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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
ACQUISITION OF PROPERTY

The Board is pleased to announce that on 25 April 2014, the Company, through Yi Feng, its indirect wholly-owned subsidiary, has successfully bid at the Auction in acquiring the Property at a consideration of RMB588.2 million (equivalent to approximately HK\$729.7 million). An Auction Confirmation Letter from the Organiser has been duly confirmed and executed by Yi Feng on 25 April 2014.

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

INTRODUCTION

On 25 April 2014, Yi Feng, an indirect wholly-owned subsidiary of the Company, has successfully bid at the Auction in acquiring the Property at a consideration of RMB588.2 million (equivalent to approximately HK\$729.7 million). An Auction Confirmation Letter from the Organiser has been duly confirmed and executed by Yi Feng on 25 April 2014.

DETAILS OF THE AUCTION CONFIRMATION LETTER

Date

25 April 2014

Parties

(a) Yi Feng as the purchaser of the Property;

(b) Shanghai United Assets and Equity Exchange (上海聯合產權交易所) as the Organiser;
and

(c) 上海新長寧(集團)有限公司 (Shanghai Xin Changning Group Co. Ltd.#) as the Vendor
of the Property.

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

Information of the Property

The Property is a 30-floor en-bloc residential building, namely 金都苑 16 號樓 (Block 16 of Jin Du Yuan#) comprising 120 units located at No.1310 Ding Xi Road, Changning District, Shanghai, the PRC with a total gross floor area of 21,717.09 square metres. The Property is of pure residential usage with 70 years land tenure from 1995 to 2065. Strata-title certificates for all the units are available. The Property is currently leased out as serviced apartments and tenants have been notified to vacate the premises upon expiry of the relevant lease no later than November 2014. The Property is sold and will be delivered in an as-is status.

Given that the tenancies of the 120 units were terminated by the Vendor with the last one expiring in November 2014, the Company cannot obtain any information from the Vendor on the pre-tax and after-tax net rental income attributable to the Property for the years ended 31 December 2013 and 2012 respectively.

CONSIDERATION AND PAYMENT TERMS

The Consideration for the Acquisition is RMB588.2 million (equivalent to approximately HK\$729.7 million) excluding deed tax and commission fee amounting to approximately RMB32.4 million (equivalent to approximately HK\$40.2 million) and was arrived at as a result of a successful bid by Yi Feng at the Auction conducted in accordance with the relevant PRC laws and regulations. Such Consideration was paid and is payable in cash by instalments in the following manner:-

<u>Required date of payment</u>	<u>Required amount paid / payable</u>
On or before 21 April 2014	RMB148.0 million (equivalent to approximately HK\$183.6 million) being required deposit for the auction
Within 3 working days from the date of the Property Transaction Letter and Property Right Transfer Agreement (both have to be executed before 4 May 2014)	Approximately RMB176.5 million (equivalent to approximately HK\$218.9 million), including the deposit, being 30% of the Consideration
Within 10 working days from the date of the Property Transaction Letter and Property Right Transfer Agreement	Approximately RMB411.7 million (equivalent to approximately HK\$510.8 million), being the balance of the Consideration

The Consideration will be funded by the Group's internal resources.

“Auction”	the public auction conducted by the Organiser in Shanghai on 25 April 2014 for the sale of the Property;
“Auction Confirmation Letter”	a letter from the Organiser confirming the successful bidder at the Auction and the relevant bidding price which has been duly confirmed and executed by Yi Feng on 25 April 2014;
“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);
“Consideration”	RMB588.2 million, being the total consideration for the Acquisition paid and is payable by Yi Feng;
“Directors”	the directors of the Company from time to time;
“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”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Organiser”	Shanghai United Assets and Equity Exchange (上海聯合產權交易所);
“Property”	a 30-floor en-bloc residential building, namely 金都苑 16 號樓 (Block 16 of Jin Du Yuan [#]) located at No.1310 Ding Xi Road, Changning District, Shanghai, the PRC;
“Property Right Transfer Agreement”	the Property Right Transfer Agreement to be entered into between Yi Feng as the purchaser and the Vendor before 4 May 2014 in respect of the transfer of the Property;
“Property Transaction Letter”	The confirmation letter to be executed, further to the Auction Confirmation Letter, between Yi Feng as the purchaser and the Vendor before 4 May 2014 to confirm the sale and purchase of the Property and the relevant payment arrangement;
“PRC”	the People’s Republic of China (for the purpose of disclosure, excluding Hong Kong, Macau and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	上海新長寧(集團)有限公司 (Shanghai Xin Changning Group Co. Ltd [#]), a state-owned company under the administration of 上海市長寧區國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of Shanghai City Changning District [#]) and is principally engaged in property development; and
“Yi Feng”	頤豐(上海)發展有限公司 (Yi Feng (Shanghai) Development Company Limited [#]), a company incorporated in the PRC and an indirect wholly-owned subsidiary of the Company.

Unless otherwise specified in this announcement, amounts denominated in RMB have been converted into HK\$ at the rate of RMB1.00 = HK\$1.2406. This exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.

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

Hong Kong, 25 April 2014

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 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

Dr CHENG Kar Shun Henry

Dr CHEUNG Kin Tung Marvin

Mr CHEUNG Wing Lam Linus

Ms HO Pak Ching Loretta

Dr QIN Xiao

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

Translation of Chinese names in English is provided for identification purpose only