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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)

POSITIVE PROFIT ALERT

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 (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2020 (the “**Management Accounts**”) and the information currently available to the management of the Group, the Group is expected to record a net profit attributable to the Shareholders of not less than HK\$790 million for the year ended 31 December 2020 (the “**FY2020**”), as compared to a net loss attributable to the Shareholders of approximately HK\$416 million for the year ended 31 December 2019 (the “**FY2019**”).

The improvement in the Group’s results for the FY2020 is expected to be mainly attributable to a net gain on fair value changes on the Group’s investment properties of not less than HK\$2,400 million for the FY2020 (as compared to that of a net loss on fair value changes of approximately HK\$203 million for the FY2019). Such net gain on fair value changes mainly represented an appreciation in value of the Group’s property located in Qiankeng Industrial Zone, Longhua District, Shenzhen, the People’s Republic of China, of which the approval in principle in respect of the proposed urban redevelopment plan thereon involving a change in land use from industrial to residential use was granted by the relevant government authority in August 2020. The abovementioned effect on the Group’s results for the FY2020 is expected to be partially offset by (i) the income tax expense charged for the FY2020 mainly as a result of the deferred taxation arising from the net gain on fair value changes of investment properties; (ii) the net exchange loss mainly due to the appreciation of Renminbi

(“**RMB**”) against Hong Kong dollars (“**HK\$**”) which was arisen from the remeasurement of liabilities of the Group denominated in RMB upon translation to HK\$ at the report date; and (iii) the increase in finance costs for the FY2020 mainly resulted from the increase in bank borrowings. The gain on re-measurement of previously held interests in an associate of approximately HK\$709 million and the loss on early redemption of promissory notes of approximately HK\$440 million as recorded in the Group’s consolidated statement of profit or loss for the FY2019 were not recurred in the FY2020.

As the Group is still in the process of finalising its annual results for the FY2020, the information contained in this announcement is only a preliminary assessment of the Group’s management based on the Management Accounts and information currently available and subject to, among other things, the finalisation of valuation results of investment properties, which has not been audited or reviewed by the Company’s auditors.

Shareholders 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, 16 March 2021

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.