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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 AND CONNECTED TRANSACTION  
IN RELATION TO DISPOSAL OF  
THE ENTIRE ISSUED SHARE CAPITAL OF  
THE DISPOSAL COMPANY AND ASSIGNMENT OF DEBTS**

**THE DISPOSAL**

After trading hours of the Stock Exchange on 6 August 2024, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser, entered into the Agreement, pursuant to which (i) the Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares, being the entire issued share capital of the Disposal Company held by the Vendor as at the date of the Agreement, at a nominal consideration of HK\$1; and (ii) the Vendor has also agreed to procure its two wholly-owned subsidiaries, Chun Ming and Qualiti, to assign Debt A and Debt B, respectively, to the Purchaser at Completion each at a nominal consideration of HK\$1.

The Disposal Group is principally engaged in the provision of financial printing, digital printing and other related services in Hong Kong. Majority of the customers are companies listed on the Stock Exchange, and the Disposal Group principally provide financial printing services for its customers for the printing of annual and/or interim reports, announcements, circulars and prospectuses.

The nominal consideration for the Sale Shares was determined upon arm's length negotiations between the Vendor and the Purchaser with reference to the unaudited consolidated loss after tax of the Disposal Group of approximately HK\$1.3 million, HK\$4.3 million and HK\$5.2 million for the two years ended 31 December 2022 and 2023 and the six months ended 30 June 2024, respectively, and the unaudited consolidated net liabilities of the Disposal Group of approximately HK\$6.12 million as at 30 June 2024.

The Debts were intra-group financing provided by Chun Ming and Qualiti to the Disposal Company in the past and had been used to fund the operations of the Disposal Group. As such, the Vendor and the Purchaser have regarded the Debts a form of quasi capital in nature. In view that the Disposal Group has been loss-making over the years, resulting in the net liabilities position of the Disposal Group as mentioned above, the Vendor and the Purchaser have agreed the consideration for each of the Debts to be at a nominal amount.

Completion took place upon signing of the Agreement. Following Completion, the Disposal Company shall cease to be a subsidiary of the Company, and the financial results of the Disposal Group will no longer be consolidated into the Group's consolidated financial statements.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as stipulated under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but are all less than 25%, the Disposal constitutes a discloseable transaction of the Company, and is subject to the notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

As the Purchaser is a company wholly-owned by Mr. Lui, who is a connected person of the Company at subsidiary level pursuant to Chapter 14A of the Listing Rules, the Disposal also constitutes a connected transaction of the Company under the Listing Rules.

As all of the applicable percentage ratios are less than 25% and the total consideration is less than HK\$10,000,000, the Disposal is only subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2) (b) of the Listing Rules.

### **THE DISPOSAL**

The Board is pleased to announce that after trading hours of the Stock Exchange on 6 August 2024, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser, entered into the Agreement, pursuant to which (i) the Vendor has agreed to sell, and the Purchaser has agreed to acquire, the Sale Shares, being the entire issued share capital of the Disposal Company held by the Vendor as at the date of the Agreement, at a nominal consideration of HK\$1; and (ii) the Vendor has also agreed to procure its two wholly-owned subsidiaries, Chun Ming and Qualiti, to assign Debt A and Debt B to the Purchaser at Completion each at a nominal consideration of HK\$1.

Completion took place upon signing of the Agreement. Following Completion, the Disposal Company shall cease to be a subsidiary of the Company, and the financial results of the Disposal Group will no longer be consolidated into the Group's consolidated financial statements.

Principal terms of the Agreement are set out below.

## **THE AGREEMENT**

### **Date**

6 August 2024

### **Parties**

- (i) The Vendor, a direct wholly-owned subsidiary of the Company; and
- (ii) the Purchaser.

The Purchaser was incorporated in Hong Kong with limited liability. It is an investment holding company and is wholly-owned by Mr. Lui as at the date of the Agreement. Mr. Lui is a director of the Disposal Company. He does not have any shareholding interest in the Company nor hold any position of the Company. Accordingly, the Purchaser is a connected person of the Company at the subsidiary level pursuant to Chapter 14A of the Listing Rules.

### **Assets to be disposed of**

The assets to be disposed of by the Vendor to the Purchaser comprise the Sale Shares and the Debts.

The Sale Shares represent the entire issued share capital of the Disposal Company.

The Debts comprise the debts owing by the Disposal Company to two wholly-owned subsidiaries of the Vendor, namely Chun Ming and Qualiti, as at the date of Completion. As at the date of the Agreement, Debt A owing to Chun Ming amounted to approximately HK\$2.17 million, and Debt B owing to Qualiti amounted to HK\$800,000.

### **Consideration**

#### ***Consideration for the Sale Shares***

The consideration for the Sale Shares is at a nominal amount of HK\$1, which shall be payable by the Purchaser to the Vendor in cash, and was determined upon arm's length negotiations between the Vendor and the Purchaser with reference to the financial results of the Disposal Group in recent years and the financial position of the Disposal Group. During the two years ended 31 December 2022 and 2023 and the six months ended 30 June 2024, the Disposal Group recorded unaudited consolidated loss after tax of approximately HK\$1.3 million, HK\$4.3 million and HK\$5.2 million, respectively. On the financial position aspect, as at 30 June 2024, the Disposal Group had unaudited consolidated net liabilities of approximately HK\$6.12 million.

### ***Consideration for the Debts***

The consideration for each of the Debts is at a nominal amount of HK\$1, which shall be payable by the Purchaser to the Vendor in cash, and was determined upon arm's length negotiations between the Vendor and the Purchaser. The Debts were intra-group financing provided by Chun Ming and Qualiti to the Disposal Company in the past and had been used to fund the operations of the Disposal Group. As such, the Vendor and the Purchaser have regarded the Debts a form of quasi capital in nature. In view that the Disposal Group has been loss-making over the years, resulting in the net liabilities position of the Disposal Group as mentioned above, the Vendor and the Purchaser have agreed the consideration for each of the Debts to be at a nominal amount.

Taking into account the above factors, the Directors (including the independent non-executive Directors) are of the view that the Consideration is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

### **Completion**

Completion took place on the same date of the entering into of the Agreement.

### **INFORMATION OF THE DISPOSAL GROUP**

The Disposal Company was incorporated in Hong Kong with limited liability and is directly wholly-owned by the Vendor as at the date of the Agreement. The Disposal Group is principally engaged in the provision of financial printing, digital printing and other related services in Hong Kong. Majority of the customers are companies listed on the Stock Exchange, and the Disposal Group principally provides financial printing services for its customers for the printing of annual and/or interim reports, announcements, circulars and prospectuses.

## Financial information

Set out below is a summary of the unaudited financial information of the Disposal Group for the two years ended 31 December 2022 and 2023 which is extracted from the audited consolidated financial statements of the Group and for the six months ended 30 June 2024 which is extracted from the unaudited consolidated management accounts of the Disposal Group, respectively:

	<b>For the six months ended 30 June 2024</b> <i>(unaudited)</i> <i>HK\$'000</i>	<b>For the year ended 31 December 2023</b> <i>(unaudited)</i> <i>HK\$'000</i>	<b>2022</b> <i>(unaudited)</i> <i>HK\$'000</i>
Revenue	25,047	55,704	60,066
Loss before tax	(5,330)	(3,251)	(1,380)
Loss after tax	(5,232)	(4,307)	(1,302)

As at 30 June 2024, the Disposal Group had unaudited consolidated net liabilities of approximately HK\$6.12 million.

## REASONS FOR AND BENEFITS OF THE DISPOSAL

The principal activities of the Group include (i) property investment, development and commercial operation; (ii) financial services, including corporate finance advisory, asset management, securities brokerage services, margin financing and money lending; (iii) environmental protection business, mainly dismantling, processing, trading and sales of scrap materials; (iv) distribution and sales of motor vehicle parts; (v) financial printing, digital printing and other related services (the “**Commercial Printing Segment**”); (vi) operation of department stores and provision of life insurances; and (vii) provision of citizenship application and consultancy services on citizenship by investment programme and development of project in Grenada.

As mentioned in the annual report of the Company for the year ended 31 December 2023, due to the slow-down of the financial market in Hong Kong, demand for commercial printing services has weakened. Under the challenging business environment, the revenue generated from the Commercial Printing Segment had decreased, and the net loss had increased, for the year ended 31 December 2023, as compared to that for the year ended 31 December 2022. As a result of reducing financial market activities such as mergers & acquisition and fund raising in Hong Kong, the number of financial printing jobs of the Disposal Group had also been decreasing, particularly since the second half of 2023. The fees for financial printing jobs have been under pressure due to intense market competition, while the cost of sales comprising principally the subcontracting costs of printing and translation remained at similar levels, resulting in a drop in the gross profit margin from approximately 80.6% for the year ended 31 December 2022 to approximately 77.9% for the year ended 31 December 2023. Despite the drop in business, the Disposal Group has to maintain the majority of its work force to avoid shortage of labour when needed, particularly during the peak season in the first quarter of the year. The operating costs of the Disposal Group, particularly the staff costs, remained high, resulting in an increase in loss after tax of the Disposal Group. The first half of 2024 did not show signs of recovery. The revenue for the six months ended 30 June 2024 decreased further and the gross profit margin dropped to approximately 71.9% for the period. As a result, the loss after tax recorded by the Disposal Group for the six months ended 30 June 2024 was even higher than the loss after tax for the entire year of 2023.

In the circumstances, the Company has reviewed the business operations and prospects of the Commercial Printing Segment, and is not optimistic about its business outlook, particularly in light of the decline in financial printing jobs under the current market condition. Considering the reduced demand and the intense competition in the market, the Board is of the view that enhancing the financial performance of the Commercial Printing Segment in the near future will be challenging. As such, the Board considers that the Group should focus its resources and management efforts on developing other business segments with more promising outlook. Following the Disposal, the Group will no longer record the operating losses of the Disposal Group, and the overall financial performance of the Group is anticipated to improve.

The Company will also take this opportunity to review and assess the performance of other business segments of the Group and take necessary actions as and when appropriate in order to realign the principal activities of the Group.

Having considered the above, the Directors (including the independent non-executive Directors) are of the view that, notwithstanding that the Disposal is not in the ordinary and usual course of business of the Group, the terms of the Agreement are on normal commercial terms and are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECTS OF THE DISPOSAL**

Upon Completion, the Disposal Company shall cease to be a subsidiary of the Company, and the financial results of the Disposal Group will no longer be consolidated into the Group's consolidated financial statements.

Subject to the review of the Company's auditor and for illustrative purpose only, it is estimated that the Group will record a gain on Disposal of approximately HK\$2.95 million, which is calculated based on the difference between (i) the Consideration; (ii) the unaudited consolidated net liabilities of the Disposal Group as at 30 June 2024 of approximately HK\$6.12 million; (iii) the Debts of approximately HK\$2.97 million in aggregate; and (iv) the estimated transaction costs for the Disposal of approximately HK\$0.2 million.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as stipulated under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but are all less than 25%, the Disposal constitutes a discloseable transaction of the Company, and is subject to the notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

As the Purchaser is a company wholly-owned by Mr. Lui, who is a connected person of the Company at subsidiary level pursuant to Chapter 14A of the Listing Rules, the Disposal also constitutes a connected transaction of the Company under the Listing Rules.

As all of the applicable percentage ratios are less than 25% and the total consideration is less than HK\$10,000,000, the Disposal is only subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.76(2)(b) of the Listing Rules.

Since none of the Directors has a material interest in the Disposal, no Director has abstained from voting on the board resolutions of the Company to approve the Agreement and the transactions contemplated thereunder.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Agreement”	the sale and purchase agreement dated 6 August 2024 entered into between the Vendor and the Purchaser in respect of the Disposal
“Board”	the board of Directors
“Chun Ming”	Chun Ming Printing Factory Company Limited (振明印刷廠有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor as at the date of the Agreement
“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 Disposal pursuant to the terms of the Agreement which took place on the same date as the Agreement
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Debt A”	the outstanding debt owing by the Disposal Company to Chun Ming as at the date of the Agreement
“Debt B”	the outstanding debt owing by the Disposal Company to Qualiti as at the date of the Agreement
“Debts”	Debt A and Debt B
“Director(s)”	director(s) of the Company
“Disposal”	disposal of the Sale Shares by the Vendor to the Purchaser and the assignment of the Debts by Chun Ming and Qualiti to be procured by the Vendor to the Purchaser pursuant to the terms of the Agreement



“Disposal Company”	Capital Financial Press Limited, a company incorporated in Hong Kong with limited liabilities and a wholly-owned subsidiary of the Vendor immediately before Completion
“Disposal Group”	the Disposal Company and its subsidiaries
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lui”	Mr. Lui Shing Ming Brian, a director of the Disposal Company
“Purchaser”	Brilliant Gold Financial Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by Mr. Lui
“Qualiti”	Qualiti Printing and Sourcing Limited (高品印刷有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor as at the date of the Agreement
“Sale Shares”	800,000 shares in the share capital of the Disposal Company, being the entire issued shares of the Disposal Company as at the date of the Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Realord (BVI) Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“%”

per cent.

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

Hong Kong, 6 August 2024

*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 Mr. Ho Chun Chung Patrick.*