

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 IN RELATION TO ACQUISITIONS OF THE ENTIRE ISSUED SHARE CAPITAL OF (1) DRAGON TRILLION LIMITED, (2) AFFLUENT ALLY LIMITED AND (3) SMART PATHWAY LIMITED

THE ACQUISITIONS

On 25 July 2017, Upscale Century (a wholly-owned subsidiary of the Company) entered into three separate Acquisition Agreements with Yi Feng Property, pursuant to which, Upscale Century agreed to acquire the entire issued share capital of each of Dragon Trillion, Affluent Ally and Smart Pathway, at the consideration of HK\$7,500,000, HK\$6,000,000 and HK\$5,500,000, respectively.

Upon Completion, each of Dragon Trillion, Affluent Ally and Smart Pathway will be wholly-owned by Upscale Century and their respective financial results will be consolidated into the accounts of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under the GEM Listing Rules in respect of the transactions as contemplated under the Acquisition Agreements in aggregate exceed(s) 5% but is/are less than 25%, the entering into of the Acquisition Agreements constitutes a discloseable transaction on the part of the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE ACQUISITION AGREEMENTS

The Board is pleased to announce that on 25 July 2017, Upscale Century (a wholly-owned subsidiary of the Company) entered into three separate Acquisition Agreements with Yi Feng Property. The terms and conditions of each of the Acquisition Agreements are substantially the same except the name of the Target

Company, the land lots held by the Target Company and the consideration. The salient terms of each of the Acquisition Agreements are as follows:

Date: 25 July 2017

Parties: Yi Feng Property, as vendor; and
Upscale Century, as purchaser.

To the best knowledge, information and belief of the Board and after making all reasonable enquiries, Yi Feng Property and its ultimate beneficial owner(s) are Independent Third Parties.

Assets to be acquired:

Pursuant to the Acquisition Agreement A, the Acquisition Agreement B and the Acquisition Agreement C, Upscale Century shall acquire from Yi Feng Property 1 share (representing 100% of the issued share capital) of each of Dragon Trillion, Affluent Ally and Smart Pathway free from any option, lien, charge or encumbrances but with all rights currently and hereafter attaching thereto, respectively.

Consideration:

The consideration under the Acquisition Agreement A, the Acquisition Agreement B and the Acquisition Agreement C is HK\$7,500,000, HK\$6,000,000 and HK\$5,500,000 respectively, and are all payable by Upscale Century to Yi Feng Property in cash on the Completion Date. The Group will finance the consideration from its internal resources.

The above consideration were determined between Upscale Century and Yi Feng Property after arm's length negotiations and on normal commercial terms, and were determined with reference to, among others, the unaudited net asset value of Dragon Trillion, Affluent Ally and Smart Pathway as at 30 June 2017 and the recent property market development in Hong Kong.

Completion:

Completion of each of the Acquisition Agreements shall take place on or before 25 July 2017. Upon Completion, each of Dragon Trillion, Affluent Ally and Smart Pathway will become a wholly-owned subsidiary of the Company and their financial results will be consolidated into the accounts of the Group.

INFORMATION ON THE TARGET COMPANIES

Dragon Trillion is a company incorporated in the Republic of Seychelles with limited liability and is principally engaged in investment holding.

Affluent Ally is a company incorporated in the Republic of Seychelles with limited liability and is principally engaged in investment holding.

Smart Pathway is a company incorporated in the Republic of Seychelles with limited liability and is principally engaged in investment holding.

Financial information of the Target Companies

Set out below is the unaudited financial information of each of Dragon Trillion, Affluent Ally and Smart Pathway for the two years ended 31 December 2015 and 2016 according to the International Accounting Standards:

	For the year ended	
	31 December 2015	31 December 2016
	HK\$	HK\$
Dragon Trillion		
Net loss before tax	485,586	131,578
Net loss after tax	485,586	131,578
Affluent Ally		
Net loss before tax	342,505	112,988
Net loss after tax	342,505	112,988
Smart Pathway		
Net loss before tax	241,881	98,352
Net loss after tax	241,881	98,352

The net asset value of Dragon Trillion, Affluent Ally and Smart Pathway as at 30 June 2017 was approximately HK\$6,122,805, HK\$5,225,840 and HK\$4,519,645 respectively.

The Target Companies hold certain land lots (Lot No. 3146, 2320, 3143, 3144 and 3145 in D.D. 93) located in Hong Kong.

INFORMATION ON UPSCALE CENTURY AND YI FENG PROPERTY

Upscale Century

Upscale Century is a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the GEM. 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.

Yi Feng Property

Yi Feng Property is a company established in the Republic of Seychelles with limited liability and is principally engaged in investment holding.

REASONS FOR AND BENEFITS OF THE ACQUISITION AGREEMENTS

As disclosed in the third quarterly report of the Company for the nine months ended 30 April 2017, the engineering consulting, contracting and project management industry experienced a very difficult time. The revenue of the Group for the nine months ended 30 April 2017 decreased by approximately 69.1%, which was mainly due to the decrease in the Group's revenue derived from the provision of project management services and from undertaking foundation and related geotechnical works as contractor as a result of the intense competition faced by the Group caused by the less optimistic outlook of the general economic condition of Hong Kong as well as the slow approval progress of infrastructure projects by the Legislative Council of Hong Kong and the Finance Committee of the Legislative Council of Hong Kong, resulting in more intense competition for private sector projects and no new project was obtained by the Group.

In view of the fact that the financial performance of the engineering consulting, contracting and project management business of the Group has been deteriorating, the Directors consider that it is beneficial for the Group to seek suitable business opportunities to increase shareholders' return. As the Target Companies are in negotiation to let the land lots held by them to an independent third party, the Directors consider that the potential rental income can provide the Group a stable revenue and cashflow stream, as well as a potential capital appreciation of the land lots held by the Target Companies given that the positive development of property market in Hong Kong in recent years, it is considered that the Acquisitions are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under the GEM Listing Rules in respect of the transactions as contemplated under the Acquisition Agreements in aggregate exceed(s) 5% but is/are less than 25%, the entering into of the Acquisition Agreements constitutes a discloseable transaction on the part of the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Acquisition Agreement A”	the acquisition agreement dated 25 July 2017 entered into between Upscale Century and Yi Feng Property in respect of the acquisition of the entire issued share capital of Dragon Trillion
“Acquisition Agreement B”	the acquisition agreement dated 25 July 2017 entered into between Upscale Century and Yi Feng Property in respect of the acquisition of the entire issued share capital of Affluent Ally
“Acquisition Agreement C”	the acquisition agreement dated 25 July 2017 entered into between Upscale Century and Yi Feng Property in respect of the acquisition of the entire issued share capital of Smart Pathway
“Acquisition Agreements”	collectively, the Acquisition Agreements A, the Acquisition Agreement B and the Acquisition Agreement C
“Affluent Ally”	Affluent Ally Limited, a company established in the Republic of Seychelles with limited liability
“Board”	the board of Director(s)
“BVI”	the British Virgin Islands
“Company”	KSL Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands whose issued shares are listed on the GEM
“Completion”	the completion of the sale and purchase of the sale share under each of the Acquisition Agreements

“Completion Date”	25 July 2017 or such other earlier date mutually agreed by Upscale Century and Yi Feng Property
“Director (s) ”	the director (s) of the Company
“Dragon Trillion”	Dragon Trillion Limited, a company established in the Republic of Seychelles with limited liability
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM, as amended from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Smart Pathway”	Smart Pathway Limited, a company established in the Republic of Seychelles with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company(ies)”	Dragon Trillion, Affluent Ally and Smart Pathway
“Upscale Century”	Upscale Century Limited, a company established in the BVI with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“Yi Feng Property”	Yi Feng Property Development Limited, a company incorporate in the Republic of Seychelles with limited liability
“%”	per cent.

By order of the Board
KSL Holdings Limited
Tong Jiangxia
Chairperson

Hong Kong, 25 July 2017

As at the date of this announcement, the executive Directors are Ms. Tong Jiangxia, Mr. Au Siu Chung, Mr. Wang Peng, Mr. He Jian Wen and Mr. Long Jie; and the independent non-executive Directors are Mr. Tang Yiu Wing, Ms. Chui Pui Yu 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.