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KSL Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8170)

INSIDE INFORMATION MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE ACQUISITION

The announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

MOU

The Board announces that on 6 June 2016 (after trading hours), Sky Planner, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, and the Vendors entered into the MOU whereby Sky Planner and the Vendors agreed to negotiate to enter into the Formal Agreement on the Possible Acquisition.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors is a third party independent of the Company and its core connected persons (as defined under the GEM Listing Rules).

PRINCIPAL TERMS OF THE MOU

The principal terms of the MOU are, amongst others, set out below:

- (a) Under the MOU, it is proposed that Sky Planner will acquire 29% of the issued share capital of the Target Company from the Vendors.

The Target Company is an investment holding company incorporated in Hong Kong on 12 May 1992 and is owned by Vendor 1, Vendor 2 and Vendor 3 as to 50%, approximately 33.33% and approximately 16.67%, respectively.

The Target Company is the legal and beneficial owner of approximately 7.23% equity interest in Hebei East Asia. Hebei East Asia was established as a sino-foreign equity joint venture enterprise under the laws of the PRC with a registered capital of US\$24,420,400 on 27 December 1993 and is principally engaged in property development and investment, and provision of construction and decoration services.

- (b) Sky Planner and the Vendors will proceed to negotiate for a definitive and legally-binding Formal Agreement within sixty (60) days from the date of the MOU.
- (c) Without the prior written consent of Sky Planner, the Vendors shall not during the Exclusivity Period:
 - (i) directly or indirectly negotiate or enter into any discussion or sign, with any party, any memorandum of understanding, letter of intent, agreement, understanding or arrangements (whether legally binding or not) or continue or permit to continue any such negotiations or arrangements; or
 - (ii) accept, solicit, entertain or consider any offer or offers,in each case, in respect of the sale, transfer, assignment of or otherwise deal with any direct or indirect interest or investment in any member of the Target Group.
- (d) Pursuant to the MOU, the consideration of the Possible Acquisition shall be determined after arm's length negotiations among Sky Planner and the Vendors.
- (e) The MOU will terminate upon the earlier of any of the followings:
 - (i) the execution of the Formal Agreement; or
 - (ii) the fourteenth (14th) day from the date of the termination notice issued by Sky Planner to the Vendors.

REASONS FOR AND BENEFIT OF THE POSSIBLE ACQUISITION

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 Company has been actively seeking new business opportunities from time to time in order to diversify its business and enhance the long-term growth potential of the Company and its shareholders' value. By investing in the Target Company, it is expected that the Group can enter into the property development and decoration industry, which will diversify the Group's business and enhance its business growth. The Group is expected to be benefited from the synergy arising from the Possible Acquisition and therefore it is in the interest of the Company and its Shareholders as a whole.

GENERAL

The Board wishes to remind the Shareholders that there is no assurance that the Formal Agreement will be signed among the parties concerned. The Possible Acquisition may constitute a notifiable transaction for the Company under the GEM Listing Rules and further announcement(s) in relation to the Possible Acquisition will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

The Board wishes to emphasise that all terms and conditions of the Formal Agreement relating to the Possible Acquisition are still under negotiations between the parties thereto and the transactions under the MOU may or may not proceed, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

“Board”	the board of Directors;
“Company”	KSL Holdings Limited, the shares of which are listed on GEM;
“Director(s)”	the director(s) of the Company;
“Exclusivity Period”	the period from the date of the MOU up to the later of (i) the date of signing of the Formal Agreement; (ii) the day falling sixty (60) days from the date of the MOU; or (iii) such later date as the parties of the MOU may otherwise agree in writing or otherwise;
“Formal Agreement”	the definitive and legally-binding sale and purchase agreement to be entered into among Sky Planner and the Vendors relating to the Possible Acquisition;

“Group”	the Company and its subsidiaries;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Hebei East Asia”	Hebei East Asia Estate Development Co., Ltd. (河北新東亞房地產開發有限公司), a sino-foreign equity joint venture enterprise established under the laws of the PRC on 27 December 1993;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“MOU”	the memorandum of understanding entered into among Sky Planner and the Vendors on 6 June 2016 in respect of the Possible Acquisition;
“Possible Acquisition”	the possible acquisition of 29% of the issued share capital of the Target Company by Sky Planner from the Vendors;
“PRC”	the People’s Republic of China;
“Shareholders”	the shareholders of the Company;
“Sky Planner”	Sky Planner Limited (天東有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Liaohai International Investment Limited (遼海國際投資有限公司), a company incorporated in Hong Kong with limited liability and is owned as to 50%, approximately 33.33% and approximately 16.67% by Vendor 1, Vendor 2 and Vendor 3, respectively;
“Target Group”	the group comprising the Target Company and Hebei East Asia;
“Vendor 1”	a Hong Kong resident and a merchant;
“Vendor 2”	a Hong Kong resident and a merchant;
“Vendor 3”	a Hong Kong resident and a merchant;

“Vendors”	Vendor 1, Vendor 2 and Vendor 3;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“US\$”	the United States dollar, the lawful currency of the United States of America; and
“%”	per cent.

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

Hong Kong, 6 June 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 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.