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HKC INTERNATIONAL HOLDINGS LIMITED

香港通訊國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 248)

DISCLOSEABLE TRANSACTION DISPOSAL OF INTERESTS IN THE TARGET COMPANY

The Board is pleased to announce that on 4 May, 2023, the Vendor, a wholly-owned subsidiary of the Company, has entered into the Sales and Purchase Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sales Shares at the consideration of US\$1,320,000 (equivalent to approximately HK\$10,362,000) subject to and upon the terms of the Sales and Purchase Agreement.

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE DISPOSAL

The Board wishes to announce that on 4 May, 2023, Hong Kong Communications Company Limited, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Sales and Purchase Agreement. Major terms of the Sales and Purchase Agreement are set out below.

THE SALES AND PURCHASE AGREEMENT

(1) Date

4 May, 2023

** For identification purpose only*

(2) Parties

Vendor : Hong Kong Communications Company Limited, a wholly-owned subsidiary of the Company; and

Purchaser : Gao Xiao Tong

The Directors confirm that, to the best of their knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of and is not connected person (as defined in the Listing Rules) of the Company.

(3) Sale and Purchase

Pursuant to the Sales and Purchase Agreement, the Vendor will sell and the Purchaser will purchase the Sale Shares upon the terms contained therein, representing 4.59% of the issued share capital of the Target Company.

(4) The Consideration

The consideration is US\$1,320,000 (equivalent to approximately HK\$10,362,000), payable in cash.

The consideration under the Sales and Purchase Agreement was determined after arm's length negotiations between the parties thereto and the Directors consider that the disposal is on normal commercial terms and terms of the Sales and Purchase Agreement (including the consideration and its payment method) are fair and reasonable and in the interests of the Company and Shareholders as a whole.

(5) Terms of Payments

The Purchaser shall pay to the Vendor in the following manner :

(a) non-refundable deposit of US\$66,000 (equivalent to approximately HK\$518,100) has been paid to the Vendor's designated bank account upon signing of the Sales and Purchase Agreement; and

(b) the remaining balance of the consideration of US\$1,254,000 (equivalent to approximately HK\$9,843,900) will be paid to the Vendor's designated bank account within 7 Business Days prior to the Completion Date.

(6) Completion

Completion shall take place on the Completion Date after all the conditions of the Sales and Purchase Agreement have been fulfilled or waived or such date as the Vendor and the Purchaser may agree in writing.

Upon completion, the Vendor will not hold any shares in the Target Company.

INFORMATION OF THE TARGET COMPANY

The Target Company is a limited company incorporated in the British Virgin Islands and is principally engaged in provision of telecommunication services and investment holding in People's Republic of China.

Set out below is a summary of the key financial data of the Target Company extracted from its financial statements :

	For the eleven months ended 28 February, 2023 (unaudited) HK\$'000	For the year ended 31 March, 2022 (audited) HK\$'000	For the year ended 31 March, 2021 (audited) HK\$'000
Revenue	177,157	336,000	289,928
Profit before taxation	18,724	25,640	18,158
Profit after taxation	18,742	22,778	17,213

Based on the unaudited financial statements of the Target Company, the consolidated total assets value and net assets value of the Target Company as at 28 February, 2023 were approximately HK\$123,487,000 and HK\$72,459,000 respectively.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Taking into account the fair value of HK\$8,235,000 at 31 March, 2022 of the Sale Shares and the sale proceeds of US\$1,320,000 (equivalent to approximately HK\$10,362,000), a gain in the estimated sum of approximately HK\$2,127,000 before tax and expenses is expected to accrue to the Group as a result of the Disposal.

It is intended that the net proceeds of the Disposal are to be used by the Group for general working capital purposes of the Group.

REASONS FOR THE DISPOSAL

The Directors are of the view that it is a good opportunity for the Group to dispose of the Sale Shares to increase the working capital of the Group and believe that the terms of the Disposal are fair and reasonable and in the interests of the Company and Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

The principal activities of the Group are sales of mobile phones, sales of internet of things solutions and property investment.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	HKC International Holdings Limited, a company incorporated in Cayman Islands, the shares of which are listed on the Stock Exchange
“Completion Date”	On or before 30 June, 2023 or such other date as agreed by the parties
“Directors”	the directors of the Company
“Disposal”	the proposed disposal of the 600 common shares of the Target Company pursuant to the terms and conditions of the Sales and Purchase Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Purchaser”	Gao Xiao Tong
“Sales and Purchase Agreement”	the sales and purchase agreement dated 4 May, 2023 entered into among the Vendor and the Purchaser in relation to the Disposal
“Sale Shares”	600 common shares of the Target Company, representing 4.59% of the issued share capital of the Target Company

“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Multi-byte Info Company Limited, a company incorporated in British Virgin Islands with limited liability
“US\$”	United States dollar(s), the lawful currency of the United States of America
“Vendor”	Hong Kong Communications Company Limited, a wholly-owned subsidiary of the Company

By order of the Board
HKC International Holdings Limited
Chan Chung Yee Hubert
Chairman

Hong Kong, 5 May, 2023

As at the date of this announcement, the Board comprises Mr. Chan Chung Yee, Hubert, Mr. Chan Chung Yin, Roy, Mr. Chan Ming Him, Denny, Mr. Wu Kwok Lam, Mr. Ip Man Hon and Mr. Lam Man Hau as executive directors and Mr. Chiu Ngar Wing, Dr. Chu Chor Lup and Dr. Law Ka Hung as independent non-executive directors.