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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 and
registered under the Companies Ordinance of Hong Kong)*
(Stock Code: 00480)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

The Company is pleased to announce that the Vendor, an indirect wholly-owned subsidiary of the Company, has entered into the Provisional SPA with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the consideration of HK\$750 million.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Disposal exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Company is pleased to announce that the Vendor, an indirect wholly-owned subsidiary of the Company, has entered into the Provisional SPA with the Purchaser pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the consideration of HK\$750 million.

THE PROVISIONAL SPA

Date

30 August 2017 (binding deposit received on 4 September 2017)

Parties

Vendor : Yintaly Construction Company Limited, an indirect wholly-owned subsidiary of the Company.

Purchaser : Blue Sapphire Global Limited, a company incorporated in the British Virgin Islands with limited liability.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected person(s).

Information of the Property

The Property is the 22nd Floor of China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong. As at the date of this announcement, the Property is occupied by the Group for self-use as office.

The Property will be sold with vacant possession and on "as is" basis.

Consideration and Payment Terms

The consideration for the Property is HK\$750 million. By 4 September 2017, the Purchaser had paid an aggregate deposit of HK\$37.5million. The balance of the consideration is payable in the following manner:

- (i) HK\$37.5 million as a further deposit shall be paid by the Purchaser on or before 12 September 2017; and
- (ii) The balance of HK\$675 million shall be paid by the Purchaser upon completion of the Disposal.

The consideration for the sale and purchase of the Property was determined after arm's length negotiations between the Vendor and the Purchaser in open market, after taking into account the prevailing property market rate in Hong Kong and with reference to comparable properties.

Formal SPA

Pursuant to the Provisional SPA, the Formal SPA will be signed between the Vendor and the Purchaser on or before 12 September 2017.

Completion

Completion of the Disposal will take place on or before 30 November 2017.

FINANCIAL IMPACT ON THE DISPOSAL AND USE OF PROCEEDS

The carrying value of the Property stated in the audited consolidated financial statements of the Group as at 31 March 2017 was approximately HK\$187 million. It is expected that the Group will record a book gain, after related expenses, from the Disposal of approximately HK\$550 million. No rental income is generated to the Group for the years ended 31 March 2017, 31 March 2016 and before the Disposal as the Property is occupied for self-use by the Group. 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.

REASONS FOR AND BENEFITS DERIVED FROM THE DISPOSAL

As a result of relocation of some staff members from the head office situated at Shun Tak Centre to CDW Building at Tsuen Wan, a building owned by the Group, the Property will be vacant. With the favourable investment and property market conditions, 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 Directors consider that the terms of the Provisional SPA are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE COMPANY AND THE PURCHASER

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.

To the best of the Directors' knowledge, the principal business activity of the Purchaser is investment holding.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Disposal exceeds 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“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 disposal of the Property by the Vendor pursuant to the terms and conditions of the Provision SPA
“Formal SPA”	the formal sale and purchase agreement to be entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“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
“Property”	the 22 nd Floor of China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong
“Provisional SPA”	the provisional sale and purchase agreement signed by the Vendor and the Purchaser on 30 August 2017 in relation to the sale and purchase of the Property
“Purchaser”	Blue Sapphire Global Limited, a company incorporated in the British Virgin Islands with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Yintaly Construction Company Limited, a company incorporated in Hong Kong with limited liability 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, 4 September 2017

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

Dr CHENG Kar Shun Henry

Mr CHEUNG Wing Lam Linus

Ms HO Pak Ching Loretta

Mr TANG Kwai Chang