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Karrie International Holdings Limited

嘉利國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1050)

**(1) PROPOSED SPIN-OFF AND SEPARATE LISTING OF
THE SHARES OF KRP DEVELOPMENT HOLDINGS LIMITED ON
THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG
LIMITED BY WAY OF INTRODUCTION
(2) DECLARATION OF CONDITIONAL DISTRIBUTION IN SPECIE
(3) EXPECTED ISSUE OF THE LISTING DOCUMENT OF
KRP DEVELOPMENT HOLDINGS LIMITED**

Declaration of conditional distribution in specie

The Company announces that the Proposed Spin-off has been approved by the Board. On 3 March 2023, the Board approved and declared a conditional distribution in specie of all the KRP Shares to which the Company will be entitled immediately before the completion of the Distribution, representing 100% of the total number of the KRP Shares to be in issue at that time, to the Qualifying Shareholders whose names appear on the register of members of the Company on the Distribution Record Date. The Distribution, as declared by the Board, is conditional upon the Stock Exchange granting the approval for the listing of, and the permission to deal in, the KRP Shares on the Main Board of the Stock Exchange and such approval not having been revoked prior to 8:00 a.m. (Hong Kong time) on the Listing Date. If this condition is not satisfied, the Distribution will not be made and the Proposed Spin-off will not take place.

The Distribution Record Date for determining the entitlements to the Distribution will be on Friday, 17 March 2023. For the purpose of determining the entitlements to the Distribution, the register of members of the Company will be closed on Friday, 17 March 2023 and reopened on Monday, 20 March 2023. All transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 16 March 2023 in order to qualify for the Distribution.

The Listing Document in relation to the Proposed Spin-off expected to be issued by KRP on Friday, 3 March 2023 will be despatched to the Registered Shareholders (subject to any legal restrictions under the laws of the relevant jurisdictions where they are located or resident and/or the requirements of the relevant regulatory bodies or stock exchanges in those jurisdictions). It will also be available on the Stock Exchange's website at www.hkexnews.hk, on KRP's website at www.krpd.com.hk and on the Company's website at www.karrie.com.

The listing of the KRP Shares pursuant to the Proposed Spin-off is subject to the granting by the Stock Exchange for the listing of, and permission to deal in, the KRP Shares on the Main Board of the Stock Exchange and the final decision of the board of KRP. Accordingly, there is no assurance that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Distribution will not be made. Shareholders of and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.

INTRODUCTION

References are made to the announcements of the Company dated 20 April 2021, 4 February 2022 and 31 March 2022 in respect of the Proposed Spin-off and the separate listing of KRP Shares on the Main Board of the Stock Exchange by way of introduction to be implemented through a distribution in specie by the Company of all the KRP Shares to which the Company will be entitled immediately before the completion of the Distribution to the Qualifying Shareholders.

DECLARATION OF CONDITIONAL DISTRIBUTION IN SPECIE

The Company announces that the Proposed Spin-off has been approved by the Board. On 3 March 2023, the Board approved and declared a conditional distribution in specie of all the KRP Shares to which the Company will be entitled immediately before the completion of the Distribution, representing 100% of the total number of the KRP Shares to be in issue at that time, to the Qualifying Shareholders whose names appear on the register of members of the Company on the Distribution Record Date.

Assuming there is no change in the number of issued Shares from the date of this announcement to the Distribution Record Date, the Company is expected to subscribe for 505,327,270 KRP Shares at the subscription price of HK\$0.01 each, with an aggregate subscription amount of approximately HK\$5.05 million. This enables the Company to effect the Distribution on the basis of one KRP Share for every four Shares held on the Distribution Record Date.

Condition to the Distribution

The Distribution is conditional on the Stock Exchange granting approval for the listing of, and permission to deal in, the KRP Shares on the Main Board of the Stock Exchange and such approval not having been revoked prior to 8:00 a.m. (Hong Kong time) on the Listing Date. If this condition is not satisfied, the Distribution will not be made and the Proposed Spin-off will not take place, in which case an announcement will be made.

Entitlement of Qualifying Shareholders

If the Distribution becomes unconditional, it will be satisfied wholly by way of a distribution in specie of all the KRP Shares to which the Company will be entitled immediately before the completion of the Distribution, representing 100% of the total number of the KRP Shares to be in issue at that time, to the Qualifying Shareholders whose names appear on the register of members of the Company on the Distribution Record Date. Pursuant to the Distribution, the Qualifying Shareholders will be entitled to one KRP Share for every four Shares held on the Distribution Record Date.

Fractional entitlements of the Qualifying Shareholders to the KRP Shares under the Distribution will be disregarded and will instead be aggregated by the Company for sale in the market and the Company will keep the net proceeds of sale, after deduction of related expenses and taxes therefrom, for the benefit of the Company.

Distribution Excluded Shareholder(s)

The distribution of the KRP Shares under the Distribution to certain Shareholders may be subject to laws of jurisdictions outside Hong Kong. Shareholders and Beneficial Shareholders residing in jurisdictions other than Hong Kong should inform themselves about and observe all legal and regulatory requirements applicable to them. It is the responsibility of the Shareholders and Beneficial Shareholders to satisfy themselves as to

the full observance of the laws of the relevant jurisdictions applicable to them in connection with the Distribution including obtaining of any governmental, exchange control or other consents which may be required, or compliance with any other necessary formalities and payment of any issue, transfer or other taxes due in such jurisdiction. Overseas Shareholders and Beneficial Shareholders should consult their professional advisers if they are in doubt as to the potential applicability of, or consequences under, any jurisdiction, territory or locality therein or thereof and, in particular, whether there will be any restriction or prohibition on the receipt, acquisition, retention, disposal or otherwise with respect to the KRP Shares.

The KRP Shares which the Distribution Excluded Shareholders would otherwise receive pursuant to the Distribution will be transferred to a nominee selected by the Board, who will sell such KRP Shares in the market as soon as reasonably practicable following the commencement of dealings in the KRP Shares on the Stock Exchange. The aggregate proceeds of such sale (net of expenses and taxes) will be paid to the relevant Distribution Excluded Shareholders (pro rata to their shareholdings in the Company on the Distribution Record Date) in Hong Kong dollars in full satisfaction of the relevant KRP Shares which they would otherwise receive pursuant to the Distribution, provided that if the amount that a Distribution Excluded Shareholder would be entitled to receive is less than HK\$100, such sum will be retained for the benefit of the Company. Such payment of net proceeds to the Distribution Excluded Shareholder(s) is expected to be made within approximately five weeks following the commencement of dealings in the KRP Shares on the Main Board of the Stock Exchange.

Please refer to the Listing Document for further details in respect of the Distribution Excluded Shareholder(s). The availability of the Listing Document is set out in the paragraph headed “Expected Issue of the Listing Document of KRP” below.

Expected Timetable for the Distribution

The Distribution Record Date will be Friday, 17 March 2023. The current expected timetable for the Distribution is as follows:

Event	Date
	2023
Last day of dealings in Shares on a cum-entitlement basis	Tuesday, 14 March
First day of dealings in Shares on an ex-entitlement basis	Wednesday, 15 March
Latest time for lodging transfers of Shares to qualify for entitlements to the Distribution	4:30 p.m. on Thursday, 16 March
Register of members of the Company closes.	Friday, 17 March

Distribution Record Date	Friday, 17 March
Register of members of the Company re-opens.	Monday, 20 March
Despatch of share certificates of KRP Shares	Wednesday, 22 March
Dealings in KRP Shares on the Stock Exchange to commence.	9:00 a.m. on Thursday, 23 March
Payment to the Distribution Excluded Shareholders of the net proceeds of the sale of the KRP Shares which they would otherwise receive pursuant to the Distribution on or before	Monday, 24 April

Note: All times and dates stated above refer to Hong Kong local times and dates. Should there be any change to the above expected timetable, further announcement(s) will be made by the Company as and when appropriate.

For the purpose of determining the entitlements to the Distribution, the register of members of the Company will be closed on Friday, 17 March 2023 and reopened Monday, 20 March 2023. All transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 16 March 2023 in order to qualify for the Distribution.

Please refer to the Listing Document for further details in respect of the expected timetable of the Proposed Spin-off.

EXPECTED ISSUE OF THE LISTING DOCUMENT OF KRP

The Listing Document in relation to the Proposed Spin-off expected to be issued by KRP on Friday, 3 March 2023 will be despatched to the Registered Shareholders (subject to any legal restrictions under the laws of the relevant jurisdictions where they are located or resident and/or the requirements of the relevant regulatory bodies or stock exchanges in those jurisdictions). It will also be available on the Stock Exchange's website at www.hkexnews.hk, on KRP's website at www.krpd.com.hk and on the Company's website at www.karrie.com.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off as and when appropriate.

GENERAL

The listing of the KRP Shares pursuant to the Proposed Spin-off is subject to the granting by the Stock Exchange for the listing of, and permission to deal in, the KRP Shares on the Main Board of the Stock Exchange and the final decision of the board of KRP. Accordingly, there is no assurance that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Distribution will not be made. Shareholders of and potential investors in the Company should therefore exercise caution when dealing in or investing in the securities of the Company.

DEFINITIONS

“Beneficial Shareholders”	beneficial owners of Shares whose Shares are registered in the name of a Registered Shareholder
“Board”	the board of directors of the Company
“Company”	Karrie International Holdings Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Distribution”	the conditional special interim dividend declared by the Board on 3 March 2023 to be satisfied by way of a distribution in specie of all the KRP Shares to which the Company will be entitled immediately before the completion of the Distribution, representing 100% of the total number of the KRP Shares to be in issue at that time, to the Qualifying Shareholders, in the proportion of one KRP Share for every four Shares held by them on the Distribution Record Date, further details of which are set out in the section headed “The Distribution and Spin-off” in the Listing Document
“Distribution Excluded Shareholder(s)”	the Overseas Shareholder(s) to whom the Board, after making relevant enquiries and based on the legal advice provided by its legal advisers, considers it necessary or expedient not to distribute KRP Shares pursuant to the Distribution on account of either the legal restrictions under the laws of the relevant jurisdiction and/or the requirements of the relevant regulatory body or stock exchange in that jurisdiction

“Distribution Record Date”	17 March 2023, being the date that was determined by the Board for ascertaining entitlements to the Distribution
“Listing Date”	the date expected to be on or about 23 March 2023, on which the KRP Shares are first listed on the Stock Exchange and from which date dealings in the KRP Shares are permitted to commence on the Stock Exchange
“Listing Document”	the listing document in relation to the Proposed Spin-off to be issued by KRP, expected to be on 3 March 2023
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) on the register of members of the Company on the Distribution Record Date are or is in jurisdiction(s) outside Hong Kong
“KRP”	KRP Development Holdings Limited (嘉創房地產控股有限公司), a company incorporated in the Cayman Islands with limited liability on 2 September 2020
“KRP Group”	KRP and its subsidiaries
“KRP Share(s)”	ordinary share(s) of KRP with a nominal value of HK\$0.01 each
“Proposed Spin-off”	the proposed spin-off of KRP by way of the Distribution and the separate listing of the KRP Shares on the Main Board of the Stock Exchange by way of introduction
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Distribution Record Date, but excluding the Distribution Excluded Shareholders
“Registered Shareholder(s)”	in respect of a Beneficial Shareholder, any nominee, trustee, depositary or any other authorised custodian or third party whose name is entered in the register of members of the Company as the holder of the Shares in which the Beneficial Shareholder is beneficially interested
“Remaining Group”	the Company and its subsidiaries (excluding the KRP Group) upon completion of the Proposed Spin-off

“Shareholders”	holders of Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
Karrie International Holdings Limited
Tang Wing Fai
Company Secretary

Hong Kong, 3 March 2023

As at the date of this announcement, the executive Directors are Mr. Ho Cheuk Fai, Ms. Chan Ming Mui, Silvia, Mr. Zhao Kai and Mr. Chan Raymond; the non-executive Directors are Mr. Ho Cheuk Ming and Mr. Ho Kai Man; the independent non-executive Directors are Mr. Fong Hoi Shing, Mr. Yam Chung Shing and Dr. Lau Kin Wah.

* *For indemnification purposes only*