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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 — UPDATE ON POSSIBLE SUBSCRIPTION OF SECURITIES IN THE TARGET

This announcement is made by On Real International Holdings Limited (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).

Reference is made to the announcement of the Company dated 27 September 2018 (the “**Announcement**”) regarding the MOU in relation to possible subscription of securities in Primus Power Corporation, a company incorporated and existing under the laws of the State of Delaware, the United States of America (the “**Target**”). Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

THE TERM SHEET

On 8 October 2018 (after trading hours of the Stock Exchange), the Company entered into a non-legally binding term sheet (the “**Term Sheet**”) with the Target, pursuant to which the parties to the Term Sheet will further negotiate for the proposed subscription (“**Proposed Subscription**”) by the Company of certain number of Series F Convertible Preferred Stock (“**Series F Shares**”) to be issued by the Target at a share price to be determined by the parties to upon signing of a formal agreement. Summary of certain major proposed terms are as follows:

Consideration

The indicative total subscription consideration is US\$10 million. The subscription price will be payable by the Company to the Target at the applicable closing date of the upon the satisfaction or waiver of closing conditions as may be stated in the formal agreement.

Dividend Preference

When, as and if declared by the board of directors of the Target, the Company shall be entitled to receive a fixed percentage of dividend each year and thereafter, the holders of the Target's Preferred Stock ("**Preferred Stock**") shall be entitled to receive dividends consistent with the Target's current certificate of incorporation (the "**Charter**"). After the payment of preferential dividends, the Preferred Stock (including Series F Shares) shall participate on an as-if converted basis in dividends on the Target's common stock.

Conversion

The Series F Shares will be convertible to common stock of the Target at any time at the option of the holder.

Non-Binding

The Term Sheet is not a binding commitment to consummate the Proposed Subscription as contemplated therein or otherwise. Any such binding commitment will exist only if and when the parties to the Term Sheet have signed definitive transaction documents.

Notwithstanding the above, the parties intend that the provisions in relating to expenses, binding effect, counterparts, language and governing law are legally binding and shall remain in force for a period of two years, irrespective of any termination of negotiations in respect of the Proposed Subscription.

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 the terms set out in the Term Sheet are indicative only and may be subject to change, and no legally binding agreement in relation to the Proposed Subscription has been entered into by the Company with any party as at the date of this announcement. 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.

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

Hong Kong, 8 October 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.