

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Karrie International Holdings Limited

嘉利國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1050)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF LAND USE RIGHT

BACKGROUND

The Board is pleased to announce that the Project Company, an indirect wholly-owned subsidiary of the Company, has successfully won the bidding in respect of the Land Use Right of the Land situated at Foshan City of the PRC at a consideration of RMB155.26 million. On 1 April 2022, Foshan Natural Resources Bureau* (佛山市自然資源局) and the Project Company entered into the Land Use Right Grant Contract in relation to the Land Acquisition.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios are greater than 5% but less than 25% for the purpose of Rule 14.07 of the Listing Rules, the Land Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, the Project Company, an indirect wholly-owned subsidiary of the Company, has successfully won the bidding in respect of the Land Use Right of the Land at a consideration of RMB155.26 million. On 1 April 2022, Foshan Natural Resources Bureau* (佛山市自然資源局) and the Project Company entered into the Land Use Right Grant Contract in relation to the Land Acquisition.

To the best of the knowledge, information and belief of the Directors after making all reasonable enquiry, Foshan Natural Resources Bureau and its ultimate beneficial owner(s) are Independent Third Parties.

DETAILS OF THE LAND

The Land is situated at Hecheng Neighbourhood, Gaoming District, Guangdong Province, Foshan City, the PRC, north to Fulong Bridge and west to Fuhe Road (中國廣東省佛山市高明區荷城街道富龍大橋以北、荷富路以西) with a total site area of approximately 34,447.69 sq.m. and a maximum gross floor area of approximately 96,453.53 sq.m.. The Land is for residential use with a term of 70 years, compatible with retail commercial, wholesale market, catering, hotel and business and financial use with a term of 40 years.

CONSIDERATION

Pursuant to the Land Use Right Grant Contract, the Consideration of RMB155.26 million shall be paid by the Project Company in the following manner:

- (1) 50% of the Consideration shall be settled on or before 25 April 2022; and
- (2) the remaining 50% of the Consideration shall be settled on or before 27 March 2023.

The Project Company has already paid an amount of RMB31.06 million as security deposit for the bidding, which shall form part of the Consideration. The Consideration was arrived at through public bidding after taking into account the minimum bid price, the current market conditions and the location of the Land. The Consideration shall be settled by the Project Company in cash.

REASONS FOR AND BENEFITS OF THE LAND ACQUISITION

The Land is located in Gaoming District, Foshan City, where the planned Pearl Delta River International Airport is scheduled to be located at along with other large-scale transport infrastructures expected to be developed for the region. The four-in-one transportation network of “sea, land, air and rail” to be built at Gaoming District is expected to lead to rapid development of the region, and the Land, benefiting from such development, is likely to have potential to appreciate in value. The Group intends to develop residential properties on the Land and the Land Acquisition is conducted in the ordinary and usual course of business of the Group. In view of the location and the designated use of the Land, the Directors consider that the Land Acquisition is in line with the business development strategy and planning of the Group. The Directors (including independent non-executive Directors) consider that the Land Acquisition is carried out in the ordinary and usual course of business and are on normal commercial terms which are fair and reasonable and in the interests of the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE PARTIES

The Group is principally engaged in metal and plastic business, electronic manufacturing services business, and real estate business. The Project Company is an indirect wholly-owned subsidiary of the Company established in the PRC and is principally engaged in property development in the PRC.

Foshan Natural Resources Bureau is a department of Foshan City government which is in charge of the urban renewal of Foshan City, Guangdong Province, the PRC.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios are greater than 5% but less than 25% for the purpose of Rule 14.07 of the Listing Rules, the Land Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Karrie 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: 1050)
“Consideration”	the consideration of RMB155.26 million, being the total consideration for the Land Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	person or company who/which are not connected with (within the meaning of the Listing Rules) and are independent of the directors, chief executive and substantial shareholders of the Group or any of their respective associates

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Land”	the parcel of land located at Hecheng Neighbourhood, Gaoming District, Foshan City, Guangdong Province, the PRC, north to Fulong Bridge and west to Fuhe Road (中國廣東省佛山市高明區荷城街道富龍大橋以北、荷富路以西) with a site area of approximately 34,447.69 sq.m.
“Land Acquisition”	the acquisition of the Land Use Right in respect of the Land
“Land Use Right”	國有建設用地使用權, state-owned construction land use right of the Land for residential use with a term of 70 years, compatible with retail commercial, wholesale market, catering, hotel and business and financial use with a term of 40 years
“Land Use Right Grant Contract”	State-owned Construction Land Use Right Grant Contract* (國有建設用地使用權出讓合同) dated 1 April 2022 entered into between the Project Company and Foshan Natural Resources Bureau* (佛山市自然資源局) in relation to the Land Acquisition
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project Company”	Foshan Jiahe Real Estate Development Co., Ltd.* (佛山嘉荷房地產開發有限公司), a company established in the PRC and an indirect wholly owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Karrie International Holdings Limited
Ho Cheuk Fai
Chairman

Hong Kong, 1 April 2022

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; and the independent non-executive Directors are Mr. Fong Hoi Shing, Mr. Yam Chung Shing and Dr. Lau Kin Wah.

* *For identification purposes only*