

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 PROVISION OF FINANCIAL ASSISTANCE TO A JOINT VENTURE COMPANY

On 19 April 2022, Pine Isle, an indirect wholly-owned subsidiary of the Company, and Mariner Bay, an indirect wholly-owned subsidiary of Hysan, entered into the Loan Agreement, as the lenders, with the JV Company, as the borrower, for the provision of a 5-year revolving loan facility in an aggregate sum up to HK\$2,200 million to the JV Company. The JV Company is owned indirectly by Pine Isle as to 40% and by Mariner Bay as to 60% and the shareholders' loans from Pine Isle and Mariner Bay to the JV Company will be made in proportion to their respective effective shareholding interests in the JV Company and on the same terms. The loan amount borne by Pine Isle will be up to HK\$880 million.

The proceeds from the shareholders' loans made to the JV Company will be used primarily for the provision of mortgage loans to purchasers of the residential units developed pursuant to the JV Project. These units are currently owned by a sister company of the JV Company, which is also owned indirectly as to 40% by the Company and as to 60% by Hysan.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the HK\$880 million loan facility from Pine Isle to the JV Company under the Loan Agreement is more than 5% but all applicable percentage ratios are less than 25%, the provision of the financial assistance under the Loan Agreement constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE LOAN AGREEMENT WITH THE JV COMPANY

On 19 April 2022, Pine Isle, an indirect wholly-owned subsidiary of the Company, and Mariner Bay, an indirect wholly-owned subsidiary of Hysan, entered into the Loan Agreement, as the lenders, with the JV Company, as the borrower, for the provision of a 5-year revolving loan facility for an aggregate maximum amount of HK\$2,200 million to the JV Company. The JV Company is owned indirectly by Pine Isle as to 40% and by Mariner Bay as to 60% and the shareholders' loans from Pine Isle and Mariner Bay to the JV Company will be made in proportion to their respective effective shareholding

interests in the JV Company and on the same terms. The loan amount borne by Pine Isle will be up to HK\$880 million.

The term provided in the Loan Agreement during which the JV Company may draw down on any portion of the loan from Pine Isle and Mariner Bay, on each occasion in proportion to their respective shareholdings held in the JV Company, expires on 19 April 2027, subject to extension as may be agreed by the parties. The amounts drawn and outstanding under the Loan Agreement will be interest-bearing at a rate of 2% per annum over the 1-month Hong Kong Interbank Offered Rate (as will be reviewed from time to time by reference to market trends). Loans drawn will be unsecured and without a fixed term of repayment. The proceeds from the shareholders' loans made to the JV Company will be used primarily for the provision of mortgage loans to the purchasers of the residential units developed pursuant to the JV Project.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, Mariner Bay and its ultimate beneficial owner, Hysan, are third parties independent of the Company and its connected persons.

REASONS FOR THE PROVISION OF FINANCIAL ASSISTANCE AND ADDITIONAL INFORMATION

The Group is principally engaged in property development and property investment in Hong Kong, mainland China and the Asia Pacific region. The JV Project is a residential development project jointly developed and owned as to 40% by the Group and 60% by Hysan, which is close to completion. To encourage market interest, and help purchasers to purchase the residential units, mortgage loans with interest will be offered by the JV Company to qualifying purchasers. The Directors consider that the provision of mortgage loan(s) will facilitate sales of the residential units and the interest income earned will also increase the overall returns to the Group out of the JV Project.

The Directors are satisfied that each of Pine Isle and Marina Bay, together being indirectly interested in the entire issued share capital of the JV Company, will be lending to the JV Company in proportion to their respective effective interests in the JV Company and on identical terms. Accordingly, the Directors consider that the Loan Agreement represents normal commercial terms that are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

The Group will finance loans made pursuant to the Loan Agreement from internal resources. The provision of such financial assistance is not expected to have any material effect on the Group's results, total assets and total liabilities.

INFORMATION ON THE COMPANY, THE JV COMPANY, PINE ISLE AND MARINER BAY

The Company is an investment holding company incorporated in the Cayman Islands, the securities of which are listed on the Stock Exchange. The Group is principally engaged in property development, property investment, transportation services and property management, hotel operations and leisure businesses.

The JV Company is a company incorporated in Hong Kong with limited liability and is owned indirectly as to 40% by the Group and 60% by Hysan. It has been set up for the sole purpose of providing mortgage loans to qualifying purchasers of residential units developed pursuant to the JV Project.

Pine Isle is an investment holding company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company.

Mariner Bay is an investment holding company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of Hysan. Hysan is a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 00014). Its principal businesses are property investment, management and development.

LISTING RULES IMPLICATIONS

Since one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the HK\$880 million loan facility from Pine Isle to the JV Company under the Loan Agreement is more than 5% but all applicable percentage ratios are less than 25%, the provision of the financial assistance under the Loan Agreement will constitute a discloseable transaction of the Company under Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

In addition to the HK\$880 million shareholder's loan agreed under the Loan Agreement (representing approximately 1.98% of the total assets of the Group of HK\$44,400 million as at 30 September 2021), all other incidents of financial assistance provided by the Group to, and guarantees given by the Group for banking facilities granted to, affiliated companies of the Company, the details of which are set out in the interim report, continue as on-going liabilities of the Group; and they (together with the HK\$880 million shareholder's loan) continue to exceed 8% of the Group's assets per the assets ratio under Rule 14.07(1) of the Listing Rules. The Company will continue to comply with the relevant disclosure requirements under Rules 13.16 and 13.22 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
“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
“Hysan”	Hysan Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 00014)
“JV Company”	Gainwick Mortgage Limited, a company incorporated in Hong Kong with limited liability and indirectly owned as to 40% by the Company and 60% by Hysan

“JV Project”	the joint venture project between the Company and Hysan to redevelop and sell residential properties on two pieces of land located at Lo Fai Road, Tai Po, New Territories, registered at the Land Registry as Tai Po Town Lot No. 223 and Lot No. 229, which is owned indirectly as to 40% by the Company and as to 60% by Hysan
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the revolving loan facility agreement dated 19 April 2022 entered into between Pine Isle and Mariner Bay, as the lenders, and the JV Company, as the borrower
“Mariner Bay”	Mariner Bay Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of Hysan
“Pine Isle”	Pine Isle Holdings Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 19 April 2022

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

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