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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)

DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTY

The Board is pleased to announce that on 23 February 2012, the Vendor, an indirect wholly-owned subsidiary of the Company, has accepted the Tender for the Purchaser to purchase the Property at the consideration of HK\$615 million subject to and upon the terms of Conditions of Sale.

Since one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is 5% or more but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

THE TENDER

1. Acceptance Date

The Tender was accepted by the Vendor on 23 February 2012.

2. Parties

Vendor : Hong Kong Health Resort Limited

Purchaser : Wisefield Enterprises Limited

The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, the Purchaser and its beneficial owner are third parties independent of the Company and its connected persons.

3. Subject to the Tender

The subject of the Tender is all that piece or parcel of ground registered in the Land Registry as Aberdeen Inland Lot No. 352 together with the messuages erections and buildings thereon now known as “JOYCE BUILDING”, No. 38 Wong Chuk Hang Road, Hong Kong.

4. Consideration

Under the Tender, the sale price for the Disposal is HK\$615 million, which will be payable in cash upon Completion. The deposit amount of HK\$35 million which has been paid by the Purchaser upon submission of the Tender should form part of the consideration of the sale price. The sale price of the Property was arrived at following a tendering process through an invitation for tender issued by the Vendor.

An initial deposit of HK\$35 million was paid by the Purchaser at the time of the submission of the Tender on 17 February 2012. A further deposit of HK\$26.5 million (which, together with the initial deposit, is equivalent to 10% of the sale price) shall be paid by the Purchaser on or before 2 March 2012. The balance of the sale price, in the sum of HK\$553.5 million, shall be paid upon Completion.

5. Completion

Under the terms of the Disposal, Completion is to take place on or before 28 March 2012.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Prior to the completion of the Disposal, the Property is indirect wholly owned by the Company for investment purpose. The carrying value of the Property as revalued by an independent valuer as at 31 March 2011 was HK\$362 million. It is expected that the Group will record a book gain, after related expenses, from the Disposal of approximately HK\$250 million. It is intended that the net proceeds from the Disposal is to be used by the Group for pursuing investment opportunities in property market if and when they arise in the future, and for general working capital of the Group.

The Property is currently leased out for rental income. For the financial year ended 31 March 2010, the audited net profit (both before and after taxation and minority interest) attributable to the Property amounted to approximately HK\$5.9 million and HK\$4.9 million respectively. For the financial year ended 31 March 2011, the audited net profit (both before and after taxation and minority interest) attributable to the Property amounted to approximately HK\$5.8 million and HK\$4.8 million respectively.

REASONS FOR THE DISPOSAL

With the favourable investment and property market conditions, the Directors are of the view that the Disposal represents a good opportunity for the Group to realise its investment in the Property at attractive return. The Disposal will increase the working capital of the Group and enhance its cashflow. The Company believes that the terms of the Disposal are fair and reasonable and in the interests of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal is 5% or more but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

GENERAL INFORMATION

The Company is an investment holding company incorporated in the Cayman Islands and listed on the Stock Exchange. The Group is principally engaged in property development, property investment, property management and related services, hotel and hospitality businesses and healthcare services.

The Vendor is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong, and is an investment holding company.

The principal business activity of the Purchaser is property investment.

DEFINITIONS

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

“Board”	the board of directors of the Company;
“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);
“Completion”	completion of the Disposal pursuant to the Conditions of Sale;
“Conditions of Sale”	the conditions of sale contained in the invitation for tender issued by the Vendor to invite tender for the sale and purchase of the Property;
“Directors”	the directors of the Company;
“Disposal”	The disposal of the Property subject to and upon the terms of the Conditions of Sale;
“Group”	the Company and its subsidiaries;
“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”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	all that piece or parcel of ground registered in the Land Registry as Aberdeen Inland Lot No. 352 together with the messuages erections and buildings thereon now known as “JOYCE BUILDING”, No. 38 Wong Chuk Hang Road, Hong Kong;
“Purchaser”	Wisefield Enterprises Limited, a company incorporated in Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Tender”	the irrevocable tender submitted by the Purchaser dated 17 February 2012 which constitutes a formal offer by the Purchaser open for acceptance by the Vendor for the purchase of the Property;
“Vendor”	Hong Kong Health Resort Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company.

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

Hong Kong, 23 February 2012

As at the date of this announcement, the board of directors of the Company comprises:

Chairman

Mr CHA Mou Sing Payson

Deputy Chairman & Managing Director

Mr CHA Mou Zing Victor

Executive Directors

Mr CHA Yiu Chung Benjamin

Mr CHUNG Sam Tin Abraham

Mr TANG Moon Wah

Non-executive Directors

The Honourable Ronald Joseph ARCULLI

Mr CHA Mou Daid Johnson

Mr CHEUNG Tseung Ming

Mr CHEUNG Wing Lam Linus

Ms WONG CHA May Lung Madeline

Independent Non-executive Directors

Dr CHENG Kar Shun Henry

Dr The Honourable CHEUNG Kin Tung Marvin

Ms HO Pak Ching Loretta

Dr QIN Xiao

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