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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 PROPERTIES

The Company is pleased to announce that on 12 March 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into (i) the SPAs with the various Vendors (except Vendor 17) and (ii) the Preliminary SPA with Vendor 17, pursuant to which the Purchaser has agreed to purchase and the Vendors have agreed to sell their respective properties for a total consideration of HK\$367,271,000.

As the highest applicable percentage ratio (as defined in the Listing Rules) for the Acquisition exceeds 5% but is less than 25%, the Acquisition 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 on 12 March 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into (i) the SPAs with the various Vendors (except Vendor 17) and (ii) the Preliminary SPA with Vendor 17, pursuant to which the Purchaser has agreed to purchase and the Vendors have agreed to sell their respective properties for a total consideration of HK\$367,271,000.

THE SPAs AND THE PRELIMINARY SPA

Date

12 March 2021

Parties, Properties, Consideration and Delivery Date

Purchaser: World Forum Investment Limited, an indirect wholly-owned subsidiary of the Company

Agreement	Vendor	Property¹	Consideration	Date of delivery
SPA 1	Vendor 1	Property 1	HK\$15,000,000	Date of Completion
SPA 2	Vendor 2	Property 2	HK\$7,450,000	
SPA 3	Vendor 3	Property 3	HK\$20,280,000	
SPA 4	Vendor 4	Property 4	HK\$63,384,000	
SPA 5	Vendor 5	Property 5	HK\$51,708,000	On or before 31 August 2021 ²
SPA 6	Vendor 6	Property 6	HK\$51,708,000	
SPA 7	Vendor 7	Property 7	HK\$38,000,000	
SPA 8	Vendor 8	Property 8	HK\$16,000,000	
SPA 9	Vendor 9	Property 9	HK\$38,000,000	
SPA 10	Vendor 10	Property 10	HK\$9,500,000	
SPA 11	Vendor 11	Property 11	HK\$9,500,000	
SPA 12	Vendor 12	Property 12	HK\$7,350,000	
SPA 13	Vendor 13	Property 13	HK\$9,531,000	
SPA 14	Vendor 14	Property 14	HK\$6,500,000	
SPA 15	Vendor 15	Property 15	HK\$7,880,000	
SPA 16	Vendor 16	Property 16	HK\$7,880,000	
Preliminary SPA	Vendor 17	Property 17	HK\$7,600,000	
Total :			HK\$367,271,000	

Notes:

1. Except for Property 3 and Property 4 which will be delivered upon Completion with tenancies that will expire on 20 July 2021 and 1 June 2021 respectively, all other Properties will be delivered with vacant possession according to the date of delivery as set out above.
2. Licenses will be granted to the respective Vendors for use of the respective Properties from Completion until the date of delivery as set out above.

The Properties comprise 16 shops or residential units, with details set out below in the Definitions section, located at nos. 165, 167 and 169 Hollywood Road and Nos. 8 to 12 Upper Lascar Row, Sheung Wan, Hong Kong as well as a lane in between Hollywood Road and Upper Lascar Row, with a total site area of approximately 3,100 square feet. The Properties will be delivered subject to tenancies or with vacant possession, on the respective dates set out above.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Vendors and, the ultimate beneficial owners of Vendor 1, Vendor 4 and Vendor 7 (being corporate entities) are third parties independent of the Company and its connected persons.

Consideration and Payment Terms

The total consideration for the Properties is HK\$367,271,000. The total consideration was paid and is payable by the Purchaser to the respective Vendors in the following manner:

- (i) HK\$35,967,100 (equivalent to 10% of the total consideration for the Properties (except Property 17)) being the initial deposit for the Properties (except Property 17) which was paid by the Purchaser to the Vendors' solicitors as stakeholders upon signing of the respective SPAs and will be released to the respective Vendors upon Completion (the "Initial Deposit 1");

- (ii) HK\$230,000 (equivalent to approximately 3.0% of the consideration for Property 17) being the initial deposit for Property 17 which was paid by the Purchaser to the Vendor 17's solicitor as stakeholder upon signing of the Preliminary SPA and will be released to Vendor 17 upon Completion (the "Initial Deposit 2");
- (iii) HK\$530,000 (which together with the Initial Deposit 2 equivalent to a sum of 10% of the consideration for Property 17) being the further deposit for Property 17 which shall be paid to the Vendor 17's solicitor as stakeholder upon signing of SPA 17, which is expected to be signed on or before 29 March 2021, and will be released to Vendor 17 upon Completion (the "Further Deposit"); and
- (iv) subject to the portions of consideration for the respective Properties identified below being upheld as security deposits (the "Security Deposit") in respect of the various licenses granted to certain Vendors for use of the respective Properties after Completion until the date of delivery with payment manner as described in (v) below, a balance of HK\$330,543,900 (equivalent to 90% of the total consideration) shall be paid by the Purchaser to the respective Vendors upon Completion.

Vendor	Property	Security Deposit Amount
Vendor 5	Property 5	HK\$1,000,000
Vendor 6	Property 6	HK\$1,000,000
Vendor 7	Property 7	HK\$500,000
Vendor 8	Property 8	HK\$500,000
Vendor 9	Property 9	HK\$500,000
Vendor 10	Property 10	HK\$200,000
Vendor 11	Property 11	HK\$200,000
Vendor 12	Property 12	HK\$200,000
Vendor 13	Property 13	HK\$200,000
Vendor 14	Property 14	HK\$200,000
Vendor 15	Property 15	HK\$200,000
Vendor 16	Property 16	HK\$200,000
Vendor 17	Property 17	HK\$200,000

- (v) 90% of the Security Deposit applicable to the respective Properties set out above shall be released to the relevant Vendor within seven days of a written notice from the Purchaser's solicitor certifying that the Vendor has delivered vacant possession of the relevant Property on or before the date of delivery set out above; and the remaining 10% of the Security Deposit for respective Properties shall be released to the relevant Vendor upon the Purchaser's solicitor confirming that all relevant outgoings payable before the date of delivery (such as rates, government rent and management fee) have been settled by the relevant Vendor.

The consideration for the Acquisition was determined after arm's length negotiations between the Purchaser and the respective Vendors with reference to comparable properties. The consideration will be funded by the Group's internal resources and/or bank loans.

Completion

Completion of the Acquisition (except as regards Property 17) will take place on or before 15 April 2021. Should the acquisition of any Property (except Property 17) not be completed simultaneously, or should any matter in respect of Property 17 be identified before completion in respect of the other Properties, which could result in the purchase of Property

17 not completing in accordance with the terms of the Preliminary SPA or SPA 17, subject to the sole discretion of the Purchaser, the acquisition of all the Properties will lapse and the Initial Deposit 1, the Initial Deposit 2 and the Further Deposit (if has been paid) will be refunded to the Purchaser by the Vendors' solicitors.

Completion of the purchase of Property 17 will take place on or before 1 June 2021.

REASON FOR AND BENEFITS OF THE ACQUISITION

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 Properties enjoy superb accessibility, which are adjacent to, and minutes walking distance from, Sheung Wan mass transit railway station and the site has the potential to be transformed into a residential development capable of generating profits for the Group.

The Directors consider that the Acquisition and each of the SPAs and the Preliminary SPA to be on normal commercial terms, that are fair and reasonable to all shareholders.

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 for the Company and is subject to the announcement and reporting requirements under Chapter 14 of the Listing Rules.

INFORMATION OF THE COMPANY AND THE PURCHASER AND VENDORS

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, 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.

Details of the Vendors of the Properties are set out below in the Definitions section.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Properties by the Purchaser pursuant to the terms and conditions of the SPAs and the Preliminary SPA
“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 acquisition of the Properties (except Property 17) which shall take place on or before 15 April 2021. Completion of the acquisition of Property 17 shall take place on or before 1 June 2021
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Preliminary SPA”	the preliminary sale and purchase agreement signed by the Purchaser and Vendor 17 on 12 March 2021 in relation to the sale and purchase of Property 17
“Property 1”	all those pieces or parcels of ground respectively registered in the Land Registry as (1) Sub-section 4 of section C of Inland Lot No.251; (2) Section A of Sub-section 1 of Section C of Inland Lot No.251; and (3) Section A of Sub-section 2 of Section C of Inland Lot No.251, which is currently a lane
“Property 2”	Flat B on 4 th Floor of Nos. 8 / 12 Upper Lascar Row, erected on the Upper Lascar Row Lot
“Property 3”	Shop No. 3 on Ground Floor of Nos. 8, 10, 10A, 12 Upper Lascar Row, erected on the Upper Lascar Row Lot
“Property 4”	all that piece or parcel of ground registered in the Land Registry at Section A of Sub-Section 2 of Section B of Inland Lot No.251 and of and in the messuages erections and buildings thereon, now known as 169 Hollywood Road, Hong Kong
“Property 5”	all that piece or parcel of ground registered in the Land Registry as The Remaining Portion of Inland Lot No.251 and of and in the messuages erections and buildings thereon, now known as 165 Hollywood Road, Hong Kong
“Property 6”	all that piece or parcel of ground registered in the Land Registry as Section E of Inland Lot No.251 and of and in the messuages erections and buildings thereon, now known as 167 Hollywood Road, Hong Kong
“Property 7”	Shop No. 1 on Ground Floor of Nos. 8, 10, 10A, 12 Upper Lascar Row and Shop No. 1 on Cockloft Nos. 8 & 12 Upper Lascar Row, erected on the Upper Lascar Row Lot

“Property 8”	Shop No. 2 on Ground Floor of Nos. 8, 10, 10A, 12 Upper Lascar Row, erected on the Upper Lascar Row Lot
“Property 9”	Shop No. 4 on Ground Floor of Nos. 8, 10, 10A, 12 Upper Lascar Row and Shop No. 2 on Cockloft Nos. 8 & 12 Upper Lascar Row, erected on the Upper Lascar Row Lot
“Property 10”	Flat A on 1 st Floor of Nos. 8 / 12 Upper Lascar Row, erected on the Upper Lascar Row Lot
“Property 11”	Flat B on 1 st Floor and Flat Roof of Nos. 8 / 12 Upper Lascar Row, erected on the Upper Lascar Row Lot
“Property 12”	Flat A on 2 nd Floor of Nos. 8 / 12 Upper Lascar Row, erected on the Upper Lascar Row Lot
“Property 13”	Flat B on 2 nd Floor of Nos. 8 / 12 Upper Lascar Row, erected on the Upper Lascar Row Lot
“Property 14”	Flat B on 3 rd Floor of Nos. 8 / 12 Upper Lascar Row, erected on the Upper Lascar Row Lot
“Property 15”	Flat A on 5 th Floor and the Roof of Nos. 8 / 12 Upper Lascar Row, erected on the Upper Lascar Row Lot
“Property 16”	Flat B on 5 th Floor and the Roof of Nos. 8 / 12 Upper Lascar Row, erected on the Upper Lascar Row Lot
“Property 17”	Flat A on 3 rd Floor of Nos. 8 / 12 Upper Lascar Row, erected on the Upper Lascar Row Lot
“Properties”	Property 1, Property 2, Property 3, Property 4, Property 5, Property 6, Property 7, Property 8, Property 9, Property 10, Property 11, Property 12, Property 13, Property 14, Property 15, Property 16 and Property 17
“Purchaser”	World Forum Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“SPA 1”	the sale and purchase agreement signed by the Purchaser and Vendor 1 on 12 March 2021 in relation to the sale and purchase of Property 1
“SPA 2”	the sale and purchase agreement signed by the Purchaser and Vendor 2 on 12 March 2021 in relation to the sale and purchase of Property 2
“SPA 3”	the sale and purchase agreement signed by the Purchaser and Vendor 3 on 12 March 2021 in relation to the sale and purchase of Property 3

- “SPA 4” the sale and purchase agreement signed by the Purchaser and Vendor 4 on 12 March 2021 in relation to the sale and purchase of Property 4
- “SPA 5” the sale and purchase agreement signed by the Purchaser and Vendor 5 on 12 March 2021 in relation to the sale and purchase of Property 5
- “SPA 6” the sale and purchase agreement signed by the Purchaser and Vendor 6 on 12 March 2021 in relation to the sale and purchase of Property 6
- “SPA 7” the sale and purchase agreement signed by the Purchaser and Vendor 7 on 12 March 2021 in relation to the sale and purchase of Property 7
- “SPA 8” the sale and purchase agreement signed by the Purchaser and Vendor 8 on 12 March 2021 in relation to the sale and purchase of Property 8
- “SPA 9” the sale and purchase agreement signed by the Purchaser and Vendor 9 on 12 March 2021 in relation to the sale and purchase of Property 9
- “SPA 10” the sale and purchase agreement signed by the Purchaser and Vendor 10 on 12 March 2021 in relation to the sale and purchase of Property 10
- “SPA 11” the sale and purchase agreement signed by the Purchaser and Vendor 11 on 12 March 2021 in relation to the sale and purchase of Property 11
- “SPA 12” the sale and purchase agreement signed by the Purchaser and Vendor 12 on 12 March 2021 in relation to the sale and purchase of Property 12
- “SPA 13” the sale and purchase agreement signed by the Purchaser and Vendor 13 on 12 March 2021 in relation to the sale and purchase of Property 13
- “SPA 14” the sale and purchase agreement signed by the Purchaser and Vendor 14 on 12 March 2021 in relation to the sale and purchase of Property 14
- “SPA 15” the sale and purchase agreement signed by the Purchaser and the Vendor 15 on 12 March 2021 in relation to the sale and purchase of Property 15
- “SPA 16” the sale and purchase agreement signed by the Purchaser and Vendor 16 on 12 March 2021 in relation to the sale and purchase of Property 16

“SPA 17”	the sale and purchase agreement to be signed by the Purchaser and Vendor 17 on or before 29 March 2021 in relation to the sale and purchase of Property 17
“SPAs”	including the following sale and purchase agreements : SPA 1, SPA 2, SPA 3, SPA 4, SPA 5, SPA 6, SPA 7, SPA 8, SPA9, SPA10, SPA 11, SPA 12, SPA 13, SPA 14, SPA 15 and SPA 16
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Upper Lascar Row Lot”	all those pieces or parcels of ground registered in the Land Registry as (1) The Remaining Portion of Section C of Inland Lot No.251; (2) The Remaining Portion of Sub-section 1 of Section C of Inland Lot No.251; and (3) The Remaining Portion of Sub-section 2 of Section C of Inland Lot No.251 and of and in the messuages erections and buildings thereon, now known as No.8, 10, 10A & 12 Upper Lascar Row, Hong Kong
“Vendor 1”	Fu Hang Land Investment Company Limited, a company incorporated in Hong Kong with limited liability and the registered owner of Property 1. Based on the information available to the Company, the ultimate beneficial owners of Vendor 1 (and their respective shareholdings in Vendor 1) are : Yuen Cheong (0.667%); Chan Fu (33.667%); Chan Yin Sang (11.667%); Fung Pak Shui (5.0%); Hung Hing Lan, Christine (8.5%); Hui Yau Kuen (40.5%)
“Vendor 2”	Lo Wellock, the registered owner of Property 2
“Vendor 3”	Lau Wang Yip Derrick, the registered owner of Property 3
“Vendor 4”	Hansure Development Limited, a company incorporated in Hong Kong with limited liability and the registered owner of Property 4. Based on the information available to the Company, the ultimate beneficial owners of Vendor 4 (and their respective shareholdings in Vendor 4) are : Kwan Kai Wa (50%) and Chan U Weng (50%)
“Vendor 5”	Wu Jinyun and Wu Shi Yang, the registered owners of Property 5
“Vendor 6”	Ho Ting Pong James, the registered owner of Property 6
“Vendor 7”	Kingsberg International Capital Limited, a company incorporated in Hong Kong with limited liability and the registered owner of Property 7. Based on the information available to the Company, the ultimate beneficial owners of Vendor 7 (and their respective shareholdings in Vendor 7) are : Ng Wai Lun (50%) and Lai Hoi Si, Connie (50%)

“Vendor 8”	Tang Ping Wai, the registered owner of Property 8
“Vendor 9”	Wong Shue Hang, the registered owner of Property 9
“Vendor 10”	Wong Wai Heung, the registered owner of Property 10
“Vendor 11”	Chan Wing Fung and Chen Yingyu, the registered owners of Property 11
“Vendor 12”	Cheung Kwok Wai, the registered owner of Property 12
“Vendor 13”	Le Masne De Chermont, Raphael P and Derick, Marie-Francoise N.B.P., the registered owners of Property 13
“Vendor 14”	Ting Kam Sun, the registered owner of Property 14
“Vendor 15”	Tsang Kwok Kwong, the registered owner of Property 15
“Vendor 16”	Chan Hon Chiu, the registered owner of Property 16
“Vendor 17”	Au Keung, the registered owner of Property 17
“Vendors”	Vendor 1, Vendor 2, Vendor 3, Vendor 4, Vendor 5, Vendor 6, Vendor 7, Vendor 8, Vendor 9, Vendor 10, Vendor 11, Vendor 12, Vendor 13, Vendor 14, Vendor 15, Vendor 16 and Vendor 17

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

Hong Kong, 12 March 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

Mr CHUNG Sam Tin Abraham

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

Mr TANG Kwai Chang

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