (equivalent to approximately HK\$504 million) to the Group subject to the terms of the New Loan Agreement.

The provision of Corporate Guarantee and the Property Pledge under the Bank Loan Agreement and the transactions contemplated thereunder will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As the Connected Borrower is wholly owned by Dr. Lin, the Chairman and executive Director of the Company and controlling Shareholder, the Connected Borrower is a connected person of the Company under Chapter 14A of the Listing Rules and the provision of Corporate Guarantee and the Property Pledge under the Bank Loan Agreement and the transactions contemplated thereunder will also constitute connected transaction on the part of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, among other matters, (i) details of the Bank Loan Agreement, the New Loan Agreement, the Corporate Guarantee and the Property Pledge; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report of the properties of the Group under the Property Pledge; and (v) the notice of SGM will be despatched to the Shareholders on or before 10 February 2017.

The Board announces that (1) the Connected Borrower will enter into the Bank Loan Agreement with the Bank pursuant to which the Bank shall provide the Bank Loan Facility of up to RMB170 million (equivalent to approximately HK\$190 million) to the Connected Borrower subject to the terms of the Bank Loan Agreement; and (2) the Company as borrower and Manureen Holdings as lender will enter into the New Loan Agreement pursuant to which Manureen Holdings shall provide an unsecured loan facility of up to RMB450 million (equivalent to approximately HK\$504 million) to the Group subject to the terms of the New Loan Agreement. Key terms of the Bank Loan Agreement and the New Loan Agreement are set out below.

THE BANK LOAN AGREEMENT

Date

Within five (5) Business Days after obtaining Independent Shareholders' approval at the SGM

Parties

- (i) the Connected Borrower as borrower; and
- (ii) the Bank as lender.

The Connected Borrower is a company established in the PRC and is ultimately wholly owned by Dr. Lin. The Connected Borrower is principally engaged in trading and distribution of electronic products. As the Connected Borrower is wholly owned by Dr. Lin, the Chairman and executive Director of the Company and controlling Shareholder, the Connected Borrower is a connected person of the Company under Chapter 14A of the Listing Rules.

The Bank is a licensed commercial bank in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Bank and its ultimate beneficial owner(s) are Independent Third Parties.

Subject matter

Pursuant to the Bank Loan Agreement, the Bank shall provide the Bank Loan Facility of up to RMB170 million (equivalent to approximately HK\$190 million) to the Connected Borrower subject to the terms of the Bank Loan Agreement. The Bank Loan Facility shall be secured by (i) the personal guarantee by each of Dr. Lin and Madam Su, both of whom are executive Directors; (ii) the corporate guarantee by the Company (the “**Corporate Guarantee**”); and (iii) the pledge of the respective property held by two PRC subsidiaries of the Group (the “**Property Pledge**”).

The Bank Loan Facility shall be for a term of one year and the interest rate shall be determined after arm’s length negotiations upon each drawing of the Bank Loan Facility with reference to the RMB interest rate set by the People’s Bank of China.

THE NEW LOAN AGREEMENT

Date

Within five (5) Business Days after obtaining Independent Shareholders’ approval at the SGM

Parties

- (i) the Company as borrower; and
- (ii) Manureen Holdings as lender.

Manureen Holdings is a company incorporated in the British Virgin Islands with limited liability and is owned as to 70% and 30% by Dr. Lin and Madam Su respectively. Manureen Holdings is the controlling Shareholder holding 785,001,518 Shares as at the date of this announcement, representing approximately 68.3% of the issued share capital of the Company. As such, Manureen Holdings is a connected person of the Company.

Background of the New Loan Agreement

Manureen Holdings as lender and the Company as borrower entered into the Existing Loan Agreement, pursuant to which Manureen Holdings shall provide the unsecured loan facility of up to RMB300 million (equivalent to approximately HK\$336 million) to the Group. Under the Existing Loan Agreement, the interest rate shall be 8.2% per annum.

In view of the capital need of the Group and in consideration of the provision of the financial assistance by the Group to the Connected Borrower under the Bank Loan Agreement, Manureen Holdings agrees to increase the loan facility amount to RMB450 million (equivalent to approximately HK\$504 million). As at the date hereof, the outstanding principal amount owed by the Group to Manureen Holdings under the Existing Loan Agreement amounts to approximately RMB216 million (equivalent to approximately HK\$242 million).

After arm's length negotiations, Manureen Holdings and the Company will terminate the Existing Loan Agreement upon the entering into of the New Loan Agreement, which shall be within five (5) Business Days after obtaining Independent Shareholders' approval at the SGM. All outstanding principal amount drawn by the Group under the Existing Loan Agreement shall be deemed as the amount drawn under the New Loan Agreement.

Subject matter

Pursuant to the New Loan Agreement, Manureen Holdings shall provide the Group an unsecured loan facility of up to RMB450 million (equivalent to approximately HK\$504 million) (the "**Manureen Loan Facility**") subject to the terms of the New Loan Agreement.

Any amount(s) to be advanced by Manureen Holdings to the Group shall constitute unsecured indebtedness of the Group.

The Manureen Loan Facility shall be for a term of 18 months and the interest rate shall be determined after arm's length negotiations upon each drawing of the Manureen Loan Facility provided that (1) for the first RMB170 million (equivalent to approximately HK\$190 million) drawn or to be drawn under the Manureen Loan Facility shall be the lower of (i) the interest rate under the Bank Loan Facility; or (ii) 8.2% per annum; and (2) for any further amount drawn or to be drawn under the Manureen Loan Facility, the interest rate shall be 8.2% per annum.

Manureen Holdings undertakes that it will not demand for repayment of all or part of the Manureen Loan Facility as long as there are outstanding amount under the Bank Loan Facility. Manureen Holdings further undertakes that if the outstanding principal amount under the Manureen Loan Facility is below RMB270 million (equivalent to approximately HK\$302 million), it will procure the release and discharge of the Corporate Guarantee and the Property Pledge under the Bank Loan Agreement or otherwise procure the Connected Borrower to repay all the outstanding amount under the Bank Loan Facility.

THE CORPORATE GUARANTEE AND THE PROPERTY PLEDGE

As disclosed in the section headed "The Bank Loan Agreement" above, it is a term thereof that (1) the Company will provide the Corporate Guarantee; and (2) the two PRC subsidiaries of the Group will pledge the respective property under the Property Pledge in favour of the Bank as security for the obligations and liabilities of the Connected Borrower under the Bank Loan Agreement. Based on the preliminary valuation on the properties under the Property Pledge by an independent property valuer, the market value of such properties as at 30 November 2016 is estimated to be RMB210 million (equivalent to approximately HK\$235 million).

The Directors (excluding the independent non-executive Directors whose view will be included in the circular of the Company to be despatched in relation to, inter alia, the New Loan Agreement, the Corporate Guarantee and the Property Pledge after taking into consideration of the advices of the independent financial adviser to be appointed) consider that the terms of the New Loan Agreement, the Corporate Guarantee and the Property Pledge are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Condition precedent

The entering into of the Bank Loan Agreement, the New Loan Agreement and the provision of the Corporate Guarantee and the Property Pledge shall be subject to fulfillment of the following condition:

- (a) all necessary consents and approvals on the part of the Company in relation to the New Loan Agreement and the provision of the Corporate Guarantee and the Property Pledge and the transactions contemplated thereunder having been obtained, including the passing of necessary resolution(s) by the Independent Shareholders at the SGM to approve the New Loan Agreement, the Corporate Guarantee and the Property Pledge and the transactions contemplated thereunder.

In the event that the above condition cannot be fulfilled on or before 17 March 2017 (or such other date as the parties to the New Loan Agreement may agree), the Company will not enter into the New Loan Agreement and the Group will not provide the Corporate Guarantee and the Property Pledge.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE NEW LOAN AGREEMENT

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 and, computer components; and (vi) property investment.

As mentioned in the interim report of the Company for the six months ended 30 June 2016, the Directors will continue to explore the potential opportunities to develop the businesses of the Group with the view of sustaining long term growth of the Group. It is contemplated that sufficient financing would be required for the Group's business development.

In consideration of the Group agreeing to provide the Corporate Guarantee and the Property Pledge as security, Manureen Holdings agrees to provide the Manureen Loan Facility in favour of the Group. The Manureen Loan Facility will allow the Group to have sufficient financial support for its future business development.

Since the Group may draw additional sum under the Manureen Loan Facility in comparison with that under the Existing Loan Agreement and the outstanding principal amount under the New Loan Agreement exceeds the Bank Loan Facility, the Directors (excluding the independent non-executive Directors whose view will be included in the circular of the Company to be despatched in relation to, inter alia, the New Loan Agreement, the Corporate Guarantee and the Property Pledge after taking into consideration of the advices of the independent financial adviser to be appointed) consider that it is fair and reasonable for the Group to provide the Corporate Guarantee and the Property Pledge in favour of the Bank as security under the Bank Loan Agreement.

LISTING RULES IMPLICATIONS

The provision of Corporate Guarantee and the Property Pledge under the Bank Loan Agreement and the transactions contemplated thereunder will constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules. As the Connected Borrower is wholly owned by Dr. Lin, the Chairman and executive Director of the Company and controlling Shareholder, the Connected Borrower is a connected person of the Company under Chapter 14A of the Listing Rules and the provision of Corporate Guarantee and the Property Pledge under the Bank Loan Agreement and the transactions contemplated thereunder will also constitute connected transaction on the part of the Company under Chapter 14A of the Listing Rule and are subject to, among others, the Independent Shareholders' approval at the SGM.

Dr. Lin and Madam Su own 70% and 30% respectively of Manureen Holdings, the controlling Shareholder holding 785,001,518 Shares as at the date of this announcement, representing approximately 68.3% of the issued share capital of the Company. To the best belief, information and knowledge of the Directors, after making reasonable enquiries, save for Manureen Holdings, no other Shareholders have a material interest in the New Loan Agreement, the provision of Corporate Guarantee and the Property Pledge and the transactions contemplated thereunder and are required to abstain from voting at the SGM. Manureen Holdings and its associates shall abstain from voting at the SGM.

Each of Dr. Lin, Madam Su and Mr. Lin Xiaodong (brother of Dr. Lin) has abstained from voting at the relevant board resolution(s) approving the New Loan Agreement, the Corporate Guarantee and the Property Pledge and the transactions contemplated thereunder.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue, has been established to advise the Independent Shareholders in respect of the terms of the Bank Loan Agreement, the New Loan Agreement, the Corporate Guarantee and the Property Pledge and the transactions contemplated thereunder. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the New Loan Agreement, the Corporate Guarantee and the Property Pledge and the transactions contemplated thereunder.

A circular containing, among other matters, (i) details of the Bank Loan Agreement, the New Loan Agreement, the Corporate Guarantee and the Property Pledge; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iv) the valuation report of the properties of the Group under the Property Pledge; and (v) the notice of SGM will be despatched to the Shareholders on or before 10 February 2017.

DEFINITIONS

“associates”	has the meaning ascribed to this term under the Listing Rules
“Bank”	a PRC licensed commercial bank and an Independent Third Party
“Bank Loan Agreement”	the loan agreement to be entered into between the Bank and the Connected Borrower
“Bank Loan Facility”	the loan facility up to RMB170 million under the Bank Loan Agreement
“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)
“Connected Borrower”	深圳市偉祿科技控股有限公司 (Shenzhen Realord Technology Holding Limited*), a company established in the PRC with limited liability
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	director(s) of the Company

“Dr. Lin”	Dr. Lin Xiaohui, an executive Director and the Chairman of the Company, the spouse of Madam Su
“Existing Loan Agreement”	the loan agreement dated 24 March 2016 (as supplemented by the supplemental loan agreement dated 14 September 2016) entered into between the Company as borrower and Manureen Holdings as lender in relation to the provision of loan facility of up to RMB300 million
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue, established to advise the Independent Shareholders in respect of the terms of the New Loan Agreement, the Corporate Guarantee and the Property Pledge and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders other than Manureen Holdings and its associates
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is(are) independent of and not connected with any connected persons or any of their respective associate(s) of the Group
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Madam Su”	Madam Su Jiaohua, an executive Director and the spouse of Dr. Lin
“Manureen Holdings”	Manureen Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and the controlling Shareholder
“New Loan Agreement”	the loan agreement to be and entered into between Manureen Holdings as lender and the Company as borrower

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macao Special Administrative Region and Taiwan
“SGM”	the special general meeting of the Company to be held and convened to approve the New Loan Agreement, the Corporate Guarantee and the Property Pledge and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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

In this announcement, amounts in RMB are translated into HK\$ on the basis of RMB1 = HK\$1.12. 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, 19 January 2017

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.