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## **On Real International Holdings Limited** **安悅國際控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8245)**

### **THIRD QUARTERLY RESULTS ANNOUNCEMENT** **FOR THE NINE MONTHS ENDED 31 DECEMBER 2019**

#### **CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**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. 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.**

*This announcement, for which the directors (the “**Directors**”) of On Real International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## FINANCIAL HIGHLIGHTS

- Revenue of the Company for the nine months ended 31 December 2019 amounted to approximately HK\$267.1 million, representing an increase of approximately 5.9% as compared with that of approximately HK\$252.2 million for the nine months ended 31 December 2018.
- Loss attributable to the owner of the Company for the nine months ended 31 December 2019 amounted to approximately HK\$6.4 million compared with profit of approximately HK\$3.3 million for the nine months ended 31 December 2018.
- Basic and diluted losses per share for the nine months ended 31 December 2019 amounted to approximately HK cents 0.16 (earnings per share for the nine months ended 31 December 2018: HK cents 0.08).
- The Directors do not recommend the payment of any dividend in respect of the nine months ended 31 December 2019.

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the three and nine months ended 31 December 2019

The Board is pleased to announce the unaudited consolidated results of the Group for the nine months ended 31 December 2019, together with the comparative figures for the corresponding period in 2018 which have been reviewed and approved by the Audit Committee, as follows:

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2019 HK\$'000	2018 HK\$'000 (Unaudited)	2019 HK\$'000	2018 HK\$'000 (Unaudited)
Revenue		98,070	85,298	267,073	252,158
Cost of sales	6	(86,520)	(79,922)	(235,506)	(229,477)
<b>Gross profit</b>		<b>11,550</b>	<b>5,376</b>	<b>31,567</b>	<b>22,681</b>
Other income	4	1,267	3,674	4,523	6,658
Other gains and (losses)	5	392	(165)	(3,313)	(120)
Selling and distribution expenses	6	(1,038)	(1,253)	(2,707)	(3,295)
Administrative expenses	6	(7,600)	(7,751)	(32,015)	(18,870)
Finance costs	7	(1,223)	(660)	(3,489)	(1,314)
Share-based payment		—	(1,423)	—	(1,423)
<b>(Loss) Profit before income tax</b>		<b>3,348</b>	<b>(2,202)</b>	<b>(5,434)</b>	<b>4,317</b>
Income tax expense	8	(761)	77	(968)	(1,045)
<b>(Loss) Profit for the period</b>		<b>2,587</b>	<b>(2,125)</b>	<b>(6,402)</b>	<b>3,272</b>
<b>(Loss) Profit for the period attributable to:</b>					
Owners of the Company		2,587	(2,125)	(6,402)	3,201
Non-controlling interest		—	—	—	71
		<b>2,587</b>	<b>(2,125)</b>	<b>(6,402)</b>	<b>3,272</b>
<b>Other comprehensive (expense) income</b>					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of foreign operations		252	(2,212)	(201)	(3,396)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

*For the three and nine months ended 31 December 2019*

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000	2018 HK\$'000 (Unaudited)	2019 HK\$'000	2018 HK\$'000 (Unaudited)
<b>Total comprehensive (expense) income for the period</b>	<b>2,839</b>	<b>(4,337)</b>	<b>6,603</b>	<b>(124)</b>
<b>Total comprehensive (expense) income for the period attributable to:</b>				
Owners of the Company	2,839	(4,337)	6,603	(195)
Non-controlling interest	—	—	—	71
	<b>2,839</b>	<b>(4,337)</b>	<b>6,603</b>	<b>(124)</b>
<b>(Losses) Earnings per share (HK Cents)</b>				
Basic and diluted	<b>0.06</b>	<b>(0.06)</b>	<b>(0.16)</b>	<b>0.08</b>

# CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the nine months ended 31 December 2019

	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	PRC statutory reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Share options reserve HK\$'000	Total HK\$'000		
Balance at 1 April 2019	4,800	75,468	(5,826)	5,346	2,376	(18,883)	—	63,281	71	63,352
Loss for the period	—	—	—	—	—	(6,402)	—	(6,402)	—	(6,402)
<b>Other comprehensive income</b>										
Exchange differences arising on translation of foreign operations	—	—	—	—	(201)	—	—	(201)	—	(201)
<b>Total comprehensive (expense)/income</b>	—	—	—	—	(201)	(6,402)	—	(6,603)	—	(6,603)
Shares issued upon subscription	118	3,112	—	—	—	—	—	3,300	—	3,300
<b>Change in equity to the period</b>	188	3,112	—	—	(201)	(6,402)	—	(3,303)	—	(3,303)
Balance at 31 December 2019 (Unaudited)	4,988	78,580	(5,826)	5,346	2,175	(25,285)	—	59,978	71	60,049

	Attributable to owners of the Company								Non-controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	PRC statutory reserve HK\$'000	Exchange reserve HK\$'000	Accumulated losses HK\$'000	Share options reserve HK\$'000	Total HK\$'000		
Balance at 1 April 2018 (Audited)	4,800	75,468	(5,826)	5,190	2,751	(8,401)	—	73,982	(5)	73,977
Profit for the period	—	—	—	—	—	3,201	—	3,201	71	3,272
<b>Other comprehensive income</b>										
Exchange differences arising on translation of foreign operations	—	—	—	—	(3,396)	—	—	(3,396)	—	(3,396)
<b>Total comprehensive (expense)/income</b>	—	—	—	—	(3,396)	3,201	—	(195)	71	(124)
Recognition of share options	—	—	—	—	—	—	1,423	1,423	—	1,423
Balance at 31 December 2018 (Unaudited)	4,800	75,468	(5,826)	5,190	(645)	(5,200)	1,423	75,210	66	75,276

## **NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

### **1 CORPORATION INFORMATION, REORGANISATION AND BASIS OF PRESENTATION**

#### **(a) General information**

The Company was incorporated in the Cayman Islands on 30 June 2014 as an exempted company with limited liability under Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised), of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business was Office D, 27/F., Billion Plaza 2, 10 Cheung Yue Street, Kowloon, Hong Kong during the nine months ended 31 December 2019. At the date of this announcement, the principal place of business is G/F., 200 Hennessy Road, Wan Chai, Hong Kong.

The Company is an investment holding company. The principal activities of the Group are designing, trading and manufacturing of two-way radios, baby monitors, other communication devices and servicing business of the above products.

The Company was listed on the GEM on 30 September 2015.

This unaudited condensed consolidated financial information is presented in thousands of Hong Kong dollars (“**HK\$’000**”), unless otherwise stated.

#### **(b) Basis of presentation**

The presentation applied are consistent with those of the consolidated annual financial statements for the year ended 31 March 2019, as described in those consolidated annual financial statements.

## 2 BASIC OF PREPARATION

This unaudited condensed consolidated third quarterly financial information for the nine months ended 31 December 2019 has been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) issued by HKICPA and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM (the “**GEM Listing Rules**”).

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2019 are consistent with those used in the audited financial statements of the Group for the year ended 31 March 2019.

HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the nine months ended 31 December 2019. There have been no significant changes to the accounting policies applied in these financial statements for the nine months ended 31 December 2019 presented as a result of these developments.

The unaudited condensed consolidated financial statements for the nine months ended 31 December 2019 have not been audited by the Company’s independent auditor but have been reviewed by the Company’s audit committee.

The preparation of the unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2019 is in conformity with the HKFRSs requirements in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group’s accounting policies.

### **ADOPTION OF NEW AND AMENDED HKFRSs**

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant to its operation and effective for its accounting period beginning on 1 April 2019. HKFRSs comprise Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations.

The following new and amended standards and interpretations are mandatory for the first time for financial year beginning 1 April 2019:

Amendments to HKFRS 9 HKFRS 16	Prepayment Features with Negative Compensation Leases
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
HK (IRIC)-Int 23	Uncertainty over Income Tax Treatments
Annual Improvements 2015–2017 Cycle	Amendments to HKFRS, HKFRS 11, HKAS 12 and HKAS 23

Except as described below for HKFRS 16, the adoption of above new and revised standards has had no significant financial effect on the unaudited condensed consolidated financial information.

HKFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liability similarly to other financial liabilities. As a consequence, a lessee recognises depreciation (and, if applicable, impairment loss) of the right-of-use asset and interest on the lease liability.

HKFRS 16 substantially carries forward the lessor accounting requirements of the superseded HKAS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Company has reviewed the impact of HKFRS 16 on all its contracts that are, or that contain, leases with effect from 1 April 2019. The Company has opted for the modified retrospective application permitted by HKFRS 16. Accordingly, HKFRS 16 has been applied for the period from 1 April 2019 to 31 December 2019 only (i.e. the initial application period). Modified retrospective application requires the recognition of the cumulative impact of adoption of HKFRS 16 on all contracts at 1 April 2019 in equity.



The reconciliation of operating lease commitment to lease liability is set out below:

	<b>HK\$'000</b>
Operating lease commitments initial applied as at 1 April 2019	<b>2,676</b>
Recognitions of lease liabilities during the period	<b>1,265</b>
Disposal of lease liabilities during the period	<b>(1,265)</b>
Recognitions of rental expenses	<b>(1,562)</b>
Recognitions of interest expenses	<b>65</b>
	<hr/>
Lease liability as at 31 December 2019	<b>1,179</b>
	<hr/> <hr/>
Analysis as:	
Current	<b>536</b>
Non-current	<b>643</b>
	<hr/>
	<b>1,179</b>
	<hr/> <hr/>

The adjustments resulted from the initial application of HKFRS 16 at 1 April 2019 are set out below. The prior period amounts were not adjusted.

	<b>At 31 March 2019 HK\$'000</b>	Impact on initial application of HKFRS 16 HK\$'000	At 1 April 2019 HK\$'000
<b>Assets</b>			
Right-of-use assets	<hr/> <hr/> <b>—</b>	<hr/> <hr/> <b>2,676</b>	<hr/> <hr/> <b>2,676</b>
<b>Liabilities</b>			
Lease liability	<hr/> <hr/> <b>—</b>	<hr/> <hr/> <b>2,676</b>	<hr/> <hr/> <b>2,676</b>

Modified retrospective application of HKFRS 16 requires the Company to recognise a lease liability at the date of initial application for leases previously classified as an operating lease under the superseded HKAS 17 measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. As a practical expedient under HKFRS 16, the Company has not reassessed whether a contract is, or contains, a lease at the date of initial application. Instead, the Company applied HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and did not apply HKFRS 16 to contracts that were not previously identified as containing a lease applying HKAS 17. The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics for determination of present value of the remaining lease payments. The right-of-use assets have been recognised, on a lease-by-lease basis, at respective carrying amounts as if HKFRS 16 had been applied since the commencement date, but discounted using the Group's incremental borrowing rate at the date of initial application.

Based on the practical expedients under HKFRS 16, the Company has elected not to apply the requirements of HKFRS 16 in respect of recognition of lease liability and right-of-use asset to leases for which the lease term ends within twelve months of the date of initial application.

### **3 PRINCIPAL ACCOUNTING POLICIES**

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for financial asset at fair value through profit or loss which is measured at fair values.

### **4 ESTIMATES**

The preparation of unaudited condensed consolidated third quarterly financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this unaudited condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2019.

## 5 SEGMENT INFORMATION

Total revenue recognised during the respective period are as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000	2018 HK\$'000 (Unaudited)	2019 HK\$'000	2018 HK\$'000 (Unaudited)
Sales of goods	<b>98,067</b>	85,298	<b>266,676</b>	250,915
Sales of service	<b>3</b>	—	<b>397</b>	1,243
	<b><u>98,070</u></b>	<b><u>85,298</u></b>	<b><u>267,073</u></b>	<b><u>252,158</u></b>

The revenue from external parties is derived from numerous external customers and the revenue reported to the management is measured in a manner consistent with that in the condensed consolidated income statements.

The Group is principally engaged in the designing, trading and manufacturing of two-way radios, baby monitors, other communication devices and servicing business of the above products.

The executive Directors have been identified as the chief operating decision makers. The executive Directors have determined the operating segments based on the reports reviewed by them that are used to make strategic decisions.

Management considers the business from a product perspective whereby management assesses the performance of two-way radios, baby monitors, other communication devices and servicing business based on gross profit arising in the course of the ordinary activities which are recurring in nature.

Capital expenditure comprises additions to property, plant and equipment.

The segment information provided to the executive Directors for the reportable segments for the nine months ended 31 December 2019 and 31 December 2018 is as follows:

	Two-way radios HK\$'000	Baby monitors HK\$'000	Service business HK\$'000	Other products (Note i) HK\$'000	Total HK\$'000
<b>For the nine months ended</b>					
<b>31 December 2019</b>					
Total segment revenue (from external customers)	<u>210,435</u>	<u>3,365</u>	<u>397</u>	<u>52,876</u>	<u>267,073</u>
<b>Segment results for the period</b>	<u>19,879</u>	<u>(529)</u>	<u>(19)</u>	<u>12,236</u>	<u>31,567</u>
<b>Other segment items:</b>					
Amortisation of intangible assets	216	648	—	—	864
Depreciation of property, plant and equipment	<u>741</u>	<u>3</u>	<u>1</u>	<u>180</u>	<u>925</u>
	Two-way radios HK\$'000 (unaudited)	Baby monitors HK\$'000 (unaudited)	Service business HK\$'000 (unaudited)	Other products (Note i) HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
<b>For the nine months ended</b>					
<b>31 December 2018</b>					
Total segment revenue (from external customers)	<u>161,447</u>	<u>15,234</u>	<u>1,243</u>	<u>74,234</u>	<u>252,158</u>
<b>Segment results for the period</b>	<u>17,761</u>	<u>138</u>	<u>475</u>	<u>4,307</u>	<u>22,681</u>
<b>Other segment items:</b>					
Amortisation of intangible assets	382	1,145	—	—	1,527
Depreciation of property, plant and equipment	<u>1,350</u>	<u>32</u>	<u>5</u>	<u>392</u>	<u>1,779</u>

*Note (i):* Other products include transistors, integrated circuits, plastic casings, rechargeable battery chargers, ultrasonic cleansers, inductive emergency flashlights, LCD display module and accessories such as headsets, belt clips, chargers and power adaptors, etc.

A reconciliation of total segment result to the (loss)/profit for the respective period is provided as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000	2018 HK\$'000 (Unaudited)	2019 HK\$'000	2018 HK\$'000 (Unaudited)
Segment results	<u>11,550</u>	<u>5,376</u>	<u>31,567</u>	<u>22,681</u>
Other income	1,267	3,674	4,523	6,658
Other gains and (losses)	392	(165)	(3,313)	(120)
Selling, distribution and administrative expenses	(8,638)	(9,004)	(34,722)	(22,165)
Finance costs	(1,223)	(660)	(3,489)	(1,314)
Share-based payment	—	(1,423)	—	(1,423)
(Loss)/Profit before income tax	<u>3,348</u>	<u>(2,202)</u>	<u>(5,434)</u>	<u>4,317</u>

An analysis of revenue by geographic location, based on shipping destination, is set out below:

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000	2018 HK\$'000 (Unaudited)	2019 HK\$'000	2018 HK\$'000 (Unaudited)
The United States of America	49,679	29,707	135,711	113,417
Europe ( <i>Note 1</i> )	6,530	12,438	14,237	21,625
The Netherlands	6,332	72	9,928	7,281
Asia ( <i>Note 2</i> )	6,157	5,489	19,224	33,867
The United Kingdom (“UK”)	981	1,808	6,861	5,510
Germany	25,112	26,346	60,652	60,413
Others ( <i>Note 3</i> )	3,279	9,438	20,460	10,045
	<u>98,070</u>	<u>85,298</u>	<u>267,073</u>	<u>252,158</u>

*Note 1:* Europe includes but is not limited to France, Italy and Belgium but excludes UK, Germany and the Netherlands.

*Note 2:* Asia includes but is not limited to the People’s Republic of China (the “**PRC**”) and Hong Kong.

*Note 3:* Others include but is not limited to Brazil, Canada and Russia.

Revenue is allocated based on the shipping destination.

## 6 OTHER INCOME

	Three months ended		Nine months ended	
	31 December		31 December	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)		(Unaudited)
Bank interest income	32	44	65	79
Interest income from financial asset at fair value through profit or loss	—	—	—	93
Staff quarter rental income	—	11	—	33
Machinery rental income	—	197	167	591
Sales of scrap	—	22	817	211
Gain on disposal of non-current asset	402	327	3,254	327
Gain on early repayment of bond payables	—	—	—	514
Others	833	3,073	220	4,810
	<u>1,267</u>	<u>3,674</u>	<u>4,523</u>	<u>6,658</u>

## 7 OTHER (LOSSES) AND GAINS

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000	2018 HK\$'000 (Unaudited)	2019 HK\$'000	2018 HK\$'000 (Unaudited)
Exchange gains, net	(295)	(165)	(903)	(61)
Fair value losses on financial asset at fair value through profit or loss	—	—	(3,097)	(59)
Gain on disposal of subsidiary	687	—	687	—
	<u>392</u>	<u>(165)</u>	<u>(3,313)</u>	<u>(120)</u>

## 8 (LOSS) PROFIT FOR THE PERIOD ATTRIBUTABLE OF THE OWNERS OF THE COMPANY

(Loss) Profit for the period is arrived at after charging/(crediting):

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000	2018 HK\$'000 (Unaudited)	2019 HK\$'000	2018 HK\$'000 (Unaudited)
Cost of inventories recognised as expenses	67,915	57,539	190,682	172,437
Employee benefit expenses	4,089	7,797	16,011	21,983
Subcontracting fees	13,881	13,531	32,516	32,053
Amortisation of intangible assets	216	543	864	1,527
Depreciation of property, plant and equipment	251	547	925	1,779
Operating leases				
— Office premises	492	255	1,803	891
— Factories	168	508	486	1,522
— Plant and machinery	141	160	478	478
	<u>141</u>	<u>160</u>	<u>478</u>	<u>478</u>

## 9 FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000	2018 HK\$'000 (Unaudited)	2019 HK\$'000	2018 HK\$'000 (Unaudited)
Interest on:				
— bank and other borrowings	<u>1,223</u>	<u>660</u>	<u>3,489</u>	<u>1,314</u>

## 10 INCOME TAX EXPENSE

Hong Kong profit tax has been provided at the rate of 16.5% on the assessable profit during the nine months ended 31 December 2019. The PRC enterprise income tax is provided at the rate of 25% (2018: 25%) during the nine months ended 31 December 2019.

The amount of income tax expense (credit) charged to the condensed consolidated income statements represents:

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000	2018 HK\$'000 (Unaudited)	2019 HK\$'000	2018 HK\$'000 (Unaudited)
Current income tax expense (credit)	<u>761</u>	<u>(77)</u>	<u>967</u>	<u>1,045</u>



**11 (LOSSES)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY FOR THE PERIOD — BASIC AND DILUTED**

**(a) Basic**

Basic (losses) earnings per share is calculated by dividing the (loss) profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the respective periods.

	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2019</b>	2018	<b>2019</b>	2018
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
		(Unaudited)		(Unaudited)
(Loss)/profit attributable to owners of the Company ( <i>HK\$'000</i> )	<b>2,587</b>	(2,125)	<b>(6,402)</b>	3,201
Issued ordinary shares at the beginning of year	<b>3,840,000</b>	3,840,000	<b>3,840,000</b>	3,840,000
Effect of shares issued under subscription	<b>150,000</b>	—	<b>150,000</b>	—
Weighted number of ordinary shares in issue ( <i>'000</i> )	<b>3,990,000</b>	3,840,000	<b>3,990,000</b>	3,840,000
Basic (losses)/earnings per share ( <i>HK cents per share</i> )	<b><u>0.06</u></b>	<u>(0.06)</u>	<b><u>(0.16)</u></b>	<u>0.08</u>

**(b) Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares due to share options for the period ended 31 December 2018. The calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Diluted loss per share for the period ended 31 December 2019 is the same as basic loss per share due to the absence of dilutive potential ordinary shares.

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000	2018 HK\$'000 (Unaudited)	2019 HK\$'000	2018 HK\$'000 (Unaudited)
(Loss)/profit attributable to owners of the Company (HK\$'000)	2,587	(2,125)	(6,402)	3,201
Issued ordinary shares at the beginning of year	3,840,000	3,840,000	3,840,000	3,840,000
Effect of shares issued under subscription	150,000	—	150,000	—
Weighted number of ordinary shares in issue ('000)	3,990,000	3,840,000	3,990,000	3,840,000
Adjustment for share options ('000)	—	21,184	—	21,184
Weighted number of ordinary shares in issue for diluted earnings per share ('000)	3,990,000	3,861,184	3,990,000	3,861,184
Diluted earnings/(losses) per share (HK cents per share)	<u>0.06</u>	<u>(0.06)</u>	<u>(0.16)</u>	<u>0.08</u>

## 12 DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the nine months ended 31 December 2019 and 2018.

## 13 RELATED-PARTY TRANSACTIONS

For the purposes of these unaudited condensed consolidated financial statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the three and nine months ended 31 December 2019 and 31 December 2018.

### (a) Transactions with related parties

	Three months ended		Nine months ended	
	31 December		31 December	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Unaudited)		(Unaudited)
Rental expenses charged by a related company	<u>477</u>	<u>441</u>	<u>1,394</u>	<u>1,320</u>

*Note:*

Rental expenses charged and interest expenses paid was paid to Xinxing On Time Electronics Limited (“**Xinxing On Time**”). Mr. Tam, the director of the Group, has direct interest in Xinxing On Time.

**(b) Key management compensation**

Key management includes directors (executive and non-executive) and the senior management of the Group. The compensation paid or payable to key management for employee services is disclosed as follows:

	Three months ended 31 December		Nine months ended 31 December	
	2019 HK\$'000	2018 HK\$'000 (Unaudited)	2019 HK\$'000	2018 HK\$'000 (Unaudited)
Wages, salaries and allowances	461	424	1,592	1,631
Retirement benefit costs	8	18	34	54
	<u>469</u>	<u>442</u>	<u>1,626</u>	<u>1,685</u>

**14 EVENT AFTER REPORT PERIOD**

On 20 January 2020, the Company received a third party notice with legal case no. HCA1643/2019 between the Barton Eagle Limited (“**Plaintiff**”), Lam Tak Hung (“**Defendant**”) and On Real International Holdings Limited (“**Third Party**”). The Plaintiff claimed against the defendant approximately HK\$8 million under a guarantee for debts own by the Company. The Defendant claims against the Company to be indemnified against the plaintiff’s claim and the cost of this action on the grounds that the Company are the principal debtor of the alleged debt. The management of the Company is seeking the legal opinion for the above case. The Company will make further announcement as and when appropriate and comply with the relevant requirements under the Listing Rules.

As of the approval date of these unaudited condensed consolidated financial statements, the Group had no significant event after the reporting period which need to be disclosed apart from the above legal case and the proposed Share Consolidation, Change in Board Lot Size, Authorised Share Capital Increase and Right Issue disclosed on page 26 of this announcement.

## MANAGEMENT DISCUSSION AND ANALYSIS

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated results of the Group for the nine months ended 31 December 2019, together with the unaudited comparative figures for the corresponding periods in 2018.

### BUSINESS REVIEW

The Group is a two-way radio product designer and manufacturer established in 2001. We derive the revenue principally from designing, manufacturing and selling two-way radios and baby monitor products on original design manufacturing basis.

The Group’s revenue increased from approximately HK\$252.2 million for the nine months ended 31 December 2018 to approximately HK\$267.1 million for the nine months ended 31 December 2019, representing an increase of approximately 5.9%. Such increase was mainly due to increase of number of purchase orders from customers during the period for nine months ended 31 December 2019.

The Group’s revenue of two-way radios increased by approximately 30.3% from approximately HK\$161.4 million for the nine months ended 31 December 2018 to approximately HK\$210.4 million for the nine months ended 31 December 2019 mainly due to the increase of number of purchase orders from customers.

The Group’s revenue of baby monitor decreased by approximately 77.9% from approximately HK\$15.2 million for the nine months ended 31 December 2018 to approximately HK\$3.4 million for the nine months ended 31 December 2019 mainly due to the decrease in demand of our audio baby monitor products.

The Group’s revenue of service business decreased by approximately 68.1% from approximately HK\$1.2 million for the nine months ended 31 December 2018 to approximately HK\$0.4 million for the nine months ended 31 December 2019 mainly due to decrease in provision of electronic manufacturing servicing business.

The Group’s revenue of other products decreased by approximately 28.8% from approximately HK\$74.2 million for the nine months ended 31 December 2018 to approximately HK\$52.9 million for the nine months ended 31 December 2019 mainly due to the increase in demand and increase of number of purchase orders from our other products which offset the effect for the termination in trading of LCD display module during the nine months ended 31 December 2019.

The following tables set forth the breakdowns of the turnover of the Group by product/service categories for each of the three and nine months ended 31 December 2019 and 2018:

	Three months ended 31 December					
	2019		2018		Increase (Decrease)	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
			(Unaudited)			
Two-way radio	81,097	82.7	66,704	78.2	14,393	21.6
Baby monitors	1,877	1.9	8,502	10.0	(6,625)	77.9
Service business	3	0.0	—	0.0	3	N/A
Other products	15,093	15.4	10,092	11.8	5,001	49.6
<b>Total</b>	<b>98,070</b>	<b>100.0</b>	<b>85,298</b>	<b>100.0</b>	<b>12,772</b>	<b>15.0</b>

	Nine months ended 31 December					
	2019		2018		Increase (Decrease)	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
			(Unaudited)			
Two-way radio	210,435	78.8	161,447	64.0	48,988	30.3
Baby monitors	3,365	1.2	15,234	6.0	(11,869)	(77.9)
Service business	397	0.2	1,243	0.5	(846)	(68.1)
Other products	52,876	19.8	74,234	29.5	(21,358)	(28.8)
<b>Total</b>	<b>267,073</b>	<b>100.0</b>	<b>252,158</b>	<b>100.0</b>	<b>14,915</b>	<b>5.9</b>

## **PROSPECT**

Our business objectives are to grow our existing business by strengthening our product portfolio, enhancing our information management system and enhancing our marketing efforts. We will continue looking into opportunities to diversify our revenue stream. Although our development and selling of LCD TV modules are not making expected progress due to the impact of the trade war, we will continue to search for new product and to leverage our developed sales channels and network for distributing related products.

In coming year, 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 People's Republic of China (the "PRC") such as Malaysia to diversify the production processes and fulfill the requirement from the customers. We will continue to put effort in developing new model of our products and diversify our revenue streams which are expected to bring growth potential for turnover to the Group and returns to the shareholders of the Company (the "Shareholders"). The Group looks for and considers potential investment business opportunities from time to time. The Group will also be looking at enhancing our business revenue and profitability by introducing new product categories and/or leverage our research and development capability to provide design engineering service to our customers.

We expect that the trade war between the PRC and the US will continue impacting our business. The revenue and gross margin will be affected due to the additional tariff of the two way radios and the additional cost in setting up the logistic and operation of subcontracting the manufacturing in Malaysia and Vietnam.

## **FINANCIAL REVIEW**

### **Cost of Sales and Gross Profit**

The majority of the Group's cost of sales comprised of raw material cost, product costs, direct labour costs and subcontracting fees. The cost of sales increased by approximately 2.6% from HK\$229.5 million for the nine months ended 31 December 2018 to approximately HK\$235.5 million for the nine months and 31 December 2019. The gross profit margin increased from approximately 9.0% for the nine months ended 31 December 2018 to approximately 11.8% for the nine months ended 31 December 2019, which was mainly due to the termination in trading of LCD display module which has low profit margin during the nine months ended 31 December 2018.

## **Selling and distribution expenses**

The selling and distribution expenses decreased from approximately HK\$3.3 million for the nine months ended 31 December 2018 to approximately HK\$2.7 million for the nine months ended 31 December 2019, which was mainly due to cost optimization.

## **Administrative Expenses**

The administrative expenses increased from approximately HK\$18.9 million for the nine months ended 31 December 2018 to approximately HK\$32.0 million for the nine months ended 31 December 2019, which was mainly due to increase of expenses of research and development fee and consulting fee to maintain their competitiveness and attractiveness under the dramatic change of the industry environment.

## **(Loss) Profit attributable to the owners of the Company**

Loss attributable to the owners of the Company for the nine months ended 31 December 2019 amounted approximately HK\$6.4 million compared to a profit of HK\$3.2 million for the nine months ended 31 December 2018. The loss was mainly due to the increase in administrative expenses for the reason mentioned above and an one-off loss on disposal of financial asset.

## **Dividend**

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2019.

## **Use of Proceeds from the Listing**

On 30 September 2015, 120,000,000 ordinary shares of the Company were allotted at HK\$0.57 per placing share pursuant to the Placing (as defined in the Prospectus). The net proceeds from the Placing received by the Company were approximately HK\$30.9 million (after deduction of any related expenses). As at 31 December 2019, the net proceeds is fully utilized.



During the nine months ended 31 December 2019, the net proceeds had been utilized as follows:

	<b>Actual net proceeds HK\$ Million</b>	<b>Amount utilised up to 31 December 2019 HK\$ Million</b>	<b>Balance as at 31 December 2019 HK\$ Million</b>
Strengthen our product portfolio	21.7	21.7	—
Enhance our information management systems	2.4	2.4	—
Strengthen our marketing efforts	4.0	4.0	—
Working capital and other general corporate purposes	2.8	2.8	—
	<hr/>	<hr/>	<hr/>
Total	<u>30.9</u>	<u>30.9</u>	<u>—</u>

## **MATERIAL DISPOSALS**

On 20 June 2019, Mr. Tam Wing Ki (“**Mr. Tam**”), the executive director of the Company and On Real Limited (“**the Vendor**”), an indirect wholly-owned subsidiary of the Company entered into the Agreement, pursuant to which Mr. Tam has conditionally agreed to purchase, and the Vendor has agreed to sell, the asset of the life insurance plan “Jade Global Select Universal Life Plan” insured by HSBC Life (International) Limited on the life of Mr. Tam at a consideration of HK\$9,500,000 to be settled by cash. The disposal was completed on 10 July 2019. Details of this transaction are set out in the Company’s announcement date 20 June 2019 and 10 July 2019.

## **FUND RAISING ACTIVITIES**

### **Subscription of New Shares Under General mandate**

On 22 August 2019, the Company entered into the subscription agreement (the “**Subscription Agreement**”) with the 馬梓欣女士 (the “**Subscriber**”), pursuant to which the Company has agreed to allot and issue and the Subscriber has agreed to subscribe for 150,000,000 subscription shares at the subscription price of HK\$0.022 per subscription share, which represent (i) approximately 3.91% of the existing issued share capital of the Company as at the date of Subscription Agreement; and (ii) approximately 3.76% of the issued share capital of the Company as enlarged by the allotment and issue of the subscription shares immediately after the completion. The closing price of the shares as quoted on the Stock Exchange on 22 August 2019, being the date of the Subscription Agreement, was HK\$0.027 per share. The maximum net proceeds from the subscription amounted to approximately HK\$3.3 million which was intended to use as general working capital of the Group. The net price subscription was approximately HK\$0.0219. Details of the subscription were set out in the announcements of the Company dated 22 August 2019 and 30 August 2019.

### **Proposed Share Consolidation, Change in Board Lot Size, Authorised Share Capital Increase and Right Issue**

Details of the Share Consolidation, Authorised Share Capital Increase and Right Issue was set out in the Company’s announcements dated 24 December 2019 and 4 February 2020 and the Company’s Circular dated on 15 January 2020. Unless otherwise defined, capitalised terms used herein shall bear the same meanings ascribed thereto in the announcements.

On 24 December 2019, the Board proposed to the Shareholders to effect the Share Consolidation which involves the consolidation of every ten (10) issued and unissued Existing Shares of par value HK\$0.00125 each into one (1) Consolidated Share of par value of HK\$0.0125. The Board also proposes to change the board lot size for trading on the Stock Exchange from 5,000 Existing Shares to 10,000 Consolidated Shares upon the Share Consolidation having become effective.

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

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

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

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

On 4 February 2020, all the resolutions of Share Consolidation and Authorised Share Capital Increase were duly passed by the Shareholders by way of poll at the EGM. As all the conditions of the Share Consolidation have been fulfilled, the Share Consolidation and Authorised Share Capital Increased has taken effect on 6 February 2020.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2019, 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. There were no debt securities issued by the Group during the nine months ended 31 December 2019.

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2019, so far as known to the Directors, the following shareholders had, or were deemed to have, interests or short positions, in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

#### Long positions in shares of the Company

Name	Capacity	Number of shares	Percentage of shareholding
Solution Smart Holdings Limited (“ <b>Solution Smart</b> ”) (Note 1)	Beneficial owner	1,125,896,000	28.22%
Mr. Chung Wai Sum (“ <b>Mr. Chung</b> ”) (Note 1)	Interest in a controlled corporation	1,125,896,000	28.22%
SMK Investment Company Limited (“ <b>SMK</b> ”) (Note 2)	Beneficial owner	909,976,000	22.81%
Mr. Kor Sing Mung Michael (Note 2)	Interest in a controlled corporation	909,976,000	22.81%
Cocoon Holdings Limited	Beneficial owner	271,060,000	6.79%

*Notes:*

1. Mr. Chung Wai Sum is the sole beneficial shareholder of Solution Smart. Therefore, Mr. Chung is deemed to be interested in 1,125,896,000 shares of the Company 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 909,976,000 shares of the Company held by SMK under the SFO.
3. 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) of the Company as recorded in the register required to be kept under section 336 of the SFO as at 31 December 2019.

### **DIRECTORS' INTEREST IN CONTRACTS**

No contracts of significance in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during the nine months ended 31 December 2019.

### **DIRECTORS' INTERESTS IN A COMPETING BUSINESS**

For the nine months ended 31 December 2019, the Directors are not aware of any business or interest of the Directors, the management of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

### **CORPORATE GOVERNANCE**

The Company is committed to ensure a high standard of corporate governance in the interests of the Shareholders and devotes considerable effort to maintain high level of business ethics and corporate governance practices. The Company has complied with the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules throughout the nine months ended 31 December 2019. The Company has applied the principles of, and complied with, the applicable code provisions of the CG Code during the nine months ended 31 December 2019, except for certain deviations as specified with considered reasons for such deviations as explained below.

Under Code Provision A.2.1 of the CG Code, the roles of the chairman and chief executive should be separated and should not be performed by the same individual.

During the nine months ended 31 December 2019, Mr. Tam has resigned from his position as the Chairman of the Board of the Company on 1 April 2019 and position as chief executive officer of the Company on 27 November 2019. The position of Chairman of the Board of the Company has been vacant until the appointment of Mr. Chan Lung Ming as the Chairman of the Board of the Company on 27 November 2019. The position of chief executive office of the Company was vacant since 27 November 2019. The executive directors of the Company oversaw the day-to-day management of the business and operations of the Group until the suitable candidate to fill the vacancy of the Chairman of the Board.

The Board will continue to monitor and review the Company's corporate governance practices to ensure compliance with the Code.

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Group had adopted Rules 5.46 to Rules 5.67 of the GEM Listing Rules (“**Model Code**”) as its own code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard of dealings.

Having made specific enquiry with all the Directors and all the Directors of the Company had confirmed compliance with the required standard of dealings and the code of conduct for Directors' securities transactions during the nine months ended 31 December 2019.

## **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the nine months ended 31 December 2019.

## **SHARE OPTION SCHEME**

The share option scheme of the Company (“**Scheme**”) was adopted pursuant to a resolution passed by the Company's shareholders on 16 September 2015 for the primary purpose is to attract, retain and motivate talented participants, to strive for future developments and expansion of the Group. Eligible participants of the Scheme include any employees, any executives, non-executive Directors (including independent non-executive Directors), advisors, consultants of the Company or any of its subsidiaries.

The Scheme will remain valid and effective for a period of 10 years commencing on the date on which the Scheme is adopted, after which period no further share options will be granted but the provisions of the Scheme shall in all other respects remain in full force and effect and share options which are granted during the life of the Scheme may continue to be exercisable in accordance with their terms of issue. The principal terms of which were summarized in the paragraph headed “Share Option Scheme” in Appendix IV to the Prospectus.

On 2 October 2018, the Company has granted 115,200,000 Share options (the “**Options**”) to three eligible participants who are independent third parties not connected with the connected persons of the Company and their associates (collectively, the “**Grantees**”) to subscribe, in aggregate, for up to 115,200,000 ordinary shares of HK\$0.00125 each in the share capital of the Company subject to acceptance of the Grantees and subject to the vesting conditions.

Details of the grant of the Options were set out in the Company’s announcement dated 2 October 2018. Save as mentioned above, no share options were granted by the Company during the nine months ended 31 December 2018. All the share options granted by the Company during the nine months ended 31 December 2018 has been lapsed on year ended 31 March 2019.

Details of the movement of the share options of the Company under the Scheme for the nine months ended 31 December 2018 are set out below:

Grantees	Date of grant of share	Expiry date of share options	Exercise price (HK\$)	Share options held as at 1 April 2018	Granted	Share option held as at 31 December 2018
Consultants	02.10.2018	02.10.2028	0.0470	—	115,200,000	115,200,000
<b>Total:</b>				—	115,200,000	115,200,000

As at 31 December 2019, the remaining share options pursuant the Scheme was 268,800,000 shares may be allotted and issued.

Save as disclosed above, no share option was granted, exercised, lapsed or cancelled during the nine months ended 31 December 2019.

## AUDIT COMMITTEE

The existing audit committee of the Company (the “**Audit Committee**”) consists of three independent non-executive Directors, chaired by Mr. Wong Ching Wan and the other two members are Mr. Chan Shiu Man and Mr. Cheng Chai Fu.

The unaudited third quarterly financial results of the Group for the nine months ended 31 December 2019 have been reviewed by the Audit Committee.

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

Hong Kong, 14 February 2020

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

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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