

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Korador Holdings Limited
珂萊蒂爾控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3709)

**DISCLOSEABLE TRANSACTION:
ASSET TRANSFER AGREEMENT**

On 9 March 2017, the Vendor and the Purchaser (a 90%-owned subsidiary of the Company) entered into the Asset Transfer Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Acquired Assets for a total cash consideration of RMB64,542,880 (subject to adjustment), which is equivalent to about HK\$72.28 million.

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company subject to reporting and announcement requirements under the Listing Rules.

THE ACQUISITION

The Board announces that on 9 March 2017, the Vendor and the Purchaser (a 90%-owned subsidiary of the Company) entered into the Asset Transfer Agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Acquired Assets for a total cash consideration of RMB64,542,880 (subject to adjustment), which is equivalent to about HK\$72.28 million). The salient terms of the Asset Transfer Agreement are as follows:

ASSET TRANSFER AGREEMENT

Date

9 March 2017

Parties

Vendor: SK Networks (China) Fashion Co., Ltd. (愛思開實業(上海)有限公司)

Purchaser: Shanghai Kody Brand Management Co., Ltd. (上海珂蒂品牌管理有限公司), a 90%-owned subsidiary of the Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties and is principally engaged in the business of distributing, marketing and selling of fashion products under the brand names "Obzee" and "O'2nd".

Assets to be acquired

Pursuant to the terms of the Asset Transfer Agreement, the Acquired Assets includes:

- (a) all finished goods inventory of fashion products under the brand names "Obzee" and "O'2nd" held for sale in the PRC;
- (b) all vehicles, equipment, furnitures, fixtures, physical facilities and other tangible properties used in the operation of the Acquired Stores;
- (c) all accounts receivables, notes receivables and other indebtedness due and owed by third party to the Vendor related to the sale of products by the Acquired Stores or Acquired On-line Store;
- (d) all contracts which (i) the Vendor is a party to or is bound by and (ii) which relates solely to the operations of the Acquired Stores, including but not limited to lease agreements, warehousing agreements and other agreements;

- (e) all outsourcing agreements between the Vendor and outsourcing companies in connection with sale workers of the Acquired Stores and/or Acquired On-line Store;
- (f) all contracts relating to the operation of the Acquired On-line Store;
- (g) all rights, titles and interest of the Vendor in and to all the permits, approvals, authorisation, consent, license, report, registration or certificate of a government authority required for the operations of the Acquired Stores or Acquired On-line Store;
- (h) all rights of Vendor to the deposits made under the lease agreements for the Acquired Stores; and
- (i) all manuals related to the operation of the Acquired Stores or the Acquired On-line Store;

but excludes the rights, title or interests in the following assets (the “**Excluded Assets**”) of the Vendor which will not be transferred to the Purchaser:

- (a) any cash, checks, money order or cash equivalent;
- (b) any losses, loss carried forward and rights to receive refunds, credits and loss carried forwards with respect to any and all taxation of the Vendor;
- (c) the corporate books and records of the Vendor not related to the Acquired Assets;
- (d) any insurance policies and recoveries and rights to assert claims;
- (e) any intellectual property or similar rights including the brand names “Obzee” and “O’2nd”;
- (f) any rights or claims relating to the Excluded Assets;
- (g) any properties and contract relating to the head office of the Vendor; and
- (h) all other assets of the Vendor not included in the Acquired Assets.

The Purchaser shall assume, effective as of the date of Completion, and shall pay, perform, discharge all liabilities of the Vendor arising out of or relating to the operation of the Acquired Stores or the Acquired On-line Store or the Acquired Assets.

Consideration

The aggregate consideration for the Acquisition is RMB64,542,880 (equivalent to about HK\$72.28 million) and is subject to adjustment to be agreed on or before 9 April 2017 based on the final inventories value as at 25 March 2017.

The Consideration shall be payable to the Vendor in cash in the following manner: (a) as to 10% which equals to RMB6,454,288 (equivalent to about HK\$7.23 million) within one business day after the date of the Asset Transfer Agreement as earnest money deposit; and (b) as to the remaining 90% upon Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser by reference to the book value of the Acquired Assets which consists mainly of inventories at the agreed value of approximately RMB57.3 million as at 28 February 2017.

Having considered the above and the factors described under the section headed "Reasons for and the benefits of the Acquisition" below, the Directors consider that the Consideration is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Completion of the Acquisition

Completion of the Asset Transfer Agreement is subject to, among others, the following conditions:

- (a) the Vendor having performed its obligations under the Asset Transfer Agreement in all material respects;
- (b) the Exclusive Distribution Agreement shall have come into force and remain effective; and
- (c) the Purchaser having performed its obligations under the Asset Transfer Agreement in all material respects.

Subject to the satisfaction of the above conditions, Completion shall take place on 11 April 2017 or such other date as may be agreed between the Vendor and the Purchaser in writing.

Upon Completion, the title to the Acquired Assets shall be transferred to the Purchaser pursuant to the Asset Transfer Agreement and the Purchaser will assume all liabilities of the Vendor arising out of or relating to the operation of the Acquired Assets, including but not limited to, liabilities arising out of any contracts, compensation on workers and payable to trade creditors arising out of the operation of the Acquired Stores or the Acquired On-line Store.

INFORMATION ON THE ACQUIRED ASSETS

As at 28 February 2017, the Vendor operated 39 stores under the “O’2nd” brand name and 16 stores under the “Obzee” brand name in the PRC. The target customers of “O’2nd” brand are ladies between the age of 25-40 with a strong sense of fashion and paying particular attention to details, and the target customers of the “Obzee” brand are well educated middle class ladies between the age of 30-50 with a taste for trendy and feminine apparel with lace decor.

Set out below is the unaudited financial information provided by the Vendor in relation to the business of the Acquired Stores (based on generally accepted accounting practice in the PRC):

	For the year ended 31 December 2015 <i>Unaudited</i> (RMB’000)	For the year ended 31 December 2016 <i>Unaudited</i> (RMB’000)
Net profit/(loss) before taxation	5,586	(99,689)
Net profit/(loss) after taxation	4,139	(98,275)

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal activities of the Group are design, retail and wholesale of womenswear in the PRC. The Group's self owned brands, "Koradior", "La Koradior" and "Koradior elsewhere" target affluent ladies between the ages of 30 and 45. The long term objective of the Group is to be the top player of the high-end ladies-wear industry in the PRC.

The Acquisition represents an acquisition of the business of the Vendor in respect of the brand names "Obzee" and "O'2nd" (not including the brand names). The Board considers that the Acquisition is in line with the Group's multi-brand development strategy in that the Acquisition will supplement the brands of the Group while enlarging the Group's distribution networks. Upon Completion, the Group will be granted an exclusive distribution right pursuant to the Exclusive Distribution Agreement to distribute and market the products under the brand names "Obzee" and "O'2nd", which cover a wide range of high profile fashion goods including all women's ready-to-wear clothing, accessories, jewelry, etc., manufactured and sold by Handsome Global Co., Ltd. (which will acquire the underlying intellectual property rights to the "O'2nd" and the "Obzee" trademarks prior to Completion), in the PRC for a term of up to 30 June 2022. It is believed that the Acquisition will create synergies to the Group's business by consolidating the sales platforms of both the Group and the Acquired Stores as well as the Acquired On-line Store in order to further improve the revenues and profitability of the Group.

Taking into account the abovementioned factors, the Directors consider that the terms and conditions of the Acquisition are fair and reasonable and on normal commercial terms and are in the interests of the Company and Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company subject to reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the same following meanings as set out below:

“Acquired Assets”	the assets to be acquired by the Purchaser pursuant to the Asset Transfer Agreement, details of which are set out in the section headed “Assets to be acquired” in this announcement
“Acquired On-line Store”	the on-line store operated by the Vendor at T-mall
“Acquired Stores”	the stores which are operated by the Vendor in the PRC under the brand names “O’2nd” and “Obzee”
“Acquisition”	the proposed acquisition by the Purchaser of the Acquired Assets and the assumption of the related liabilities pursuant to the Asset Transfer Agreement
“Asset Transfer Agreement”	the asset transfer agreement dated 9 March 2017 and entered into between the Vendor and the Purchaser in relation to the Acquisition
“Board”	the board of Directors
“Company”	Korador Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition
“Consideration”	RMB64,542,880 (subject to adjustment), being the consideration for the Acquisition
“Director(s)”	the director(s) of the Company

“Exclusive Distribution Agreement”	the exclusive distribution agreement to be entered into between the Purchaser and Handsome Global Co., Ltd., who will acquire the underlying intellectual property rights to the “O’2nd” and the “Obzee” trademarks pursuant to a business transfer agreement to be entered into, among others, Handsome Global Co., Ltd. and the Vendor prior to Completion, in relation to grant of the exclusive rights to the Purchaser to distribute and sell “O’2nd” and “Obzee” products in the PRC
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who, together with his/her ultimate beneficial owner(s), is/are persons independent of the Company and its connected persons (within the meaning of the Listing Rules)
“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 shall exclude Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Shanghai Kody Brand Management Co., Ltd. (上海珂蒂品牌管理有限公司), a company organized and existed under the laws of the PRC, being the purchaser under the Asset Transfer Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	SK Networks (China) Fasion Co., Ltd. (愛思開實業(上海)有限公司), being the vendor under the Asset Transfer Agreement
%	per cent.

By order of the Board
Koradior Holdings Limited
JIN MING
Chairman

Hong Kong, 20 March 2017

As at the date of this announcement, the Board comprises Mr. Jin Ming, Mr. Deng Shigang and Ms. He Hongmei as executive Directors; Mr. Yang Weiqiang as non-executive Director; Mr. Zhou Xiaoyu, Mr. Wong Wai Kong and Mr. Zhong Ming as independent non-executive Directors.