
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in On Real International Holdings Limited (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



On Real International Holdings Limited

安悦國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8245

PROPOSED SHARE SUBDIVISION AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover shall have the same meanings as defined in this circular.

A notice convening the EGM to be held at Unit 311, 3/F., Lakeside 1, No. 8 Science Park West Avenue, Hong Kong Science Park, Shatin, N.T., Hong Kong on Wednesday, 14 December 2016 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A proxy form for use at the meeting is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Boardroom Share Registrars (HK) Ltd., at 31/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof should you so desire and in such case, the proxy form shall be deemed to be revoked.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.on-real.com.

28 November 2016

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Pages</i>
Characteristics of GEM	i
Expected timetable	1
Definitions	3
Letter from the Board	5
Notice of EGM	EGM-1

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision is set out below:

Latest date and time of lodgment of
form of proxy for the EGM 11:00 a.m. on Monday,
12 December 2016

Date and time of the EGM 11:00 a.m. on Wednesday,
14 December 2016

Publication of the announcement of poll results of the EGM. Wednesday,
14 December 2016

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision, as set out in the section headed “Conditions of the Share Subdivision” in this circular.

Effective date of the Share Subdivision Thursday,
15 December 2016

Free exchange of Existing Share Certificates for
New Share Certificates commences Thursday,
15 December 2016

Dealing in Subdivided Shares commences 9:00 a.m. on Thursday,
15 December 2016

Original counter for trading in existing Shares
(in board lots of 5,000 existing Shares) closes 9:00 a.m. on Thursday,
15 December 2016

Temporary counter for trading in Subdivided Shares
in board lots of 40,000 Subdivided Shares
(in form of the Existing Share Certificates
in yellow colour) opens 9:00 a.m. on Thursday,
15 December 2016

Original counter for trading in Subdivided Shares
(in board lots of 5,000 Subdivided Shares
in the form of New Share Certificates in
green colour) re-opens 9:00 a.m. on Tuesday,
3 January 2017

Parallel trading in existing Shares and Subdivided Shares
(in form of Existing Share certificates
in yellow colour and New Share Certificate
in green colour) begins. 9:00 a.m. on Tuesday,
3 January 2017

EXPECTED TIMETABLE

Temporary counter for trading in Subdivided Shares
in board lots of 40,000 Subdivided Shares
(in form of Existing Share Certificates
in yellow colour) closes 4:00 p.m. on Monday,
23 January 2017

Parallel trading in existing Shares and Subdivided Shares
(in form of Existing Share Certificates in yellow colour
and New Share Certificates in green colour) ends 4:00 p.m. on Monday,
23 January 2017

Free exchange of Existing Share Certificates for
New Share Certificates in green colour ends Wednesday,
25 January 2017

All times and dates in this circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Further announcement(s) will be made by the Company for any changes (if any) to the expected timetable as and when appropriate.

DEFINITIONS

In this circular, unless the context otherwise defined, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	On Real International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company convened and to be held for the purpose of considering and, if thought fit, approving the Share Subdivision and the transactions contemplated thereunder
“Existing Share Certificate(s)”	existing form of certificate(s) of the Shares
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	24 November 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“New Share Certificate(s)”	form of certificate(s) of the Subdivided Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Subdivision
“Shareholder(s)”	holder(s) of the Share(s) or Subdivided Share(s) (as the case may be)
“Share Subdivision”	the proposed subdivision of every one (1) Share into eight (8) Subdivided Shares as described in this circular

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.00125 each in the share capital of the Company upon the Share Subdivision becoming effective
“%”	percentage or per cent.



On Real International Holdings Limited

安悦國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8245

Executive Directors:

Mr. Tam Wing Ki
Mr. Fu Yan Ming
Mr. Kwok Ming Fai
Mr. Tao Hong Ming

Non-executive Director:

Mr. Chau Wai Hung, Andy

Independent non-executive Directors:

Mr. Chan Shiu Man
Mr. Cheng Yuk Kin
Mr. Wong Ching Wan

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal place of business
in Hong Kong:*

Room 2401-02
24/F Jubilee Centre
46 Gloucester Road
Hong Kong

28 November 2016

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE SUBDIVISION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 11 November 2016 in which the Board proposes to subdivide every one (1) issued and unissued Share into eight (8) Subdivided Shares.

The purpose of this circular is to provide you with information relating to the Share Subdivision and to give you notice of the EGM at which an ordinary resolution will be proposed to approve, among other matters, the Share Subdivision.

LETTER FROM THE BOARD

PROPOSED SHARE SUBDIVISION

The Board proposes to put forward the proposed Share Subdivision whereby every one (1) existing issued and unissued Share of par value of HK\$0.01 each in the share capital of the Company will be subdivided into eight (8) Subdivided Shares of par value of HK\$0.00125 each.

Effect of the Share Subdivision

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$7,800,000 divided into 780,000,000 Shares of par value of HK\$0.01 each, of which 480,000,000 Shares have been issued and are fully paid or credited as fully paid.

Assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the EGM, immediately after the Share Subdivision becoming effective, the authorised share capital of the Company will become HK\$7,800,000 divided into 6,240,000,000 Subdivided Shares of par value of HK\$0.00125 each, of which 3,840,000,000 Subdivided Shares of par value of HK\$0.00125 each will be in issue which are fully paid or credited as fully paid following the Share Subdivision becoming effective.

As at the Latest Practicable Date, the Company had not adopted any share option scheme and did not have any derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

Upon the Share Subdivision becoming effective, the Subdivided Shares will rank *pari passu* in all respects with each other and the Share Subdivision will not result in any change in the rights of the Shareholders.

Conditions of the Share Subdivision

The Share Subdivision is conditional upon (i) the passing of the ordinary resolution to approve the Share Subdivision by the Shareholders at the EGM; and (ii) the Stock Exchange granting approval to the listing of, and permission to deal in, the Subdivided Shares.

An application has been made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Subdivided Shares.

Expected effective date of the Share Subdivision

Subject to the above conditions being fulfilled, the Share Subdivision is expected to become effective on Thursday, 15 December 2016.

Free exchange of Subdivided Shares' certificates and trading arrangement

Subject to the Share Subdivision becoming effective, which is expected to be on Thursday, 15 December 2016, Shareholders may, during the period from Thursday, 15 December 2016 to Wednesday, 25 January 2017 (both days inclusive) between 9:00 a.m. and 4:30 p.m. on any Business Day, submit their Existing Share Certificate(s) in yellow

LETTER FROM THE BOARD

colour to the Company's Hong Kong branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Ltd., at 31/F, 148 Electric Road, North Point, Hong Kong, to exchange, at the expense of the Company, for New Share Certificate(s) of the Subdivided Shares in green colour. Thereafter, existing Share Certificate(s) will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each Share Certificate issued or cancelled, whichever the number is higher.

Nevertheless, the Existing Share Certificate(s) will continue to be good evidence of legal title and may be exchanged for New Share Certificate(s) for the Subdivided Shares at any time at the expenses of the Shareholders after Wednesday, 25 January 2017, but are not accepted for trading, settlement and registration upon completion of the Share Subdivision.

It is expected that the New Share Certificates will be available for collection within a period of ten Business Days after the submission of the Existing Share Certificates to the Company's Hong Kong branch share registrar for exchange.

BOARD LOT SIZE

The Shares are currently traded in the board lot size of 5,000 Shares. Upon the Share Subdivision becoming effective, the board lot size of the Subdivided Shares for trading on the Stock Exchange will remain as 5,000 Subdivided Shares.

It is expected that the Share Subdivision will not result in any odd lot of the Shares other than those already exist, and therefore no odd lot arrangement for matching the sales and purchases of odd lots will be made.

REASONS FOR THE SHARE SUBDIVISION

As disclosed in the announcement of the Company dated 21 June 2016, the Securities and Futures Commission observed a high concentration in the shareholding of the Company among a limited number of Shareholders. Since then, the Company has been monitoring its shareholding structure from time to time. The Board noticed a significant increase in the Share prices since its listing on the GEM and considers it to be an important factor which discouraged the trading liquidity of the Shares in the recent months. The Board considered that it shall be in the best interest of the Company and the Shareholders to improve the trading liquidity of the Shares and to broaden its Shareholders' base, and therefore had considered measures to achieve this goal.

After detailed study, and having compared with the prevailing trading prices, board lot values and trading pattern of other companies which were newly listed on the GEM during August to October 2016, the Board observed an optimal range of trading price per share and board lot value, and found that a lower price per Share could effectively facilitate the trading volume and that may represent better participation of the public in the trading of shares. Since the prevailing market price of the Shares are comparatively higher than the comparables, trading liquidity in the Shares might therefore be hindered.

LETTER FROM THE BOARD

Upon the proposed Share Subdivision becoming effective, the nominal value of each Share will decrease and the total number of shares of the Company in issue will increase. The Share Subdivision will result in a downward adjustment of the trading price of the Shares. Therefore, taking into account the effect of the downward adjustment on the price per Subdivided Share upon the Share Subdivision becoming effective, and the motivation to the trading incentives of investors, the Board is of the view that the Share Subdivision is a more suitable and effective means instead of a mere change in board lot size for such purpose, as it is believed that when the public make investment decision, they normally will first consider, among other factors, the price per Share instead of calculating the value per board lot. Hence the resulting share price adjustment to be brought by the Share Subdivision shall provide better motivation to the public in considering investing in the Shares. Also, the resulting adjustment of the trading price per Subdivided Share will lower the minimum costs required for investors and hence is expected to improve the trading liquidity of the Shares, and thereby enabling the Company to attract more investors and broaden the Shareholders' base.

As at the Latest Practicable Date, the value per board lot of the Shares was HK\$25,000.00, and for reference only, the value per board lot of the Subdivided Shares would be HK\$3,125.00 as if the Share Subdivision has already taken place.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred (which is estimated to be approximately HK\$120,000), the implementation of the Share Subdivision will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders. The Directors believe that the Share Subdivision will not have any material adverse effect on the financial position of the Group.

In view of the above, the Board considers that the Share Subdivision is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no concrete fundraising plans.

WARNING

Shareholders and potential investors should be aware of and take note that the Share Subdivision is conditional upon satisfaction of the conditions precedent set out in the paragraph headed "Conditions of the Share Subdivision" above, and therefore may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

LETTER FROM THE BOARD

EGM

The notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular. The EGM will be held on Wednesday, 14 December 2016 at 11:00 a.m. at Unit 311, 3/F., Lakeside 1, No. 8 Science Park West Avenue, Hong Kong Science Park, Shatin, N.T., Hong Kong for the purpose of, considering and, if thought fit, to approve the Share Subdivision. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Boardroom Share Registrars (HK) Ltd., at 31/F, 148 Electric Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM and any adjournment thereof should you so desire and in such case, the proxy form shall be deemed to be revoked.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the ordinary resolution to be proposed at the EGM to approve the Share Subdivision.

The resolutions proposed to be approved at the EGM will be taken by poll and an announcement on the results of the EGM will be made by the Company thereafter.

COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or controlling shareholders or substantial shareholders of the Company or any of their respective close associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group nor does any of them has or may have any other conflicts of interests with the Group.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Share Subdivision is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution at the EGM to approve the Share Subdivision.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the

LETTER FROM THE BOARD

information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

INTEREST OF COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Lego Corporate Finance Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser on 26 January 2016, neither the Compliance Adviser nor its directors, employees or associates had any interest in relation to the Company or any member of the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at the Latest Practicable Date.

By order of the Board
On Real International Holdings Limited
Tam Wing Ki
Chairman and Executive Director



On Real International Holdings Limited

安悦國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8245

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of On Real International Holdings Limited (“**Company**”) will be held at Unit 311, 3/F., Lakeside 1, No. 8 Science Park West Avenue, Hong Kong Science Park, Shatin, N.T., Hong Kong on Wednesday, 14 December 2016 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution of the Company with or without amendment:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of, and the permission to deal in, the Subdivided Shares (as defined below), with effect from the business day immediately following the day on which this resolution is passed by the shareholders of the Company:

- (a) every one (1) issued and unissued shares of HK\$0.01 each in the share capital of the Company be subdivided into eight (8) shares of HK\$0.00125 each in the share capital of the Company (the “**Share Subdivision**”); and
- (b) any director of the Company be and is hereby generally authorised to do all such acts, deeds and things and execute all such documents, including under the seal of the Company, where applicable, as he/she may consider necessary or expedient to complete, implement and give effect to any and all the arrangements in connection with Share Subdivision.”

By order of the Board
On Real International Holdings Limited
Tam Wing Ki
Chairman and Executive Director

Hong Kong, 28 November 2016

NOTICE OF EGM

Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote in his/her behalf. A proxy need not be a member of the Company to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the instrument appointing a proxy and (if required by the board of Directors) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Ltd., at 31/F, 148 Electric Road, North Point, Hong Kong, not less than 48 hours before the time appointed for holding the EGM or adjourned meeting (as the case may be).
3. Delivery of an instrument appointing a proxy will not preclude a member from attending and voting in person at the EGM if the member so desires and in such event, the instrument appointing the proxy shall be deemed to be revoked.
4. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto to if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. In the case of any inconsistency between the Chinese translation and the English text hereof, the English text shall prevail.