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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION
OF
LANDS LOCATED IN BANGKOK, THAILAND**

THE ACQUISITION

The Company is pleased to announce that on 16 December 2015 (after trading hours of the Stock Exchange), the Purchaser, a subsidiary of the Company, entered into a Sale and Purchase Agreement with the Sellers in relation to the Acquisition, pursuant to which the Sellers agreed to sell and the Purchaser agreed to acquire the Lands at a consideration totaling Thai Baht 2,803,227,000 (i.e. approximately HK\$ 604.1 million), subject to measurement and adjustment.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio as set out in the Listing Rules for the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules. The Sellers, the ultimate beneficial owner(s) of Seller A and the estates represented by Seller B and Seller C respectively are third parties independent of and not connected with the Company and its connected persons.

Shareholders and potential investors in the Company should be aware that the Acquisition is subject to the satisfaction of conditions and therefore the Acquisition may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

INTRODUCTION

On 16 December 2015, the Purchaser, a subsidiary of the Company entered into a Sale and Purchase Agreement with the Sellers, pursuant to which the Sellers agreed to sell and the Purchaser agreed to acquire the Lands at a consideration totaling Thai Baht 2,803,227,000 (i.e. approximately HK\$604.1 million), subject to measurement and adjustment.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as follows:

Date

16 December 2015

Parties

- (1) Purchaser : Sathorn Park Co., Ltd.
- (2) Seller A : Panichpakdee Corporation Limited
- (3) Seller B : Mrs Prapaphan Panichpakdee in her own capacity and as the estate administrator of Mr Praphan Panichpakdee
- (4) Seller C : Mr Prayut Panichpakdee and Mrs Prapaphan Panichpakdee as co-estate administrators of Mr Thawat Panichpakdee

To the best Directors' knowledge, information and belief, after having made all reasonable enquiries, the Sellers, the ultimate beneficial owner(s) of Seller A and the estates represented by Seller B and Seller C respectively are third parties independent of and not connected with the Company and its connected persons.

The Lands

The Lands comprise ten (10) plots of land located at Bang Phongphang Subdistrict, Yannawa District (Mueang), Bangkok, Thailand under land title deeds nos. 3153, 3154, 3155, 3156, 5239, 10052, 55803, 55806, 7955 and 14304 in an aggregate area of approximately 9,666.3 square wah (equivalent to approximately 416,180 square feet) as shown in the title deeds of the Lands, free of mortgage and encumbrance.

All existing buildings, aboveground structures, goods, debris and rubbish which are located on the Lands shall be demolished and removed by the Sellers at their cost, leaving only the ground, concrete slabs and foundations of buildings or structures thereon. The Sellers shall also complete the removal of the vessel sunk in the Chaophraya River close to the pier lying adjacent to the Lands to the reasonable satisfaction of the Purchaser prior to the Transfer Date.

Consideration and Terms of Payment

The total consideration of Thai Baht 2,803,227,000 (i.e. approximately HK\$604.1 million) for the Acquisition (the "Consideration") is calculated on the basis of Thai Baht 290,000 per square wah and is subject to adjustment after survey and measurement of the Lands. The Consideration is payable in the following manner:

- (1) initial deposit in the total sum of Thai Baht 840,968,100 (i.e. approximately HK\$181.2 million, equivalent to 30% of the Consideration) which has been paid to the Sellers as follows upon signing of the Sale and Purchase Agreement:
 - (i) a sum of Thai Baht 736,977,000 (i.e. approximately HK\$158.8 million) had been paid to Seller A;

- (ii) a sum of Thai Baht 809,100 (i.e. approximately HK\$174,000) had been paid to Seller B; and
 - (iii) a sum of Thai Baht 103,182,000 (i.e. approximately HK\$22.2 million) had been paid to Seller C.
- (2) the balance of the Consideration in the sum of Thai Baht 1,962,258,900 (i.e. approximately HK\$422.9 million) will be paid by the Purchaser to the Sellers or a person or legal entity (to be designated by the Sellers) on the Transfer Date.

The Consideration is agreed between the Purchaser and the Sellers after arm's length negotiation. The Sellers are required to conduct an official survey and measurement of the Lands at the Sellers' own costs for confirming the actual size of the Lands. In the event the official survey and measurement results of the land size is different from that set out in the Sale and Purchase Agreement, the Consideration shall be adjusted at a rate of Thai Baht 290,000 per square wah.

The Consideration will be funded by the Group's internal resources and/or bank loans.

If the Purchaser breaches any of the terms of the Sale and Purchase Agreement, such breach shall be deemed to be a breach of the agreement in its entirety and the Sellers are entitled to retain all the sums paid to the Sellers by the Purchaser under the Sale and Purchase Agreement, without prejudice to the Sellers' right to claim for the incurred costs of demolition and removal of the existing buildings, structures, goods, debris and rubbish and for loss of income from leases and/or other damages (if any).

In the event that any of the Sellers breach any of the terms of the Sale and Purchase Agreement, all the Sellers shall be deemed to have breached the Sale and Purchase Agreement in its entirety. Upon notice of breach from the Purchaser, the Sale and Purchase Agreement shall be terminated, and the Sellers shall return to the Purchaser all sums paid by the Purchaser to the Sellers together with interest at the rate of 1% per year and shall pay a penalty (without interest) in a sum equal to the Deposit within seven (7) calendar days from the termination date of the Sale and Purchase Agreement, without prejudice to the Purchaser's right to file a claim for other damages due to such breach. However, if the termination of the Sale and Purchase Agreement is due to the breach of the removal contract by the marine contractor appointed by the Sellers and such contractor fails to remove the entire sunk vessel from the Chaophraya River close to the pier lying adjacent to the Lands to the reasonable satisfaction of the Purchaser, the Sellers shall not be liable to the Purchaser for any penalty but shall have to return to the Purchaser all sums paid by the Purchaser to the Sellers together with interest at the rate of 1% per year within seven (7) calendar days from the termination date of the Sale and Purchase Agreement.

Transfer of the Lands

The title of the Lands shall be transferred to the Purchaser or such entity designated by the Purchaser within four (4) months from the date of execution of the Sale and Purchase Agreement (the "Transfer Period").

In the event the demolition and removal of the existing buildings, structures and/or the vessel sunk in the Chaophraya River by the Sellers remain unfinished upon expiration of the Transfer Period, the Purchaser and the Sellers agree to postpone the Transfer Date by seven (7) months from the expiration of the Transfer Period and the Sellers shall not be treated as a breach or violation of the Sale and Purchase Agreement or any of the representations or terms thereunder.

INFORMATION OF THE COMPANY

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 businesses and healthcare services.

INFORMATION OF THE PURCHASER

The Purchaser is a subsidiary of the Company incorporated in Thailand and engages in hospitality business.

INFORMATION OF THE SELLERS

Seller A

Panichpakdee Corporation Limited is a company incorporated in Thailand and is the beneficial owner of six (6) plots of the Lands with land title deeds nos. 3153, 3154, 3155, 3156, 5239 and 10052 with an aggregate area of about 8,471 square wah.

Seller B

Mrs Prapaphan Panichpakdee is a beneficial owner and also the estate administrator of another beneficial owner, Mr Praphan Panichpakdee, of two (2) plots of the Lands with land title deed nos. 55803 and 55806 with an aggregate area of about 9.3 square wah.

Seller C

Mr Prayut Panichpakdee and Mrs Prapaphan Panichpakdee are the co-estate administrators of the beneficial owner, Mr Thawat Panichpakdee, of two (2) plots of the Lands with the land title deed nos. 7955 and 14304 with an aggregate area of about 1,186 square wah.

REASONS FOR AND BENEFITS OF THE ACQUISITION FOR THE COMPANY

The Group is principally engaged in property development and property investment in Hong Kong, mainland China and the Asia Pacific. The Acquisition is in line with the overall development strategy of the Group. The Lands are well located in Bangkok, Thailand and it is desirable for the Group to acquire sizable land plots in good areas by the Chaophraya River for development.

The Directors consider that the Sale and Purchase Agreement was entered into on normal commercial terms, which are fair, reasonable and in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio as set out in the Listing Rules for the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules. The Sellers, the ultimate beneficial owner(s) of Seller A and the estates represented by Seller B and Seller C respectively are third parties independent of and not connected with the Company and its connected persons.

Shareholders and potential investors in the Company should be aware that the Acquisition is subject to the satisfaction of conditions and therefore the Acquisition may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of the Lands by the Purchaser from the Sellers pursuant to the Sale and Purchase Agreement
“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)
“Deposit”	Thai Baht 840,968,100 equivalent to 30% of the Consideration payable to the Sellers at the signing of the Sale and Purchase Agreement
“Directors”	the directors of the Company
“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
“Lands”	ten (10) plots of lands located at Bang Phongphang Subdistrict, Yannawa District (Mueang), Bangkok, Thailand with land title deeds nos. 3153, 3154, 3155, 3156, 5239, 10052, 55803, 55806, 7955 and 14304 and an aggregate area of approximately 9,666.3 square wah (equivalent to approximately 416,180 square feet)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Sathorn Park Co., Ltd., an indirect wholly owned subsidiary of the Company incorporated in Thailand
“Sale and Purchase Agreement ”	the sale and purchase agreement entered into between the Purchaser and the Sellers in respect of the Acquisition
“Seller A”	Panichpakdee Corporation Limited, a company incorporated in Thailand
“Seller B”	Mrs Prapaphan Panichpakdee in her own capacity and as the estate administrator of Mr Praphan Panichpakdee
“Seller C”	Mr Prayut Panichpakdee and Mrs Prapaphan Panichpakdee as co-estate administrators of Mr Thawat Panichpakdee

“Sellers”	Seller A, Seller B and Seller C
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Thai Baht”	the lawful currency of Thailand
“Transfer Date”	the date of transfer of title of the Lands from the Sellers to the Purchaser or such entity designated by the Purchaser

Unless otherwise specified in this announcement, amounts denominated in Thai Baht have been converted into HK\$ at the rate of Thai Baht 1 = HK\$0.2155[^]. This rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been converted at the above rate or any other rates.

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

Hong Kong, 16 December 2015

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

Mr CHEUNG Wing Lam Linus

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

[^] Closing exchange rate as at 15 December 2015 obtained from Bloomberg