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HKRI

香港興業國際集團有限公司*

HKR International Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00480)

CONNECTED TRANSACTION DISPOSAL OF PROPERTY

THE DISPOSAL

On 29 July 2020, the Vendor, an indirect non-wholly owned subsidiary of the Company, accepted the Purchaser's Tender for the Property, resulting in a contract for the Disposal. At the close of the tender period, the Purchaser's Tender was the only one received by the Vendor in respect of the Property. The Purchaser and the Vendor have signed the Agreement in respect of the Disposal on the same date.

The Purchaser, by virtue of being the spouse of Mr Cha Mou Daid Johnson who is a non-executive Director of the Company, is an associate of a connected person of the Company under rule 14A.12 of the Listing Rules. Hence, the purchase of the Property by the Purchaser constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal exceeds 0.1% but is less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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Date

29 July 2020

Parties

(i) Hong Kong Resort Company Limited, as Vendor

(ii) Ms Gaw, Cheng Hwa Selina, as Purchaser

The Agreement

The Property : Flat B, 15th Floor, Block 8 (with a saleable area of 1,379 square feet) of Poggibonsi

Consideration : HK\$26,220,000 was paid and shall be paid by the Purchaser in cash in the following manner:-

HK\$1,311,000, equivalent to 5% of the consideration for the Property was paid by the Purchaser upon the Vendor's acceptance of the Purchaser's Tender; and

The balance, being HK\$24,909,000, shall be paid upon completion.

The consideration for the Property represents the price offered by the Purchaser under the Purchaser's Tender. As the Vendor has not had to pay what would have amounted to equivalent or greater estate agent or intermediary fees in connection with the sale of the Property, it has, as part of the published tender arrangements, agreed to rebate an amount equal to 7.5% of the offered price, being a rebate offered and equally applicable to all staff and directors of the Company and the Vendor's certain other shareholding companies as set out in the tender documents, and their qualified associates. The rebate will be paid to the Purchaser after completion, by cheque. In addition, the Vendor will pay the stamp duty, to a cap of 4.25% of the consideration for the Property, on behalf of the Purchaser as equally applicable to other independent purchasers for the residential units of Poggibonsi for all sales conducted since 9 June 2020.

Completion : Completion for the Disposal shall take place on or before 27 September 2020.

REASONS FOR AND BENEFITS DERIVED FROM THE DISPOSAL

Poggibonsi is one of the residential development projects of the Group in Discovery Bay which comprises 196 units, in three mid-rise blocks, with a total gross floor area of approximately 187,000 square feet offered for sale in the market since early 2019. The Property was offered for sale by tender and the Disposal has been undertaken in the ordinary and usual course of business of the Group.

Upon completion of the Disposal, the Group is expected to record a gain of approximately HK\$10,300,000 (before tax and subject to audit). The expected gain is calculated based on the consideration for the Disposal after deducting the estimated development cost and selling expenses (including the cash rebate and stamp duty subsidy mentioned above) attributable to the Property. The net sales proceeds from the Disposal will be recorded as profit of the Group and will be used for future property development and for general working capital of the Group.

The Vendor accepted the Purchaser's Tender in the context of assessing the market price of recently completed transactions for similar properties in the vicinity of the Property. The Disposal facilitates realisation of an existing inventory of properties and will enhance the Group's working

capital. The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Disposal represent normal commercial terms, and are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE COMPANY AND THE VENDOR

The Company is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. The Company and its subsidiaries are principally engaged in property development, property investment, property management and related services, hospitality and healthcare services.

The Vendor is a non-wholly owned subsidiary of the Company and the developer of the Poggibonsi project.

LISTING RULES IMPLICATION

The Purchaser, by virtue of being the spouse of Mr Cha Mou Daid Johnson who is a non-executive Director of the Company, is an associate of a connected person of the Company under rule 14A.12 of the Listing Rules. Hence, the purchase of the Property by the Purchaser constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal exceeds 0.1% but is less than 5%, the Disposal is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr Cha Mou Daid Johnson, who has a material interest in the Disposal abstained from voting on all resolutions for approving or relating to the same at the relevant board meeting of the Company.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms and expressions have the following meanings:

“Agreement”	a preliminary sale and purchase agreement dated 29 July 2020 entered into between the Vendor and the Purchaser in respect of the sale and purchase of the Property
“Company”	HKR International Limited, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 00480)
“Directors”	the directors of the Company from time to time
“Disposal”	the sale of the Property by the Vendor to the Purchaser
“Group”	the Company and its subsidiaries from time to time

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Poggibonsi”	the residential development project of Discovery Bay City located on Area N1d of all that piece or parcel of land registered in the Land Registry as The Remaining Portion of Lot No. 385 in Demarcation District No.352 and the Extensions thereto
“Property”	Flat B, 15 th Floor, Block 8 of Poggibonsi
“Purchaser”	Ms Gaw, Cheng Hwa Selina, being the spouse of Mr Cha Mou Daid Johnson
“Purchaser’s Tender”	the form of tender (with the tender notice and the conditions of the tender sale attached thereto) submitted by the Purchaser to the Vendor for the purchase of the Property
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Hong Kong Resort Company Limited, a company incorporated in Hong Kong with limited liability and indirect non-wholly owned subsidiary of the Company which owned as to 50% by the Group

By order of the Board
HKR International Limited
CHA Mou Zing Victor
Deputy Chairman & Managing Director

Hong Kong, 29 July 2020

As at the date of this announcement, the Directors of the Company are:

Chairman

Mr CHA Mou Sing Payson

Deputy Chairman & Managing Director

Mr CHA Mou Zing Victor

Executive Directors

Mr CHUNG Sam Tin Abraham

Mr TANG Moon Wah

Non-executive Directors

The Honourable Ronald Joseph ARCULLI

Mr CHA Mou Daid Johnson

Ms WONG CHA May Lung Madeline

Independent Non-executive Directors

Mr CHEUNG Wing Lam Linus

Mr FAN Hung Ling Henry

Ms HO Pak Ching Loretta

Mr TANG Kwai Chang

** Registered under the predecessor ordinance of the Companies Ordinance, Chapter 622 of the laws of Hong Kong*