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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 A PROPERTY IN HONG KONG**

**THE AGREEMENT**

After the Stock Exchange trading hours on 15 February 2019, the Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Share and the Sale Loan at a maximum consideration of HK\$513,350,000 (subject to adjustment). The principal asset of the Target Group is the Property in Hong Kong.

**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 Purchaser (an indirect wholly-owned subsidiary of the Company) and the Vendor entered into the Letter of Intent dated 4 January 2019, pursuant to which (i) an exclusivity period from the date of the Letter of Intent and up to 3 February 2019 (which was extended to 15 February 2019) has been granted by the Vendor to the Purchaser in relation to the Acquisition; and (ii) the First Deposit of HK\$51,300,000 has been paid by the Purchaser and held in escrow by the Vendor's solicitors.

The Board is pleased to announce that after the Stock Exchange trading hours on 15 February 2019, the Purchaser and the Vendor entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Share and the Sale Loan at a maximum consideration of HK\$513,350,000 (subject to adjustment). Details of the Agreement are set out below.

## THE AGREEMENT

### Date

15 February 2019

### Parties

- (i) Best Throne Holdings Limited, an indirect wholly-owned subsidiary of the Company, as the Purchaser; and
- (ii) Mr. Tseung Pak Wing, 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 in 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 Share and the Sale Loan. The Sale Share, representing the entire issued share capital of the Target, will be sold free from all encumbrances and together with all rights attaching thereto from the date of the Agreement, including any dividend or other distribution declared, made or paid after Completion. The Sale Loan, representing all shareholder's loan owing by the Target to the Vendor immediately prior to Completion, will be sold free from all encumbrances together with all rights attaching thereto from the date of the Agreement.

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

### Consideration

The Consideration comprises of (i) HK\$513,000,000 and (ii) the Ancillary Net Assets of the Target Group as at the Completion Date, and in any event the Consideration shall not exceed HK\$513,350,000. The Ancillary Net Assets represent the amount of the assets of the Target Group (excluding the Property, furniture and fittings, leasehold improvement, intangible assets, goodwill, other fixed assets and deferred taxation) minus the liabilities of the Target Group (including actual or contingent, fixed or non-fixed, current or deferred, but excluding the Sale Loan). Pursuant to the Agreement, the Vendor undertakes to deliver to the Purchaser the pro-forma accounts of the Target Group as at the Completion Date (the "**Pro-forma Completion Accounts**") no later than five Business Days prior to the Completion for the purpose of calculating the Consideration. For illustrative purpose only, based on the Ancillary Net Assets of approximately HK\$0.2 million as at 31 December 2018 as extracted from the unaudited consolidated management accounts of the Target Group as at 31 December 2018, the Consideration would be approximately HK\$513.2 million.

The Consideration in the maximum amount of HK\$513,350,000 (subject to adjustment) shall be satisfied by the Purchaser in the following manner:

- (i) the First Deposit of HK\$51,300,000 has been paid by the Purchaser in accordance with the terms under the Letter of Intent and has been held in escrow by the Vendor's solicitors;
- (ii) an amount of HK\$120,000,000 (the "**Second Deposit**") shall be payable by the Purchaser within 10 days after signing of the Agreement and held in escrow by the Vendor's solicitors;
- (iii) a sum of amount including but not limited to all the outstanding loan principal amount, interests, early repayment fee, bank charges and expenses (i.e. the Redemption Amount) (if any outstanding) shall be payable by the Purchaser on behalf of the Hong Kong Company and/or the Vendor to the Bank at Completion for the Bank's discharge of the Existing Mortgage Document, the exact amount and recipient details of which shall be notified by the Vendor five Business Days before Completion; and
- (iv) the remaining balance of the Consideration in excess of the First Deposit, the Second Deposit and the Redemption Amount (if any outstanding) shall be payable by the Purchaser to the Vendor or his nominee(s) at Completion.

The First Deposit and the Second Deposit held in escrow by the Vendor's solicitors shall only be released on the following circumstances:

- (i) upon (a) the Vendor having received the Purchaser's confirmation in relation to its satisfaction to the due diligence review results on or before 1 March 2019 (or such other date as may be agreed between the Purchaser and the Vendor) (i.e. the Due Diligence Satisfaction Deadline); and (b) the Vendor having procured the appointment of the Purchaser's Nominee as a director of the Target and the Hong Kong Company, the Vendor's solicitors shall release the Redemption Amount to the Bank;
- (ii) upon Completion, the Vendor's solicitors shall release any balance of the First Deposit and the Second Deposit after deducting the Redemption Amount to the Bank to the Vendor; or
- (iii) upon non-fulfilment(s) of the condition(s) precedent or termination of the Agreement in the manners described in the paragraphs headed "Conditions" and "Refund and/or forfeiture of deposit in case of termination of the Agreement" respectively.

It is also agreed that the Vendor shall instruct a certified public accountant in Hong Kong to provide the audited accounts of the Target Group as at the Completion Date (the “**Completion Accounts**”) within 30 days from the Completion Date (or such other date the Purchaser and the Vendor may agree in writing) and deliver it to the Purchaser within five Business Days after the Completion Accounts are prepared. In the event that the Ancillary Net Assets as shown in the Completion Accounts are different from that as stated in the Pro-forma Completion Accounts, the Consideration shall be adjusted accordingly based on the Ancillary Net Assets as shown in the Completion Accounts but in any event shall not exceed HK\$513,350,000. The Purchaser shall pay to the Vendor any increment in the Consideration (or the Vendor shall pay to the Purchaser any reduction in the Consideration, as the case may be) as a result of such adjustment within five Business Days after the Completion Accounts have been prepared in accordance with the terms of the Agreement or have been agreed between the Purchaser and the Vendor.

The consideration for the Acquisition was determined after arm’s length negotiations between the Purchaser and the Vendor having taken into account the prevailing market value of similar properties in the vicinity of the Property, the financial position of the Target Group and the amount of the Sale Loan. The Acquisition will be funded by the internal resources of the Group and/or bank facilities.

### **Conditions**

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

- (i) the Vendor having obtained relevant notice from the Bank or its solicitors that the Bank shall discharge and release the Existing Mortgage Document immediately after the Redemption Amount has been settled in full to the Bank;
- (ii) the Purchaser having completed its due diligence review on the Target Group, the Property, the furniture and fittings of the Target Group, the Sale Share, the Sale Loan and other related matters and having provided a confirmation to the Vendor in respect of its satisfaction with the results thereof on or before the Due Diligence Satisfaction Deadline;
- (iii) the Vendor having proved that the Hong Kong Company has a good title to the Property free from all encumbrances, and having procured the Hong Kong Company to give and prove a good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong) free from all encumbrances at Completion;
- (iv) the Vendor having provided to the Purchaser the certificate of incumbency and the certificate of good standing of the Target which are dated within five Business Days before the Completion Date; and

- (v) the warranties given by the Vendor under the Agreement remaining true and accurate from the date of Agreement and up to Completion.

The Purchaser may at any time waive any of the conditions set out above by notice in writing to the Vendor.

If any of the above conditions have not been fulfilled or waived by the Purchaser on or before the Due Diligence Satisfaction Deadline (in respect of condition (ii) or the Long Stop Date (in respect of other conditions) (as the case may be), the Agreement shall cease and determine (save and except for the provisions dealing with definitions, confidentiality and announcement, notices, rights of third parties, governing law and jurisdiction which shall continue to have full force and effect). In this event, (i) the First Deposit and the Second Deposit shall be refunded to the Purchaser without interests; and (ii) the letter of resignation from the Purchaser's Nominee as the director of the Target and the Hong Kong Company shall be delivered by the Purchaser within three Business Days after the Due Diligence Satisfaction Deadline or the Long Stop Date (as the case may be), or the date of Purchaser's written notice to terminate the Agreement due to non-fulfillment of conditions precedent to the Agreement (if applicable). Neither party to the Agreement shall have any obligations and liabilities towards each other save for any antecedent breaches of the Agreement.

### **Completion**

Completion shall take place on the seventh Business Day after all conditions precedents to the Agreement have been fulfilled or waived by the Purchaser (as the case may be) but no later than 1 April 2019 (or such other date as may be agreed between the Purchaser and the Vendor in writing).

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

### **Refund and/or forfeiture of the deposit in case of termination of the Agreement**

Pursuant to the Agreement, in the event that the Purchaser or the Vendor does not complete the Acquisition in accordance with the terms of the Agreement (other than due to the breach of contract by the other party to the Agreement or the conditions to the Agreement not having been fulfilled or waived by the Purchaser (as the case may be)), the non-defaulting party may notify the other party in writing to terminate the Agreement. In the event that the Purchaser is the defaulting party, the First Deposit shall be forfeited by the Vendor as the liquidation damage and the Second Deposit shall be refunded to the Purchaser without interests within three Business Days after the date of termination notice. In the event that the Vendor is the defaulting party, the First Deposit and the Second Deposit shall be refunded to the Purchaser without interests and the Vendor shall pay an additional amount equivalent to the First Deposit to the Purchaser as liquidation damage within three Business Days after the date of termination notice. Thereafter, the parties to the Agreement shall be released from all obligations, liabilities and claims arising from the Agreement.

## INFORMATION OF THE TARGET GROUP

The Target is an investment holding company and is wholly-owned by the Vendor as at the date of the Agreement. The Hong Kong Company is wholly-owned by the Target as at the date of the Agreement and is principally engaged in property investment. The principal asset of the Hong Kong Company is the Property, which is located at House No. 8, Villa Bel-Air, Bel-Air on the Peak, Island South, No. 8 Bel-Air Peak Rise, Hong Kong and is a residential property. The Property is currently pledged to the Bank as a security for banking facilities provided to the Vendor. The Hong Kong Company has also provided a guarantee in respect of such banking facilities. Pursuant to the Agreement, part of the Consideration shall be payable by the Purchaser on behalf of the Vendor to the Bank for the discharge of the Existing Mortgage Document.

Set out below is certain financial information of the Target Group based on the unaudited consolidated financial statements of the Target Group for each of the two years ended 31 December 2017 and 2018:

	<b>Year ended 31 December</b>	
	<b>2017</b>	<b>2018</b>
	<i>approximate</i> <i>HK\$'000</i>	<i>approximate</i> <i>HK\$'000</i>
Loss before taxation	5,834	6,972
Loss after taxation	5,834	6,972

The abovementioned unaudited consolidated loss of the Target Group was attributable to the depreciation of the property, plant and equipment charged for the corresponding year.

As at 31 December 2018, the unaudited consolidated net liabilities of the Target Group amounted to approximately HK\$12.8 million, which included the net book value of the property, plant and equipment of approximately HK\$195.4 million, goodwill arising from the acquisition of the Hong Kong Company by the Target of approximately HK\$261.8 million, the shareholder's loan owing by the Target to the Vendor of approximately HK\$470.2 million and the Ancillary Net Assets of approximately HK\$0.2 million.

## REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) provision of financial printing, digital printing and other related services; (ii) sales 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; (v) trading of electronic products and computer components; (vi) property investment; and (vii) sourcing, dismantling and trading of scrap materials.

The Group currently holds six residential properties and three parking spaces in Hong Kong. In view of the persisting market demand for residential properties in Hong Kong, the Directors are optimistic about the property market in medium to long term and consider the Property, which is located at one of the prime residential areas in Hong Kong, would further build up the Group's portfolio of investment properties and strengthen its property investment segment.

Based on the above, the Directors consider the terms of the Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the shareholders of the Company 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 Share and the Sale Loan by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement
“Agreement”	the conditional sale and purchase agreement dated 15 February 2019 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Ancillary Net Assets”	the assets of the Target Group (excluding the Property, furniture and fittings, leasehold improvement, intangible assets, goodwill, other fixed assets and deferred taxation) minus the liabilities of the Target Group (including actual or contingent, fixed or non-fixed, current or deferred, but excluding the Sale Loan)
“Bank”	Citibank N.A.
“Board”	the board of Directors
“Business Day(s)”	a day(s) (other than Saturday, Sunday, public holiday and a day on which typhoon No. 8 signal or higher is hoisted or a “black” rainstorm warning is given in Hong Kong at any time during 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong generally open for business



“Company”	Realord Group Holdings Limited, a company incorporated in Bermuda with limited liability and 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
“Consideration”	the consideration for the Acquisition in the maximum amount of HK\$513,350,000 (subject to adjustment)
“Directors”	the directors of the Company
“Due Diligence Satisfaction Deadline”	1 March 2019 (or such other date as may be agreed between the Purchaser and the Vendor)
“Existing Mortgage Document”	(i) the mortgage deed dated 12 May 2017 entered into between the Hong Kong Company as chargor and the Bank as lender with The Land Registry’s memorial no. 17052201990105; and (ii) the deed of guarantee dated 21 March 2017 provided by the Hong Kong Company as guarantor to the Bank in respect of the banking facilities granted to the Vendor
“First Deposit”	the deposit paid by the Purchaser in the amount of HK\$51,300,000
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Company”	Absolute Holdings Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Target
“Letter of Intent”	the non-legally binding letter of intent dated 4 January 2019 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	1 April 2019 (or such other date as may be agreed between the Purchaser and the Vendor)



“Property”	House No. 8, Villa Bel-Air, Bel-Air on the Peak, Island South, No. 8 Bel-Air Peak Rise, Hong Kong
“Purchaser”	Best Throne Holdings Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Purchaser’s Nominee”	a person to be nominated by the Purchaser and appointed as a director of the Target and the Hong Kong Company
“Redemption Amount”	a sum of amount (including but not limited to all the outstanding loan principal amount, interests, early repayment fee, bank charges and expenses) payable by the Vendor to the Bank for its discharge of the Existing Mortgage Document
“Sale Loan”	all shareholder’s loan owing by the Target to the Vendor immediately prior to Completion
“Sale Share”	1 issued share of US\$1 in the Target, representing the entire issued share capital of the Target
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Bright Success Inc., a company incorporated in British Virgin Islands with limited liability
“Target Group”	the Target and the Hong Kong Company
“Vendor”	Mr. Tseung Pak Wing
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States dollar(s), the lawful currency of the United States of America

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

Hong Kong, 15 February 2019

*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.*