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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)

## MAJOR TRANSACTION DISPOSAL OF PROPERTIES IN JAPAN

On 8 October 2021, Vendor A, Vendor B and Vendor C, three special purpose vehicles established by the Company in Japan, entered into SPA A, SPA B and SPA C with Purchaser A, Purchaser B and Purchaser C respectively for the sale and purchase of i) Property A; ii) Property B; and iii) the trust beneficial interest in Property C as the underlying entrusted asset respectively, for a total consideration of JPY19,311,829,000 (including consumption tax on buildings) (approximately HK\$1,351.8 million)(subject to adjustment upon Completion).

### LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios under Rule 14.07 of the Listing Rules is more than 25% but all applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction of the Company under Rule 14.06 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Disposal and/or would be required to abstain from voting were the Company to convene an extraordinary general meeting to consider and if thought fit approve the Disposal. The Company proposes to obtain written approval for the Disposal in accordance with Rule 14.44 of the Listing Rules from the Major Shareholders, who together are the registered owners holding an aggregate of 816,702,249 ordinary shares, representing approximately 54.985% of the issued share capital of the Company as at the date of the announcement. As such, no general meeting will be convened for the purpose of approving the Disposal as permitted under Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular, containing among other things, details of the SPAs and Disposal is required to be despatched to the Shareholders within 15 Business Days after the publication of this announcement, which shall be on or before 1 November 2021.

**Shareholders and investors should note that the Disposal is subject to a condition precedent set out below and therefore the Disposal may or may not complete. As such, Shareholders and investors are urged to exercise caution when dealing in shares of the Company.**

## INTRODUCTION

On 8 October 2021, Vendor A, Vendor B and Vendor C, three special purpose vehicles established by the Company in Japan, entered into SPA A, SPA B and SPA C with Purchaser A, Purchaser B and Purchaser C respectively for the sale and purchase of i) Property A; ii) Property B; and iii) the trust beneficial interest in Property C as the underlying entrusted asset respectively, for a total consideration of JPY19,311,829,000 (including consumption tax on buildings) (approximately HK\$ 1,351.8 million) (subject to adjustment upon Completion).

## DETAILS OF THE SPAs

### Date of the SPAs

8 October 2021

### Parties and Information of the Properties

#### For SPA A

Vendor : HKRJ Akasaka TMK (“Vendor A”), a special purpose vehicle incorporated in Japan and the registered owner of Property A; and

Purchaser : DS Akasaka Godo Kaisha (“Purchaser A”)

Asset to be disposed : Property A

The interest of the Company in Property A is held under a *tokutei mokuteki kaisha* (“TMK”) arrangement (a common real estate investment structure for foreign investors under Japanese law). Investor 1 and Investor 2, both indirect wholly-owned subsidiaries of the Company, hold 49.99% and 50.01% respectively (together 100%) of the preferred shareholding in Vendor A. Investor 1 also holds a 49% specified shareholding in Vendor A with the remaining 51% specified shareholding being held by HKRJ Akasaka ISH, a non-profit association which is a bankruptcy remote entity established under Japanese law, known as an “*Ippan Shadan Hojin*” (“ISH”), and funded by the Group in order to comply with the requirements of the TMK structure for holding Property A. Under the TMK structure, all the economic interest in Property A belongs to Investor 1 and Investor 2, and hence to the Group. Under SPA A, Vendor A shall sell Property A to Purchaser A by transferring the same in the form of a trust beneficial interest, with Property A as the underlying entrusted asset on the date of Completion. Property A comprises the land and a 18-storey residential building, namely Horizon Place Akasaka with 94 units together with a basement of 54 vehicle parking spaces located at 8-2, Akasaka 6-chome, Minato-ku, Tokyo.

#### For SPA B

Vendor : HKRJ Haluwa TMK (“Vendor B”), a special purpose vehicle incorporated in Japan and the registered owner of Property B; and

Purchaser : DS Shibakoen Godo Kaisha (“Purchaser B”)

Asset to be disposed : Property B

The interest of the Company in Property B is also held under TMK arrangement. Investor 3 and Investor 4, both indirect wholly-owned subsidiaries of the Company, hold 51% and 49% respectively (together 100%) of the preferred shareholding in Vendor B. Investor 4 also holds a 49% specified shareholding in Vendor B with the remaining 51% specified shareholding being held by HKRJ Haluwa ISH, an ISH established and funded by the Group in order to comply with the requirements of the TMK structure for holding Property B. Under the TMK structure, all the economic interest in Property B belongs to Investor 3 and Investor 4, and hence to the Group. Under SPA B, Vendor B shall sell Property B to Purchaser B by transferring the same in the form of a trust beneficial interest, with Property B as the underlying entrusted asset on the date of Completion. Property B comprises the land and a 15-storey flat roof residential building, namely Haluwa Shiba Koen with 84 units located at 208-1, Shiba 2-chome, Minato-ku, Tokyo.

**For SPA C**

- Vendor : HKRJ Graphio GK (“Vendor C”), a special purpose vehicle incorporated in Japan and the beneficiary of the trust beneficial interest in Property C as the underlying entrusted asset; and
- Purchaser : DS Nishishinjuku Godo Kaisha (“Purchaser C”)
- Asset to be disposed : The trust beneficial interest in Property C as the underlying entrusted asset

The interest of the Company in Property C is held under a *tokumei kumiai* (“TK”) arrangement (another common real estate investment structure for foreign investors under Japanese law). Under the TK structure, Investor 4 is the sole investor responsible for providing all of the investment funding associated with the trust beneficial interest in Property C as the underlying entrusted asset. The legal title to Property C is currently held by an independent trustee, which is a licensed trust bank in Japan, whereas the beneficial ownership is vested in Vendor C. Vendor C (which establishment is funded by the Group) is owned and managed independently from Investor 4 and is responsible for holding, receiving income derived from, managing and dealing with Property C. The relationship between Investor 4 and Vendor C is governed by the TK Agreements entered into between them, under which Vendor C is obliged to effect cash distributions to Investor 4 annually, out of the net rental income arising from its beneficial holding of Property C or, in case of a disposition of Property C, promptly after such disposition. In return, Vendor C is entitled to receive a fixed annual fee for conducting the aforesaid business and must engage a licensed trustee to hold the registered title to Property C as well as an asset manager to oversee the management of Property C. Based on the TK structure, all the economic interest in Property C belongs to Investor 4, and hence to the Company. Property C comprises the land and a 13-storey flat roof office building, namely Graphio Nishi-Shinjuku Building with 12 units located at 22-9, Nishi-Shinjuku, 1-chome, Shinjuku-ku, Tokyo.

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, the Purchasers and their ultimate beneficial owner(s) (with more details as set out below) are third parties independent of the Company and its connected person(s).

## **Completion and Transfer of the Properties**

### **For Property A and Property B**

Pursuant to SPA A and SPA B, Property A and Property B shall be delivered to Purchaser A and Purchaser B respectively in the form of trust beneficial interests on the date of Completion. To facilitate the delivery, the legal title to Property A and Property B will be transferred to a licensed trust bank as accepted by both parties, by Vendor A and Vendor B, respectively, to be held on trust (the “Entrustment”). Following Entrustment, the trust beneficial interests with Property A and Property B as the underlying entrusted assets will be held by Vendor A and Vendor B, respectively, for further transfer to Purchaser A and Purchaser B, respectively. Both the Entrustment and the transfer of the trust beneficial interests in Property A and Property B as the underlying entrusted asset from Vendor A and Vendor B to Purchaser A and Purchaser B, respectively, shall take place on the date of Completion. All the costs in respect of the aforesaid holding structure change with respect to Property A and Property B shall be borne by Purchaser A and Purchaser B, respectively.

### **For Property C**

The trust beneficial interest in Property C as the underlying entrusted asset will be transferred from Vendor C to Purchaser C on the date of Completion.

Completion of the Disposal shall take place on 15 November 2021 or any other date as agreed by the respective Vendors and Purchasers but in any event shall not be later than 31 December 2021. The Properties will be delivered on an “as-is” basis (through the transfer of respective trust beneficial interests) on the date of Completion subject to tenancies.

Completion of the disposal of Property A (in the form of a trust beneficial interest), Property B (in the form of a trust beneficial interest) and the trust beneficial interest in Property C as the underlying entrusted asset must be completed on the date of Completion simultaneously. Should the disposal of the interests in all three Properties not, for whatever reason, complete simultaneously on the date of Completion, none of the individual sales will proceed. In this case, the parties may seek to change the date of Completion. However, if the transaction under any of the SPAs has not been executed by a long stop date of 31 December 2021, all SPAs will automatically terminate and the respective Vendors must refund the sum received from the respective Purchasers without interest.

## **Consideration and Payment Terms**

The Consideration of JPY19,311,829,000 (including consumption tax on buildings of JPY301,829,000) (approximately HK\$ 1,351.8million) comprises i) JPY9,654,850,000 (including consumption tax on building of JPY154,850,000) (approximately HK\$675.8 million) as the price for Property A; ii) JPY4,169,964,000 (including consumption tax on building of JPY89,964,000) (approximately HK\$291.9 million) as the price for Property B; and iii) JPY5,487,015,000 (including consumption tax on building of JPY57,015,000) (approximately HK\$384.1 million) as the price for the trust beneficial interest in Property C as the underlying entrusted asset. The Consideration was offered by the Fund Manager (as defined below) of the Trust Funds (as defined below) and accepted by the Company upon making reference to recent published sales prices of comparable properties, and shall be satisfied by the respective Purchasers in the following manner:

Date of Payment

Amount payable

On signing of the SPAs

1. JPY950,000,000 (representing 10% of the price for Property A (excluding consumption tax) and being equivalent to approximately HK\$66.5 million), being the deposit paid to Vendor A;
2. JPY408,000,000 (representing 10% of the price for Property B (excluding consumption tax) and being equivalent to approximately HK\$28.6 million), being the deposit paid to Vendor B; and
3. JPY543,000,000 (representing 10% of the price for the trust beneficial interest in Property C as the underlying entrusted asset (excluding consumption tax) and being equivalent to approximately HK\$38.0 million), being the deposit paid to Vendor C.

On Completion

1. JPY8,704,850,000 (equivalent to approximately HK\$609.3 million), being the balance of the price for Property A (including consumption tax) to be paid to Vendor A;
2. JPY3,761,964,000 (equivalent to approximately HK\$263.3 million), being the balance of the price for Property B (including consumption tax) to be paid to Vendor B; and
3. JPY4,944,015,000 (equivalent to approximately HK\$346.1 million), being the balance of the price for the trust beneficial interest in Property C (including consumption tax) as the underlying entrusted asset to be paid to Vendor C.

The balance payment (including consumption tax) to be paid on the date of Completion by the respective Purchasers to the respective Vendors is subject to adjustment in relation to the security deposits in respect of the relevant tenancies and any other taxes, expenses and revenues associated with the respective Properties and/or trust beneficial interests.

Any adjustment amount which is not yet fixed as of the date of Completion shall be settled after the Completion separately by payments between the respective Vendors and respective Purchasers, promptly after such amount is fixed.

**Condition Precedent**

The Disposal is subject to the approval of the shareholders of the Company. If the approval of the Company's shareholders is not obtained by 22 October 2021, the respective Vendors may terminate the respective SPAs without any indemnification obligations or any other liability, provided however that the respective Vendors shall return the sum received from the respective Purchasers to that Purchasers without interest.

## FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

The Properties have been indirectly held by the Company for investment purposes. The carrying value of the Properties, as revalued by an independent valuer as at 31 March 2021, and the expected book gain, after related expenses, from the Disposal are as follows:

Property	Approximate carrying value (in million)	Expected book gain (in million)
Property A	JPY5,260.0 (approximately HK\$368.2)	JPY3,072.3 (approximately HK\$215.1)
Property B	JPY3,500.0 (approximately HK\$245.0)	JPY395.8 (approximately HK\$27.7)
Property C	JPY4,380.0 (approximately HK\$306.6)	JPY658.6 (approximately HK\$46.1)
Total:	JPY13,140.0 (approximately HK\$919.8)	JPY4,126.7 (approximately HK\$288.9)

It is intended that the net proceeds from the Disposal will be used by the Group to repay the onshore bonds/bank loan in respect of the investment in the Properties, finance other investment opportunities in the property market as and when they arise in the future, and for the general working capital of the Group.

The Properties are currently leased out for rental income. The net profit (the annual rental income after taking into account all related disbursements for managing the Properties both before and after taxation and minority interest) attributable to the Properties for the financial year ended 31 March 2021 and 2020 was as follows:

Property	Approximate net profit before tax and minority interest (in million)		Approximate net profit after tax and minority interest (in million)	
	Financial year ended 31 March 2020	Financial year ended 31 March 2021	Financial year ended 31 March 2020	Financial year ended 31 March 2021
Property A	JPY215.6 (approximately HK\$15.1)	JPY211.4 (approximately HK\$14.8)	JPY172.5 (approximately HK\$12.2)	JPY169.1 (approximately HK\$11.8)
Property B	JPY110.1 (approximately HK\$7.7)	JPY97.5 (approximately HK\$6.8)	JPY85.0 (approximately HK\$6.0)	JPY75.3 (approximately HK\$5.3)
Property C	JPY152.8 (approximately HK\$10.7)	JPY164.9 (approximately HK\$11.5)	JPY121.6 (approximately HK\$8.5)	JPY131.2 (approximately HK\$9.2)
Total:	JPY478.5 (approximately HK\$33.5)	JPY473.8 (approximately HK\$33.1)	JPY379.1 (approximately HK\$26.7)	JPY375.6 (approximately HK\$26.3)

## REASONS FOR AND BENEFITS DERIVED FROM THE DISPOSAL

In a market facing uncertainties, including those arising from the impact of the COVID-19 pandemic and any tightening of global monetary supplies, the Directors are of the view that the Disposal represents a good opportunity for the Group to realise its investment in the Properties with an attractive return. The Disposal will increase the working capital of the Group and enhance its cashflow. The Directors consider that the Disposal 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 ON THE COMPANY, THE INVESTORS, THE VENDORS, THE PURCHASERS AND THE ULTIMATE BENEFICIAL OWNER OF THE PURCHASERS**

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 Investors are four indirect wholly-owned subsidiaries of the Company and all are investment holding companies. Investor 1 and Investor 2 are limited companies incorporated in Singapore. Investor 3 and Investor 4 are limited companies incorporated in Hong Kong.

Vendor A is a special purpose vehicle established by the Company in Japan for the purpose of holding Property A for the Company under a TMK arrangement.

Vendor B is a special purpose vehicle established by the Company in Japan for the purpose of holding Property B for the Company under a TMK arrangement.

Vendor C is a special purpose vehicle established by the Company in Japan for the purpose of holding the beneficial interest in Property C as the underlying entrusted asset for the Company under a TK arrangement.

Purchaser A is a special purpose vehicle established in Japan for the purpose of holding the beneficial interest in Property A as the underlying entrusted asset under a TMK arrangement for the Trust Funds (as defined below) following the completion of the transaction pursuant to SPA A.

Purchaser B is a special purpose vehicle established in Japan for the purpose of holding the beneficial interest in Property B as the underlying entrusted asset under a TMK arrangement for the Trust Funds following the completion of the transaction pursuant to SPA B.

Purchaser C is a special purpose vehicle established in Japan for the purpose of holding the beneficial interest in Property C as the underlying entrusted asset under a TK arrangement for the Trust Funds following the completion of the transaction pursuant to SPA C.

To the best of the Directors' knowledge having made all reasonable enquiries, based on the information available to the Company, the beneficial owners of the Purchasers comprise three separate wide-investor based South Korean investment funds, namely Daishin Japan Heim Qualified Investor Private Investment Trust Nos. 12 (28.5 %), 13 (21.5%) and 14 (50%), which will collectively contribute 100% of the required equity funding for the Purchasers, so that they in turn can pay the Consideration (the "Trust Funds"), with Daishin Asset Management Co., Ltd. as the common licensed fund manager (the "Fund Manager", a company incorporated in South Korea and a subsidiary of Daishin Securities Company Limited, a listed company on the Korea Exchange, stock code : KR003540).

## **LISTING RULES IMPLICATIONS**

Since one of the applicable percentage ratios under Rule 14.07 of the Listing Rules is more than 25% but all applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction of the Company under Rule 14.06 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Disposal and/or would be required to abstain from voting were the Company to convene an extraordinary general meeting to consider and if thought fit approve the Disposal. The Company proposes to obtain written approval for the Disposal in accordance with Rule 14.44 of the Listing Rules from the Major Shareholders, who together are the registered owners holding an aggregate of 816,702,249 ordinary shares, representing approximately 54.985% of the issued share capital of the Company as at the date of the announcement. As such, no general meeting will be convened for the purpose of approving the Disposal as permitted under Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular, containing among other things, details of the SPAs and Disposal is required to be despatched to the Shareholders within 15 Business Days after the publication of this announcement, which shall be on or before 1 November 2021.

**Shareholders and investors should note that the Disposal is subject to a condition precedent set out above and therefore the Disposal may or may not complete. As such, Shareholders and investors are urged to exercise caution when dealing in shares of the Company.**

## DEFINITIONS

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

“Business Day(s)”	a day other than Saturday, Sunday, any day on which banks located in Hong Kong are authorised or obligated to close, any public holiday in Hong Kong or a day on which typhoon signal No.8 or above or black rainstorm signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. Hong Kong time
“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 which shall take place on 15 November 2021 or any other date as agreed by the Vendors and the Purchasers but in any event shall not be later than 31 December 2021
“Consideration”	JPY19,311,829,000 (including consumption tax on buildings) (approximately HK\$1,351.8 million), being the total consideration for the Disposal paid and payable by the Purchasers to the Vendors

“Directors”	the directors of the Company from time to time
“Disposal”	the disposal of the Properties by the Vendors collectively to the Purchasers in accordance with the terms and conditions set out in the SPAs
“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
“Investor 1”	Ruthin Investments Pte Ltd, an indirect wholly-owned subsidiary of the Company incorporated in Singapore which holds a 49.99% preferred shareholding and 49% specified shareholding in Vendor A
“Investor 2”	Beaufort International Hotels (Singapore) Pte Ltd, an indirect wholly-owned subsidiary of the Company incorporated in Singapore which holds a 50.01% preferred shareholding in Vendor A
“Investor 3”	Scout Development Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong which holds a 51% preferred shareholding in Vendor B
“Investor 4”	HKR Properties Limited 香港興業(物業)有限公司, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong which holds 49% preferred shareholding and a 49% specified shareholding in Vendor B. Investor 4 is also the sole investor for the trust beneficial interest in Property C as the underlying entrusted asset
“Investors”	Investor 1, Investor 2, Investor 3 and Investor 4
“JPY”	Japanese Yen, the lawful currency of Japan
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

“Major Shareholders”

comprise CCM Trust (Cayman) Limited (“CCM”), Mingly Asia Capital Limited (“Mingly”), CCM Capital Corporation (“CCM Capital”), Soar Boom Limited (“Soar Boom”), LBJ Regents (PTC) Limited (“LBJ”) and Bie Ju Enterprises Limited (“Bie Ju”), a closely allied group of shareholders who together hold approximately 54.985% interests in the Company, with their particulars as follows:

- (a) CCM is a company incorporated in the Cayman Islands with limited liability and which has a direct interest in the Company of approximately 38.444% (representing 571,011,401 ordinary shares of the Company). CCM (which is also indirectly interested in the shares of the Company held via its subsidiaries, Mingly, CCM Capital and Soar Boom as described in (b), (c) and (d) below) is the corporate trustee of certain but not identical discretionary trusts of which members of the classes of discretionary beneficiaries comprise the late Dr CHA Chi Ming’s issue;
- (b) Mingly is a company incorporated in the British Virgin Islands with limited liability, indirectly owned as to 87.50% by CCM, and which has a direct interest in the Company of approximately 3.040% (representing 45,157,894 ordinary shares of the Company);
- (c) CCM Capital is a company incorporated in the British Virgin Islands with limited liability, indirectly owned as to 87.50% by CCM, and which has a direct interest in the Company of approximately 1.696% (representing 25,183,584 ordinary shares of the Company);
- (d) Soar Boom is a company incorporated in the British Virgin Islands with limited liability, indirectly owned as to 87.50% by CCM, and which has a direct interest in the Company of approximately 4.999% (representing 74,265,090 ordinary shares of the Company);
- (e) LBJ is a company incorporated in the British Virgin Islands with limited liability and which has a direct interest in the Company of approximately 6.182% (representing 91,818,179 ordinary shares of the Company). LBJ (which is also indirectly interested in the shares of the Company held via its wholly-owned subsidiary Bie Ju, as described in (f) below) is the corporate trustee for certain but not identical discretionary trusts of which members of the classes of discretionary beneficiaries comprise the late Dr CHA Chi Ming’s issue; and
- (f) Bie Ju is a company incorporated in the Cayman Islands with limited liability, wholly-owned by LBJ, and which has a direct interest in the Company of approximately 0.624% (representing 9,266,101 ordinary shares of the Company)

“Property A”	comprises the land and a 18-storey residential building, namely Horizon Place Akasaka with 94 units together with a basement of 54 vehicle parking spaces located at 8-2, Akasaka 6-chome, Minato-ku, Tokyo
“Property B”	comprises the land and a 15-storey flat roof residential building, namely Haluwa Shibakoen with 84 units together located at 208-1, Shiba 2-chome, Minato-ku, Tokyo
“Property C”	comprises the land and a 13-storey flat roof office building, namely Graphio Nishi-Shinjuku Building with 12 units located at 22-9, Nishi-Shinjuku, 1-chome, Shinjuku-ku, Tokyo
“Properties”	Property A, Property B and Property C
“Purchaser A”	DS Akasaka Godo Kaisha, a special purpose vehicle incorporated in Japan
“Purchaser B”	DS Shibakoen Godo Kaisha, a special purpose vehicle incorporated in Japan
“Purchaser C”	DS Nishishinjuku Godo Kaisha, a special purpose vehicle incorporated in Japan
“Purchasers”	Purchaser A, Purchaser B and Purchaser C
“SPA A”	the sale and purchase agreement entered into between Purchaser A and Vendor A on 8 October 2021 for the sale and purchase of Property A
“SPA B”	the sale and purchase agreement entered into between Purchaser B and Vendor B on 8 October 2021 for the sale and purchase of Property B
“SPA C”	the sale and purchase agreement entered into between Purchaser C and Vendor C on 8 October 2021 for the sale and purchase of the trust beneficial interest in Property C
“SPAs”	SPA A, SPA B and SPA C
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“TK Agreements”	comprise i) an agreement entered into between Investor 4, as TK investor, and Vendor C, as the TK operator, on 26 March 2013 in respect of a 95% investment interest in the trust beneficial interest in Property C as the underlying entrusted asset; and ii) an assignment agreement dated 2 April 2019 entered into between Investor 4, as assignee, and HKRJ Development Co. Ltd, a then wholly-owned subsidiary of the Company, as assignor, with the consent of Vendor C, for the assignment of a 5% investment interest in the trust beneficial interest in Property C as the underlying entrusted asset, from HKRJ Development Co. Ltd. to Investor 4
“Vendor A”	HKRJ Akasaka TMK, a special purpose vehicle incorporated in Japan and the registered owner of Property A
“Vendor B”	HKRJ Haluwa TMK, a special purpose vehicle incorporated in Japan and the registered owner of Property B
“Vendor C”	HKRJ Graphio GK, a special purpose vehicle incorporated in Japan and the beneficiary of the trust beneficial interest in Property C as the underlying entrusted asset
“Vendors”	Vendor A, Vendor B and Vendor C

*Unless otherwise specified in this announcement, amounts denominated in Japanese Yen have been converted into HK\$ at the rate of JPY1.00 = HK\$0.07<sup>^</sup>. 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  
**HKR International Limited**  
**CHA Mou Zing Victor**  
*Executive Chairman*

Hong Kong, 8 October 2021

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 CHEUNG Ho Koon

Ms NGAN Man Ying

***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

Ms Barbara SHIU

Mr TANG Kwai Chang

<sup>^</sup> Closing exchange rate as at 7 October 2021 obtained from Bloomberg

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