

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.

KSL Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8170)

DISCLOSEABLE TRANSACTION DISPOSAL OF PROPERTY

The Board announces that on 16 May 2016, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Property Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at a cash Consideration of HK\$20,280,000.

The Property is located at Units A, B and C on 7th Floor and Lavatories, Sun Kwong Industrial Building, Nos 1059 - 1061 Tung Chau West Street, Kowloon, Hong Kong. The Property has a total gross floor area of approximately 4,662 square feet. The Property has been used by the Group as investment properties for generating rental income since 1 January 2015.

As the highest applicable percentage ratio under Chapter 19 of the GEM Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and accordingly, is subject to the announcement requirement but is exempt from the circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board announces that on 16 May 2016, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Property Sale and Purchase Agreement with the Purchaser, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at a cash consideration of HK\$20,280,000.

THE PROPERTY SALE AND PURCHASE AGREEMENT

Date

16 May 2016

Parties

(1) Vendor Victor Li & Associates Limited, an indirectly wholly-owned subsidiary of the Company

(2) Purchaser The Purchaser is a company incorporated in the British Virgin Islands with limited liability

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules) of the Company.

Property to be disposed of

The Property is located at Units A, B and C on 7th Floor and Lavatories, Sun Kwong Industrial Building, Nos 1059 - 1061 Tung Chau West Street, Kowloon, Hong Kong. The Property has a total gross floor area of approximately 4,662 square feet. The land use rights of the Property were granted for a term of 75 years and renewable for 24 years commencing from 1 July 1898.

The Property has been used by the Group as investment properties for generating rental income since 1 January 2015.

For the period from 1 January 2015 to 31 July 2015 and for the six months ended 31 January 2016, the rental income and net profits before and after tax attributable to the Property are as follows:

	For the period from 1 January 2015 to 31 July 2015 (HK\$'000) (audited)	For the six months ended 31 January 2016 (HK\$'000) (unaudited)
Rental income	555	476
Increase in fair value of Property	1,100	—
Net profit before tax	1,630	462
Net profit after tax	1,543	386

As at 31 January 2016, the Property was stated at a carrying value of approximately HK\$17,700,000 in the unaudited financial statements of the Group.

Consideration

Pursuant to the terms of the Property Sale and Purchase Agreement, the Consideration for the Disposal of HK\$20,280,000 shall be payable in cash in the following manner:

- i) an initial deposit of HK\$1,014,000 was paid in cash by the Purchaser to the Vendor upon signing of the Property Sale and Purchase Agreement;
- ii) a further deposit of HK\$1,014,000 shall be paid in cash by the Purchaser to the Vendor on or before 31 May 2016; and
- iii) the balance of HK\$18,252,000 shall be paid in cash by the Purchaser to the Vendor upon completion of the Disposal.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the prevailing market value such as the price of similar properties in the proximity of the Property.

Completion

Completion of the Disposal will take place on or before 29 July 2016.

REASONS FOR AND FINANCIAL EFFECT OF THE DISPOSAL

In view of the recent development of the properties market in Hong Kong, the Board considers that it is a good opportunity to dispose of the Property and realise its investment. The Directors are of the view that the terms of the Property Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

The net proceeds from the Disposal are currently estimated to be approximately HK\$20,077,000, after taking into account the related costs and expenses as well as the estimated tax payment in relation to the Disposal. It is intended that the net proceeds of the Disposal are to be used by the Group for its day to day operation and its future development.

As at 31 January 2016, the Property was stated at a carrying value of approximately HK\$17,700,000 in the unaudited financial statements of the Group. Accordingly, the Disposal is expected to result in a net gain of approximately HK\$2,377,000 to be recognised after taking into account the related costs and expenses in relation to the Disposal and the estimated tax payment.

The Directors are of the view that the terms of the Disposal are on normal commercial terms, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in the provision of engineering consulting, contracting and project management services in Hong Kong with a focus on geotechnical engineering works. The Vendor is one of the principal operating subsidiaries of the Company.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio under Chapter 19 of the GEM Listing Rules in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company and accordingly, is subject to the announcement requirement but is exempt from the circular and shareholders' approval requirements under Chapter 19 of the GEM 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”	KSL Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands whose issued shares are listed on GEM
“Completion”	completion of the Disposal and delivery of the Property pursuant to the terms and conditions of the Property Sale and Purchase Agreement
“Consideration”	HK\$20,280,000, being the cash consideration payable by the Purchaser to the Vendor under the Property Sale and Purchase Agreement
“Directors”	the directors of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the Property Sale and Purchase Agreement
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“Property”	the premises located at Units A, B and C on 7th Floor and Lavatories, Sun Kwong Industrial Building, Nos 1059 - 1061 Tung Chau West Street, Kowloon, Hong Kong
“Property Sale and Purchase Agreement”	the provisional agreement for sale and purchase dated 16 May 2016 and entered into between the Vendor and the Purchaser in relation to the Disposal
“Purchaser”	a company incorporated in the British Virgin Islands with limited liability, an independent third party, being the purchaser under the Property Sale and Purchase Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Victor Li & Associates Limited, a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of the Company, being the vendor under the Property Sale and Purchase Agreement
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent

By order of the Board
KSL Holdings Limited
Li Kai Shun
Chairman

Hong Kong, 16 May 2016

As at the date of this announcement, the executive Directors are Dr. Li Kai Shun, Mr. Tam Yi Shek, Ms. Au Man Yi, Ms. Tong Jiangxia and Mr. Chai Nan; and the independent non-executive Directors are Mr. Ko Chi Keung, Mr. Ho Ho Ming, Mr. Ong Chi King and Ms. Kwong Ka Ki.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange’s website at www.hkexnews.hk for 7 days from the date of its posting. This announcement will also be posted on the Company’s website at www.kslholdings.com.