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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of Realord Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 21 August 2019 regarding a report dated 21 August 2019 (the “**Report**”) issued by an entity, namely Emerson Analytics Co., Ltd (“**Emerson**”), in which Emerson made various speculations and allegations against the Group’s business operations of the environmental protection segment (the “**EP Segment**”) and motor vehicle parts segment (the “**MVP Segment**”), and erroneous analyses on the valuation of two investment properties and the financial position of the Group as a whole. The board (“**Board**”) of directors of the Company (the “**Directors**”) vigorously rebuts Emerson’s allegations and considers these allegations in their entirety are built on crude assumptions, erroneous analyses and flawed deduction, and are highly speculative and misleading. To eradicate the adverse implications created by these allegations, the Board set forth below its responses to Emerson’s allegations.

Discrepancies in the EP Segment for FY2018

Emerson’s allegation:

*Emerson alleged that the revenue of the EP Segment of the Group in the financial year ended 31 December 2018 (“**FY2018**”) should be identical to the revenue generated by the group companies of Realord Environmental Protection Company Limited (the “**EP Company**”, together with its subsidiaries, the “**EP Group**”). The EP Company is a 60%-owned subsidiary of the Company and Emerson had the wrong perception that it only acted as an agent to source scrap materials and resells to its wholly-owned subsidiary, namely Guangxi Wuzhou City Tong Bao Renewable Materials Limited (“**Tong Bao**”). Accordingly, Emerson considered that the revenue of the EP Group should also be identical to that of Tong Bao.*

Based on the above misunderstanding, Emerson stated three discrepancies including the discrepancy of (i) approximately HK\$88 million between the reported revenue of the EP Segment (i.e. HK\$571 million) and the revenue of the EP Group (i.e. HK\$483 million) as both were reported in the annual report of the Company for FY2018 (the “FY2018 Annual Report”); (ii) approximately HK\$289 million between the reported revenue of the EP Group (i.e. HK\$483 million) and the reported revenue of Tong Bao (i.e. HK\$194 million) based on the filings extracted from Enterprise Credit Information Publicity System (“ECIS”) of the People’s Republic of China (the “PRC”); and (iii) approximately HK\$43 million between the reported profit of the EP Group (i.e. HK\$51 million) and the reported profit of Tong Bao (i.e. HK\$8 million) based on the filings extracted from ECIS.

Emerson also made the allegation that there was net cash used in the EP Group’s investing activities amounting to HK\$209 million in FY2018, but there was no corresponding item in the consolidated statement of cash flows of the Group.

Company’s response:

Emerson’s allegation is seriously flawed given it had ignored the fact that the revenue of the EP Segment was not solely generated from Tong Bao. The Board clarifies that apart from Tong Bao, the Group also generated its revenue of the EP Segment by (i) the EP Company on its own; and (ii) 深圳市偉祿科技控股有限公司 (translated as Shenzhen Weilu Technology Holdings Co. Ltd) (“Weilu”), which is a wholly-owned subsidiary of the Company outside the EP Group. Emerson has not mentioned Weilu in its Report and did not acknowledge the fact that both Weilu and the EP Company have third party sales under their own operation. Set out below is a revenue breakdown of the EP Segment for FY2018 by each operating subsidiary of the Company.

EP Segment revenue for FY2018 (HK\$’ million)	Tong Bao	EP Company	Weilu	Total
Emerson’s alleged amount (which is incorrect)	194	–	–	194
Actual and reported amounts in the FY2018 Annual Report	194	289	88	571

The Company has noted that Emerson has made an elaborated analysis on Tong Bao’s results performance against the reported revenue and results of the EP Group as contained in the annual reports of the Company for the year ended 31 December 2017 and FY2018, with their own calculation of so-called “proforma revenue” of Tong Bao (of which the Directors have no idea of the basis of computation), percentage of changes, exchange rate fluctuation, etc. The Company considers Emerson’s analysis to be meaningless given the fact that Tong Bao contributed only part of the revenue of the EP Group.

Regarding the point made by Emerson that there was an absence of the corresponding net cash used in EP Group's investing activities in the consolidated statement of cash flows of the Group for FY2018, the Company wishes to point out that the "net cash used in investing activities" of the EP Group of approximately HK\$209 million as quoted by Emerson was actually contained as a note to the FY2018 consolidated financial statements of the Company under note 54 (b) "*details of non-wholly owned subsidiaries that have material non-controlling interest*". Such amount represented the increase in amount due from the intermediate holding company of the EP Company at its company level, and has been eliminated at the consolidated level.

Expected financial performance of the EP Segment

Emerson's allegation:

Emerson stated that imports of scrap materials have been banned by the Chinese government from 31 December 2018. They utilised the efforts of the Chinese government in enhancing environmental protection policy in recent years to fabricate their revenue projection for the EP Segment of the Group for the financial year ending 31 December 2019 ("FY2019"). Emerson cited the decrease in authorised import quotas for scrap metal materials to the PRC as a whole by about 74% and the decrease in authorised import quotas of Tong Bao by about 82% in 2018 (both as compared to that of 2017) to make a bold speculation that the revenue to be generated by the EP Segment in FY2019 would be zero.

Company's response:

In response to Emerson's allegation, the Company clarifies that while the imports of scrap materials to the PRC is subject to very stringent regulations in the second half of 2018 as reported in the FY2018 Annual Report, the Chinese government has not imposed a total ban on such imports.

It appears that Emerson had studied the FY2018 Annual Report, but it is also apparent that they had selectively adapted certain information disclosed therein for the purpose of making the Report. In regard to this allegation, they ignored the Group's disclosures in the section headed "Management discussion and analysis" of the FY2018 Annual Report, in which the management had informed the shareholders of the Company (the "**Shareholders**") that (i) in the second quarter of 2018, new environmental protection regulations were launched in the PRC, which have tightened the import requirement of scrap materials since 31 December 2018; (ii) the Group had postponed its plan to develop a processing plant in the PRC for recycling and production of copper and aluminium ingots to second half of 2019; and (iii) the Group was looking for suitable location in East or Southeast Asia to develop another processing plant for dismantling, crushing, and smelting of scrap materials.

As mentioned above, Tong Bao is not the only source of revenue of the EP Segment of the Group. In pursuance of the business direction reported in the FY2018 Annual Report, the Group has shifted its operations of the EP Segment to Malaysia and Japan in 2019 as a strategic move to mitigate the impacts caused by the tightening PRC government control of scrap materials import for processing purpose. During 2019, the Group has commenced operations in Malaysia and engaged subcontractors to process scrap materials for ultimate sale to the PRC market. It has also set up 偉祿環保株式會社 (“**Realord Japan**”, translated as Realord Environmental Protection Japan Co., Ltd.) in Japan in January 2019 and leased a processing plant in Osaka, Japan to conduct the EP Segment business and targets to sale to local market eventually.

The ridiculous projection of zero revenue made by Emerson for the Group’s EP Segment was completely groundless. The Company considers that the best rebuttal to the allegation is for the market and Shareholders to refer to the results of the EP Segment to be disclosed in the interim results announcement of the Company (the “**1H2019 Interim Announcement**”), which is expected to be published on or around 28 August 2019.

The MVP Segment operations for FY2018

Emerson’s allegation:

*Emerson alleged that the revenue of the MVP Segment in FY2018 was HK\$42 million only, whereas the Company reported it as HK\$127 million in the FY2018 Annual Report. This allegation was built on (i) Guangdong Realord Vehicle Parts Limited (“**Guangdong MVP**”), a wholly-owned subsidiary of the Group engaged in distribution and sale of motor vehicle parts (the “**MVP**”) in the PRC, had generated zero revenue in FY2018; and (ii) the revenue generated by Realord Vehicle Parts Limited (the “**HK MVP**”), which is principally engaged in distribution and sale of MVP in the PRC and Hong Kong, was HK\$42 million only. Emerson claimed that they had retrieved some filing records from ECIS which showed that Guangdong MVP had reported zero revenue to ECIS in FY2018.*

Emerson also made a mountain out of molehills, in that they had noted that the website for the Group’s MVP Segment had ceased to be updated since 2017, and then alleged that the online MVP business of the Group was not genuine.

Company’s response:

The Company is clueless about how and when Emerson retrieved the revenue amounts of Guangdong MVP from ECIS as such mentioned in the Report and therefore cannot comment on their findings in this regard. Nonetheless, the Board hereby affirms that the revenue generated by Guangdong MVP was approximately RMB44.0 million (equivalent to approximately HK\$52.1 million in FY2018 and the same revenue in RMB has been reported to the PRC tax authority in May 2019 in accordance with the compliance requirements of the authority.

Regarding the revenue generated by HK MVP, Emerson mistakenly took the revenue generated by customers located in Hong Kong as disclosed in the geographical segment analysis in note 5A(i) to the consolidated financial statements of the Company as the entire revenue generated by HK MVP. The Company hereby confirms that HK MVP generated revenue of approximately HK\$75.0 million in FY2018, of which approximately HK\$42.0 million was from customers located in Hong Kong and the balance of approximately HK\$33.0 million was from customers located in the PRC. The allegation made by Emerson was seriously flawed.

Regarding the online portal of the MVP Segment of the Group, the Company has shifted its online business of the MVP Segment to another well-developed online platform for reasons of operational efficiency and scale of economy.

Emerson's forecast:

Emerson based on its analysis of the past performance of Guangdong MVP and HK MVP, they project that the MVP Segment will generate zero revenue in FY2019.

Company's response:

Similar to their revenue projection of the EP Segment, Emerson has made a speculative revenue projection of the MVP Segment of the Group. The Company considers that this projection is ridiculous. The best rebuttal to the allegation is for the market and Shareholders to refer to the results of the MVP Segment to be disclosed in the 1H2019 Interim Announcement.

Assumptions and methodology adopted in the acquisition valuation of two investment properties of the Group

Emerson's allegation:

Emerson alleged that:

- (i) *the total actual investment of the Group's property located in Realord Villas, Guanlan, Shenzhen, the PRC (the "**Guanlan Property**") and the Group's property located in Guangming High-Tech Zone – East District, Guangming District, Shenzhen, the PRC (the "**Guangming Property**", together with the Guanlan Property, the "**Investment Properties**") was RMB380 million (the "**Emerson Alleged Actual Investment Amount**"), of which RMB284 million was attributable to the Guanlan Property and RMB96 million to the Guangming Property. They further alleged that the book value of the Investment Properties had been inflated by the vendors to RMB2,278 million in the books of the target companies as contained in the acquisition circular dated 23 March 2018 (the "**Acquisition Circular**"), and that the related appraised values as prepared by Roma Appraisal Limited (the "**Valuer**") as at 30 September 2017 were further inflated to RMB6,220 million in total (of which RMB3,300 million was attributable to Guanlan Property and RMB2,920 million was attributable to Guangming Property). Emerson further*

alleged that the car parking space in the Investment Properties should not be valued by direct comparison method at RMB400,000 per unit as there has been virtually no sale of car parking space in the market for many years; and

- (ii) *Emerson appraised the Investment Properties at HK\$1.6 billion (the “**Emerson’s Appraised Value**”) based on their appraisal method and selected numbers used by Emerson in the Report. In their appraisal, Emerson claimed to have taken references to certain rental yields they have obtained from their on-site enquiries and based on one lease transaction by a Hong Kong listed company.*

Company’s response:

- (i) Regarding actual investment cost

The Board hereby affirms that as disclosed in the Acquisition Circular, the total invested amount of the Investment Properties was RMB2,291 million as at 31 December 2017, which mainly comprised of costs of land, main building construction cost, interest expense capitalised at development phase for both properties, and the development and management fee for one of the Investment Properties.

In deducing the Emerson Alleged Actual Investment Amount, Emerson had used the preliminary information in the 建設項目環境影響報告書簡本 (Abridged Construction Project Environmental Impact Report*) and 偉祿科技園環境保護驗收監測表 (Monitoring Tables of the Environmental Protection Inspection of Realord Science Park*) (collectively, the “**Feasibility Reports**”) submitted by the group companies holding the Investment Properties in 2012 and 2011 respectively for obtaining requisite approvals from the Development and Reform Commission (發展和改革委員會) and other government authorities for the setting up of the development projects (立項申請). The Board believes that it is common market knowledge that information contained in any project development application i.e. 立項申請 are preliminary only and will be subject to changes as the related development progresses, particularly for property development projects. Given this, the Board finds it absurd that Emerson should have used the preliminary information contained in the Feasibility Reports to arrive at the Emerson Alleged Actual Investment Amount and made such a serious allegation against the Company, notwithstanding that the Acquisition Circular had depicted the full accountants’ report on the acquisition targets and the actual investment amount of the Investment Properties, on audited basis.

The fallacy in the calculation of the Emerson Alleged Actual Investment Amount is as follows:

- (a) regarding the Guanlan Property, Emerson had accepted the development costs of the residential buildings, which have been transferred to the local government in September 2017, of RMB796 million (the “**Residential Development Costs**”) as such was recorded in the books of the target companies, and thereby arrived at their deduction that “*it follows that the actual invested amount of the Guanlan Property was merely RMB284 million (=RMB1,080 million (being the amount contained in the Feasibility Reports, note added by the Company) – RMB796 million). It represents 8.6% of the appraised value of the Guanlan Property*”. While Emerson had accepted the Residential Development Costs, they discredited the book value of the total development cost of Guanlan Property in the accounts of the target companies. Obviously, their logics are contradictory; and
- (b) regarding the Guangming Property, again they had used the preliminary information contained in the Feasibility Reports and came up with an implied unit construction cost of RMB1,779 per square meter (“**sqm**”) and concluded that such construction cost matches the cost of similar buildings in Shenzhen. The Board believes that any investor with good knowledge about the construction industry in the PRC would agree that the implied unit construction cost of RMB1,779 sqm as claimed by Emerson is unrealistic and far out of range of market costs.

All in all, based on their two assertions under (a) and (b) above, Emerson absurdly alleged that the book value of the Investment Properties of approximately RMB2,278 million in the accounts of the target company was overly inflated, but such allegation is absolutely fabricated.

(ii) Regarding the Acquisition Valuation:

- (a) The Company has engaged the Valuer to conduct the acquisition valuation as at 31 December 2017 (the “**Acquisition Valuation**”) for the purpose of acquiring the Investment Properties, whereas as at 30 June 2018, 31 December 2018 and 30 June 2019 respectively for the purpose of preparing financial statements of the Group in accordance with the Group’s accounting policy. The Acquisition Valuation and subsequent valuations have been carried out in accordance with The HKIS Valuation Standards Issued by The Hong Kong Institute of Surveyors and under generally accepted valuation procedures and practices and have adopted the direct comparison method on the assumption that the property is capable of being sold in the open market with the benefit of vacant possession. According to the Valuer, the direct comparison method under the market approach is generally accepted as most appropriate and best method in valuing properties where there are established market comparables, which was the case for the Acquisition Valuation and

the subsequent valuations. The Acquisition Valuation has taken into account 7 comparable properties for the commercial/apartment buildings component of the Guanlan Property, 5 comparable properties for the shop component of the Guanlan Property, 14 comparable properties for the office component of the Guangming Property and 6 comparable properties for the carpark component of the Investment Properties, and the Valuer also confirmed in the Acquisition Circular that the comparables used for the Acquisition Valuation are exhaustive. The Board has accepted the Acquisition Valuation using this method as appropriate. Shareholders are asked to refer to the Acquisition Circular for details of the relevant report on the Acquisition Valuation.

- (b) The Board and the Valuer were well aware of Shenzhen's market for car parking spaces transactions, but Emerson may not be aware that a common market practice to grant a long-term use of rights of the car parking space has been evolved since long in the unique PRC-specific context. In the circumstances, the Valuer has made references to the transacted prices and asking prices for the use of rights of car parking spaces as available comparables on the website <http://sz.chewei.cn>, which was at the material time specialised in car parking spaces transactions in Shenzhen. The Valuer has confirmed that the comparables used were exhaustive at the time of valuation for valuing the car parking space of the Investment Properties, details of which were set out in the Acquisition Circular. The valuation of the car parking spaces have also been carried out in accordance with The HKIS Valuation Standards Issued by The Hong Kong Institute of Surveyors and under generally accepted valuation procedures and practices.

(iii) Regarding the Emerson's Appraised Value

In arriving at their so-called "true values" for the Investment Properties, Emerson has used (a) an example of the accounting value of a 8-year lease of a shopping mall (which was allegedly to be 5km away from the Guanlan Property) entered into by another Hong Kong listed company as tenant and operator of shopping mall, and used such accounting value as a comparable base for Emerson's appraisal of the capital value of the commercial space of the Guanlan Property (the "**Emerson Example**"); and (b) the monthly rent of the car parking spaces of the Guanlan Property of RMB230 per parking space for the value of the car parking spaces of the Investment Properties.

The Board considers that the use by Emerson of the Emerson Example is baseless and absurd. Emerson acknowledged in the Report that the Emerson Example was a long term lease arrangement whereby the subject tenant is required to recognise a right-of-use asset in its group's financial statements pursuant to "Hong Kong Financial Reporting Standard 16 - Leases" ("**HKFRS 16**") issued by the Hong Kong Institute of Certified Public Accountants, which standard became effective on 1 January 2019. While Emerson in the Report further acknowledged that the

aggregate consideration for the right-of-use asset (the “**Aggregated Consideration**”) of the subject tenant would be calculated with reference to aggregated present value of the fixed lease terms at a discount rate during the entire term of the lease pursuant to HKFRS 16. Emerson however did not acknowledge, or did not apprehend, that upon commencement of the lease term, a corresponding lease liability amounting to the same value of the Aggregated Consideration would also be recognised in the group’s financial statements of the subject tenant. In light of this, the Board is of the view that it is reckless for Emerson to use the accounting value of a right-of-use asset of a 8-year lease tenant (as recognised under a long term lease arrangement) as a relevant base to determine the capital value of a property title ownership with the benefit of a long-term leasehold land title. In the case of the Guanlan Property, the land use right is for a term of 70 years up to 2082, with remaining term of 63 years. In the case of the Guangming Property, the land use right is for a term of 50 years up to 2059, with remaining term of 40 years.

Emerson then used the accounting value of the Emerson Example to derive its so-called “true value” for the commercial space of the Guanlan Property at RMB11,982 per sqm, which represents 23% of the Acquisition Valuation attributable to that part of the Guanlan Property. From that, Emerson applied the same 23% to the Acquisition Valuation attributable to other components of the Investment Properties, except for the car parking spaces (which will be discussed below). On this basis, Emerson has derived their so-called “true value” for each component of the Investment Properties as follows:

	Acquisition Value (RMB/sqm) (A)	Emerson’s Appraised Value (RMB/sqm) (B)	(B)/(A) as a percentage
<i>Guanlan Property</i>			
Retail	93,000	21,429	23%
Commercial	52,000	11,982	23%
Office	53,000	12,212	23%
<i>Guangming Property</i>			
Office	51,700	11,913	23%

The Board simply considers such method of appraisal is crude and unprofessional.

As for their appraisal of the car parking spaces of the Investment Properties, Emerson claimed to have used the initial monthly rent of the car parking spaces of the Guanlan Property of RMB230 per parking space and made adjustments to the term of the land use right of the Investment Properties and came up to RMB61,240 and RMB52,956 per parking space of the Guanlan Property and the Guangming Property respectively. As the Report does not provide more details on the other appraisal parameters used by Emerson in their appraisal of the car parking spaces, the Company is not able to ascertain further the bases and assumptions underlying their appraisal. Nevertheless, it is the plan of the Company to lease out the long-term use of rights of the car parking spaces to future lessees, rather than short-term lessees. The Board considers the direct comparison approach in valuing the car parking spaces as adopted by the Valuer is more appropriate.

In short, the Company considers the Emerson's Appraised Value to be fundamentally wrong.

The Investment Properties not generating cashflow

Emerson's allegation:

Emerson alleged that although the Investment Properties are located in Tier 1 Chinese city of Shenzhen, they can hardly generate any meaningful cash flow as they are situated at less-than-desirable locations. In coming to this view, Emerson alleged that the leasing of the Investment Properties has been constantly delayed because there are difficulties in leasing the properties out.

Company's response:

The Guanlan Property is located at the Longhua District, Shenzhen. The Guangming Property is located at the Guangming District, Shenzhen. Emerson takes the view that the Investment Properties are at less-than desirable locations because they are further away from the Luohu border crossing point to Hong Kong than Luohu, Futian and Nanshan districts. The Company does not agree to this. Apparently, Emerson does not have good knowledge of the property market development in Shenzhen in recent years, in that the Guangming and Longhua districts have become direct administrative districts and been designated for speedy economic development by the local governments. It is expected that the growth engine for the development of these two districts will be from investors within the Shenzhen City and from other regions of the country. Accordingly, the proximity to the Luohu border crossing point to Hong Kong would not be the winning factor for success of the Guangming and Longhua districts.

It is the Group's strategy to build and maintain its investment property portfolio with good branding and market positioning strategy. To this end, the Company has engaged a consultant to design the rebranding strategy for the Group and will commence leasing of the Investment Properties after the rebranding and refurbishment of the buildings. The Company believes its business direction is sound and appropriate and is not hasty to recoup its investment by leasing out the property units on a piecemeal basis. The Board

acknowledges the lack of income from the Investment Properties for the short term, but considers it more important to place the Investment Properties in the market in a prime position for its long term development potential and benefit of upward capital appreciation.

Financial position of the Group

Emerson's allegation:

Emerson forecasted declining revenue of the Group in FY2019 as EP Segment and the MVP Segment will not generate any revenue and the net asset value of the Group will be negative based on the Emerson's Appraised Value for the Investment Properties.

Company's response:

The allegation that the EP Segment and the MVP Segment of the Group will generate zero revenue in FY2019 is a groundless exaggeration, as rebutted by the Company above. As stated in the FY2018 Annual Report, the net asset value of the Group amounted to HK\$2,932 million. Emerson's appraisal of the negative net asset value of the Group is based on its absurd valuations of the Investment Properties of a mere HK\$1.6 billion in total, which are not worth commenting and strongly rebutted by the Directors above. Shareholders are urged to refer to the 1H2019 Interim Announcement for the latest financial position of the Group.

The Directors affirm that the Group's internally generated cash flows, available banking facilities and the facility provided by the ultimate holding company are sufficient to fulfill its present working capital requirements.

Indicators of financial frauds

Emerson's allegation:

Emerson alleged that the Group has signs of financial fraud, which includes backdoor listing of the Group in Hong Kong, continuous resignation of auditors and CFO with poor governance structure, poor earnings quality with no cash flows and massive debts.

Company's response:

The Board dismisses this allegation of Emerson as malicious. The Company emphasizes that the changes in auditors and CFO of the Company in the past years occurred in the natural course of operation/corporate events of the Company and there was no irregularities or frauds associated with such changes. The past auditors have given their clearance to the appointment of the next auditors. Each CFO in the past has confirmed at departure that there was no disagreement between him and the Company and there were no circumstances in connection with his resignation which should be brought to the attention of Shareholders. The Company asserts that it also maintains a good corporate structure and has complied with all code provisions in the Corporate Governance Code as set out in The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Accountability of Emerson

The Board is of grave concern of the motive and purpose of Emerson in the issuance of the Report. While Emerson said in the disclaimer statement in the Report that *“they are a group of seasoned equities analysts with many years of experience in the research of economic and political trends as well as individual stocks around the world”*, it is astonishing to see so many inaccurate and reckless statements and information made in the Report. The Company notes that neither Emerson nor their officers have declared their stock position in the Company’s equities and/or derivatives, nor have they made any no dealing undertakings. In the contrary, they made the disclaimer statement that – *“Emerson and/or their associates/partners may have long or short positions in the equities and/or their derivatives at the time of publication of the Report, and Emerson and/or their associates/partners may maintain or change their positions at any time”*. **In this light, the Board considers that the Report is opportunistic, and urges Shareholders and potential investors to exercise extreme caution when using the information contained in the Report.**

Company reserves its legal right

As shown in the above Company’s responses, the Report is filled with serious mistakes, speculative statements and fabrications of facts and assumptions, which have formed the basis of the wrongful allegations in the Report. Regrettably, despite their lack of understanding of the Group’s business and operations, Emerson have never attempted to interview with the Company to ascertain the accuracy and correctness of the information in the Report before its issuance. The Company reserves its right to take legal actions against Emerson for any damages or losses that it may suffer from the misleading Report.

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

Hong Kong, 26 August 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.