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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 ACQUISITION OF PROPERTY**

On 8 December 2020, the Tenderer, an indirect wholly-owned subsidiary of the Company, has received the Acceptance of Tender in relation to the successful tender by the Tenderer for the purchase of the Property at a consideration of HK\$310 million.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Acquisition exceeds 5% but 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.

### **INTRODUCTION**

On 8 December 2020, the Tenderer, an indirect wholly-owned subsidiary of the Company, has received the Acceptance of Tender in relation to the successful tender by the Tenderer for the purchase of the Property at a consideration of HK\$310 million.

### **DETAILS OF THE ACCEPTANCE OF TENDER AND THE ACQUISITION**

#### **Date of the Acceptance of Tender**

8 December 2020

#### **Parties**

Tenderer and Purchaser : Regal Galaxy Investment Limited, an indirectly wholly-owned subsidiary of the Company

Guarantor : The Company, as the ultimate beneficial owner of the Tenderer in agreement to join as a party of the Formal Agreement if the Tender of the Tenderer is accepted by the Vendor to provide unconditional and irrevocably guarantees and obligations and performance of the Purchaser under the Formal Agreement

Vendor : Kingem Investment Limited, a private limited company incorporated in Hong Kong

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

### **Information of the Property**

The Property is all that piece or parcel of ground situate lying and being at Kowloon and registered in the Land Office as the Kowloon Inland Lot No.9230 and of and in the messuages erections and buildings thereon now known as United Daily News Centre, No. 21 Yuk Yat Street (also known as No.8 Kwei Chow Street), Kowloon. The United Daily News Centre is a 16-storey industrial building and is currently leased with varying terms of tenancies. The Property is sold and will be delivered on an "as is" basis as at the Completion Date and subject to tenancies.

To the best information, knowledge and belief of the Directors, based on the information currently available, on the basis of current rental rates and assuming there was no change in the rental rates and no change in the current tenancies, the total rental income derived from the Property in the two financial years immediately preceding the date of the Acceptance of Tender would have been approximately HK\$9.0 million per year. The after tax income (assuming a profit tax rate of 16.5% and excluding government rates, management fees and other expenses of approximately HK\$2.4 million per year) deriving from the Property would have been approximately HK\$5.5 million per year.

### **Consideration and Payment Terms**

The consideration for the Property is HK\$310 million which was paid and is payable by the Purchaser in the following manner:

- i) an amount of HK\$10,000,000 has been paid to the Vendor's solicitors as stakeholders upon submission of the Tender (the "Tender Payment");
- ii) a further payment of HK\$21,000,000, which together with the Tender Payment equivalent to a sum of 10% of the Consideration shall be paid to the Vendor's solicitor upon execution of the Formal Agreement, which is expected to be signed on or before 16 December 2020; and
- iii) the balance of the Consideration of HK\$279,000,000 (being 90% of the Consideration) shall be paid on the Completion Date.

The Consideration was the price of the bid made by the Purchaser at the Tender after taking into account the prevailing market price of similar properties in similar locations. The Consideration will be funded by the Group's internal resources and/or bank loans.

### **REASONS FOR AND BENEFITS DERIVED FROM THE ACQUISITION**

The Group is principally engaged in property development and property investment in Hong Kong, mainland China and across the Asia Pacific area. The Acquisition can help enhance and enlarge the property investment portfolio of the Group, hence increasing the rental revenue base and is in line with the Group's business strategy.

The Directors consider that the Acquisition is in the interests of the Company and its shareholders as a whole and the terms thereof are on normal commercial terms, which are fair and reasonable.

## **INFORMATION OF THE COMPANY, THE PURCHASER AND VENDOR**

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.

The Purchaser is an investment holding company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.

The Vendor is the registered owner of the Property.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Acquisition exceeds 5% but 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.

## **DEFINITIONS**

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

“Acceptance of Tender”	the letter of the Tender’s acceptance dated 8 December 2020 granted by the Vendor to the Purchaser
“Acquisition”	the acquisition of the Property by the Purchaser through private tender
“Company” or “Guarantor”	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 Date”	on or before 29 January 2021
“Consideration”	HK\$310 million, being the consideration for the Acquisition paid or payable by the Purchaser
“Directors”	the directors of the Company from time to time
“Formal Agreement”	the memorandum of agreement to be entered into among the Purchaser, the Vendor and the Guarantor in relation to the Acquisition
“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”	all that piece or parcel of ground situate lying and being at Kowloon and registered in the Land Office as the Kowloon Inland Lot No.9230 and of and in the messuages erections and buildings thereon now known as United Daily News Centre, No. 21 Yuk Yat Street (also known as No.8 Kwei Chow Street), Kowloon
“Purchaser” or “Tenderer”	Regal Galaxy Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tender”	by order of the Vendor for the sale of the Property by private tender, which closed at 12:00 noon on 3 December 2020
“Vendor”	Kingem Investment Limited, a company incorporated in Hong Kong with limited liability

By order of the Board  
**HKR International Limited**  
**CHA Mou Zing Victor**  
*Executive Chairman*

Hong Kong, 8 December 2020

As at the date of this announcement, the Directors of the Company are:

***Executive Chairman***

Mr CHA Mou Zing Victor

***Non-executive Deputy Chairman***

Ms WONG CHA May Lung Madeline

***Executive Directors***

Mr TANG Moon Wah (*Managing Director*)

Mr CHUNG Sam Tin Abraham

***Non-executive Directors***

The Honourable Ronald Joseph ARCULLI

Mr CHA Mou Daid Johnson

***Independent Non-executive Directors***

Mr CHEUNG Wing Lam Linus

Mr FAN Hung Ling Henry

Ms HO Pak Ching Loretta

Mr TANG Kwai Chang

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