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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **HKR International Limited** (the “Company”), you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**HKR INTERNATIONAL LIMITED**

**香港興業國際集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00480)**

**PROPOSALS IN RELATION TO  
RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of the Company to be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Thursday, 12 August 2010 at 9:30 a.m. is set out on pages 16 to 20 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Investor Centre of the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. **Completion and return of the form of proxy shall not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting thereof should you so wish.**

12 July 2010

\* Registered under Part XI of the Companies Ordinance, Chapter 32 of the laws of Hong Kong

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following expressions have the following meanings:*

“AGM”	annual general meeting of the Company or any adjournment thereof;
“2010 AGM”	AGM to be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Thursday, 12 August 2010 at 9:30 a.m.;
“2010 AGM Notice”	notice convening the 2010 AGM as set out on pages 16 to 20 of this circular;
“Articles”	amended articles of association of the Company adopted on 3 September 2009;
“Board”	board of directors of the Company;
“CG Code”	Code of Corporate Governance Practices under Appendix 14 of Listing Rules;
“Company”	HKR International Limited (香港興業國際集團有限公司*), a company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the main board of the Stock Exchange;
“Director(s)”	director(s) of the Company from time to time;
“Group”	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;
“Latest Practicable Date”	6 July 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein;
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“M&A”	amended memorandum and amended articles of association of the Company adopted on 3 September 2009;

\* Registered under Part XI of the Companies Ordinance, Chapter 32 of the laws of Hong Kong

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## DEFINITIONS

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“Ordinary Share(s)”	ordinary share(s) of par value of HK\$0.25 each in the share capital of the Company;
“Share Repurchases Code”	Hong Kong Code on Share Repurchases, as amended from time to time;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended from time to time;
“Shares”	shares of all classes and securities which carry a right to subscribe or purchase shares issued directly or indirectly by the Company;
“Shareholder(s)”	holder(s) of Ordinary Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers, as amended from time to time.

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LETTER FROM THE BOARD

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**HKR INTERNATIONAL LIMITED**

**香港興業國際集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00480)**

*Directors:*

Mr CHA Mou Sing Payson (*Chairman*)  
Mr CHA Mou Zing Victor (*Deputy Chairman & Managing Director*)  
Mr CHEUNG Tseung Ming  
Mr CHUNG Sam Tin Abraham<sup>ø</sup>  
Mr TANG Moon Wah  
The Honourable Ronald Joseph ARCULLI<sup>#</sup>  
Mr CHA Mou Daid Johnson<sup>#</sup>  
Mr CHEUNG Wing Lam Linus<sup>#</sup>  
Ms WONG CHA May Lung Madeline<sup>#</sup>  
Dr CHENG Kar Shun Henry<sup>△</sup>  
Dr The Honourable CHEUNG Kin Tung Marvin<sup>△</sup>  
Ms HO Pak Ching Loretta<sup>△</sup>  
Dr QIN Xiao<sup>△</sup>

*Registered Office:*

P.O. Box 309, Ugland House  
Grand Cayman  
KY1-1104, Cayman Islands

*Principal Place of Business in Hong Kong:*

23/F, China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

- <sup>ø</sup> Also alternate to Mr CHA Mou Sing Payson  
<sup>#</sup> Non-executive Directors  
<sup>△</sup> Independent Non-executive Directors

12 July 2010

*To Shareholders*

Dear Sir or Madam,

**PROPOSALS IN RELATION TO  
RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with the 2010 AGM Notice and information regarding the resolutions to be proposed at the meeting relating to (i) the re-election of Directors who are going to retire at the 2010 AGM; and (ii) the grant to the Directors of general mandates to issue and repurchase Shares and the extension of the mandate to issue Shares repurchased.

\* Registered under Part XI of the Companies Ordinance, Chapter 32 of the laws of Hong Kong

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

Pursuant to Article 116, at each AGM one-third of the Directors for the time being (which shall exclude any Directors who may be required to retire at the same AGM under other provisions of the Articles), or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Article 116 also requires that the Directors to retire in every year shall be those who have been longest in office since their appointment or last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. In addition, code provision A.4.2 of the CG Code provides, inter alia, that every Director should be subject to retirement by rotation at least once every three years.

Pursuant to Article 99, any Director appointed by the Directors from time to time either to fill a causal vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company (in the case of filling a causal vacancy) or until the next following AGM (in the case of an addition to the Board), and shall then be eligible for re-election at the general meeting.

In accordance with the above provisions of the Articles and the CG Code, Mr CHA Mou Sing Payson, Mr CHA Mou Daid Johnson, Mr CHEUNG Tseung Ming, Mr CHUNG Sam Tin Abraham and Ms HO Pak Ching Loretta shall retire by rotation at the 2010 AGM.

All of the above-named retiring Directors are eligible for re-election and have expressed their willingness to stand for re-election at the 2010 AGM. Brief biographical details of each of the above-named retiring Directors are set out in Appendix I to this circular.

Any Shareholder acting on his own or together with other persons whose shareholding interests in the Company in aggregate represent not less than 5% of the issued share capital of the Company (other than the person to be proposed) may nominate a person to stand for election as a Director at the 2010 AGM in accordance with Article 120. Any Shareholder wishing to do so must serve (i) a written notice of intention to propose such person for election as a Director; (ii) a notice executed by that person of his willingness to be elected; and (iii) the information of that person as required to be disclosed under rule 13.51(2) of the Listing Rules to the Company's principal place of business in Hong Kong at 23/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on or well before Wednesday, 4 August 2010. The Company shall issue an announcement and/or a supplementary circular, if applicable, to inform the Shareholders the biographical details of the additional candidate proposed if a valid notice in accordance with Article 120 from any Shareholder to propose a person to stand for election as a Director at the 2010 AGM is received.

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the last AGM held on 3 September 2009, general mandates were given to the Directors to exercise the powers of the Company to issue and repurchase Shares. These general mandates will lapse upon the conclusion of the 2010 AGM and therefore, ordinary resolutions will be proposed at the 2010 AGM to grant the general mandates as follows:

- (a) to grant to the Directors a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares not exceeding twenty per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of the relevant resolution (the “**Issue Mandate**”);
- (b) to grant to the Directors a general and unconditional mandate to exercise all the powers of the Company to purchase or repurchase Shares not exceeding ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of the relevant resolution (the “**Repurchase Mandate**”); and
- (c) conditional upon the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, to extend the Issue Mandate such that the Directors be authorised to exercise the powers to allot, issue, grant, distribute and otherwise deal with additional Shares pursuant to the Issue Mandate to the extent to include the aggregate nominal amount of Shares purchased or repurchased by the Company pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, the issued share capital of the Company was HK\$337,568,591.75 divided into 1,350,274,367 fully paid Ordinary Shares. Subject to the passing of the ordinary resolution for approving the Issue Mandate at the 2010 AGM and on the basis that no further Shares will be issued or repurchased prior to the 2010 AGM, the Company would be allowed under the Issue Mandate to issue a maximum of 270,054,873 Ordinary Shares during the period in which the Issue Mandate remains in force.

Full text of each of the relevant ordinary resolutions in relation to the general mandates described in (a), (b) and (c) above is set out as resolutions numbered 5, 6 and 7 respectively in the 2010 AGM Notice. An explanatory statement, as required under the Listing Rules, containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution numbered 6 to approve the Repurchase Mandate is set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### VOTING AT AGM

Pursuant to rule 13.39(4) of the Listing Rules, the vote of Shareholders at the 2010 AGM will be taken by poll and the Company shall announce the results of the poll in the manner prescribed under rule 13.39(5) of the Listing Rules.

Pursuant to Article 85, every member present in person or by proxy or (being a corporation) is present by a duly authorised representative or a proxy shall have one vote for every fully-paid share of which he is the holder. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

### 2010 AGM

The notice convening the 2010 AGM to be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Thursday, 12 August 2010 at 9:30 a.m. is set out on pages 16 to 20 of this circular.

Enclosed with this circular is the form of proxy for use at the 2010 AGM. Whether or not you are able to attend the 2010 AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Investor Centre of the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2010 AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the 2010 AGM or any adjourned meeting thereof should you so wish.

### RECOMMENDATION

The Board is pleased to recommend the re-election of the retiring Directors at the 2010 AGM whose brief biographical details are set out in Appendix I to this circular. The Board also considers that the proposed resolutions set out in the 2010 AGM Notice, including the grant of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed resolutions at the 2010 AGM.

Yours faithfully,  
By order of the Board  
**CHA Mou Zing Victor**  
*Deputy Chairman & Managing Director*

Set out below are the biographical details of the retiring Directors who are eligible and willing to stand for re-election at the 2010 AGM:

**1. CHA Mou Sing Payson JP, DSSc (Hons) (Aged 68)**

**Positions held and length of service**

Mr CHA was appointed executive director in 1989, the deputy chairman in September 2001 and the chairman of the Company on 15 May 2007. He has been the managing director of HKR Asia-Pacific Pte Ltd, a subsidiary of the Company, since 1995 and is now in charge of its operations and management. He has also been serving as director of a number of other subsidiaries of the Group since its inception in 1977.

**Experience**

Mr CHA has over 40 years experience in property development. He is the chairman and non-executive director of the Company's associated corporation, Hanison Construction Holdings Limited, and an independent non-executive director of New World Development Company Limited, both of them are listed on the Stock Exchange. He is an independent non-executive director of Eagle Asset Management (CP) Limited, manager of Champion Real Estate Investment Trust which is listed on the Stock Exchange, an independent non-executive director of Hong Kong International Theme Parks Limited, owner and operator of Hong Kong Disneyland Resort, the chairman of Mingly Corporation ("Mingly") and a director of Asia Television Limited ("ATV"). Mingly and ATV are both under the control of members of the Cha Family (as referred to on page 14 of this circular). Mr CHA is also a committee member of the Eleventh Chinese People's Political Consultative Conference of the People's Republic of China ("PRC").

**Relationships with directors, senior management, substantial or controlling shareholders of the Company**

Mr CHA is a brother of Ms WONG CHA May Lung Madeline, Mr CHA Mou Zing Victor and Mr CHA Mou Daid Johnson who are also directors of the Company.

Mr CHA is a director of CCM Trust (Cayman) Limited, CDW Holdings Limited and LBJ Regents Limited, all of them are substantial shareholders of the Company within the meaning of Part XV of the SFO. Mr CHA is also a member of certain classes of discretionary beneficiaries of certain discretionary trusts of which CCM Trust (Cayman) Limited and LBJ Regents Limited are the trustees.

**Interests in Shares**

As at the Latest Practicable Date, Mr CHA was interested in 671,311,133 Ordinary Shares within the meaning of Part XV of the SFO.

**Director's remuneration and term of office**

Mr CHA was not appointed for a specific term or any proposed length of services and his directorship is subject to retirement by rotation and re-election at the AGMs at least once every three years in accordance with Article 116 and code provision of A.4.2 of the CG Code.

The basis and amount of Mr CHA's remuneration for the year ended 31 March 2010 are set out in the Corporate Governance Report and Note 11 to the Consolidated Financial Statements on page 94 and pages 165 and 166 of the Company's Annual Report 2009/2010 respectively.

In relation to the re-election of Mr CHA as an executive director of the Company, save as disclosed above, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraph 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter concerning Mr CHA that needs to be brought to the attention of the Shareholders.

**2. CHA Mou Daid Johnson BA, MBA (Aged 58)****Positions held and length of service**

Mr CHA was appointed director in 1989 and re-designated as non-executive director of the Company in December 2004. He has been serving as director of a number of other subsidiaries of the Group with the earliest appointment back to 1978.

**Experience**

Mr CHA has over 30 years investment management experience in Silicon Valley and Asia. He is a non-executive director of Hanison Construction Holdings Limited, an associated corporation of the Company listed on the Stock Exchange, an independent non-executive director of Shanghai Commercial Bank Limited and director/non-executive director of a number of other public and private companies in Hong Kong and China including ATV, and is actively participating in many non-profit making organisations.

**Relationships with directors, senior management, substantial or controlling shareholders of the Company**

Mr CHA is a brother of Ms WONG CHA May Lung Madeline, Mr CHA Mou Sing Payson and Mr CHA Mou Zing Victor who are also directors of the Company.

Mr CHA is a member of certain classes of discretionary beneficiaries of certain discretionary trusts of which CCM Trust (Cayman) Limited and LBJ Regents Limited, both are substantial shareholders of the Company within the meaning of Part XV of the SFO, are the trustees. Mr CHA is also a director of LBJ Regents Limited.

**Interests in Shares**

As at the Latest Practicable Date, Mr CHA was interested in 674,118,665 Ordinary Shares within the meaning of Part XV of the SFO.

**Director's remuneration and term of office**

Mr CHA was not appointed for a specific term or any proposed length of services and his directorship is subject to retirement by rotation and re-election at the AGMs at least once every three years in accordance with Article 116 and code provision of A.4.2 of the CG Code.

The basis and amount of Mr CHA's remuneration for the year ended 31 March 2010 are set out in the Corporate Governance Report and Note 11 to the Consolidated Financial Statements on page 94 and pages 165 and 166 of the Company's Annual Report 2009/2010 respectively.

In relation to the re-election of Mr CHA as a non-executive director of the Company, save as disclosed above, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraph 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter concerning Mr CHA that needs to be brought to the attention of the Shareholders.

**3. CHEUNG Tseung Ming** *BSc, MBA, MAcc, MICE, MI Struct.E, CPA (Aged 68)***Positions held and length of service**

Mr CHEUNG was appointed executive director of the Company in September 2001. He is also the resident director of HKR Asia-Pacific Pte Ltd in Singapore and director of a number of other subsidiaries of the Group. Mr CHEUNG has been serving in the Group since 1995 and is the head of the South East Asia business unit responsible for the management of the Company's hospitality subsidiaries and related investments in the Asia Pacific region.

**Experience**

Mr CHEUNG is a member of the Institution of Structural Engineers and the Institution of Civil Engineers in the United Kingdom and a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia. He did not hold any directorships in other listed public companies in the past three years.

**Relationships with directors, senior management, substantial or controlling shareholders of the Company**

Mr CHEUNG is not related to any directors, senior management, substantial or controlling shareholders of the Company.

**Interests in Shares**

As at the Latest Practicable Date, Mr CHEUNG did not have any interests in the Shares within the meaning of Part XV of the SFO.

**Director's remuneration and term of office**

Mr CHEUNG was not appointed for a specific term or any proposed length of services and his directorship is subject to retirement by rotation and re-election at the AGMs at least once every three years in accordance with Article 116 and code provision of A.4.2 of the CG Code.

The basis and amount of Mr CHEUNG's remuneration for the year ended 31 March 2010 are set out in the Corporate Governance Report and Note 11 to the Consolidated Financial Statements on page 94 and pages 165 and 166 of the Company's Annual Report 2009/2010 respectively.

In relation to the re-election of Mr CHEUNG as an executive director of the Company, save as disclosed above, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraph 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter concerning Mr CHEUNG that needs to be brought to the attention of the Shareholders.

**4. CHUNG Sam Tin Abraham *F CPA (Aged 64)*****Positions held and length of service**

Mr CHUNG was appointed executive director of the Company in 1994 and is also director of a number of other subsidiaries of the Group. He has been serving the Group since 1978 and is the head of finance office responsible for oversight of the Group's finance and treasury, accounting, tax functions and information technology department.

**Experience**

Mr CHUNG has over 35 years experience in financial management and property development in Hong Kong. He is a certified public accountant (practising), a fellow member of the Hong Kong Institute of Certified Public Accountants and an associate of the Institute of Chartered Accountants in England and Wales. He did not hold any directorships in other listed public companies in the past three years.

**Relationships with directors, senior management, substantial or controlling shareholders of the Company**

Mr CHUNG is not related to any directors, senior management, substantial or controlling shareholders of the Company.

**Interests in Shares**

As at the Latest Practicable Date, Mr CHUNG was interested in 315,084 Ordinary Shares within the meaning of Part XV of the SFO.

**Director's remuneration and term of office**

Mr CHUNG was not appointed for a specific term or any proposed length of services and his directorship is subject to retirement by rotation and re-election at the AGMs at least once every three years in accordance with Article 116 and code provision of A.4.2 of the CG Code.

The basis and amount of Mr CHUNG's remuneration for the year ended 31 March 2010 are set out in the Corporate Governance Report and Note 11 to the Consolidated Financial Statements on page 94 and pages 165 and 166 of the Company's Annual Report 2009/2010 respectively.

In relation to the re-election of Mr CHUNG as an executive director of the Company, save as disclosed above, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraph 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter concerning Mr CHUNG that needs to be brought to the attention of the Shareholders.

**5. HO Pak Ching Loretta *FCIH (Aged 63)*****Positions held and length of service**

Ms HO was re-designated as an independent non-executive director of the Company with effect from 10 April 2010. Prior to her re-designation, Ms HO was a non-executive director of the Company since 10 April 2008 upon her retirement from all executive roles in the Company and its subsidiaries.

**Experience**

Ms HO is a fellow member of the Chartered Institute of Housing, Asian Pacific Branch, and has over 35 years experience in property development, investment and management. She is currently a member of the executive committee and chairman of the remuneration committee of the Hong Kong Housing Society. She did not hold directorship in other listed public companies in the past three years.

**Relationships with directors, senior management, substantial or controlling shareholders of the Company**

Ms HO is not related to any directors, senior management, substantial or controlling shareholders of the Company.

**Interests in Shares**

As at the Latest Practicable Date, Ms HO was interested in 85,600 Ordinary Shares within the meaning of Part XV of the SFO.

**Director's remuneration and term of office**

Ms HO was not appointed for a specific term or any proposed length of services and her directorship is subject to retirement by rotation and re-election at the AGMs at least once every three years in accordance with Article 116 and code provision of A.4.2 of the CG Code.

The basis and amount of Ms HO's remuneration for the year ended 31 March 2010 are set out in the Corporate Governance Report and Note 11 to the Consolidated Financial Statements on page 94 and pages 165 and 166 of the Company's Annual Report 2009/2010 respectively.

In relation to the re-election of Ms HO as an independent non-executive director of the Company, save as disclosed above, there is no information which is discloseable nor is/ was she involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraph 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter concerning Ms HO that needs to be brought to the attention of the Shareholders.

This appendix serves as an explanatory statement, as required under the Listing Rules, to provide Shareholders with requisite information reasonably necessary for them to make an informed decision as to whether to vote for or against the ordinary resolution to be proposed at the 2010 AGM in connection with the Repurchase Mandate.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$337,568,591.75 divided into 1,350,274,367 fully paid Ordinary Shares.

Subject to the passing of the ordinary resolution numbered 6 set out in the 2010 AGM Notice for approving the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the 2010 AGM, the Company would be allowed under the Repurchase Mandate to repurchase Shares up to a maximum of 135,027,436 Ordinary Shares during the period in which the Repurchase Mandate remains in force.

### **2. REASONS FOR REPURCHASES**

The Directors believe that the proposed grant of the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. The Repurchase Mandate will give the Company the flexibility to repurchase Shares as and when the Company deems appropriate. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net assets and/or earnings per share or may otherwise be in the interests of the Company. The Directors will decide on the number of Shares to be repurchased on each occasion and the price and other terms upon which the same is repurchased at the relevant time having regard to the circumstances then pertaining and they will do so only when they believe that such repurchases will benefit the Company and the Shareholders. At present, the Directors have no intention to repurchase any Shares.

### **3. FUNDING OF REPURCHASES**

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its M&A and the laws of the Cayman Islands.

The Company is empowered by its M&A to repurchase Shares. M&A and the applicable laws of the Cayman Islands provide that, subject to solvency, the purchase price of the Shares may be paid out of the profits available for distribution, the Company's capital and share premium account.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing position of the Company which in the opinion of the Directors is from time to time appropriate for the Company. However, based on the audited consolidated financial statements for the year ended 31 March 2010 of the Company (being the date to which the latest published consolidated financial statements of the Company were made up), there might be a material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is exercised in full.

**4. UNDERTAKING**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

The Board has undertaken to the Stock Exchange that, so far as the same be applicable, it will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, M&A and the applicable laws of the Cayman Islands.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

**5. EFFECT OF THE TAKEOVERS CODE**

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

For the purpose of the Takeovers Code, CCM Trust (Cayman) Limited, LBJ Regents Limited and CDW Holdings Limited (all being substantial shareholders of the Company within the meaning of the SFO) and Mr CHA Mou Sing Payson, Mr CHA Mou Zing Victor, Mr CHA Mou Daid Johnson and Ms WONG CHA May Lung Madeline (all being Directors) are taken as parties acting in concert and collectively treated as a single controlling shareholder of the Company under the term "Cha Family", and as at the Latest Practicable Date, they together had an aggregate interest in 686,284,267 Ordinary Shares, representing approximately 50.83% of the issued share capital of the Company. Among them, 594,733,375 Ordinary Shares were held by CCM Trust (Cayman) Limited (including those held indirectly through its controlled corporations, namely, CDW Holdings Limited holding 72,405,057 Ordinary Shares), 86,573,432 Ordinary Shares were held by LBJ Regents Limited and 4,977,460 Ordinary Shares were held as personal and corporate interests by Mr CHA Mou Sing Payson. In the event that the Directors exercise in full the powers to repurchase Shares pursuant to the Repurchase Mandate, then (if the present shareholdings otherwise remained the same) the aggregate attributable shareholdings of the said parties would be increased to approximately 56.47% of the issued share capital of the Company. In the opinion of the Directors, such increase will not give rise to an obligation to make a mandatory offer under rule 26 of the Takeovers Code.

In the event that the Repurchase Mandate is exercised in full, the number of Ordinary Shares held by the public will not fall below 25% of the total number of Ordinary Shares in issue.

**6. SHARE PRICES**

The highest and lowest prices at which shares of the Company were traded on the Stock Exchange during each of the previous twelve calendar months before and the period up to the Latest Practicable Date were as follows:

	Price per share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2009</b>		
July	3.46	2.90
August	3.62	3.01
September	3.51	3.02
October	3.58	2.94
November	3.46	3.18
December	3.68	3.08
<b>2010</b>		
January	3.39	2.90
February	3.14	2.70
March	3.30	2.92
April	3.35	2.92
May	3.02	2.40
June	2.97	2.33
July (up to the Latest Practicable Date)	2.95	2.85

**7. SHARE PURCHASES MADE BY THE COMPANY**

The Company did not purchase any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

However, the Company had fully redeemed all the issued HK\$1,410,000,000 zero coupon convertible bonds due 2010 in the outstanding principal amount of HK\$646,960,000 at 128.948% including the accrued interest in an aggregate redemption amount of HK\$834,241,980.80 in cash upon expiry on 26 April 2010.

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## NOTICE OF ANNUAL GENERAL MEETING

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### HKR INTERNATIONAL LIMITED

### 香港興業國際集團有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 00480)**

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an annual general meeting of HKR International Limited (the "Company") will be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Thursday, 12 August 2010 at 9:30 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors and the independent auditor of the Company for the year ended 31 March 2010.
2. To declare a final dividend for the year ended 31 March 2010.
3.
  - (1) To re-elect Mr CHA Mou Sing Payson as an executive director;
  - (2) To re-elect Mr CHA Mou Daid Johnson as a non-executive director;
  - (3) To re-elect Mr CHEUNG Tseung Ming as an executive director;
  - (4) To re-elect Mr CHUNG Sam Tin Abraham as an executive director;
  - (5) To re-elect Ms HO Pak Ching Loretta as an independent non-executive director; and
  - (6) To authorise the board of directors of the Company to fix the fees of all directors (including any new director who may be appointed) for the year ending 31 March 2011.
4. To re-appoint Messrs Deloitte Touche Tohmatsu as the independent auditor for the ensuing year and to authorise the board of directors of the Company to fix their remuneration.

\* Registered under Part XI of the Companies Ordinance, Chapter 32 of the laws of Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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As special business, to consider and, if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

5. “**THAT:**

- (1) subject to paragraph (3) of this resolution numbered 5 and all applicable laws, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional shares in the capital of the Company and to make, issue or grant offers, agreements and options including warrants, bonds, debentures, notes and other securities which carry rights of subscription for or conversion into shares of the Company, be and is hereby generally and unconditionally approved;
- (2) the approval in paragraph (1) of this resolution numbered 5 shall authorise the directors of the Company during the Relevant Period to make, issue or grant offers, agreements and options including warrants, bonds, debentures, notes and other securities which carry rights of subscription for or conversion into shares of the Company, which would or might require the exercise of such powers after the end of the Relevant Period;
- (3) the aggregate nominal amount of share capital allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (1) of this resolution numbered 5, otherwise than pursuant to or in consequence of:
  - (i) a Rights Issue (as hereinafter defined); or
  - (ii) the exercise of any options under any share option scheme or similar arrangement for the time being adopted by the Company in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the grant or issue of shares or rights to acquire shares in the Company; or
  - (iii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company; or

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in the Company in accordance with the articles of association of the Company from time to time; or
- (v) a special authority granted by the shareholders of the Company in general meeting;

shall not exceed the aggregate of twenty per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution numbered 5; and the said approval shall be limited accordingly; and

- (4) for the purpose of this resolution numbered 5:

“Relevant Period” means the period from (and including) the date of the passing of this resolution numbered 5 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this resolution numbered 5 by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities which carry rights to subscribe for or purchase shares of the Company, open for a period fixed by the directors of the Company to holders of shares of the Company on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory outside Hong Kong).”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. **“THAT:**

(1) subject to paragraph (2) of this resolution numbered 6 and all applicable laws, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase or repurchase shares of all classes and securities which carry a right to subscribe or purchase shares issued directly or indirectly by the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares or securities of the Company may be listed and is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(2) the aggregate nominal amount of the shares of all classes and securities which carry a right to subscribe or purchase shares issued directly or indirectly by the Company which may be purchased or repurchased by the Company pursuant to the approval in paragraph (1) of this resolution numbered 6 shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution numbered 6, and the said approval shall be limited accordingly; and

(3) for the purpose of this resolution numbered 6:

“Relevant Period” means the period from (and including) the date of the passing of this resolution numbered 6 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this resolution numbered 6 by an ordinary resolution of the shareholders of the Company in general meeting.”

7. **“THAT** conditional upon the passing of resolutions numbered 5 and 6 set out in the notice of this meeting, the general mandate granted to the directors of the Company pursuant to resolution numbered 5 set out in the notice of this meeting and for the time being in force to exercise the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional shares in the capital of the Company and to make, issue or grant offers, agreements and options including warrants, bonds, debentures, notes and other securities which carry rights of subscription for or conversion into shares of the Company be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares of all classes and securities which carry a right to subscribe or purchase shares issued directly or indirectly by the

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## NOTICE OF ANNUAL GENERAL MEETING

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Company purchased or repurchased by the Company under the authority granted by resolution numbered 6 set out in the notice of this meeting, provided that such extended amount shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution.”

By order of the Board  
**LO Tai On**  
*Company Secretary*

Hong Kong, 12 July 2010

*Notes:*

1. Any member of the Company entitled to attend and vote at the annual general meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
2. In case of joint registered holders of any share in the Company, any one of such persons may vote at the annual general meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the annual general meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. The register of members of the Company will be closed from Tuesday, 10 August 2010 to Thursday, 12 August 2010 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend recommended for approval at the annual general meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 9 August 2010.
4. The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority shall be deposited at the Investor Centre of the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting (i.e. at or before 9:30 a.m. on Tuesday, 10 August 2010) or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude a member from attending and voting in person at the annual general meeting or any adjourned meeting thereof should he so wish.
5. With regard to the proposed resolution numbered 3 of this notice, the board of directors of the Company recommends that the retiring directors, namely, Mr CHA Mou Sing Payson, Mr CHA Mou Daid Johnson, Mr CHEUNG Tseung Ming, Mr CHUNG Sam Tin Abraham and Ms HO Pak Ching Loretta be re-elected as directors of the Company.
6. With regard to the proposed resolutions numbered 5 to 7 above, the directors of the Company wish to state that they have no immediate plans to issue any new securities or repurchase any shares of the Company pursuant to the general mandates referred to thereunder.
7. **Registration of the annual general meeting will start at 9:00 a.m. on Thursday, 12 August 2010. In order to ensure the meeting can start on time, shareholders or their proxies are encouraged to arrive for registration at least 15 minutes before the meeting starts.**