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Oshidori International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 622)

DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

THE DISPOSAL

On 11 February 2022, the Company disposed 15,426,500 HSH Shares (representing 0.94% of the issued shares of HSH as at the date of this announcement) to the Purchasers through an off-market block trade at an aggregate consideration of HK\$197.46 million (before transaction costs) (equivalent to the price of HK\$12.80 per HSH Share). Upon completion of the Disposal, the Company would cease to hold any HSH Shares.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules.

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The aggregate net sale proceeds from the Disposal amount to HK\$197.20 million, which has been received in cash on 11 February 2022.

INFORMATION OF THE PURCHASERS

Purchaser A, a company incorporated in the British Virgin Islands, is one of the substantial shareholders of HSH as at the date of this announcement.

Purchaser B, a company incorporated in the Cayman Islands with unlimited liability, is one of the substantial shareholders of HSH as at the date of this announcement.

The Purchasers and their ultimate beneficial owners are Independent Third Parties.

INFORMATION OF HSH

HSH 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: 45). HSH and its subsidiaries principally engage in the ownership, development and management of prestigious hotels and commercial and residential properties in key locations in Asia, the United States and Europe, as well as the provision of tourism and leisure, club management and other services.

Set out below is the audited consolidated financial information of HSH extracted from its annual report for the year ended 31 December 2020:

	For the year ended	
	31 December	
	2020	2019
	(Audited)	(Audited)
	<i>HK\$'m</i>	<i>HK\$'m</i>
Revenue	2,710	5,874
Profit (loss) before tax	(1,949)	695
Profit (loss) after tax	(1,980)	503

Based on HSH's interim report for the six months ended 30 June 2021, the unaudited consolidated net asset value of HSH was HK\$36,769 million as at 30 June 2021.

BASIS OF DETERMINATION ON THE CONSIDERATION

The Consideration of HK\$12.80 per HSH Share represents:

- (i) a premium of 54.22% to the closing price of HK\$8.30 per HSH Share as quoted on the Stock Exchange on 10 February 2022, being the trading day immediately prior to the date of the Disposal;
- (ii) a premium of 59.01% to the average closing price of HK\$8.05 per HSH Share in the last five consecutive trading days immediately prior to the date of the Disposal; and
- (iii) a premium of 48.84% to the 52-week high of HK\$8.60 per HSH Share over the last 12 months prior to the Disposal.

The Consideration of HK\$12.80 per HSH Share was determined after arm's length negotiations between the Company and the Purchasers. The Directors consider that the Disposal is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE GROUP AND THE COMPANY

The Group principally engages in investment holdings, tactical and/or strategical investments (including property investments), and the provision of financial services including the Securities and Futures Commission regulated activities namely Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 9 (asset management); and provision of credit and lending services regulated under the Money Lenders Ordinance. During the financial year of 2021, the Group acquired quality investment properties to facilitate the Group's intention to explore potential investment opportunities, particularly in real estate.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The following table sets out the average daily trading volume of the HSH Shares for each month or period and the percentages of such average daily trading volume to the total issued HSH Shares during respective period:

	Average daily trading volume	% of average daily trading volume to the total HSH Shares (Note)
2021		
January	332,243	0.02%
February	678,433	0.04%
March	310,856	0.02%
April	180,247	0.01%
May	243,233	0.01%
June	250,889	0.02%
July	197,960	0.01%
August	180,679	0.01%
September	124,378	0.01%
October	149,574	0.01%
November	111,611	0.01%
December	185,634	0.01%
2021 average	241,053	0.01%
2022		
January	863,440	0.05%
From 4 February to the trading day immediately prior to the date of the Disposal	381,320	0.02%

Source: HKEX

Note: Based on the number of total issued HSH Shares as at each month end or the trading day immediately prior to the date of the Disposal

As illustrated above, the average daily trading volume of the HSH Shares over the last 12 months prior to the Disposal represented 0.01% to 0.05% of the total issued HSH Shares. Given the thin liquidity of the HSH Shares, it will be difficult for the Company to dispose its HSH Shares within a short period of time without affecting the market price.

The Directors consider that the Disposal provides the Group with an opportunity to realise its investment in HSH at an attractive return, and enables the Group to re-allocate funds to general working capital of the Group.

Therefore, the Directors consider that the Disposal is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Among the 15,426,500 HSH Shares, 3,701,000 HSH Shares were classified as financial assets at fair value through profit or loss (“FVPL”). After the disposal of these 3,701,000 HSH Shares, the Group is expected to recognise a gain of HK\$22.02 million in total revenue for the year ending 31 December 2022. Such gain represents a realised gain on sales of financial assets at FVPL, which is calculated based on the difference between the gross proceeds of HK\$47.37 million from the disposal less the fair value of HK\$25.35 million of the disposed 3,701,000 HSH Shares as at 31 December 2021, subject to audit adjustments (if any).

The remaining 11,725,500 HSH Shares were classified as financial assets at fair value through other comprehensive income (“FVOCI”). After the disposal of these 11,725,500 HSH Shares, the Group’s total other comprehensive income for the year ending 31 December 2022 is expected to be increased by HK\$69.77 million. Such increase in other comprehensive income on the financial assets measured at FVOCI is calculated based on the difference between the gross proceeds of HK\$150.09 million from the disposal less the fair value of HK\$80.32 million of the disposed 11,725,500 HSH Shares as at 31 December 2021, subject to audit adjustments (if any).

The Board intends to apply the proceeds from the Disposal towards the general working capital of the Group.

LISTING RULES IMPLICATIONS

As certain applicable percentage ratio (as defined under the Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company and is therefore subject to the relevant reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings when used herein:

“Board”	board of Directors
“Company”	Oshidori International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main board of the Stock Exchange (stock code: 622)
“Director(s)”	director(s) of the Company
“Disposal”	the disposal by the Company of 15,426,500 HSH Shares for a cash consideration of HK\$197.46 million (before transaction costs) on 11 February 2022
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HSH”	The Hongkong and Shanghai Hotels, Limited, a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 45)
“HSH Share(s)”	ordinary share(s) of HSH
“Independent Third Parties”	the third party(ies) independent from Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on Stock Exchange
“PRC”	the People’s Republic of China
“Purchasers”	Purchaser A and Purchaser B

“Purchaser A”	Acorn Holdings Corporation, a company incorporated in the British Virgin Islands
“Purchaser B”	Lawrencium Holdings Limited, a company incorporated in the Cayman Islands with unlimited liability
“Share(s)”	share(s) of par value of HK\$0.05 each in the issued share capital of the Company
“Shareholder(s)”	holders of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Oshidori International Holdings Limited
Wong Wan Men
Executive Director

Hong Kong, 11 February 2022

As at the date of this announcement, the Board comprises the following directors:

<i>Executive Directors:</i>	<i>Non-Executive Directors:</i>	<i>Independent Non-Executive Directors:</i>
Ms. Wong Wan Men	Mr. Alejandro Yemenidjian	Hon. Chan Hak Kan, <i>S.B.S., J.P.</i>
Mr. Wong Yat Fai	(<i>Non-Executive Chairman</i>)	Mr. Cheung Wing Ping
	Hon. Joseph Edward Schmitz	Mr. Hung Cho Sing, <i>B.B.S.</i>
	Mr. Sam Hing Cheong	Dr. Lo Wing Yan William, <i>J.P.</i>