

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.



偉祿集團控股有限公司
REALORD GROUP HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1196)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

This announcement is made by Realord Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 30 March 2020 (the “**Preliminary Announcement**”) in relation to the unaudited consolidated annual results of the Group for the year ended 31 December 2019 (the “**FY2019**”). The Preliminary Announcement contains the Group’s preliminary unaudited consolidated statement of profit or loss for the year ended 31 December 2019 and the unaudited consolidated statement of financial position as at 31 December 2019 (the “**Preliminary Statement of Financial Position**”).

Subsequent to the Preliminary Announcement, the Company has been advised by its auditors that a reduction of an amount of approximately HK\$439.8 million (the “**Amount**”) made in the equity in the Preliminary Statement of Financial Position should be reversed and be dealt with as a fair value loss charged through statement of profit or loss, thereby resulting in the recording by the Group of (i) a net loss of approximately HK\$404.7 million for FY2019, and not a net profit of approximately HK\$35.1 million for FY2019 as disclosed in the Preliminary Announcement; and (ii) a net loss attributable to the owners of the Company of approximately HK\$415.5 million for FY2019, and not a net profit attributable to the owners of the Company of approximately HK\$24.3 million for FY2019 as disclosed in the Preliminary Announcement. The Amount represented a fair value loss arising on the early redemption of outstanding promissory notes by the Company during FY2019, which were issued at completion of the Group’s acquisition of certain investment properties during the year ended 31 December 2018 (the “**FY2018**”) from Dr. Lin Xiaohui and Madam Su Jiaohua, the controlling shareholders of the Company. At the time of the completion of the said acquisition, the fair value of net assets acquired was higher than the fair value of the consideration by approximately HK\$586.6 million and such gain on purchase was recognised as a deemed contribution from controlling shareholders of the Company through equity for FY2018 and resulted

in an increase in equity attributable to the owners of the Company in the same amount. Although the said gain on purchase was dealt through equity and not through statement of profit or loss for FY2018 in accordance with the Hong Kong Financial Reporting Standards, the Company is advised that the Amount shall be charged through statement of profit or loss for FY2019 in accordance with the Hong Kong Financial Reporting Standards, not through equity as it had initially been accounted for in the Preliminary Announcement. The Company wishes to apologise for the confusion that it may cause by this correction.

Notwithstanding this, the overall effects of the gain on purchase on the equity attributable to owners of the Company standing as at 31 December 2019 was a net gain of approximately HK\$146.8 million (representing the surplus of (i) the gain on purchase of approximately HK\$586.6 million recognised through equity for FY2018 over (ii) the fair value loss of approximately HK\$439.8 million charged through statement of profit or loss for FY2019). The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company that both the fair value loss charged through statement of profit or loss for FY2019 and the gain on purchase recognised through equity for FY2018 were non-cash items not affecting the cash flows of the Group for either year.

The audit process on FY2019 annual results of the Group is at its final stage as at the date of this announcement. The abovementioned information is based on the latest unaudited consolidated management accounts of the Group for FY2019 and information currently available to the management of the Group, subject to the finalisation of the audit process and to be reviewed by the audit committee of the Company. Following the completion of the audit process, the Company will issue further announcement (the “**Audited Results Announcement**”) in relation to the annual results for FY2019 that have been agreed by the Company’s auditors and explanation of the material difference thereof, as compared to the unaudited annual results contained in the Preliminary Announcement, which announcement is expected to be published by 20 April 2020. Corresponding revisions will also be made to the earnings per share of the Company and total comprehensive expense for FY2019, on an audited basis, to reflect the resultant changes arising from the Amount charged through statement of profit or loss for FY2019. The aforesaid details will also be disclosed in the Audited Results Announcement. The Company will also issue further announcement as and when necessary if there is other material development before the completion of the audit process.

The unaudited financial information in respect of the annual results of the Group for FY2019 remains to be subject to audit and to be agreed with the Company’s auditors. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 14 April 2020

As at the date of this announcement, the executive directors of the Company are Dr. Lin Xiaohui, Madam Su Jiaohua and Mr. Lin Xiaodong and the independent non-executive directors of the Company are Mr. Yu Leung Fai, Mr. Fang Jixin and Dr. Li Jue.