
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your stockbroker, 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, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibilities for the contents of the Prospectus Documents, make no representations as to their 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 the Prospectus Documents.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the sub-section headed "15. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.



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)

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO 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

Capitalised terms used in this cover have the same meanings as those defined in this Prospectus.

It should be noted that the Consolidated Shares have been dealt in on an ex-rights basis from Friday, 7 February 2020. Dealings in the Rights Shares in their nil-paid form will take place from 9:00 a.m. on Thursday, 20 February 2020 to 4:00 p.m. on Thursday 27 February 2020 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated by the Underwriter at or before 4:00 p.m. on Friday, 6 March 2020 (or such other time or date as may be agreed between the Company and the Underwriter in writing), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled or waived (as applicable) and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases, and/or dealings in the nil-paid Rights Shares, shall bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares and/or the nil-paid Rights Shares are recommended to consult their own professional advisers and exercise caution.

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Rights Issue having become unconditional and the Underwriter not having terminated or rescinded (as the case may be) 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" of this Prospectus). Accordingly, the Rights Issue may or may not proceed.

The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Tuesday, 3 March 2020. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 16 to 18 of this Prospectus.

18 February 2020

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on The Stock Exchange of Hong Kong Limited. 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

NOTICES

The Rights Issue is conditional, among other matters, upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. If the Rights Issue does not become unconditional, the Rights Issue will not proceed and the Company will make an announcement at the relevant time. It should also be noted that the Consolidated Shares have been dealt in on an ex-rights basis from Friday, 7 February 2020 and that the nil-paid Rights Shares are expected to be dealt in from 9:00 a.m. on Thursday, 20 February 2020 to 4:00 p.m. on Thursday, 27 February 2020 (both days inclusive). Such dealings will take place when the conditions of the Rights Issue remain unfulfilled. Any person dealing in the securities of the Company up to the date on which such conditions are fulfilled or waived and any person dealing in the nil-paid Rights Shares from 9:00 a.m. on Thursday, 20 February 2020 to 4:00 p.m. on Thursday, 27 February 2020 (being the first and last day of dealings in the nil-paid Rights Shares respectively) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed and should exercise caution. Any person dealing or contemplating any dealing in the securities of the Company and/or the nil-paid Rights Shares during this period who is in any doubt about his or her or its position is recommended to consult his or her or its own professional adviser.

THIS PROSPECTUS DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SELL OR ISSUE, OR ANY SOLICITATION OF ANY OFFER TO ACQUIRE, THE NIL-PAID RIGHTS SHARES OR RIGHTS SHARES OR TO TAKE UP ANY ENTITLEMENTS TO THE NIL-PAID RIGHTS SHARES OR RIGHTS SHARES IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS UNLAWFUL. None of the nil-paid Rights Shares, the Rights Shares, this Prospectus, the PAL and the EAF will be registered or filed under the securities laws of any jurisdiction other than in Hong Kong. Accordingly, the nil-paid Rights Shares and the Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions outside Hong Kong, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions. No persons receiving a copy of the Prospectus or a PAL or an EAF in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements thereof or where the offer is made in reliance on any exemption or where compliance with the relevant legal or regulatory requirement will not, in the Board's judgement, be unduly burdensome. It is the responsibility of any person outside Hong Kong (including but not limited to any agent, custodian, nominee or trustee on his/her/its behalf) wishing to subscribe or make an application for the Rights Shares to satisfy himself/herself/itself/themselves before subscribing for the allotted Rights Shares or excess Rights Shares, as to the full observance of the laws and regulations of all relevant territory or jurisdiction, including the obtaining of any governmental or other consents and to pay any taxes, duties and

NOTICES

other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong have been, or will be, fully complied with. Such persons should consult their professional advisers if in doubt.

No application for Rights Shares will be accepted from the Non-Qualifying Shareholders (if any). The Company reserves the right to refuse to accept any application for Rights Shares where it believes that acceptance would violate the applicable securities or other laws or regulations of any jurisdiction outside Hong Kong.

Shareholders with registered addresses in any jurisdiction outside Hong Kong or holding the Shares on behalf of any person with such addresses and beneficial owners of the Shares who are residents outside Hong Kong (if any) are referred to this section headed “Notices”, and the paragraphs headed “Rights of Overseas Shareholders” under the sub-section headed “PROPOSED RIGHTS ISSUE” in the “Letter from the Board” of this Prospectus.

Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his or her or its acquisition of the nil-paid Rights Shares and/or Rights Shares to have confirmed, that he or she or it is aware of the restrictions on offers and sales of nil-paid Rights Shares and/or Rights Shares as described in this Prospectus.

CONTENTS

	<i>Page</i>
Termination of the Underwriting Agreement	1
Definitions	3
Expected Timetable	9
Letter from the Board	12
Appendix I — Financial and other information of the Group	I-1
Appendix II — Unaudited pro forma financial information of the Group	II-1
Appendix III — General information	III-1

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 the 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 clause 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 this 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 of the Underwriting Agreement been publicly announced or published by the Company in compliance with the GEM Listing Rules,

TERMINATION OF THE UNDERWRITING AGREEMENT

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.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

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

The Rights Issue is conditional, among other matters, upon fulfillment of the conditions set out under the paragraph headed “Conditions of the Rights Issue” under the sub-section headed “THE UNDERWRITING AGREEMENT” in the “Letter from the Board” of this Prospectus. In particular, the Rights Issue is subject to the Underwriter not terminating or rescinding the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or potential investors contemplating selling or purchasing the Consolidated Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled and the date the Underwriter’s right of termination or rescission of the Underwriting Agreement ceases will bear the risk that the Rights Issue could not become unconditional and may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Consolidated Shares and/or nil-paid Rights Shares. Any person 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 advisers.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 24 December 2019 in relation to, among other things, the Rights Issue
“associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Authorised Share Capital Increase”	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, which took effect on 6 February 2020
“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
“Circular”	the circular of the Company dated 15 January 2020 relating to, among other things, the Share Consolidation and the Authorised Share Capital Increase
“close associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules

DEFINITIONS

“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented and modified from time to time
“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 having become effective on 6 February 2020
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders 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 held on Tuesday, 4 February 2020 at which, among other things, the Share Consolidation and the Authorised Share Capital Increase have been approved
“Emperor Securities” or “Underwriter”	Emperor Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO
“GEM”	the GEM of 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

DEFINITIONS

“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 issued Shares on the Stock Exchange before the release of the Announcement
“Latest Lodging Date”	Monday, 10 February 2020 or such other date as the Underwriter and the Company may agree, being the latest time for lodging transfer of Consolidated Shares in order to be qualified for the Rights Issue
“Latest Practicable Date”	12 February 2020, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information for inclusion in this Prospectus
“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
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) whom the Director(s), based on the enquiry made or legal advice obtained, consider it necessary or expedient not to offer the Rights Shares to such Overseas Shareholders 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

DEFINITIONS

“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 Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	this prospectus 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 Non-Qualifying Shareholders, if any
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company at the close of business 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

DEFINITIONS

“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong
“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 as set out in the Prospectus Documents
“Rights Share(s)”	new Consolidated 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 ordinary share(s) of HK\$0.00125 each in the issued and unissued share capital of the Company before the Share Consolidation becoming effective, 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 ordinary shares of HK\$0.00125 each of the Company into one (1) Consolidated Share of HK\$0.0125 each, which has become effective on 6 February 2020
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which render any of the warranties contained in the Underwriting Agreement untrue, inaccurate or misleading
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.1 per Rights Share

DEFINITIONS

“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
“%”	per cent.

EXPECTED TIMETABLE

All times and dates in this Prospectus refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out below and all dates and deadlines specified in the Prospectus Documents for events in the timetable for (or otherwise in relation to) the Rights Issue are for indicative purpose only. The expected timetable is subject to change, and any such change will be further announced by the Company as and when appropriate.

Event	Date (Hong Kong Time)
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

EXPECTED TIMETABLE

Event	Date (Hong Kong Time)
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
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

EXPECTED TIMETABLE

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 this section may be affected. Announcement will be made by the Company in such event as soon as possible.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chan Lung Ming (*Chairman*)
Mr. Yeung Shing Wai
Ms. Sin Pui Ying

Non-executive Directors

Mr. Chan Chung Yin Victor
Mr. Tao Hong Ming

Independent Non-executive Directors:

Mr. Wong Ching Wan
Mr. Chan Shiu Man
Mr. Cheng Chai Fu

Registered Office:

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

*Head Office and Principal Place of
Business in Hong Kong:*

Ground Floor
200 Hennessy Road
Wanchai
Hong Kong

18 February 2020

To the Qualifying Shareholders and, for information only, the Non-Qualifying Shareholders (if any)

Dear Sirs,

**RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO CONSOLIDATED SHARES
HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement, pursuant to which the Board announced, among other things, that the Company proposed to implement the Rights Issue on the basis of one Rights Share for every two Consolidated Shares held on the Record Date at the Subscription Price of HK\$0.1 per Rights Share, to raise gross proceeds of HK\$19.95 million (assuming no further issue or repurchase of Shares on or before the Record Date), before expenses. From the date of the Announcement and up to 11 February 2020, being the date the register of members of the Company closed for determining entitlement under the Rights Issue, no issue or repurchase of Shares has been conducted. As such, the total number of Consolidated Shares qualified for the Rights Issue is 399,000,000 Consolidated Shares and the total number of Rights Shares to be issued will be 199,500,000 Rights Shares.

LETTER FROM THE BOARD

The Rights Issue is only available to the Qualifying Shareholders. The Share Consolidation and the Authorised Share Capital Increase were approved by the Shareholders at the EGM. The Share Consolidation and the Authorised Share Capital Increase became effective on Thursday, 6 February 2020.

Pursuant to the Underwriting Agreement, the Underwritten Shares were fully underwritten by the Underwriter on the terms and subject to the conditions set out therein.

The purpose of this Prospectus is to provide you with, among others things, further details of the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you, together with the financial and other information of the Group.

PROPOSED RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Consolidated Shares held on the Record Date
Subscription Price	:	HK\$0.1 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	399,000,000 Consolidated Shares
Number of Rights Shares	:	199,500,000 Rights Shares
Aggregate nominal value of the Rights Shares to be issued	:	HK\$2,493,750
Number of Shares in issue upon completion of the Rights Issue	:	598,500,000 Consolidated Shares
Amount to be raised	:	gross proceeds of HK\$19.95 million before expenses

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 Latest Practicable Date.

LETTER FROM THE BOARD

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue, the aggregate number of Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represents 50% of the Company's issued share capital as at the Record Date and approximately 33.3% of the Company's issued share capital as enlarged by the Rights Issue. The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the Latest Practicable Date, 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 Latest Practicable Date.

Basis of provisional allotments

The basis of the provisional allotment shall be 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 shall be made by completing a PAL and lodging the same with remittance for the Rights Shares being accepted with the Registrar on or before the Latest Time for Acceptance.

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 at the close of business on the Record Date and not be a Non-Qualifying Shareholder. In order to be registered as members of the Company on the Record Date, all transfers of the Consolidated Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by 4:30 p.m. on Monday, 10 February 2020. The last day of dealing in the Consolidated Shares on a cum-rights basis was Thursday, 6 February 2020 and the Consolidated Shares have been dealt in on an ex-rights basis from Friday, 7 February 2020.

LETTER FROM THE BOARD

It is expected that the Company will send the Prospectus Documents to the Qualifying Shareholders on Tuesday, 18 February 2020. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Company will send the Prospectus to the Non-Qualifying Shareholders (if any) for their information only.

Rights of Overseas Shareholders

Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Prospectus Documents have not been and will not be registered or filed under any applicable securities legislation of any jurisdiction other than Hong Kong. No action has been taken by the Company to permit the offering of the Rights Shares in any territory outside Hong Kong.

According to the register of members of the Company as at the Record Date, there were 2 Overseas Shareholders whose addresses was located in the PRC holding an aggregate of 32,000 Consolidated Shares.

The Company has, in compliance with Rule 17.41(1) of the GEM Listing Rules, made enquiries regarding the feasibility of extending the Rights Issue to such Overseas Shareholders. The Company has been advised by its legal advisers in the PRC that there is no legal restriction in the PRC or requirement of any relevant regulatory body or stock exchange in the PRC with respect to extending the Rights Issue to the Overseas Shareholders in the PRC. Based upon such advice, the Directors have decided to extend the Rights Issue to the Overseas Shareholders whose registered addresses are in the PRC who are therefore Qualifying Shareholders.

Accordingly, as at the Record Date, there is no Non-Qualifying Shareholder.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution and consult their professional advisers in relation to the Rights Issue.

It is the responsibility of any person (including but not limited to Shareholders and beneficial owners of the Shares, any agent, custodian, nominee or trustee) receiving a copy of this Prospectus and/or any PAL or EAF outside Hong Kong wishing to take up any Rights Shares or make an application for excess Rights Shares to satisfy himself/herself/itself as to the full observance of the

LETTER FROM THE BOARD

laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and observing other formalities and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

Any acceptance of or application for Rights Shares by any person will constitute a warranty and representation to the Company, from such person, that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong, in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the above representation or warranty.

Fractional entitlements

The entitlements of Qualifying Shareholders will be rounded down to the nearest whole number and fractional entitlements to Rights Shares will not be provisionally allotted to the Shareholders. The nil-paid Rights Shares representing the aggregate of all the fractions of Rights Shares (rounded down to the nearest whole number) will be provisionally allotted to a nominee or nominees appointed by the Company and, if a premium (net of expenses) can be obtained, will be sold by the nominee or nominees on the Company's behalf in the market as soon as practicable after the commencement of dealing in the nil-paid Rights Shares and the net proceeds of such sale will be retained by the Company for its own benefit. Any Rights Shares in respect of the unsold fractional entitlements will first be made available for valid excess applications by the Qualifying Shareholders and the balance (if any) will be underwritten by the Underwriter. No odd lot matching services will be provided.

Procedures for acceptance and payment and/or transfer

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance (rounded up to the nearest 2 decimal places), with the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, by no later than 4:00 p.m. on Tuesday, 3 March 2020. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to **"On Real International Holdings Limited — Right Issues"** and crossed **"ACCOUNT PAYEE ONLY"**. The benefit of any rounding adjustments will be retained by the Company.

LETTER FROM THE BOARD

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Tuesday, 3 March 2020 (or, under bad weather and/or extreme conditions, such later time and/or date as mentioned in the sub-section headed “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” in the section headed “Expected Timetable” of this Prospectus), whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company is not obliged to but may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant person at a later stage.

If a Qualifying Shareholder wishes to transfer all of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it, the Qualifying Shareholder must complete and sign the “FORM OF TRANSFER AND NOMINATION” in the PAL and hand the PAL to the transferee(s) or through whom the Qualifying Shareholder are transferring his/her/its rights. The transferee(s) must then complete and sign the “REGISTRATION APPLICATION FORM” in the PAL and lodge the PAL intact together with a remittance for the full amount payable on acceptance (rounded up to the nearest two decimal places) with the Registrar, Boardroom Share Registrars (HK) Limited, at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong by not later than 4:00 p.m. on Tuesday, 3 March 2020 (or, under bad weather and/or extreme conditions, such later time and/or date as mentioned in the sub-section headed “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” under the section headed “Expected Timetable”).

If a Qualifying Shareholder wishes to accept only part of the provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or transfer part/all of his/her/its rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Monday, 24 February 2020 with the Registrar, who will cancel the original PAL and issue new PAL(s) in the denominations required. The new PAL(s) will be available for collection from the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

LETTER FROM THE BOARD

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders will be presented for payment immediately upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order in the payment of the Rights Shares, whether by the Qualifying Shareholder or such other person(s) to whom the rights to subscribe for the Rights Shares have been validly transferred, will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and in that event the relevant provisional allotment of Rights Shares and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the PAL by anyone outside Hong Kong will constitute a warranty and representation by such person to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application or subscription for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" under the sub-section headed "THE UNDERWRITING AGREEMENT" is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Friday, 6 March 2020 (or such other time or date as may be agreed between the Company and the Underwriter in writing), the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Wednesday, 11 March 2020.

LETTER FROM THE BOARD

Application and payment for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for:

- (i) any unsold entitlements to the Rights Shares of the Non-Qualifying Shareholders had they been Qualifying Shareholders (if applicable);
- (ii) aggregation of fractions of the Rights Shares which are not sold (if any); and
- (iii) any nil-paid Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise not subscribed for by transferees of nil-paid Rights Shares (if any).

Applications for excess Rights Shares can be made only by Qualifying Shareholders and only by completing an EAF (in accordance with the instructions printed therein) 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 Directors will allocate the excess Rights Shares (if any) at their discretion on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to the Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders. No preference will be given to top up odd lots to whole board lots. It should be noted that the lodging of the EAF does not assure the Qualifying Shareholder of being allocated any Rights Shares in excess of those of his/her/its provisional allotments.

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

Beneficial owners 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 must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Monday, 10 February 2020.

LETTER FROM THE BOARD

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for (rounded up to the nearest 2 decimal places) with the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong by no later than 4:00 p.m. on Tuesday, 3 March 2020. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to **“On Real International Holdings Limited — Excess Application”** and crossed **“ACCOUNT PAYEE ONLY”**. The benefit of any rounding adjustments will be retained by the Company. The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them.

If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post at his/her/its own risk by the Registrar on or before Wednesday, 11 March 2020. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus remittance without interest is also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post at his/her/its own risk by the Registrar on or before Wednesday, 11 March 2020.

All cheques and cashier's orders will be presented for payment immediately upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent by ordinary post at the risk of the person(s) entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving a copy of the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the EAF will constitute a warranty and

LETTER FROM THE BOARD

representation from such Qualifying Shareholder(s) to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any application thereunder, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” under the sub-section headed “THE UNDERWRITING AGREEMENT” is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Friday, 6 March 2020 (or such other time or date as may be agreed between the Company and the Underwriter in writing), the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Wednesday, 11 March 2020.

Action to be taken by beneficial owners whose Shares are held by a registered owner (other than Shares deposited in CCASS)

If you are a beneficial owner whose Shares are registered in the name of a registered owner and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should contact the registered owner and provide the registered owner with instructions or make arrangements with the registered owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of the registered owner in order to allow the registered owner sufficient time to ensure that your instructions are given effect. You should consult your professional adviser if in doubt.

LETTER FROM THE BOARD

Action to be taken by beneficial owners holding interests in Shares through CCASS

If you are a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should (unless you are a CCASS Investor Participant) contact your intermediary and provide your intermediary with instructions or make arrangements with your intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested. You should consult your professional adviser if in doubt.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of your intermediary in order to allow your intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

The procedures for acceptance, transfer and/or “splitting” of Rights Shares provisionally allotted to beneficial owners who have been admitted to participate in CCASS as investor participants shall be in accordance with HKSCC’s “Operating Guide for Investor Participants” and any other requirements of CCASS. Beneficial owners who have been admitted to participate in CCASS as investor participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such beneficial owners’ interests in Rights Shares should be dealt with.

Subscription Price

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

LETTER FROM THE BOARD

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 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 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 62.96% 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 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 51.69% 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 Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a discount of approximately 9.91% to the closing price of HK\$0.111 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter having regard to the below factors:

- (1) the market price of the Share under the prevailing market conditions;
- (2) the low liquidity of the Shares in the recent months;
- (3) the Company has recorded net losses for the past financial year ended 31 March 2019 and for the six months ended 30 September 2019;
- (4) the general market practice for the listed companies on the Stock Exchange to issue rights shares at a discount to the prevailing market price in order to enhance the attractiveness of rights issues;

LETTER FROM THE BOARD

- (5) since the Rights Shares are offered to all Qualifying Shareholders, the Directors is of view that setting the Subscription Price at a relatively steep discount to the prevailing market price of the Shares would encourage the Qualifying Shareholders to participate in the Rights Issue and to maintain their shareholdings in the Company and participate in the potential growth of the Group; and
- (6) each Qualifying Shareholder is offered equal opportunity to subscribe for the Rights Shares at the Subscription Price in proportion to his/her/its shareholding in the Company held on the Record Date and hence the interest of the Qualifying Shareholders will not be prejudiced by the steep discount of the Subscription Price to the market price of the Shares. Rather, the substantial discount of Subscription Shares will allow each Qualifying Shareholder to have greater flexibility in determining the extent of his/her/its participation in the Rights Issue that best suits his/her/ its own financial condition and/or investment strategy.

After taking into consideration the aforementioned points and the reasons for the Rights Issue as stated in the section headed “INFORMATION ON THE GROUP, REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” below, the Board consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net subscription price per Rights Share will be approximately HK\$0.088.

Dilution effect

Qualifying Shareholders who take up their pro rata entitlements in full will not suffer any dilution to their shareholding interests in the Company (save for any dilution as a result of fractional entitlements to Rights Shares which will not be provisionally allotted to them). If Qualifying Shareholders do not take up their entitlement under the Rights Issue in full, their proportionate shareholdings in the Company will be diluted.

Despite the Rights Issue will potentially result in a theoretical dilution effect (with the meaning ascribed to it in Rule 10.44A of the GEM Listing Rules) of approximately 20.5%, being the discount of the theoretical diluted price (as defined in note 1(a) under Rule 10.44A of the GEM Listing Rules) of HK\$0.207 per Consolidated Share to the benchmarked price (as defined in note 1(b) under Rule 10.44A of the GEM Listing Rules) of HK\$0.26 per Consolidated Share, the Directors consider that the interests of the Qualifying Shareholders will not be prejudiced given that:

LETTER FROM THE BOARD

- (a) the Rights Issue provides the Qualifying Shareholders an opportunity to subscribe for their pro rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a discount to the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day;
- (b) the dilution nature of Rights Issue is common in the market in case the Qualifying Shareholders do not take up their entitlements under the Rights Issue in full, whereas the Qualifying Shareholders who choose to accept the Rights Issue in full are able to maintain their respective existing shareholding interests in the Company after the Rights Issue (save for any dilution as a result of fractional entitlements to Rights Shares which will not be provisionally allotted to them); and
- (c) the Qualifying Shareholders who do not take up their entitlements in the Rights Issue are able to sell the nil-paid Rights Shares in the market, while the Qualifying Shareholders who wish to increase their shareholding interests in the Company through the Rights Issue are able to make excess applications for additional Rights Shares and/or acquire additional nil-paid Rights Shares in the market.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Consolidated Shares then in issue. Holders of 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.

Share certificates and refund cheques for the Rights Shares

Subject to fulfilment of the conditions of the Rights Issue and not having been terminated or rescinded by the Underwriter, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Wednesday, 11 March 2020. If the Rights Issue is terminated or if any application for excess Rights Shares is not successful or only partially successful, refund cheques, without interest, in respect of the relevant portion of application monies received are expected to be posted by ordinary post to those entitled thereto at their own risk, to their registered addresses on or before Wednesday, 11 March 2020.

Each Shareholder (except HKSCC Nominees Limited) will receive one share certificate for all allotted Rights Shares.

LETTER FROM THE BOARD

Application for listing and dealing arrangements

The Company has made an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares (in both their nil-paid and fully paid forms). 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 exchange (other than the Stock Exchange). The nil-paid Rights Shares shall have the same board lot size as the Consolidated Shares (i.e. 10,000 Consolidated Shares in one board lot).

Dealings in the Rights Shares in their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy and any other applicable fees and charges in Hong Kong.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and 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 both 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 the CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

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 Non-Qualifying Shareholders (if any), their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of any person resulting from the purchase, holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully paid forms.

LETTER FROM THE BOARD

THE UNDERWRITING AGREEMENT

On 24 December 2019 (after trading hours of the Stock Exchange), the Company and the Underwriter entered into the Underwriting Agreement in respect of the underwriting arrangement for the Rights Issue. The principal terms of the Underwriting Agreement are as follows:

Date : 24 December 2019

Underwriter : Emperor Securities

The Underwriter is a licensed corporation to carry out business in 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.

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.

The Underwriter confirmed that it has complied with Rule 10.24A(1) of the GEM Listing Rules that it is licensed under the SFO for Type 1 regulated activity and its ordinary course of business includes underwriting of securities, and it is not a connected person of the Company.

Total number of Rights Shares underwritten by the Underwriter : 199,500,000 Rights Shares (assuming no Shares will be issued or repurchased by the Company on or before the Record Date)

Commission : The Underwriter shall receive 4.0% of the total Subscription Price of the Underwritten Shares

LETTER FROM THE BOARD

The terms of the Underwriting Agreement, including the commission rate, were determined after arm's length negotiation between the Company and the Underwriter and reflect the best commercial terms that the Company could negotiate with the Underwriter which are considered acceptable to both of the Company and the Underwriter. The determination was driven by the factors below:

- (i) general market practice for underwriters to accept commission rate with reference to financial conditions of the Listed issuers;
- (ii) the Company has recorded net losses for the past financial year ended 31 March 2019 and for the six months ended 30 September 2019; and
- (iii) the prevailing and the expected market condition in Hong Kong is of uncertainty of which underwriters, as usual, would demand a justifiable rate.

To further assess the fairness and reasonableness of the underwriting commission under the Underwriting Agreement, the Board had considered the prevailing underwriting commissions of rights issues in the market ranging from 1.0% to 4.0% reflected by recent nine (9) rights issue transactions conducted by main board issuers during the period of six months prior to the Last Trading Day where they are (i) either completed or in progress and (ii) fully underwritten by a single underwriter only. The Board consider the terms of the Underwriting Agreement, including the commission rate, to be fair and reasonable for the benefit of the Company and the Shareholders as a whole.

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.

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;

LETTER FROM THE BOARD

- (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 for 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 thereto 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.

As at the Latest Practicable Date, condition (1) of the Rights Issue has been satisfied.

LETTER FROM THE BOARD

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 the 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;

LETTER FROM THE BOARD

- (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 clause 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 this 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 of the Underwriting Agreement 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.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best knowledge, information and belief of the Directors, assuming there is no further issue or repurchase of Shares from the Latest Practicable Date 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 Latest Practicable Date; and (ii) immediately after completion of the Rights Issue:

	As at Latest Practicable Date		Immediately after completion of the Rights Issue			
			Assuming all Shareholders have taken up the Rights Shares		Assuming no Shareholder has taken up the Rights Shares	
	<i>No. of</i>		<i>No. of</i>		<i>No. of</i>	
	<i>Consolidated</i> <i>Shares</i>	<i>Approximate</i> <i>%</i> <i>(Note 4)</i>	<i>Consolidated</i> <i>Shares</i>	<i>Approximate</i> <i>%</i> <i>(Note 4)</i>	<i>Consolidated</i> <i>Shares</i>	<i>Approximate</i> <i>%</i> <i>(Note 4)</i>
Solution Smart <i>(Note 1)</i>	112,589,600	28.22	168,884,400	28.22	112,589,600	18.81
SMK Investment <i>(Note 2)</i>	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 <i>(Note 3)</i>	—	—	—	—	199,500,000	33.33
Other public Shareholders	195,412,800	48.97	293,119,200	48.97	195,412,800	32.65
Total	399,000,000	100.00	598,500,000	100.00	598,500,000	100.00

Notes:

- To the best knowledge, information and belief of the Directors, 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 112,589,600 Consolidated Shares of the Company held by Solution Smart under the SFO as at the Latest Practicable Date.
- To the best knowledge, information and belief of the Directors, 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 90,997,600 Consolidated Shares of the Company held by SMK Investment under the SFO as at the Latest Practicable Date.

LETTER FROM THE BOARD

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.

The Underwriter has confirmed to the Company that it has engaged a sub-underwriter, who is a third party independent of, not acting in concert with and not connected with any of the Directors, chief executive of the Company or substantial shareholder(s) of the Company or their respective associates, to sub-underwrite 24,000,000 Underwritten Shares (representing approximately 4.01% of the enlarged share capital of the Company immediately after completion of the Rights Issue). Apart from the aforesaid sub-underwriting commitment, the said sub-underwriter did not hold any Shares as at the Latest Practicable Date.

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.

OTHER FUNDRAISING ALTERNATIVES CONSIDERED BY THE COMPANY

The Board had considered fund raising by issuing debt security or debt financing but the Board is concerned that any further debt financing or borrowing may worsen the gearing ratio and incur further interest expenses of the Company. It is the intention of the Board to reduce the gearing ratio and interest expenses of the Company to a more favourable level to improve the rate of return of the Company's investment portfolio. Therefore, the Board has ruled out debt financing as a source for raising funds in this occasion.

The Board had also considered placing of new Shares. However, placing of new Shares would normally be conducted on a best efforts basis of which the success is not guaranteed. Without a certainty on placing of new Shares, placing of new Shares was not further considered. The Board considers that the Rights Issue would be more favourable and attractive to the Shareholders than an open offer because it would allow Shareholders greater flexibility in dealing with the nil-paid rights attaching to the Rights Issue.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP, REASONS FOR 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.

As at the Latest Practicable Date, the Group has not identified any potential investment opportunities and has not entered or does not propose to enter into any agreement, arrangement, understanding or undertaking with any counterparty in this regard.

LETTER FROM THE BOARD

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 Prospectus:

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

WARNING OF THE RISKS OF DEALING IN THE 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 Rights Issue 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 “THE UNDERWRITING AGREEMENT” in this Prospectus). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the 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 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).

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

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

A. FINANCIAL INFORMATION

The published audited consolidated financial statements of the Group for the three years ended 31 March 2017, 2018 and 2019 are disclosed in the annual reports of the Company for the three years ended 31 March 2017, 2018 and 2019. The unaudited consolidated results of the Company for the six months ended 30 September 2019 is disclosed in the interim report of the Company for the six months ended 30 September 2019. The aforesaid annual reports and interim report of the Company are available on both the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.on-real.com>).

Set out below are links to the relevant annual reports and interim report of the Company:

- (a) Annual report of the Company for the year ended 31 March 2017:

<https://www1.hkexnews.hk/listedco/listconews/gem/2017/0623/gln20170623089.pdf>

- (b) Annual report of the Company for the year ended 31 March 2018:

<https://www1.hkexnews.hk/listedco/listconews/gem/2018/0628/gln20180628117.pdf>

- (c) Annual report of the Company for the year ended 31 March 2019:

<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0628/gln20190628495.pdf>

- (d) Interim report of the Company for the six months ended 30 September 2019:

<https://www1.hkexnews.hk/listedco/listconews/gem/2019/1113/2019111301437.pdf>

B. INDEBTEDNESS**Statement of indebtedness*****Borrowings***

At the close of business on 31 December 2019, being the latest practicable date on which such information was available to the Company, the Group had outstanding borrowings of approximately HK\$86 million, which represented (i) bank loans of approximately HK\$76 million secured by the Group's trade receivables, a corporate guarantee from the Company and

APPENDIX I FINANCIAL AND OTHER INFORMATION OF THE GROUP

approximately HK\$1 million pledged bank deposits provided by the Group; (ii) unsecured other borrowings of approximately HK\$4 million; and (iii) unsecured other borrowings of approximately HK\$6 million secured by the Group's trade receivables.

An aggregate of approximately HK\$15 million of the bank loans of the Group as at 31 December 2019 denoted (i) in the above was guaranteed by the Company.

Lease liabilities

The Group has adopted HKFRS 16 Leases using a modified retrospective approach on 1 April 2019. The Group applies HKFRS 16 to contract that were previously identified as leases under Hong Kong Accounting Standard 17 Leases and uses the exemptions allowed by the standard on short-terms and lease contracts whose lease terms end within 12 months as of the date of the initial application. The Group measures the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates and measures the right-of-use assets at an amount equal to the lease liabilities, adjusted by any prepaid or accrued lease payments. As at 31 December 2019, the Group has current and non-current liabilities amounting to HK\$0.5 million and HK\$0.6 million, respectively.

Save as aforesaid and apart from intra-group liabilities and normal trade and other payables, the Group did not, as at the close of business on 31 December 2019, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loan or other similar indebtedness, liabilities under acceptances or acceptance credit, debentures, hire purchase commitments, mortgages and charges, material contingent liabilities or guarantees outstanding. The Directors confirmed that (i) there has not been any material change in the indebtedness and contingent liabilities since 31 December 2019 and up to the Latest Practicable Date; (ii) there has not been any default on repayments or other obligations in any material respect under the loan agreements; (iii) the Group does not have material covenants relating to the outstanding debts; (iv) the Group has complied with all of the finance covenants up to the Latest Practicable Date; (v) the Group does not have any material external debt financing plans as at the Latest Practicable Date.

C. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into consideration the financial resources presently available to the Group, including banking facilities and other internal resources, and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this Prospectus.

D. MATERIAL ADVERSE CHANGE

Save for (i) the profit warning announcement and supplemental profit warning announcement of the Company dated 4 February 2020 and 10 February 2020 and (ii) the loss attributable to owners of the Company of approximately HK\$9.0 million recorded for the six months ended 30 September 2019 and the key risk exposures and uncertainties faced by the Group as detailed in the Section F “FINANCIAL AND TRADING PROSPECTS OF THE GROUP” below, the Directors confirmed that there had not been any material adverse change in the financial or trading position or prospects of the Group since 31 March 2019, being the date to which the latest published audited financial statements of the Group were made up. For details of the loss recorded by the Group for the six months ended 30 September 2019, please refer to the interim report of the Company for the six months ended 30 September 2019.

E. BUSINESS AND FINANCIAL REVIEW

For the six months ended 30 September 2019, the Group recorded a loss attributable to owners of the Company of approximately HK\$9.0 million, whereas the Group recorded a profit attributable to owners of the Company of approximately HK\$5.3 million for the six months ended 30 September 2018.

Such loss-making position for the six months ended 30 September 2019, representing a decrease in net profit by approximately HK\$14.4 million as compared to the corresponding period in 2018, was mainly due to the combined effects (before the effect of adoption of HKFRS 16 “Leases” which does not have cash flow impact) of the administrative expenses increased from approximately HK\$11.1 million in the corresponding period in 2018 to approximately HK\$24.4 million for the six months ended 30 September 2019, which was mainly due to increase of expenses of research and development fee, consulting fee and rental expenses.

Since the global and local market has been substantially influenced by the US-China trade war, the Company has started to explore new subcontractors in South-East Asia to diversify the production processes of the products so as to reduce the impact of unstable trading environment and hence consulting fee was incurred when employing foreign consultants. On the other hand, the investment in research and development of the Company’s products was increased to maintain their competitiveness and attractiveness under the dramatic changes of the industry environment.

The increase in rental expense was mainly due the depreciation incurred during the recognition of the rights of use assets under the adoption of Hong Kong Financial Reporting Standards 16 for the six months ended 30 September 2019.

F. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group's business objectives are to grow existing business by strengthening product portfolio, enhancing information management system and strengthening marketing efforts. The Group has continued reviewing business and manufacturing processes to implement cost saving measures in operations. The selling and distribution expenses decreased from approximately HK\$2.0 million for the six months ended 30 September 2018 to approximately HK\$1.7 million for the six months ended 30 September 2019, which was mainly due to cost optimization.

The Group's revenue stream comprised of 4 segments, i.e. the manufacturing of two-way radios, the manufacturing of baby monitors, servicing business and the manufacturing of other communication devices. As the business of the Group is heavily rely on the sales and manufacturing of various products, the Group considers both the local and global economy has been facing numerous downside risk and believed the overall business environment will remain unstable and challenging for quite a period of time with the impact of US-China trade war.

In order to offset the impact of the unstable trading environment, the Group is expecting to deploy more subcontracting arrangement to enhance the flexibility in terms of fixed cost commitment. The subcontracting arrangement may shift outside the PRC such as Malaysia to diversify the production processes of our products and fulfill the requirement from the customers. The Group will continue to put effort in developing new model of products and diversify its revenue streams which are expected to bring growth potential for turnover to the Group and returns to the Shareholders.

The Group looks for and considers potential investment business opportunities from time to time. The Group will also be looking at enhancing its business revenue and profitability by introducing new product categories and/or leverage its research and development capability to provide design engineering service to its customers.

The following is the text of the independent reporting accountant’s assurance report, prepared for the purpose of inclusion in this Prospectus, received from independent reporting accountants, Mazars CPA Limited, Certified Public Accountants, Hong Kong in respect of the unaudited pro forma financial information of the Group.

**MAZARS CPA LIMITED**

中審眾環(香港)會計師事務所有限公司
42nd Floor, Central Plaza,
18 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道18號中環廣場42樓
Tel 電話: (852) 2909 5555
Fax 傳真: (852) 2810 0032
Email 電郵: info@mazars.hk
Website 網址: www.mazars.hk

The Directors

On Real International Holdings Limited
Ground Floor, 200 Hennessey Road
Wanchai
Hong Kong

Dear Sirs,

ON REAL INTERNATIONAL HOLDINGS LIMITED**INDEPENDENT REPORTING ACCOUNTANTS’ ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of On Real International Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets attributable to the equity holders of the Company as at 30 September 2019 and the related notes (the “Pro Forma Financial Information”) as set out on pages II-5 to II-6 of the prospectus dated 18 February 2020 (the “Prospectus”) issued by the Company. The applicable criteria on the basis of which the directors have compiled the Pro Forma Financial Information are described in pages II-5 to II-6 to the Prospectus.

The Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed rights issue of 199,500,000 rights shares at HK\$0.1 per rights share (the “Rights Share”) on the basis of one Rights Share for every two consolidated shares of the Company held on the rights issue record date (the “Rights Issue”) on the Group’s unaudited consolidated net tangible assets attributable to the equity holders of the Company as at 30 September 2019 as if the Rights Issue and share consolidation which involves the consolidation of every ten issued and unissued existing shares of par value HK\$0.00125 each into one consolidated share (the “Consolidated Share”) of par value of HK\$0.0125 (the “Share Consolidation) had taken place on 30 September 2019.

As part of this process, information about the Group’s financial position has been extracted by the directors from the Group’s unaudited condensed consolidated financial statements for the period ended 30 September 2019, on which no audit, review or accountant’s report has been published.

Directors’ Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “GEM Rules”) and with reference to Accounting Guideline 7 “*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Reporting Accountants’ Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue at 30 September 2019 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

Mazars CPA Limited

Certified Public Accountants

Hong Kong, 18 February 2020

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company prepared in accordance with Rule 7.31 of the GEM Rules is set out to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue and share consolidation which involves the consolidation of every ten issued and unissued existing shares of par value of HK\$0.00125 each into one consolidated share (the “Consolidated Share”) of par value of HK\$0.0125 (the “Share Consolidation”) had been completed on 30 September 2019.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at the date to which it is made up or at any future date.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2019, as extracted from the published interim report of the Company for the period ended 30 September 2019, with adjustments described below.

	Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 September 2019 <i>HK\$'000</i> <i>(Note i)</i>	Unaudited consolidated net tangible assets per Consolidated Share attributable as at 30 September 2019 <i>HK\$</i> <i>(Note ii)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note iii)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company immediately after completion of the Rights Issue <i>HK\$'000</i>	Unaudited pro forma adjusted consolidated net tangible assets per Consolidated Share immediately after completion of the Rights Issue <i>HK\$</i> <i>(Note iv)</i>
Rights Issue of 199,500,000 Rights Shares at subscription price of HK\$0.1 per Rights Share	54,283	0.136	17,550	71,833	0.120

Notes:

- (i) The unaudited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 September 2019 of approximately HK\$54,283,000 is based on the unaudited consolidated net assets of the Group attributable to the equity holders of the Company as at 30 September 2019 of approximately HK\$57,139,000 as adjusted to exclude intangible assets of approximately HK\$2,856,000 as shown on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2019 as extracted from the published interim report of the Company for the period ended 30 September 2019.
- (ii) The unaudited consolidated net tangible assets per Consolidated Share as at 30 September 2019 is calculated based on the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 September 2019 of HK\$54,283,000 and 399,000,000 Consolidated Shares in issue as at 30 September 2019 as if the Share Consolidation had become effective as at 30 September 2019.
- (iii) The estimated net proceeds from the Rights Issue of approximately HK\$17,550,000 is calculated based on 199,500,000 Rights Shares to be issued (in the proportion of one Rights Share for every two Consolidated Shares held as at the rights issue record date) at the subscription price of HK\$0.1 per Rights Share, after deduction of the estimated related expenses of approximately HK\$2,400,000, assuming that the Rights Issue had been completed on 30 September 2019.
- (iv) The unaudited pro forma adjusted consolidated net tangible assets per Consolidated Share immediately after completion of the Rights Issue is calculated based on 598,500,000 Consolidated Shares, comprising 399,000,000 Consolidated Shares in issue as at 30 September 2019 as if the Share Consolidation had become effective as at 30 September 2019 and 199,500,000 Rights Shares to be issued, pursuant to the Rights Issue (in the proportion of one Rights Share for every two Consolidated Shares held as at the Rights Issue record date), are in issue assuming that the Rights Issue had been completed on 30 September 2019.
- (v) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2019.

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL**(i) Share capital as at the Record Date**

<i>Authorised:</i>		<i>HK\$</i>
<u>624,000,000</u>	Consolidated Shares of HK\$0.0125 each	<u>7,800,000</u>
<i>Issued and fully paid or credited as fully paid:</i>		
<u>399,000,000</u>	Consolidated Shares of HK\$0.0125 each	<u>4,987,500</u>

(ii) Immediately following the completion of the Rights Issue

<i>Authorised:</i>		<i>HK\$</i>
<u>624,000,000</u>	Consolidated Shares of HK\$0.0125 each	<u>7,800,000</u>
<i>Issued and fully paid or credited as fully paid:</i>		
399,000,000	Consolidated Shares of HK\$0.0125 each (as at the Latest Practicable Date)	4,987,500
<u>199,500,000</u>	Rights Shares of HK\$0.0125 each to be allotted and issued under the Rights Issue	<u>2,493,750</u>
<u>598,500,000</u>	Consolidated Shares of HK\$0.0125 each in issue immediately upon completion of the Rights Issue	<u>7,481,250</u>

All the Rights Shares to be issued will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and return of capital, and once issued and fully paid, with all the Consolidated Shares in issue as at the date of allotment and issue of the Rights Shares.

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Consolidated Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange. As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived. As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants and there was no capital of any member of the Group which is under option, or agreed conditionally or unconditionally to be put under option.

3. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective close associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group, or have or may have any other conflicts of interest with the Group.

4. DIRECTORS' INTERESTS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, none of the Directors or chief executive of the Company or their associates had any interests and short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or (iii) which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS

None of the Directors had any direct or indirect interest in any assets which had been, since 31 March 2019 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there were no existing or proposed service contracts between the Directors and any member of the Group which were not determinable by the Group within one year without payment of compensation, other than statutory compensation.

7. SUBSTANTIAL SHAREHOLDERS' INTERESTS

Insofar as known to the Directors, as at the Latest Practicable Date, other than the interests of Directors or chief executive of the Company, the following persons had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or as otherwise notified to the Company and the Stock Exchange:

Name	Capacity/Nature	Number of Consolidated Shares held/ interested in	Approximate percentage of shareholding
The Underwriter	Underwriter	199,500,000 <i>(Note 3)</i>	33.33%
Emperor Capital Group Limited	Interest of controlled corporation	199,500,000 <i>(Note 3)</i>	33.33%
Albert Yeung Capital Holdings Limited	Interest of controlled corporation	199,500,000 <i>(Note 3)</i>	33.33%
TAS Trust (Jersey) Limited	Trustee	199,500,000 <i>(Note 3)</i>	33.33%

Name	Capacity/Nature	Number of Consolidated Shares held/ interested in	Approximate percentage of shareholding
Dr. Yeung Sau Shing, Albert	Founder of a discretionary trust	199,500,000 (Note 3)	33.33%
Ms. Luk Siu Man, Semon	Interest of spouse	199,500,000 (Note 3)	33.33%
Solution Smart Holdings Limited (“ Solution Smart ”) (Note 1)	Beneficial owner	112,589,600	28.22%
Mr. Chung Wai Sum (“ Mr. Chung ”) (Note 1)	Interest of controlled corporation	112,589,600	28.22%
SMK Investment Company Limited (“ SMK ”) (Note 2)	Beneficial owner	90,997,600	22.81%
Mr. Kor Sing Mung Michael (Note 2)	Interest of controlled corporation	90,997,600	22.81%
Cocoon Holdings Limited	Beneficial owner	27,106,000	6.79%

Notes:

1. Mr. Chung is the sole beneficial shareholder of Solution Smart. Therefore, Mr. Chung is deemed to be interested in 112,589,600 Consolidated Shares held by Solution Smart under the SFO.
2. Mr. Kor Sing Mung Michael is the sole beneficial shareholder of SMK. Therefore, Mr. Kor Sing Mung Michael is deemed to be interested in 90,997,600 Consolidated Shares held by SMK under the SFO.
3. The 199,500,000 Shares are the Rights Shares in which the Underwriter is interested under the Underwriting Agreement assuming no Qualifying Shareholders take up their Rights Shares. The Underwriter is wholly owned by Emperor Capital Investment Holdings Limited, a wholly owned subsidiary of Emperor Capital Group Limited which in turn is owned as to 42.72% by Emperor Capital Group Holdings Limited (a wholly owned subsidiary of Albert Yeung Capital Holdings Limited). Albert Yeung Capital Holdings Limited is held by TAS Trust (Jersey) Limited, a trustee for a private trust, the founder of which is Dr. Yeung Sau Shing, Albert. Ms. Luk Siu Man, Semon is the spouse of Dr. Yeung Sau Shing, Albert and is deemed or taken to be interested in all the Shares in which Dr. Yeung Sau Shing, Albert has, or is deemed to have, an interest for the purpose of the SFO.
4. All interests stated above represent long positions.

Save as disclosed above, the Directors are not aware of any other person who has an interest or short position in the Shares or underlying Shares (including interest in options, if any) as recorded in the register required to be kept under section 336 of the SFO as at the Latest Practicable Date.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. MATERIAL CONTRACTS

Save for the Underwriting Agreement, no material contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding and including the Latest Practicable Date.

10. EXPERT AND CONSENT

The following is the qualification of the expert who has given its opinions, letters or advices which are contained in this Prospectus:

Name	Qualification
Mazars CPA Limited	Certified Public Accountants

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter, advice or report, as the case may be, and reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group nor did they have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been, since 31 March 2019, being the date to which the latest published audited financial statements of the Group were made up, acquired, disposed of by or leased to, or were proposed to be acquired, disposed of by or leased to any member of the Group.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands
Head Office and Principal Place of Business in Hong Kong	Ground Floor 200 Hennessy Road Wanchai Hong Kong
Authorised Representatives	Mr. Yeung Shing Wai Mr. Hui Man Ho Ivan
Company Secretary	Mr. Hui Man Ho Ivan
Compliance Officer	Mr. Yeung Shing Wai
Auditor/Reporting Accountants	Mazars CPA Limited 42/F., Central Plaza 18 Harbour Road Wanchai Hong Kong
Principal Bankers	The Hong Kong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong
Principal Share Registrar and Transfer Office in the Cayman Islands	Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman, KY1-1111 Cayman Islands

**Branch Share Registrar and
Transfer Office in Hong Kong**

Boardroom Share Registrars (HK) Limited
Room 2103B, 21/F
148 Electric Road
North Point, Hong Kong

**Legal Advisers to the Company in relation to
the Rights Issue**

As to Hong Kong Law
Vincent T.K. Cheung, Yap & Co.
11/F., Central Building
1-3 Pedder Street
Central
Hong Kong

As to Cayman Islands Law
Conyers Dill & Pearman
29th Floor, One Exchange Square
8 Connaught Place
Central
Hong Kong

Underwriter

Emperor Securities Limited
23-24/F, Emperor Group Centre
288 Hennessy Road
Wanchai, Hong Kong

Financial adviser to the Company

Emperor Capital Limited
23/F, Emperor Group Centre
288 Hennessy Road
Wanchai, Hong Kong

12. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT**Directors**

Mr. CHAN Lung Ming (陳龍銘) (“Mr. LM Chan”), aged 42, has been appointed as our executive Director on 27 November 2019. He obtained a Master of Science in Professional Accounting and Corporate Governance from City University of Hong Kong in 2014, a Master of Laws from Renmin University of China in 2007, a Master of Laws in International Economic Law from City University of Hong Kong in 2006, a Bachelor of Laws degree (Hons) from University of London in 2004 and a Bachelor of Business Administration degree from The Open University of Hong Kong in 2000. Mr. LM Chan is a responsible officer under the Securities and Futures Commission possessing the type 6 (advising on corporate finance) licence. Mr. LM Chan has several years of experience in the areas of corporate finance, regulatory and compliance. Mr. LM Chan is currently a director of investment banking at a corporation licensed to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO. Mr. LM Chan was an executive director and vice-chairman of EFT Solutions Holdings Limited (stock code: 8062) from September 2017 to January 2019 and was re-designated as a non-executive director of EFT Solutions Holdings Limited from February 2019 to July 2019. Mr. LM Chan was also an executive director of China Oil Gangran Energy Group Holdings Limited (stock code: 8132) from August 2014 to December 2016.

Mr. YEUNG Shing Wai (楊成偉) (“Mr. Yeung”), aged 34, has been appointed as our executive Director on 21 September 2019. He had over ten years of working experience in power and data cord industry. He was an executive director of China Oil Gangran Energy Group Holdings Limited (stock code: 8132) from November 2010 to December 2014. Afterwards, he makes private investments in various industries.

Ms. SIN Pui Ying (洗佩瑩) (“Ms. Sin”), aged 39, has been appointed as our executive Director on 21 September 2019. She is a member of the Hong Kong Institute of Certified Public Accountants. She holds a bachelor’s degree in Business Administration (Accounting and Finance) from the University of Hong Kong. Ms. Sin has over 17 years of experience in finance and accounting. Prior to joining the Company, she was responsible for accounting, internal audit, investment and corporate finance matters for several listed companies in Hong Kong. As at the date hereof, Ms. Sin is also the executive director of KNK Holdings Limited (stock code: 8039) and Aurum Pacific (China) Group Limited (stock code: 8148).

Mr. CHAN Chung Yin Victor (陳仲然) (“Mr. CY Chan”), aged 58, has appointed as our non-executive Director on 16 January 2019. He obtained a Bachelor of Arts degree from the University of Hong Kong in 1984. He has been admitted as a Solicitor of the High Court of Hong Kong since 1991 and has over 27 years of experience in commercial law, and civil and criminal litigations. He is now the principal of his own solicitors firm, Messrs. Victor Chan & Co.

Mr. CY Chan was the independent non-executive director of Sanai Health Industry Group Limited (stock code: 1889) from October 2018 to April 2019 and Teamway International Group Holdings Limited (stock code: 1239) from September 2018 to June 2019.

Mr. CY Chan was also the independent non-executive director of Elegence Optical International Holdings Limited (stock code: 907) from September 2018 to January 2019 and was re-appointed as an executive director in July 2019.

Currently, Mr. CY Chan is also an independent non-executive director of KNK Holdings Limited (stock code: 8039).

Mr. TAO Hong Ming (陶康明) (“Mr. Tao”), aged 52, has been appointed as our non-executive Director on 25 October 2019. He obtained a bachelor of engineering degree in electronic engineering from Hong Kong Polytechnic (currently known as the Hong Kong Polytechnic University) in November 1990. He has over 20 years of experience in sales and marketing, business development, and product development in the telecommunication product industry. Mr. Tao previously joined the Company between December 2014 to September 2017 as an executive Director and chief operating officer.

Mr. CHENG Chai Fu (鄭濟富) (“Mr. Cheng”), aged 57, has been appointed as our independent non-executive Director, the chairman of our nomination committee and a member of each of our audit committee and remuneration committee, graduated from Victoria University of Wellington, New Zealand with a bachelor degree in commerce and administration in 1990 and obtained a Master of Business Administration from Murray State University, Kentucky of the United States of America in 2000. Mr. Cheng has been an associate member of The Hong Kong Institute of Chartered Secretaries, Hong Kong Institute of Certified Public Accountants and Institute of Chartered Accountants of New Zealand. Mr. Cheng has extensive experience in the areas of auditing, accounting and company secretarial work. Mr. Cheng worked as the company secretary and financial controller of Bingo Group Holdings Limited (stock code: 8220) from August 2008 to October 2009. Mr. Cheng worked as the company secretary of Hanergy Thin Film Power Group Limited (stock code: 566) from August 2010 to January 2015. He also worked as an in-house company secretary of HongDa Financial Holding Limited (stock code: 1822) from January 2015 to December 2015 and the company secretary of China Regenerative Medicine

International Limited (stock code: 8158) from January 2016 to January 2019 respectively. He also served as an independent non-executive director of Legend Strategy International Holdings Group Company Limited (stock code: 1355) from March 2017 to September 2018.

Mr. CHAN Shiu Man (陳劭民) (“Mr. SM Chan”), aged 53, is appointed as our independent non-executive Director, on 31 August 2016. He is also the chairman of remuneration committee and a member of our audit committee and nomination committee. Mr. SM Chan is a certified public accountant in Hong Kong and the US. He holds a master degree in finance from University of Hawaii of US. Mr. SM Chan has over 25 years of experience in financial control and corporate restructuring. He has worked for various companies in the US, including a NASDAQ listed company to establish financial operation in Japan, Europe, and the PRC. Mr. SM Chan also has experience in consulting on corporate finance, project financing and accounting issues to companies in US, Europe and the PRC. From October 2011 to March 2019, Mr. SM Chan was an independent non-executive director of Zhongda International Holdings Limited (stock code: 0909), whose shares delisted on the main board of the Stock Exchange on 8 March 2019. Mr. SM Chan was a non-executive Director of China Oil Gangran Energy Group Holdings Limited (stock code: 8132) from July 2017 to August 2018.

Mr. WONG Ching Wan (王青雲) (“Mr. Wong”), aged 52, is appointed as our independent non-executive Director on 31 March 2016. He is also as the chairman of our audit committee, member of our remuneration committee and a member of our nomination committee. He is a member of the CPA Australia, the Hong Kong Institute of Certified Public Accountants, Chartered Professional Accountant of Canada and a fellow member of The Taxation Institute of Hong Kong. He has obtained a Bachelor of Business and Administration from the Chinese University of Hong Kong in 1989 and a Bachelor of Commerce from The University of Southern Queensland in 1992. Also, he has studied in the Professional Master of Business Administration course offered by the Troy State University, the US. Mr. Wong is the compliance officer of China Finance Investment Holdings Limited (stock code: 0875) from November 1, 2018 and an independent non-executive director of Huge China Holdings Limited (now known as Cocoon Holdings Limited) (stock code: 0428), which shares are listed on main board of the Stock Exchange from May 2015 to June 2018. He was the company secretary and authorised representative of China Oil Gangran Energy Group Holdings Limited (stock code: 8132) from 15 December 2015 to 31 October 2016 and from 15 December 2015 to 23 January 2017 respectively, which shares are listed on GEM board of the Stock Exchange. He was also a director of Network CN, Inc. (stock code: NWCN) from 28 August 2015 to 1 July 2017, which shares are duly traded in the US. Mr. Wong has more than 25 years of experience in audit, internal control, financial control and capital market. He has held various positions in different companies in the PRC, the USA and Hong Kong including senior position in multinational companies.

Company Secretary

Mr. HUI Man Ho Ivan (許文浩) (“**Mr. Hui**”), aged 41, is appointed as our Company Secretary on 28 February 2019. Mr. Hui holds Master degree in Practising Accounting, Master degree in Applied Finance and a Bachelor degree in Business (Banking & Finance) from Monash University, Australia. He is also a member of CPA Australia. Mr. Hui has over 13 years of work experience in auditing, accounting, financial management and corporate finance. Prior to joining the Company, Mr. Hui was the company secretary of a company listed on main board of the Stock Exchange and assistant financial controller of a company listed on main board of the Stock Exchange. Mr. Hui served as director of various companies listed on the main board of the Stock Exchange.

Business address of the Directors and senior management

The business address of the Directors and senior management is the same as the Company’s head office and principal place of business in Hong Kong located at Ground Floor, 200 Hennessy Road, Wanchai, Hong Kong.

13. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, financial advising fees, printing, registration, translation, legal and accounting fees are estimated to be approximately HK\$2.4 million and are payable by the Company.

14. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed “Expert and Consent” in this Appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at Ground Floor, 200 Hennessy Road, Wanchai, Hong Kong during the period of 14 days from the date of this Prospectus:

- (i) the memorandum and articles of association of the Company;
- (ii) the annual reports of the Company for the three financial years ended 31 March 2017, 2018 and 2019;
- (iii) the interim report of the Company for the six months ended 30 September 2019;
- (iv) the independent reporting accountants' assurance report on the unaudited pro forma financial information of the Group issued by Mazars CPA Limited set out in Appendix II to this Prospectus;
- (v) the written consent referred to in the paragraph headed "Expert and Consent" in this Appendix;
- (vi) the Underwriting Agreement; and
- (vii) this Prospectus.

17. GENERAL

In case of inconsistency, the English text of the Prospectus Documents shall prevail over their respective Chinese text.