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On Real International Holdings Limited

安悦國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 8245

INSIDE INFORMATION — MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE SUBSCRIPTION OF SECURITIES IN THE TARGET

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE MOU

On 27 September 2018 (after trading hours of the Stock Exchange), the Company entered into the MOU with the Target, pursuant to which the parties to the MOU will negotiate for the proposed subscription by the Company of certain securities in the Target.

Major terms of the MOU are set out below

Date

27 September 2018

Parties

- (i) the Company, as subscriber; and
- (ii) the Target, as issuer.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Target and its ultimate beneficial owners is an Independent Third Party.

Subject matter of the MOU

Subject to further negotiation and the entering into of a legally-binding formal agreement, and the fulfilment or wavier of conditions precedent which may be set out in the formal agreement, the Company intends to subscribe for certain number of securities to be issued by the Target at a consideration to be determined.

The final terms of the Proposed Subscription, including the consideration and the number of securities to be subscribed will be subject to further negotiations and the formal agreement to be entered into between the parties to the MOU.

The Company currently intended that, if the Proposed Subscription is materialised, the securities subscribed will be accounted for as investments in the Group's consolidated financial statements.

Business Review

The Parties agreed that upon signing of the MOU and until the expiry or termination of the MOU, the Parties shall be entitled to carry out review of the business, financials and status of the other Party for assessment of the Proposed Subscription, and each Party shall provide reasonable assistance in this respect to the other Party.

Term of the MOU

The MOU shall become effective upon signing by both parties and shall terminate and cease to have effect (save for clauses in relation to confidentiality and governing law) at the earlier of the (i) 2 months from the date of the MOU; or (ii) the entering into of the formal agreement in relation to the Proposed Subscription.

INFORMATION ON THE TARGET AND REASONS FOR THE MOU

The Target is a company incorporated in the State of Delaware, the United States of America, and is engaged in the business of provision of low-cost, long-life and long-duration energy storage systems. The Target is seeking new investor to fund its working capital and had issued various series of securities to other investors previously and the securities proposed to be subscribed by the Company will be part of a new series of securities to be issued by the Target.

The Company and its subsidiaries are two-way radio product designer and manufacturer. The Company derives the revenue principally from designing, manufacturing and selling two-way radios and baby monitor products on original design manufacturing basis.

The Company looks at and considers potential investment opportunities from time to time. In view of the business development and prospect of the Target, the Board is of the view that, if the Proposed Subscription is materialised, it will provide an opportunity to the Company for potential return from the investment and may expand the market and business opportunity of the Company.

GENERAL

The Proposed Subscription, if materialized, may constitute a notifiable transaction of the Company under Chapter 19 of the GEM Listing Rules. Further announcement(s) in relation to the Proposed Subscription will be made by the Company as and when appropriate in accordance with the GEM Listing Rules.

The Board would like to emphasize that no legally binding agreement in relation to the Proposed Subscription has been entered into by the Company and the Target as at the date of this announcement (save as to the confidentiality, business review, terms, costs, governing law under the MOU). As the Proposed Subscription may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	On Real International Holdings Limited (Stock code: 8245), a company incorporated in the Cayman Islands with limited liability and the issued Shares are listed on GEM
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Independent Third Party”	a party who is a third party independent of the Company and its connected persons and their respective associates (within the meaning of the GEM Listing Rules)
“MOU”	the non-legally binding memorandum of understanding dated 27 September 2018 entered into between the Company and the Target in relation to the Proposed Subscription
“Proposed Subscription”	the proposed subscription of certain number of securities to be issued by the Target
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target” Primus Power Corporation, a company incorporated and existing under the laws of the State of Delaware, the United States of America

“%” per cent.

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

Hong Kong, 27 September 2018

As at the date of this announcement, the executive Directors are Mr. Tam Wing Ki, Mr. Fu Yan Ming and Mr. Kwok Ming Fai, and the independent non-executive Directors are Mr. Chan Shiu Man, Mr. Fung Chan Man Alex and Mr. Wong Ching Wan.

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

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