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On Real International Holdings Limited

安悅國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8245)

- (1) PROPOSED SHARE CONSOLIDATION;**
- (2) PROPOSED CHANGE IN BOARD LOT SIZE;**
- (3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;**
- AND**
- (4) PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) CONSOLIDATED SHARES HELD ON THE RECORD DATE**

Financial Adviser to the Company



英皇融資有限公司
Emperor Capital Limited

Underwriter to the Rights Issue



英皇證券(香港)有限公司
Emperor Securities Limited

PROPOSED SHARE CONSOLIDATION

The Board intends to put forward a proposal to the Shareholders to effect the Share Consolidation which involves the consolidation of every ten (10) issued and unissued Existing Shares of par value HK\$0.00125 each into one (1) Consolidated Share of par value of HK\$0.0125.

As at the date of this announcement, the authorised share capital of the Company is HK\$7,800,000 divided into 6,240,000,000 Existing Shares of HK\$0.00125 each, of which 3,990,000,000 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming no further Shares will be issued or repurchased between the date of this announcement and the date of the EGM, immediately after the Share Consolidation becoming effective but before the Authorised Share Capital Increase and completion of the Rights Issue, the authorised share capital of the Company will become HK\$7,800,000 divided into 624,000,000 Consolidated Shares of HK\$0.0125 each, of which 399,000,000 Consolidated Shares (which are fully paid or credited as fully paid) will be in issue.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot of 5,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 5,000 Existing Shares to 10,000 Consolidated Shares upon the Share Consolidation having become effective.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Company proposes to increase the Company's authorised share capital (conditional on the Share Consolidation having become effective) from HK\$7,800,000 divided into 624,000,000 Consolidated Shares to HK\$39,000,000 divided into 3,120,000,000 Consolidated Shares by the creation of an additional 2,496,000,000 Consolidated Shares.

PROPOSED RIGHTS ISSUE

The Board proposes, subject to, amongst others, the Share Consolidation and the Authorised Share Capital Increase becoming effective, to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) Consolidated Shares held on the Record Date at the Subscription Price of HK\$0.1 per Rights Share, to raise gross proceeds of approximately HK\$19.95 million before expenses (assuming no further issue or repurchase of Shares on or before the Record Date), by way of the Rights Issue of 199,500,000 Rights Shares to the Qualifying Shareholders.

The Company will provisionally allot to the Qualifying Shareholders one Rights Share in nil-paid form for every two Consolidated Shares in issue and held on the Record Date. The Rights Issue will not be available to the Excluded Shareholders.

The estimated net proceeds from the Rights Issue after deducting all necessary expenses are estimated to be approximately HK\$17.55 million (assuming no further issue or repurchase of Shares on or before the Record Date), which are intended to be applied in following manner: (i) as to approximately HK\$14.04 million, being approximately 80%, or more of the net proceeds, for expansion of existing business and/or acquisition of and/or investment in business(es) which leverage on the competitive advantage of the Group should suitable opportunities arise; and (ii) remaining net proceeds of approximately HK\$3.51 million, being approximately 20%, or less of the net proceeds, for general working capital of the Group.

UNDERWRITING AGREEMENT

On 24 December 2019 (after trading hours of the Stock Exchange), the Company entered into the Underwriting Agreement with the Underwriter in relation to the underwriting and respective arrangements in respect of the Rights Issue.

The Rights Issue is fully underwritten by the Underwriter. Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite all the 199,500,000 Rights Shares, subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfillment of the conditions precedent contained therein. Details of the major terms and conditions of the Underwriting Agreement are set out in the section headed “THE UNDERWRITING AGREEMENT” in this announcement.

WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES, THE CONSOLIDATED SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the Existing Shares, the Consolidated Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares, the Consolidated Shares and/or the nil-paid Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

GEM LISTING RULES IMPLICATIONS

As the proposed Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders under the GEM Listing Rules.

GENERAL

A circular containing, among other things, (i) further details of (a) the Share Consolidation and (b) the Authorised Share Capital Increase; and (ii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Wednesday, 15 January 2020.

The Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Excluded Shareholders for their information only but the Company will not send the PAL and EAF to the Excluded Shareholders.

PROPOSED SHARE CONSOLIDATION

The Board intends to put forward a proposal to the Shareholders to effect the Share Consolidation which involves the consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following:

- (i) the passing of the ordinary resolution(s) by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the GEM Listing Rules to effect the Share Consolidation; and
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation.

The Share Consolidation will become effective on the second business day immediately following the fulfillment of the above conditions.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company amounted to HK\$7,800,000 divided into 6,240,000,000 Existing Shares, of which 3,990,000,000 Existing Shares had been allotted and issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and on the basis that no further Existing Shares will be allotted, issued or repurchased prior thereto, the authorised share capital of the Company will become HK\$7,800,000 divided into 624,000,000 Consolidated Shares of HK\$0.0125 each, of which 399,000,000 Consolidated Shares will be in issue, which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other in accordance with the Company's articles of association. No fractional Consolidated Shares will be issued by the Company. Any fractional entitlements of Consolidated Shares will be aggregated and sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Group or the interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

Odd lots arrangements and matching services

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will procure an arrangement with an agent to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares on a best effort basis. Further details in respect of the odd lots arrangements will be set out in the Circular.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation having become effective, Shareholders may, during the specified period, submit the existing share certificates for the Existing Shares to the Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, in exchange, at the expense of the Company, for new share certificates for the Consolidated Shares. Thereafter, existing share certificates for Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for Consolidated Shares at the expense of the Shareholders on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each existing share certificate cancelled or each new share certificate issued for Consolidated Shares (whichever is higher) but are not acceptable for trading, settlement and registration.

The new share certificates for the Consolidated Shares will be issued in light blue colour in order to distinguish them from the existing green colour.

Listing and Dealings

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares in issue arising from the Share Consolidation and all necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Existing Shares are traded on the Stock Exchange in board lot of 5,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 5,000 Existing Shares to 10,000 Consolidated Shares upon the Share Consolidation having become effective.

Based on the closing price of HK\$0.026 per Existing Share (equivalent to the theoretical closing price of HK\$0.26 per Consolidated Share) as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK\$130; (ii) the value of each board lot of 5,000 Consolidated Shares would be HK\$1,300; and (iii) the value of each board lot of 10,000 Consolidated Shares would be HK\$2,600.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Company further proposes to increase the Company's authorised share capital from HK\$7,800,000 divided into 624,000,000 Consolidated Shares to HK\$39,000,000 divided into 3,120,000,000 Consolidated Shares by the creation of an additional 2,496,000,000 Consolidated Shares. The proposed Authorised Share Capital Increase is conditional upon the following:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM approving the same; and
- (ii) the Share Consolidation having become effective.

REASONS FOR THE SHARE CONSOLIDATION, THE CHANGE IN BOARD LOT SIZE AND THE INCREASE IN AUTHORISED SHARE CAPITAL

Under Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities.

Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 30 August 2019 (the “**Guideline**”), the expected board lot value should be greater than HK\$2,000 per board lot taking into account the minimum transaction costs for a securities trade. As at the date of this announcement, the closing price of each Existing Share is HK\$0.026, with a board lot size of 5,000 Existing Shares, the Existing Shares are trading under HK\$130 per board lot.

The Existing Shares have been constantly traded below HK\$1.00 for the past few years. In order to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation, together with the Change in Board Lot Size, will increase the value of each board lot of the Consolidated Shares to more than HK\$2,000.

In order to accommodate growth of the Group and to provide the Company with greater flexibility to raise funds by the Rights Issue, the Board proposed the Authorised Share Capital Increase.

The Board believes the Share Consolidation, the Change in Board Lot Size and the Authorised Share Capital Increase are in the interests of the Company and the Shareholders as a whole.

PROPOSED RIGHTS ISSUE

The Board proposes, subject to, amongst others, the Share Consolidation and the Authorised Share Capital Increase becoming effective, the Rights Issue with the terms set out as follows:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Consolidated Shares held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.1 per Rights Share
Net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue)	:	Approximately HK\$0.088 per Rights Share
Number of Shares in issue as at the date of this announcement	:	3,990,000,000 Existing Shares
Number of Consolidated Shares in issue upon the Share Consolidation becoming effective	:	399,000,000 Consolidated Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	199,500,000 Rights Shares (assuming no Shares are issued or repurchased on or before the Record Date)
Total number of Consolidated Shares in issue upon completion of the Rights Issue	:	598,500,000 Consolidated Shares (assuming no Shares are issued or repurchased on or before the Record Date)
Gross proceeds from the Rights Issue	:	Approximately HK\$19.95 million before expenses (assuming no Shares are issued or repurchased on or before the Record Date)
Right of excess applications	:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

The Company has no outstanding convertible bonds, options, derivatives, warrants, conversion rights or other similar rights entitling holders thereof to subscribe for or convert into or exchange for new Shares as at the date of this announcement.

Assuming no Shares are issued or repurchased on or before the Record Date, the 199,500,000 Rights Shares to be issued pursuant to the terms of the Rights Issue represent 50.00% of the total number of issued Consolidated Shares upon the Share Consolidation becoming effective and approximately 33.33% of the total number of issued Consolidated Shares as enlarged by the issue of the Rights Shares. The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of such rights issue, open offers and/or specific mandate placings within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

Undertakings

The Company has not received any information or irrevocable undertaking from any substantial Shareholder of their intention in relation to the Rights Shares to be provisionally allotted to them under the Rights Issue as at the date of this announcement.

The Subscription Price

The Subscription Price of HK\$0.1 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue, upon an application of excess Rights Shares, or when a transferee of the nil-paid Rights Shares subscribes for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 61.54% to the theoretical closing price of HK\$0.26 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.026 per Existing Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 61.54% to the theoretical closing price of HK\$0.26 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of HK\$0.026 per Existing Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

- (iii) a discount of approximately 62.69% to the average theoretical closing price of approximately HK\$0.27 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the average closing price of approximately HK\$0.027 per Existing Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 51.61% to the theoretical ex-rights price of approximately HK\$0.207 per Consolidated Share (after taking into account the effect of the Share Consolidation) based on the closing price of HK\$0.026 per Existing Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a discount of approximately 30.26% to the net asset value of the Company of approximately HK\$0.143 per Consolidated Share based on the unaudited net asset value attributable to owners of the Company of approximately HK\$57,210,000 as at 30 September 2019 and 399,000,000 Consolidated Shares assuming the Share Consolidation has become effective.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among others, the market price of the Existing Shares under the prevailing market conditions, the financial condition of the Company and the reasons and benefits of Rights Issue as discussed in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" in this announcement. The Directors consider that the terms of the Rights Issue (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of the Rights Shares

The Rights Shares (when allotted, fully paid or credited as fully paid and issued) will rank pari passu in all respects among themselves and with the Consolidated Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully paid Rights Shares. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder. In order to be registered as members of the Company prior to the close of business on the Record Date, all transfers of the Consolidated Shares (together with the relevant share certificate(s)) must be lodged with the Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, for registration no later than 4:30 p.m. (Hong Kong time) on Monday, 10 February 2020.

It is expected that the last day of dealings in the Consolidated Shares on a cum-rights basis is Thursday, 6 February 2020, and the Consolidated Shares will be dealt with on an ex-rights basis from Friday, 7 February 2020.

Subject to the Share Consolidation and the Authorized Share Capital Increase having become effective and the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Company will despatch the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and will despatch the Prospectus only (without the PAL and the EAF) to the Excluded Shareholders for their information only.

Closure of register of members

The register of members of the Company will be closed from Tuesday, 11 February 2020 to Monday, 17 February 2020 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of the Consolidated Shares will be registered during the above book closure period.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of one (1) Rights Share (in nil-paid form) for every two (2) Consolidated Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Acceptance for all or any part of a Qualifying Shareholder's provisional allotment should be made only by completing a PAL and lodging the same with a remittance for the Rights Shares being accepted with the Registrar by the Latest Time for Acceptance.

Rights of Overseas Shareholders (if any)

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Board will comply with Rule 17.39 of the GEM Listing Rules and make necessary enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, based on legal advice, the Board is of the opinion that it would be necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account either of the legal restrictions under the laws of relevant place(s) or the requirements of the relevant overseas regulatory body or stock exchange, no provisional allotment of the nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, the Rights Issue will not be extended to the Excluded Shareholders. The basis for excluding the Excluded Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid pro rata (but rounded down to the nearest cent) to the Excluded Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit. Any unsold entitlements of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Application for the excess Rights Shares

Qualifying Shareholders shall be entitled to apply, by way of excess application, for (i) the Rights Shares representing the entitlement of the Excluded Shareholders and which cannot be sold at a net premium; and (ii) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or transferees of nil-paid Rights Shares. Applications for the excess Rights Shares may be made by completing the EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by the Latest Time for Acceptance.

The Board will allocate the excess Rights Shares at its discretion, but on a fair and equitable basis as far as practicable on the following principles:

- (i) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and
- (ii) the excess Rights Shares will be allocated to the applicants on a pro rata basis based on the number of excess Rights Shares applied for by them. No reference will be made to Rights Shares subscribed through PALs, or the number of Shares held by the Qualifying Shareholders.

Any Rights Shares not accepted for by the Qualifying Shareholders or transferees of nil-paid Rights Shares and not taken by excess application will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

Beneficial owners of Shares whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the beneficial owners of Shares whose Shares are registered in name of nominee companies should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually and are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

For those beneficial owners of Shares whose Shares are held by their nominee(s) (including HKSCC Nominees Limited) and who would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, for completion of the relevant registration not later than 4:30 p.m. (Hong Kong time) on Monday, 10 February 2020.

Certificates of the Rights Shares and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be sent on or before Wednesday, 11 March 2020 to those entitled thereto by ordinary post, at their own risk, to their registered addresses. If the Underwriting Agreement is terminated or not becoming unconditional, refund cheques will be despatched on or before Wednesday, 11 March 2020 by ordinary post, at the respective Shareholders' own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Wednesday, 11 March 2020, by ordinary post to the applicants, at their own risk, to their registered addresses.

Fractional entitlement to the Rights Shares

The Company will not provisionally allot and will not accept applications for any fraction of Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number). Fractional entitlements to any Rights Shares will be disregarded and will be aggregated and allocated to satisfy excess applications (if any) and/or disposed of in such manner as the Directors in their absolute discretion deem appropriate and for the benefits and interests of the Company.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Excluded Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange, or such

other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

THE UNDERWRITING ARRANGEMENT

The Rights Shares will be fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement as described below.

Underwriting Agreement

Date	:	24 December 2019 (after trading hours of the Stock Exchange)
Issuer	:	the Company
Underwriter	:	Emperor Securities

The Underwriter is a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO and its ordinary course of business includes underwriting of securities.

As at the date of this announcement, the Underwriter did not hold any Shares. The Underwriter and its ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, third parties independent of and not connected with the Company and its connected persons.

Number of Rights Shares underwritten by the Underwriter	:	199,500,000 Rights Shares
Underwriting Commission	:	4% of the aggregate Subscription Price in respect of the Underwritten Shares

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the financial position of the Group, the size of the Rights Issue, the current and expected market condition and the prevailing market rate. The Directors consider that the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

Subject to the fulfilment of the conditions (or any waiver, as the case may be, by the Underwriter) contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter has agreed to subscribe or procure the subscription for all Underwritten Shares that are not otherwise taken up.

Termination of the Underwriting Agreement

If prior to the Latest Time for Termination, one or more of the following events or matters shall occur, arise, exist, or come into effect:

- (1) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever after the signing of Underwriting Agreement;
- (2) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
- (3) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
- (4) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement;
- (5) after signing of the Underwriting Agreement, there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;

- (6) there is, after signing of the Underwriting Agreement, any change or any development involving a prospective change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the People's Republic of China or other jurisdiction relevant to any member of the Group and a change in currency conditions for the purpose of this paragraph includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs; or
- (7) the Circular and/or the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or the Takeovers Code or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company in compliance with the GEM Listing Rules,

which event or events is or are in the absolute opinion of the Underwriter:

- (a) likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole; or
- (b) likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares "taken up"; or
- (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (1) the Share Consolidation and the Authorised Share Capital Increase having become effective by no later than the Prospectus Posting Date;

- (2) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked listing of and permission to deal in the Consolidated Shares;
- (3) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms);
- (4) the filing and registration of the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
- (5) the posting of the Prospectus Documents to the Qualifying Shareholders by no later than the Prospectus Posting Date;
- (6) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms hereof on or before the Latest Time for Termination; and
- (7) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement.

The conditions precedent set out in paragraphs (1) to (5) are incapable of being waived by the Underwriter and the Company. The Underwriter may waive the condition set out in paragraph (7) in whole or in part by written notice to the Company.

The Company shall use all reasonable endeavours to procure the fulfilment of the conditions precedent set out in paragraphs (1) to (5) by the Latest Time Acceptance. If the conditions precedent set out in the above paragraphs are not satisfied (or, if applicable, waived by the Underwriter) by the Latest Time for Acceptance and/or the condition set out in paragraph (7) does not remain fulfilled (unless waived by the Underwriter under the terms of the Underwriting Agreement) up to the Latest Time for Termination, the Underwriting Agreement shall terminate (save in respect of the surviving provisions in relation to fees and expenses, indemnity, notices and governing law) and no party hereto will have any claim against any other party for cost, damages, compensation or otherwise (save in respect of any rights or obligations which may have accrued under the Underwriting Agreement prior to such termination), and the Rights Issue will not proceed.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in designing, manufacturing and selling of various electronic products and devices of which two-way radio and baby monitor products are operated on original design manufacturing basis.

The Directors consider that the Rights Issue, which is on a fully underwritten basis, will allow the Group to strengthen its capital structure without incurring debt financing cost, improve the financial position and provide additional financial resources for capturing suitable business expansion and investment opportunities when arise. Meanwhile, the Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro rata shareholding interests in the Company and to continue to participate in the future development of the Group. The Qualifying Shareholders are also able to further increase their interests in the Company through excess applications.

The gross proceeds from the Rights Issue will be approximately HK\$19.95 million. The net proceeds from the Rights Issue, after deducting professional fees and all other relevant expenses, are estimated to be approximately HK\$17.55 million. The net Subscription Price per Rights Share is expected to be approximately HK\$0.088. The net proceeds from the Rights Issue are intended to be used in the following manner:

- (a) as to approximately HK\$14.04 million, being approximately 80%, or more of the net proceeds, for expansion of existing business and/or acquisition of and/or investment in business(es) which leverage on the competitive advantage of the Group should suitable opportunities arise; and
- (b) remaining net proceeds of approximately HK\$3.51 million, being approximately 20%, or less of the net proceeds, for general working capital of the Group.

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no further issue or repurchase of Shares from the date of this announcement up to and including the date of completion of the Rights Issue, the table below sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the Share Consolidation becoming effective; and (iii) immediately after completion of the Rights Issue:

	As at the date of this announcement		Immediately after the Share Consolidation becoming effective		Immediately after completion of the Rights Issue Assuming all Shareholders have taken up the Rights Shares			
	No. of Existing Shares		No. of Consolidated Shares		No. of Consolidated Shares		No. of Consolidated Shares	
	Approximate %		Approximate %		Approximate %		Approximate %	
	(Note 4)		(Note 4)		(Note 4)		(Note 4)	
Solution Smart (Note 1)	1,125,896,000	28.22	112,589,600	28.22	168,884,400	28.22	112,589,600	18.81
SMK Investment (Note 2)	909,976,000	22.81	90,997,600	22.81	136,496,400	22.81	90,997,600	15.21
Public Shareholders								
Underwriter, sub-underwriter(s) and/or subscriber(s) procured by them (Note 3)	-	-	-	-	-	-	199,500,000	33.33
Other public Shareholders	<u>1,954,128,000</u>	<u>48.97</u>	<u>195,412,800</u>	<u>48.97</u>	<u>293,119,200</u>	<u>48.97</u>	<u>195,412,800</u>	<u>32.65</u>
Total	<u>3,990,000,000</u>	<u>100.00</u>	<u>399,000,000</u>	<u>100.00</u>	<u>598,500,000</u>	<u>100.00</u>	<u>598,500,000</u>	<u>100.00</u>

Notes:

1. Mr. Chung Wai Sum is the sole beneficial shareholder of Solution Smart Holdings Limited (“**Solution Smart**”). Therefore, Mr. Chung is deemed to be interested in the 1,125,896,000 shares of the Company held by Solution Smart under the SFO as at the date of this announcement.
2. Mr. Kor Sing Mung Michael is the sole beneficial shareholder of SMK Investment Company Limited (“**SMK Investment**”). Therefore, Mr. Kor Sing Mung Michael is deemed to be interested in the 909,976,000 shares of the Company held by SMK Investment under the SFO as at the date of this announcement.

3. Pursuant to the Underwriting Agreement, the Underwriter undertakes to the Company that in the event of it being called upon to subscribe for or procure subscribers for the Untaken Shares:
- (i) it shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares procured by it (including any direct and indirect sub-underwriters) shall be third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders of the Company (within the meaning of the GEM Listing Rules) or any of its subsidiaries and their respective associates;
 - (ii) it will not, and will procure each of the subscribers of the Untaken Shares procured by it (including any direct and indirect sub-underwriters) will not, together with any party acting in concert (within the meaning of the Takeovers Code) with it or its associates, hold 30.0% or more of the voting rights of the Company immediately upon completion of the Rights Issue; and
 - (iii) in the event that there is insufficient public float of the Company within the meaning of the GEM Listing Rules immediately upon completion of the Rights Issue solely because of the Underwriter's performance of its obligations under the Underwriting Agreement, it agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Consolidated Shares in compliance with Rule 11.23(7) of the GEM Listing Rules.

Emperor Securities confirmed to the Company that it has sub-underwritten its underwriting obligations to sub-underwriter(s) under terms of the Underwriting Agreement.

4. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

FUND RAISING EXERCISE OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fund raising activities during the 12 months immediately preceding the date of this announcement:

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
22 August 2019	Subscription of Shares under general mandate	HK\$3,280,000	Working capital of the Group	Fully utilised as intended

EXPECTED TIMETABLE OF THE SHARE CONSOLIDATION, CHANGE IN BOARD LOT SIZE, THE AUTHORISED CAPITAL INCREASE AND THE RIGHTS ISSUE

The expected timetable for the Share Consolidation, Change in Board Lot Size, the Authorised Share Capital Increase and the Rights Issue is set out below.

Event	Date
Expected date of despatch of the Circular in relation to, inter alia, the Share Consolidation and the Authorised Share Capital Increase to the Shareholders together with notice of EGM and proxy form for EGM	Wednesday, 15 January 2020
Latest time for lodging transfer of the Shares to qualify for attendance and voting at the EGM	4:30 p.m. on Wednesday, 29 January 2020
Closure of register of members of the Company for determining the identity of the Shareholders entitled to attend and vote at the EGM (both dates inclusive)	From Thursday, 30 January 2020 to Tuesday, 4 February 2020
Latest time for lodging proxy forms for the EGM	10:00 a.m. on Sunday, 2 February 2020
Record date for attendance and voting at the EGM	Tuesday, 4 February 2020
Expected date and time of the EGM to approve the Share Consolidation and the Authorised Share Capital Increase	10:00 a.m. on Tuesday, 4 February 2020
Announcement of the poll result of the EGM	Tuesday, 4 February 2020
Register of members re-opens	Wednesday, 5 February 2020
Effective date of the Share Consolidation and the Authorised Share Capital Increase	Thursday, 6 February 2020
Commencement of dealings in the Consolidated Shares	Thursday, 6 February 2020

Event	Date
Original counter for trading in the Existing Shares in board lots of 5,000 Existing Shares (in the form of existing share certificates in green colour) temporarily close	9:00 a.m. on Thursday, 6 February 2020
Temporary counter for trading in board lots of 500 Consolidated Shares (in the form of existing share certificates in green colour) open	9:00 a.m. on Thursday, 6 February 2020
First date of free exchange of existing share certificates for new share certificates in light blue colour for the Consolidated Shares	9:00 a.m. on Thursday, 6 February 2020
Last day of dealings in the Consolidated Shares on cum-rights basis relating to the Rights Issue	Thursday, 6 February 2020
First day of dealings in the Consolidated Shares on ex-rights basis relating to the Rights Issue	Friday, 7 February 2020
Latest time for the Shareholders to lodge transfer of Consolidated Shares in order to qualify for the Rights Issue	4:30 p.m. on Monday, 10 February 2020
Closure of register of members to determine the eligibility of the Rights Issue (both dates inclusive)	Tuesday, 11 February 2020 to Monday, 17 February 2020
Record Date for the Rights Issue	Monday, 17 February 2020
Register of members of the Company re-opens	Tuesday, 18 February 2020
Prospectus Documents expected to be despatched	Tuesday, 18 February 2020
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates in light blue colour) re-opens	9:00 a.m. on Thursday, 20 February 2020

Event	Date
Parallel trading in the Consolidated Shares (in the form of both existing share certificates in green colour in board lots of 500 Consolidated Shares and new share certificates in light blue colour in board lots of 10,000 Consolidated Shares) commences	9:00 a.m. on Thursday, 20 February 2020
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Thursday, 20 February 2020
First day of dealings in nil-paid Rights Shares	Thursday, 20 February 2020
Latest time for splitting the PALs	Monday, 24 February 2020
Last day of dealing in nil-paid Rights Shares	Thursday, 27 February 2020
Latest time for acceptance of and payment for the Rights Shares and application of excess Rights Shares	4:00 p.m. on Tuesday, 3 March 2020
Latest time for terminating the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Friday, 6 March 2020
Announcement of results of the Rights Issue	Tuesday, 10 March 2020
Temporary counter for trading in board lots of 500 Consolidated Shares (in the form of existing share certificates in green colour) closes	4:10 p.m. Wednesday, 11 March 2020
Parallel trading in Consolidated Shares (represented by both existing share certificates in green colour in board lots of 500 Consolidated Shares and new share certificates in light blue colour in board lots of 10,000 Consolidated Shares) ends	4:10 p.m. Wednesday, 11 March 2020
Designated broker ceases to provide matching services for odd lots of the Consolidated Shares	4:10 p.m. Wednesday, 11 March 2020

Event	Date
Despatch of share certificates for fully-paid Rights Shares and refund cheques in relation to wholly or partially unsuccessful applications for excess Rights Shares	Wednesday, 11 March 2020
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 12 March 2020
Last day for free exchange of existing share certificates in green colour for new share certificates in light blue colour for the Consolidated Shares	4:30 p.m. on Friday, 13 March 2020

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out above and all dates and deadlines specified in this announcement are indicative only and may be varied. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if:

1. typhoon signal No. 8 (or above);
2. “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region; or
3. a “black” rainstorm warning
 - (i) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the “EXPECTED TIMETABLE OF THE SHARE CONSOLIDATION, CHANGE IN BOARD LOT SIZE, THE AUTHORISED CAPITAL INCREASE AND THE RIGHTS ISSUE” above may be affected. Announcement will be made by the Company in such event.

GEM LISTING RULES IMPLICATIONS

As the proposed Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders in a general meeting under the GEM Listing Rules.

GENERAL

A circular containing, among other things, (i) further details of (a) the Share Consolidation and (b) the Authorised Share Capital Increase; and (ii) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Wednesday, 15 January 2020.

The Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Excluded Shareholders for their information only but the Company will not send the PAL and EAF to the Excluded Shareholders.

WARNING OF THE RISKS OF DEALING IN THE EXISTING SHARES, THE CONSOLIDATED SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” in this announcement). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the Existing Shares, the Consolidated Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares, the Consolidated Shares and/or the nil-paid Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

DEFINITIONS

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

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Authorised Share Capital Increase”	subject to the Share Consolidation becoming effective, the increase in the authorised share capital of the Company from HK\$7,800,000 divided into 624,000,000 Consolidated Shares to HK\$39,000,000 divided into 3,120,000,000 Consolidated Shares by the creation of an additional 2,496,000,000 Consolidated Shares
“Board”	the board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 5,000 Existing Shares to 10,000 Consolidated Shares
“Circular”	the circular to be despatched to the Shareholders by the Company, relating to, among other things, the Share Consolidation and Authorised Share Capital Increase

“Company”	On Real International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.0125 each in the share capital of the Company immediately following the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders or transferees of the nil-paid Rights Shares who wish to apply for excess Rights Shares, in such usual form as may be agreed between the Company and the Underwriter
“EGM”	the extraordinary general meeting of the Company to be convened and held at which resolution(s) will be proposed to consider, and, if thought fit, to approve, among other things, the Share Consolidation and the Authorised Share Capital Increase
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Existing Share(s)”	ordinary share(s) of HK\$0.00125 each in the share capital of the Company prior to the Share Consolidation having become effective

“Emperor Securities” or “Underwriter”	Emperor Securities Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	24 December 2019, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Tuesday, 3 March 2020 or other time or date as may be agreed in writing between the Company and the Underwriter, being the latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares
“Latest Time for Termination”	4:00 p.m. on Friday, 6 March 2020, being the third Business Day after the Latest Time for Acceptance, or such other time or date as may be agreed between the Company and the Underwriter in writing
“Listing Committee”	has the meaning as defined in the GEM Listing Rules

“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is (are) in (a) place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus to be despatched to the Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Tuesday, 18 February 2020 or such other date as may be agreed in writing between the Underwriter and the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Qualifying Shareholder(s)”	Shareholder(s), other than the Excluded Shareholders, whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Monday, 17 February 2020 or such other date as may be agreed between the Company and the Underwriter in writing for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Boardroom Share Registrars (HK) Limited

“Rights Issue”	the proposed issue by way of rights of one (1) Rights Share for every two (2) Consolidated Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions in the Underwriting Agreement and to be set out in the Prospectus Documents
“Rights Share(s)”	new Share(s) to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Shareholder(s)”	holder(s) of issued Share(s)
“Share Consolidation”	the consolidation of every ten (10) issued and unissued Existing Shares of HK\$0.00125 each into one (1) Consolidated Share of HK\$0.0125 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.1 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriting Agreement”	the underwriting agreement dated 24 December 2019 entered into between the Company and the Underwriter in respect of the Rights Issue
“Underwritten Shares”	199,500,000 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement

“Untaken Share(s)”

any of the Underwritten Shares which have not been taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares or applicants under excess applications by the Latest Time for Acceptance

“%”

per cent.

By order of the Board
On Real International Holdings Limited
Chan Lung Ming
Chairman and executive Director

Hong Kong, 24 December 2019

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chan Lung Ming, Mr. Yeung Shing Wai and Ms. Sin Pui Ying; two non-executive Director, namely Mr. Chan Chung Yin Victor and Mr. Tao Hong Ming; and three independent non-executive Directors, namely Mr. Wong Ching Wan, Mr. Chan Shiu Man and Mr. Cheng Chai Fu.

This announcement, 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 information contained in this announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and be posted on the website of the Company at www.on-real.com.