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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 PROPERTY

The Board is pleased to announce that on 18 September, 2017, the Vendor, a wholly-owned subsidiary of the Company, has entered into the Provisional Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the consideration of RMB25,000,000 (equivalent to approximately HK\$29,750,000) subject to and upon the terms of the Provisional 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.

DISPOSAL OF THE PROPERTY

The Board wishes to announce that on 18 September 2017, HKC Technology (Shanghai) Company Limited, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Provisional Agreement. Major terms of the Provisional Agreement are set out below.

THE PROVISIONAL AGREEMENT

(1) Date

18 September, 2017

** For identification purpose only*

(2) Parties

Vendor : HKC Technology (Shanghai) Company Limited, a wholly-owned subsidiary of the Company; and

Purchaser : 上海品星貿易有限公司

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 are not connected person (as defined in the Listing Rules) of the Company.

(3) Sale and Purchase

Pursuant to the Provisional Agreement, the Vendor will sell and the Purchaser will purchase the Property upon the terms contained therein. It is expected that the Vendor and the Purchaser will enter into the Formal Agreement within 15 days upon signing the Provisional Agreement. The Formal Agreement will incorporate the terms and conditions contained in the Provision Agreement and any other terms to be mutually agreed between the Vendor and the Purchaser.

(4) The Consideration

The consideration is RMB25,000,000 (equivalent to approximately HK\$29,750,000), payable in cash.

The consideration was determined after arm's length negotiation by reference to the prevailing market price of properties in the same building and at nearby location.

The Directors believe that the consideration is fair and reasonable and in the interests of the Shareholders as a whole.

(5) Terms of Payments

- (a) deposit of RMB2,000,000 (equivalent to approximately HK\$2,380,000) has been paid by the Purchaser to the Vendor upon signing of the Provisional Agreement;
- (b) RMB10,500,000 (equivalent to approximately HK\$12,495,000) will be paid by the Purchaser to the Vendor within 2 working days after signing the Formal Agreement;

- (c) the remaining balance of the consideration of RMB12,500,000 (equivalent to approximately HK\$14,875,000) will be paid by the Purchaser to the Vendor upon completion of the Disposal on or before 15 December, 2017.

(6) Completion

Completion of the sale and purchase of the Property will take place on or before 15 December, 2017.

(7) Information of the Property

The Property is the Units 1101-1108 on Level 11, East Huai Hai International Building, No. 45-49 Huai Hai Road East, Huang Pu District, Shanghai, PRC with the gross floor area of approximately 666 square meters.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

Taking into account the fair value of RMB23,600,000 (equivalent to approximately HK\$28,084,000) at 31 March, 2017 of the Property, upon Completion, a gain in the estimated sum of approximately RMB1,400,000 (equivalent to approximately HK\$1,666,000) 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 pursuing investment opportunities in property and business development if and when they arise in future, and 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 Property 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 shareholders of the Company 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
“Company”	HKC International Holdings Limited, a company incorporated in Cayman Islands, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the terms and conditions of the Provisional Agreement, which will be superseded by the Formal 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
“Property”	Units 1101-1108 on Level 11, East Huai Hai International Building, No. 45-49 Huai Hai Road East, Huang Pu District, Shanghai, PRC with the gross floor area of approximately 666 square meters
“Provisional Agreement”	the provisional agreement for sale and purchase dated 18 September, 2017 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Purchaser”	上海品星貿易有限公司
“PRC”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	HKC Technology (Shanghai) 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, 18 September, 2017

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 Ms. Chow So Fan, Candy as executive directors and Dr. Chu Chor Lup, Mr. Chiu Ngar Wing and Dr. Law Ka Hung as independent non-executive directors.