
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **HKR International Limited** (the “Company”), you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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HKR INTERNATIONAL LIMITED

香港興業國際集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock codes: 00480 (shares) and 02517 (convertible bonds))

**PROPOSALS IN RELATION TO RE-ELECTION OF DIRECTORS AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Tuesday, 5 August 2008 at 10:00 a.m. is set out on pages 16 to 20 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Investor Communications Centre of the Company's share registrars in Hong Kong at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. **Completion and return of the form of proxy shall not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting thereof should you so wish.**

10 July 2008

* Registered under Part XI of the Companies Ordinance, Chapter 32 of the laws of Hong Kong

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Tuesday, 5 August 2008 at 10:00 a.m. or any adjournment thereof;
“AGM Notice”	the notice convening the AGM as set out on pages 16 to 20 of this circular;
“Articles”	the amended new articles of association of the Company adopted on 24 August 2006;
“Board”	the board of directors of the Company;
“Bondholder(s)”	holder(s) of the outstanding zero coupon convertible bonds due 2010 in an aggregate nominal amount of HK\$975,960,000 as at the Latest Practicable Date, being the total nominal amount of outstanding bonds issued by the Company on 26 April 2005;
“Company”	HKR International Limited (香港興業國際集團有限公司*), a company incorporated in the Cayman Islands with limited liability and the securities of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company from time to time;
“Group”	the Company and its subsidiaries;
“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;
“Latest Practicable Date”	3 July 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“M&A”	the amended memorandum and amended new articles of association of the Company adopted on 24 August 2006;

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DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended from time to time;
“Share(s)”	share(s) of HK\$0.25 each in the capital of the Company;
“Shareholder(s)” or “member(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Code on Takeovers and Mergers, as amended from time to time.



HKR INTERNATIONAL LIMITED
香港興業國際集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock codes: 00480 (shares) and 02517 (convertible bonds))

Directors:

Mr CHA Mou Sing Payson (*Chairman*)
Mr CHA Mou Zing Victor (*Deputy Chairman & Managing Director*)
Mr CHEUNG Tseung Ming
Mr CHUNG Sam Tin Abraham^o
Mr TANG Moon Wah
The Honourable Ronald Joseph ARCULLI[#]
Mr CHA Mou Daid Johnson[#]
Ms HO Pak Ching Loretta[#]
Ms WONG CHA May Lung Madeline[#]
Dr CHENG Kar Shun Henry[^]
Dr The Honourable CHEUNG Kin Tung Marvin[^]
Mr CHEUNG Wing Lam Linus[^]

Registered Office:

Ugland House, South Church Street
P.O. Box 309, George Town
Grand Cayman, Cayman Islands
British West Indies

*Principal Place of Business in
Hong Kong:*

23/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

10 July 2008

^o *Also an alternate to Mr CHA Mou Sing Payson*

[#] *Non-executive Directors*

[^] *Independent Non-executive Directors*

To Shareholders and for information of Bondholders

Dear Sir or Madam,

**PROPOSALS IN RELATION TO RE-ELECTION OF DIRECTORS AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the AGM Notice and information regarding the resolutions to be proposed at the AGM relating to (i) the re-election of Directors who are going to retire at the AGM and (ii) the grant to the Directors of general mandates to issue and repurchase Shares and the extension of the mandate to issue Shares repurchased.

* *Registered under Part XI of the Companies Ordinance, Chapter 32 of the laws of Hong Kong*

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

According to article 116 of the Articles, one-third of the Directors for the time being (which shall include any Directors who may be required to retire at the same annual general meeting under other provisions of the Articles), or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years at the annual general meeting. Article 116 of the Articles also requires that the Directors to retire in every year shall be those who have been longest in office since their appointment or last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. In addition, the Code on Corporate Governance Practices (the “CG Code”) under Appendix 14 to the Listing Rules provides, inter alia, that every Director should be subject to retirement by rotation at least once every three years. In accordance with the Articles and the CG Code, The Honourable Ronald Joseph ARCULLI, Dr The Honourable CHEUNG Kin Tung Marvin, Ms HO Pak Ching Loretta and Mr TANG Moon Wah shall retire by rotation at the AGM.

All of the abovenamed retiring Directors are eligible for re-election and have expressed their willingness to stand for re-election at the AGM. Brief biographical details of each of the abovenamed retiring Directors are set out in Appendix I to this circular.

Any Shareholder acting on his own or together with other persons whose shareholding interests in the Company in aggregate represent not less than 5% of the issued share capital of the Company (other than the person to be proposed) may nominate a person to stand for election as a Director at the AGM in accordance with article 120 of the Articles. Any Shareholder wishing to do so must serve (i) a written notice of intention to propose such person for election as a Director, (ii) a notice executed by that person of his willingness to be elected and (iii) the information of that person as required to be disclosed under rule 13.51(2) of the Listing Rules to the Company’s principal place of business in Hong Kong at 23/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong before 5:30 p.m. on Tuesday, 29 July 2008. If a valid notice in accordance with article 120 of the Articles from any Shareholder to propose a person to stand for election as a Director at the AGM is received after the despatch of this circular, the Company shall issue an announcement and/or a supplementary circular to inform the Shareholders the biographical details of the additional candidate proposed.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on 23 August 2007, general mandates were given to the Directors to exercise the powers of the Company to issue Shares and repurchase issued and fully paid Shares. These general mandates will lapse at the conclusion of the AGM and therefore, ordinary resolutions will be proposed at the AGM to renew the general mandates as follows:

- (i) to grant to the Directors a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares not exceeding twenty per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of the relevant resolution (the “**Issue Mandate**”);

LETTER FROM THE BOARD

- (ii) to grant to the Directors a general and unconditional mandate to exercise all the powers of the Company to purchase or repurchase issued Shares not exceeding ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of the relevant resolution (the “**Repurchase Mandate**”); and
- (iii) conditional upon the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, to extend the Issue Mandate such that the Directors be authorised to exercise the powers to allot, issue, grant, distribute and otherwise deal with additional Shares pursuant to the Issue Mandate to the extent to include the aggregate nominal amount of Shares purchased or repurchased by the Company pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, the issued share capital of the Company was HK\$337,568,591.75 comprising 1,350,274,367 fully paid Shares. Subject to the passing of the ordinary resolution for approving the Issue Mandate at the AGM and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Issue Mandate to issue a maximum of 270,054,873 Shares during the period in which the Issue Mandate remains in force.

Full text of each of the relevant ordinary resolutions in relation to the general mandates described in (i), (ii) and (iii) above is set out as resolutions nos. 5, 6 and 7 respectively in the AGM Notice. An explanatory statement, as required under the Listing Rules, containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolution no. 6 to approve the Repurchase Mandate is set out in Appendix II to this circular.

PROCEDURES TO DEMAND POLL

Shareholders shall have the right to demand a poll on the resolutions proposed at the AGM.

Pursuant to article 80 of the Articles, at any general meeting a resolution put to the vote at the meeting shall be decided on a show of hands unless a poll is required under the Listing Rules or (before or on the declaration of the result of the show of hands) demanded:

- (i) by the chairman; or
- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by any member or members present in person or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

LETTER FROM THE BOARD

AGM

The AGM Notice convening the AGM to be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Tuesday, 5 August 2008 at 10:00 a.m. is set out on pages 16 to 20 of this circular.

Enclosed with this circular is the form of proxy for use at the AGM. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Investor Communications Centre of the Company's share registrars in Hong Kong at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

RECOMMENDATION

The Board is pleased to recommend the re-election of the retiring Directors at the AGM whose brief biographical details are set out in Appendix I to this circular. The Board also considers that the proposed resolutions set out in the AGM Notice, including the grant of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed resolutions at the AGM.

Yours faithfully,
By order of the Board
CHA Mou Zing Victor
Deputy Chairman & Managing Director

Set out below are the biographical details of the retiring Directors who are eligible and willing to stand for re-election at the AGM:

1. The Honourable Ronald Joseph ARCULLI *GBS, CVO, OBE, JP (Aged 69)*

Positions held and length of service

Mr ARCULLI was appointed director of the Company in 1989 and became an independent non-executive director of the Company since 1993 before he was re-designated as non-executive director in June 2005. He is also a member of the audit committee of the Company.

Experience

Mr ARCULLI is the senior partner of Arculli, Fong & Ng, a firm of solicitors in Hong Kong. He is an independent non-executive director and chairman of Hong Kong Exchanges and Clearing Limited, independent non-executive director of Hang Lung Properties Limited and SCMP Group Limited, and non-executive director of Hongkong Electric Holdings Limited, Hutchison Harbour Ring Limited, Sino Hotels (Holdings) Limited, Sino Land Company Limited and Tsim Sha Tsui Properties Limited, all of them are listed on the Stock Exchange. He was also an independent non-executive director of Shanghai Century Acquisition Corporation listed on the American Stock Exchange before his resignation on 16 May 2008. He is currently a non-official member of the Executive Council of the Government of the Hong Kong Special Administrative Region and member of the board of directors of The Community Chest of Hong Kong. Mr ARCULLI also holds directorships in other public and private companies in Hong Kong and overseas. Save as disclosed above, Mr ARCULLI did not hold any directorships in other listed public companies in the past three years.

Relationships with directors, senior management, substantial or controlling shareholders of the Company

Mr ARCULLI is not related to any directors, senior management, substantial or controlling shareholders of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr ARCULLI was interested in 241,472 Shares within the meaning of Part XV of the SFO.

Director's remuneration and term of office

There is no director's service contract entered into between Mr ARCULLI and the Company. Mr ARCULLI will receive a director's fee as determined by the Board, pursuant to the authority given by the Shareholders at general meeting from time to time, with reference to his duties and responsibilities in the Company and the prevailing market situation. For

the year ended 31 March 2008, a total fee of HK\$165,000 was paid to Mr ARCULLI, which comprised a basic fee of HK\$80,000 per annum for acting as a non-executive director and an additional fee of HK\$85,000 per annum for acting as a member of the audit committee of the Company. The director's fee paid to Mr ARCULLI for the year ended 31 March 2008 has been reviewed by the remuneration committee of the Company and the Board as approved by Shareholders at the last annual general meeting held on 23 August 2007.

Subject to Shareholders' approval at the AGM, Mr ARCULLI will receive for the year ending 31 March 2009 a director's fee for his services as a non-executive director and member of the audit committee. Such basic and additional fees are subject to adjustment as from time to time determined by the remuneration committee of the Company and the Board with reference to the duties and responsibilities of individual non-executive director and the prevailing market situation.

Mr ARCULLI was not appointed for a specific term or any proposed length of services and his directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with article 116 of the Articles.

Save as disclosed above, there are no other matters concerning Mr ARCULLI that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirement of rule 13.51(2) of the Listing Rules.

2. Dr The Honourable CHEUNG Kin Tung Marvin *SBS, OBE, JP, DBA (Hons) (Aged 60)*

Positions held and length of service

Dr CHEUNG was appointed independent non-executive director of the Company in September 2004. He is also a member of the audit committee and the remuneration committee of the Company.

Experience

Dr CHEUNG is a fellow member of both the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. Dr CHEUNG is an independent non-executive director of Hang Seng Bank Limited, Hong Kong Exchanges and Clearing Limited and Sun Hung Kai Properties Limited. He was also an independent non-executive director of Shui On Construction and Materials Limited before his resignation on 4 July 2005. All of the aforesaid companies are listed on the Stock Exchange. He is currently a non-official member of the Executive Council of the Government of the Hong Kong Special Administrative Region. He is also the chairman of the Airport Authority Hong Kong, chairman of the supervisory committee of Tracker Fund of Hong Kong, chairman of the council of The Hong Kong University of Science and Technology and council member of The Open University of Hong Kong. Save as disclosed above, Dr CHEUNG did not hold any directorships in other listed public companies in the past three years.

Relationships with directors, senior management, substantial or controlling shareholders of the Company

Dr CHEUNG is not related to any directors, senior management, substantial or controlling shareholders of the Company.

Interests in Shares

As at the Latest Practicable Date, Dr CHEUNG did not have any interests in the Shares within the meaning of Part XV of the SFO.

Director's remuneration and term of office

There is no director's service contract entered into between Dr CHEUNG and the Company. Dr CHEUNG will receive a director's fee as determined by the Board, pursuant to the authority given by the Shareholders at general meeting from time to time, with reference to his duties and responsibilities in the Company and the prevailing market situation. For the year ended 31 March 2008, a total fee of HK\$250,000 was paid to Dr CHEUNG, which comprised a basic fee of HK\$80,000 per annum for acting as an independent non-executive director and an additional fee of HK\$85,000 per annum per committee for acting as a member of each of the audit committee and the remuneration committee of the Company. The director's fee paid to Dr CHEUNG for the year ended 31 March 2008 has been reviewed by the remuneration committee of the Company and the Board as approved by Shareholders at the last annual general meeting held on 23 August 2007.

Subject to Shareholders' approval at the AGM, Dr CHEUNG will receive for the year ending 31 March 2009 a director's fee for his services as an independent non-executive director and member of each of the audit committee and the remuneration committee. Such basic and additional fees are subject to adjustment as from time to time determined by the remuneration committee of the Company and the Board with reference to the duties and responsibilities of individual independent non-executive director and the prevailing market situation.

Dr CHEUNG was not appointed for a specific term or any proposed length of services and his directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with article 116 of the Articles.

Save as disclosed above, there are no other matters concerning Dr CHEUNG that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirement of rule 13.51(2) of the Listing Rules.

3. Ms HO Pak Ching Loretta *FCIH (Aged 61)***Positions held and length of service**

Ms HO was appointed executive director of the Company in 1994 and re-designated as non-executive director on 10 April 2008. She firstly joined in 1979 and has served in the Group for 21 years before she retired from all executive roles in April 2008. Prior to her re-designation, Ms HO was the head of Hong Kong real estate business unit and corporate office responsible for the Group's real estate business in Hong Kong and for oversight of corporate strategy and development, new business models, legal, human resources, information technology and corporate affairs functions.

Experience

Ms HO is a fellow member of the Chartered Institute of Housing, Hong Kong Branch, and has over 35 years experience in property development, investment and management. She did not hold any directorships in other listed public companies in the past three years. She is currently a member of the Executive Committee of the Hong Kong Housing Society.

Relationships with directors, senior management, substantial or controlling shareholders of the Company

Ms HO is not related to any directors, senior management, substantial or controlling shareholders of the Company.

Interests in Shares

As at the Latest Practicable Date, Ms HO was interested in 85,600 Shares within the meaning of Part XV of the SFO.

Director's remuneration and term of office

Ms HO received no director's fee for the year ended 31 March 2008. She was entitled to salary and discretionary bonus that was subject to individual and the Company's performance and contribution to retirement scheme under her employment contract with the Company as executive director prior to her re-designation. Ms HO received emoluments in a total sum of HK\$4,809,440 for the year ended 31 March 2008. Such sum was determined with reference to market terms, her duties and responsibilities in the Group prior to her re-designation and the Group's remuneration policy and has been reviewed and approved by the remuneration committee of the Company as delegated by the Board. Upon her retirement from all executive roles on 10 April 2008, she also received other emoluments, including an ex-gratia payment as recognition and compliment to her contribution to the Group for the past years of services, amounting to HK\$6,496,097. The ex-gratia payment has been recommended by the management and reviewed and approved by the remuneration committee of the Company as well.

There is no director's service contract entered into between Ms HO and the Company. Ms HO will receive a director's fee as determined by the Board, pursuant to the authority given by the Shareholders at general meeting from time to time, with reference to her duties and responsibilities in the Company and the prevailing market situation.

Subject to Shareholders' approval at the AGM, Ms HO will receive a director's fee for her service as a non-executive director on a pro-rata basis commensurate with her length of services to the Board for the year ending 31 March 2009. By reference to the basic fee paid to a non-executive director for serving the Board throughout the year ended 31 March 2008 in the amount of HK\$80,000, Ms HO will receive a director's fee of approximately HK\$78,027, being calculated on a pro-rata basis commensurate with her length of services to the Board for the year ending 31 March 2009. Such basic fee is subject to adjustment as from time to time determined by the remuneration committee of the Company and the Board with reference to the duties and responsibilities of individual non-executive director and the prevailing market situation.

Ms HO was not appointed for a specific term or any proposed length of services and her directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with article 116 of the Articles.

Save as disclosed above, there are no other matters concerning Ms HO that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirement of rule 13.51(2) of the Listing Rules.

4. Mr TANG Moon Wah *BA (Arch Studies), BArch (Aged 54)*

Positions held and length of service

Mr TANG was appointed executive director of the Company in December 2004 and is also director of a number of subsidiaries of the Group. He has been serving in the Group since 1985 and is the head of China business unit and head of projects responsible for project management of real estate development in Hong Kong and the People's Republic of China and for oversight of master planning, conceptual and major designs and technical advice on acquisitions.

Experience

Mr TANG has around 30 years extensive experience in the property development. He has been a member of the Hong Kong Institute of Architects since 1981, Authorised Person since 1982 and Registered Architect since 1991. He did not hold any directorships in other listed public companies in the past three years.

Relationships with directors, senior management, substantial or controlling shareholders of the Company

Mr TANG is not related to any directors, senior management, substantial or controlling shareholders of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr TANG was interested in 135,200 Shares within the meaning of Part XV of the SFO.

Director's remuneration and term of office

Mr TANG received no director's fee for the year ended 31 March 2008. He is entitled to salary and discretionary bonus that is subject to individual and the Company's performance and contribution to retirement scheme under his employment contract with the Company as the head of China business unit and head of projects. Mr TANG received emoluments in a total sum of HK\$5,246,900 for the year ended 31 March 2008. Such sum was determined with reference to market terms, his duties and responsibilities in the Group and the Group's remuneration policy and has been reviewed and approved by the remuneration committee of the Company as delegated by the Board.

For the year ending 31 March 2009, the directors' emoluments (save for directors' fees which are subject to Shareholders' approval at general meeting) payable to the executive directors of the Company will be reviewed and approved by the remuneration committee of the Company as delegated by the Board.

Mr TANG was not appointed for a specific term or any proposed length of services and his directorship is subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years in accordance with article 116 of the Articles.

Save as disclosed above, there are no other matters concerning Mr TANG that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirement of rule 13.51(2) of the Listing Rules.

This appendix serves as an explanatory statement, as required under the Listing Rules, to provide requisite information to the Shareholders in connection with the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$337,568,591.75 comprising 1,350,274,367 fully paid Shares.

Subject to the passing of the ordinary resolution no. 6 set out in the AGM Notice for approving the Repurchase Mandate and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 135,027,436 Shares during the period in which the Repurchase Mandate remains in force.

2. REASONS FOR REPURCHASES

The Directors believe that the proposed grant of the Repurchase Mandate is in the interests of the Company and the Shareholders as a whole. The Repurchase Mandate will give the Company the flexibility to repurchase Shares as and when appropriate. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net assets and/or earnings per Share or may otherwise be in the interests of the Company. The Directors will decide on the number of Shares to be repurchased on each occasion and the price and other terms upon which the same is repurchased at relevant time having regard to the circumstances then pertaining and they will do so only when they believe that such repurchases will benefit the Company and the Shareholders. At present, the Directors have no intention to repurchase any Shares.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its M&A and the laws of the Cayman Islands.

The Company is empowered by its M&A to repurchase Shares. The Articles and the applicable laws of the Cayman Islands provide that, subject to solvency, the purchase prices of the Shares may be paid out of the profits available for distribution, the Company's capital and share premium account.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing position of the Company which in the opinion of the Directors is from time to time appropriate for the Company. However, based on the audited consolidated financial statements for the year ended 31 March 2008 of the Company (being the date to which the latest published consolidated financial statements of the Company were made up), there might be a material adverse impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate is exercised in full.

4. UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

The Board has undertaken to the Stock Exchange that, so far as the same be applicable, it will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws of the Cayman Islands.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

5. EFFECT OF THE TAKEOVERS CODE

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

For the purpose of the Takeovers Code, CCM Trust (Cayman) Limited, LBJ Regents Limited and CDW Holdings Limited (all being substantial shareholders of the Company within the meaning of the SFO), Mingly Asia Capital Limited (not being a substantial shareholder within the meaning of the SFO) and Mr CHA Mou Sing Payson, Mr CHA Mou Zing Victor, Mr CHA Mou Daid Johnson and Ms WONG CHA May Lung Madeline (all being Directors) are taken as parties acting in concert, and as at the Latest Practicable Date, they together had an aggregate interest in 686,284,267 Shares, representing approximately 50.83% of the issued share capital of the Company. Among them, 594,733,375 Shares were held by CCM Trust (Cayman) Limited (including those held indirectly through its controlled corporations, namely, CDW Holdings Limited (holding 72,405,057 Shares) and Mingly Asia Capital Limited (holding 41,052,631 Shares)), 86,573,432 Shares were held by LBJ Regents Limited and 4,977,460 Shares were held as personal and corporate interests by Mr CHA Mou Sing Payson. In the event that the Directors exercise in full the powers to repurchase Shares pursuant to the Repurchase Mandate, then (if the present shareholdings otherwise remained the same) the aggregate attributable shareholdings of the said parties would be increased to approximately 56.47% of the issued share capital of the Company. In the opinion of the Directors, such increase will not give rise to an obligation to make a mandatory offer under rule 26 of the Takeovers Code.

In the event that the Repurchase Mandate is exercised in full, the number of Shares held by the public will not fall below 25% of the total number of Shares in issue.

6. SHARE PRICES

The highest and lowest prices at which Shares were traded on the Stock Exchange during each of the previous twelve calendar months before and the period up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
July	6.5200	5.8000
August	6.0500	4.4500
September	6.4000	5.3000
October	8.1900	5.7100
November	8.6800	6.6600
December	8.0000	6.8000
2008		
January	8.0400	5.6000
February	6.4400	5.6400
March	6.0500	4.6800
April	6.3300	5.0000
May	5.5100	4.8500
June	5.0800	3.9700
July (up to the Latest Practicable Date)	3.9600	3.5500

7. SHARE PURCHASES MADE BY THE COMPANY

The Company did not purchase any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



HKR INTERNATIONAL LIMITED

香港興業國際集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00480)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of HKR International Limited (the "Company") will be held at Harbour View Ballroom I, Level 4, Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong on Tuesday, 5 August 2008 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements and the reports of the directors and the auditor of the Company for the year ended 31 March 2008.
2. To declare a final dividend for the year ended 31 March 2008.
3. To re-elect the following retiring directors of the Company and authorise the board of directors of the Company to fix the directors' fees:
 - (i) to re-elect The Honourable Ronald Joseph ARCULLI as non-executive director;
 - (ii) to re-elect Dr The Honourable CHEUNG Kin Tung Marvin as independent non-executive director;
 - (iii) to re-elect Ms HO Pak Ching Loretta as non-executive director;
 - (iv) to re-elect Mr TANG Moon Wah as executive director; and
 - (v) to approve, with retroactive effect from 1 April 2008, an increase in the rate of basic annual fee for acting as non-executive director or independent non-executive director of the Company from HK\$80,000 to HK\$100,000 and an increase in the rate of additional annual fee for each of them acting as member of the audit committee and/or remuneration committee of the Company from HK\$85,000 to HK\$100,000 per committee.
4. To re-appoint auditor for the ensuing year and authorise the board of directors of the Company to fix their remuneration.

* Registered under Part XI of the Companies Ordinance, Chapter 32 of the laws of Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass with or without modification the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

5. “**THAT:**

- (A) subject to paragraph (C) of this resolution no. 5 and all applicable laws, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional shares in the capital of the Company and to make, issue or grant offers, agreements and options including warrants, bonds, debentures, notes and other securities which carry rights of subscription for or conversion into shares of the Company, be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution no. 5 shall authorise the directors of the Company during the Relevant Period to make, issue or grant offers, agreements and options including warrants, bonds, debentures, notes and other securities which carry rights of subscription for or conversion into shares of the Company, which would or might require the exercise of such powers after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (A) of this resolution no. 5, otherwise than pursuant to or in consequence of:
 - (a) a Rights Issue (as hereinafter defined); or
 - (b) the exercise of any options under any share option scheme or similar arrangement for the time being adopted by the Company in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the grant or issue of shares or rights to acquire shares in the Company; or
 - (c) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company; or
 - (d) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in the Company in accordance with the articles of association of the Company from time to time; or
 - (e) a special authority granted by the shareholders of the Company in general meeting,

shall not exceed the aggregate of twenty per cent (20%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution no. 5; and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(D) for the purpose of this resolution no. 5:

“Relevant Period” means the period from (and including) the date of the passing of this resolution no. 5 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution no. 5 by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities which carry rights to subscribe for or purchase shares of the Company, open for a period fixed by the directors of the Company to holders of shares of the Company on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory outside Hong Kong).”

6. **“THAT:**

- (A) subject to paragraph (B) of this resolution no. 6 and all applicable laws, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase or repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (B) the aggregate nominal amount of the shares of the Company which may be purchased or repurchased by the Company pursuant to the approval in paragraph (A) of this resolution no. 6 shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution no. 6, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(C) for the purpose of this resolution no. 6:

“Relevant Period” means the period from (and including) the date of the passing of this resolution no. 6 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this resolution no. 6 by an ordinary resolution of the shareholders of the Company in general meeting.”

7. “**THAT** conditional upon the passing of resolutions nos. 5 and 6 set out in the notice of this meeting, the general mandate granted to the directors of the Company pursuant to resolution no. 5 set out in the notice of this meeting and for the time being in force to exercise the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional shares in the capital of the Company and to make, issue or grant offers, agreements and options including warrants, bonds, debentures, notes and other securities which carry rights of subscription for or conversion into shares of the Company be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the shares of the Company purchased or repurchased by the Company under the authority granted by resolution no. 6 set out in the notice of this meeting, provided that such extended amount shall not exceed ten per cent (10%) of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution.”

By order of the Board
LO Tai On
Company Secretary

Hong Kong, 10 July 2008

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the annual general meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
2. In case of joint registered holders of any share in the Company, any one of such persons may vote at the annual general meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the annual general meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. **The register of members of the Company will be closed from Friday, 1 August 2008 to Tuesday, 5 August 2008 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend recommended for approval at the annual general meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 31 July 2008.**
4. The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority shall be deposited at the Investor Communications Centre of the Company's share registrars in Hong Kong at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude a member from attending and voting in person at the annual general meeting or any adjourned meeting thereof should he so wish.
5. With regard to item no. 3 of this notice, the board of directors of the Company recommends that the retiring directors, namely, The Honourable Ronald Joseph ARCULLI, Dr The Honourable CHEUNG Kin Tung Marvin, Ms HO Pak Ching Loretta and Mr TANG Moon Wah, be re-elected as directors of the Company.
6. With regard to the proposed resolutions nos. 5 to 7 above, the directors of the Company wish to state that they have no immediate plans to issue any new securities or repurchase any shares of the Company pursuant to the general mandates referred to thereunder.
7. **The registration of the annual general meeting will start at 9:30 a.m. on 5 August 2008. In order to ensure the meeting can start on time, shareholders or their proxies are encouraged to arrive for registration at least 15 minutes before the meeting starts.**

As at the date of this notice, the board of directors of the Company comprises:

Chairman

Mr CHA Mou Sing Payson

Deputy Chairman & Managing Director

Mr CHA Mou Zing Victor

Executive Directors

Mr CHEUNG Tseung Ming

Mr CHUNG Sam Tin Abraham

Mr TANG Moon Wah

Non-executive Directors

The Honourable Ronald Joseph ARCULLI

Mr CHA Mou Daid Johnson

Ms HO Pak Ching Loretta

Ms WONG CHA May Lung Madeline

Independent Non-executive Directors

Dr CHENG Kar Shun Henry

Dr The Honourable CHEUNG Kin Tung Marvin

Mr CHEUNG Wing Lam Linus