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KSL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8170)

CLARIFICATION ANNOUNCEMENT IN RELATION TO FURTHER EXTENSION OF REPAYMENT DATE

Reference is made to the announcements of the Company dated 23 December 2016, 24 March 2017, 23 June 2017, 27 September 2017 and 27 October 2017 (collectively, the “**Announcements**”) in relation to the Loan Agreement and the extension of the repayment date of the Loan Agreement. Unless otherwise stated, definitions used in the Announcements shall have the same meanings when used in this announcement.

The Board would like to clarify that upon further extension of the repayment date (the “**Further Extension of the Repayment Date**”) of the Loan Agreement by entering into the Fourth Supplemental Agreement among the Lender, the Borrower and the Guarantor on 27 October 2017, the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the aggregated interest income from the Borrower to the Lender pursuant to the Loan Agreement within the period of 12 months immediately preceding and up to the date of the Fourth Supplemental Agreement (the “**Relevant Percentage Ratios**”) exceed 25% but are under 75%. The execution of the Fourth Supplemental Agreement shall be regarded as a major transaction rather than a disclosable transaction and shall be subject to the reporting, circular and shareholders’ approval requirements pursuant to Rules 19.38 to 19.46 of the GEM Listing Rules (the “**Additional Requirements**”).

THE GEM LISTING RULES IMPLICATIONS

The non-compliance is due to the Board inadvertently miscalculated the Relevant Percentage Ratios and as a result was not aware that the execution of the Fourth Supplemental Agreement would lead to the outcome of the gross profit ratios exceeding 25% but under 75%, which are subject to the Additional Requirements in the GEM Listing Rules.

The Board considers that the failure to comply with the Additional Requirements of the GEM Listing Rules on a timely basis, which was inadvertent and regretful, is an isolated event. The Board considers that the aforesaid non-compliance was the result of the miscalculation of the Relevant Percentage Ratios and the Company's misinterpretation of the GEM Listing Rules, which was unintentional. As soon as the Company was aware of the non-compliance, the management of the Company took immediate actions, including but not limited to the followings:

- (i) the Company immediately informed the Borrower that it would not further extend the repayment date after the Fourth Supplemental Agreement;
- (ii) the Company immediately prepared this announcement to explain the Company's non-compliance with the GEM Listing Rules; and
- (iii) the Company provided additional trainings to relevant employees to increase the awareness of employees in relation to the calculation of the Relevant Percentage Ratios, the GEM Listing Rules and other laws and regulations.

The Board would also like to clarify that both the Lender and the Borrower have no intention to further extend the repayment date after the Fourth Supplemental Agreement. The Borrower shall repay and/or settle the full amount of the Loan by the repayment date of the Fourth Supplemental Agreement. The Board hereby undertakes that it will ensure timely compliance with the requirements applicable to any transactions under the GEM Listing Rules in the future.

By order of the Board
KSL Holdings Limited
Tong Jiangxia
Chairperson

Hong Kong, 2 November 2017

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange 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.