

Unless otherwise defined herein, capitalised terms and expressions used in this announcement shall have the same meanings as those defined in the prospectus dated 18 September 2015 (the “Prospectus”) issued by On Real International Holdings Limited (the “Company”).

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This announcement is for information purposes only and does not constitute an offer or an invitation to acquire, purchase or subscribe for the Shares or other securities of the Company. Potential investors should read the Prospectus for detailed information about the Company and the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.

On Real International Holdings Limited 安悦國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares : 120,000,000 Shares
Placing Price : HK\$0.57 per Placing Share (exclusive of
brokerage fee of 1.0%, SFC transaction
levy of 0.0027% and Stock Exchange
trading fee of 0.005%)
Nominal Value : HK\$0.01 each
Stock Code : 8245

Sponsor



Joint Lead Managers



太平基業證券有限公司
Pacific Foundation Securities Limited

Sole Bookrunner



太平基業證券有限公司
Pacific Foundation Securities Limited

SUMMARY

- The Placing Price has been determined at HK\$0.57 per Placing Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).
- Based on the Placing Price of HK\$0.57 per Placing Share, the net proceeds from the Placing to be received by the Company, after deducting the underwriting fees and estimated expenses in relation to the Placing payable by the Company, are estimated to be approximately HK\$31.9 million. The Company intends to apply such net proceeds from the Placing in a manner set out in the paragraph headed “Placing Price and Net Proceeds from the Placing” below.
- The 120,000,000 Placing Shares offered under the Placing have been moderately oversubscribed and have been conditionally allocated to a total of 106 selected professional, institutional and other investors.
- The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executives, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules) and are not any person or group of persons referred to in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee, individually, has been or will be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue. The Directors also confirm that there will not be any new substantial shareholders (as defined under the GEM Listing Rules) immediately after completion of the Placing and the Capitalisation Issue.
- The Directors confirm that, immediately after completion of the Placing and Capitalisation Issue, the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Wednesday, 30 September 2015. The Shares will be traded in board lots of 5,000 Shares each. The GEM stock code for the Shares is 8245.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND NET PROCEEDS FROM THE PLACING

The Placing Price has been determined at HK\$0.57 per Placing Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

Based on the Placing Price of HK\$0.57 per Placing Share, the net proceeds from the Placing to be received by the Company, after deducting the underwriting fees and estimated expenses in relation to the Placing payable by the Company, are estimated to be approximately HK\$31.9 million. The Company intends to apply such net proceeds for the following purposes:

- approximately HK\$22.4 million, representing about 70.1% of the net proceeds from the Placing, will be used for strengthening the Group’s product portfolio;
 - approximately HK\$18.3 million, representing about 57.5% of the net proceeds from the Placing, will be used for developing new product;
 - approximately HK\$2.5 million, representing about 7.7% of the net proceeds from the Placing, will be used for purchasing tooling; and
 - approximately HK\$1.6 million, representing about 4.9% of the net proceeds from the Placing, will be used for developing IoT connectivity;
- approximately HK\$2.6 million, representing about 8.0% of the net proceeds from the Placing, will be used for enhancing the Group’s information management system;
- approximately HK\$4.1 million, representing about 12.8% of the net proceeds from the Placing, will be used for strengthening the Group’s marketing efforts; among which:
 - approximately HK\$2.8 million, representing about 8.8% of the net proceeds from the Placing, will be used for recruitment of one senior management staff;
 - approximately HK\$0.7 million, representing about 2.2% of the net proceeds from the Placing, will be used for hiring sales agent; and
 - approximately HK\$0.6 million, representing about 1.8% of the net proceeds from the Placing, will be used for participation in exhibitions;
- approximately HK\$2.8 million, representing about 9.1% of the net proceeds from the Placing, will be used towards working capital and other general corporate purposes.

For further details of the Group’s intended use of the net proceeds from the Placing, please refer to “Future Plans and Use of Proceeds” in the Prospectus.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 120,000,000 Placing Shares offered under the Placing have been moderately oversubscribed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 120,000,000 Placing Shares have been conditionally allocated to a total of 106 selected professional, institutional and other investors. The distribution of the Placing Shares is set out as follows:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding over the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue
Top placee (<i>Note</i>)	26,350,000	21.96%	5.49%
Top 5 placees (<i>Note</i>)	66,445,000	55.37%	13.84%
Top 10 placees	86,020,000	71.68%	17.92%
Top 25 placees	113,010,000	94.18%	23.54%

Note:

26,350,000 Placing Shares (representing approximately 21.96% of the Placing Shares or approximately 5.49% of the Company's enlarged issued share capital immediately after completion of the Placing and the Capitalisation Issue) were placed to Huge China Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange, who is an Independent Third Party.

26,350,000 Placing Shares (representing approximately 21.96% of the Placing Shares or approximately 5.49% of the Company's enlarged issued share capital immediately after completion of the Placing and the Capitalisation Issue) were placed to HF Pre-IPO Fund, who is an Independent Third Party.

Number of Placing Shares allocated	Number of placees
5,000 to 100,000	64
100,001 to 1,000,000	21
1,000,001 to 5,000,000	19
5,000,001 and above	2
Total	106

The Directors confirm that, to the best of their knowledge and belief, all placees under the Placing are independent of and not connected with the Company and any of the Directors, chief executives, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules) and are not any person or group of persons referred to in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing. No placee, individually, has been or will be placed more than 10% of the enlarged issued share capital of the Company immediately after completion of the Placing and the Capitalisation Issue. The Directors also confirm that there will not be any new substantial shareholders (as defined under the GEM Listing Rules) immediately after completion of the Placing and the Capitalisation Issue.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its total issued share capital at the time when the Shares commence dealings on GEM and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50% of the Shares in public hands shall be owned by the three largest public Shareholders at the time of Listing. The Directors confirm that, immediately after completion of the Placing and the Capitalisation Issue, the public float of the Company will be 25% of the enlarged issued share capital of the Company, and not more than 50% of the Shares in public hands at the time of the Listing will be owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares in issue and to be issued on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date (i.e. Wednesday, 30 September 2015) or on such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for subscription monies paid for the Placing Shares. The Company will not issue temporary documents of title.

The share certificates for the Placing Shares to be distributed via CCASS are expected to be deposited into CCASS on or before Tuesday, 29 September 2015 for credit to the relevant CCASS Participants' stock accounts designated by the Underwriters, the placees or their agents (as the case may be).

Prospective investors of the Placing Shares should note that the Sponsor and/or the Joint Lead Managers (for themselves and on behalf of the Underwriters) shall have the absolute right to terminate the Underwriting Agreement by giving notice in writing to the Company with immediate effect if any of the events set forth in "Underwriting – Underwriting arrangements, commissions and expenses – Grounds of termination" in the Prospectus occurs at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date (i.e. Wednesday, 30 September 2015). In the event that the Underwriting Agreement is terminated, an announcement will be published by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.on-real.com accordingly.

The Placing is conditional upon the fulfillment of the conditions as set out in "Structure and Conditions of the Placing – Conditions of the Placing" in the Prospectus. In the event that such conditions are not fulfilled or waived by the Sponsor and/or the Joint Lead Managers in accordance with the terms and conditions of the Underwriting Agreement on or before the dates and times as specified therein and in any event not later than the 30th day after the date of the Prospectus, the Placing will lapse and thereafter, all monies received will be refunded to applicants of the Placing

without interest and the Stock Exchange will be notified immediately. Notice of the lapse of the Placing will be published by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.on-real.com on the next business day immediately following the date of such lapse.

All share certificates for the Placing Shares will only become valid documents of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Wednesday, 30 September 2015. If there is any change to the expected timetable, an announcement will be published immediately by the Company on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.on-real.com. The Shares will be traded in board lots of 5,000 Shares each. The GEM stock code for the Shares is 8245.

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

Hong Kong, 29 September 2015

As at the date of this announcement, the executive Directors are Mr. Tam Wing Ki, Mr. Hsu Wing Sang and Mr. Tao Hong Ming; the non-executive Director is Mr. Chau Wai Hung, Andy; and the independent non-executive Directors are Mr. Cheng Yuk Kin, Mr. Fan Chun Wah, Andrew and Ms. Reina Lim Yan Xin.

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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk and on the "Latest Company Announcements" page for at least seven days from the date of its posting. This announcement will also be published on the Company's website at www.on-real.com.