

*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)**

### **MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARES OF THE TARGET COMPANY**

#### **THE ACQUISITION**

The Board is pleased to announce that on 31 May 2017 (after trading hours), Hang Tai (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the Sale & Purchase Agreement with the Vendor, whereby Hang Tai has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the entire issued shares of the Target Company at the Consideration of HK\$17,900,000.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company, and the financial results of the Target Company will be consolidated into the financial results of the Company.

#### **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios set out in the GEM Listing Rules in respect of the Acquisition under the Sale & Purchase Agreement is/are more than 25% but less than 100%, the entering into of the Sale & Purchase Agreement constitutes a major transaction of the Company under Chapter 19 of the GEM Listing Rules. As such, the Sale & Purchase Agreement and the transactions contemplated thereunder are subject to reporting, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

## **GENERAL**

An EGM will be convened by the Company during which an ordinary resolution will be proposed to the Shareholders to approve the Acquisition, the Sale & Purchase Agreement and all transactions contemplated thereunder. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolution for approving the Acquisition, the Sale & Purchase Agreement and all transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) major terms of the Sale & Purchase Agreement; (ii) further details of the Acquisition; (iii) the financial information of the Target Company; (iv) unaudited pro forma financial information of the Enlarged Group and (v) a notice to convene the EGM, is expected to be despatched to the Shareholders on or before 21 June 2017.

## **INTRODUCTION**

The Board is pleased to announce that on 31 May 2017 (after trading hours), Hang Tai (an indirect wholly-owned subsidiary of the Company) (as purchaser) entered into the Sale & Purchase Agreement with the Vendor, whereby Hang Tai has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the entire issued shares of the Target Company at the Consideration of HK\$17,900,000.

## **THE SALE & PURCHASE AGREEMENT**

The principal terms of the Sale & Purchase Agreement are set out below:

### **Date**

31 May 2017 (after trading hours)

### **Parties**

- (1) Hang Tai (as purchaser); and
- (2) the Vendor (as vendor)

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

## **Assets to be acquired**

Pursuant to the Sale & Purchase Agreement, Hang Tai has conditionally agreed to acquire and the Vendor has conditionally agreed to dispose of the entire issued shares of the Target Company.

## **Consideration**

The Consideration of the Acquisition payable by Hang Tai to the Vendor shall be HK\$17,900,000, which shall be settled in cash upon Completion.

The Consideration was determined between Hang Tai and the Vendor after arm's length negotiation and on normal commercial terms, and was determined with reference to, among others, the valuation of the entire issued shares of the Target Company as at 31 March 2017 as prepared by an independent professional valuer. The valuation was prepared by using the market approach, and the market value of the entire issued shares of the Target Company as at 31 March 2017 was estimated to be approximately HK\$23,559,000.

The Consideration will be funded from internal resources of the Group.

## **Conditions precedent**

Completion is conditional upon the fulfilment of the following conditions:

- (i) the results of the legal and financial due diligence conducted by Hang Tai over the Target Company, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, value of assets, accounts, results, legal and financial structure of the Target Company, being completed to the reasonable satisfaction of Hang Tai at its sole discretion;
- (ii) the passing of the necessary resolution(s) by the Shareholders at the EGM approving the Sale & Purchase Agreement and the transactions contemplated thereunder;
- (iii) the approval by the SFC for the change of the substantial shareholders (as defined under the SFO) of the Target Company having been obtained;
- (iv) if applicable, the obtaining of all consent from government or regulatory authorities or third parties which are necessary in connection with the execution and performance of the Sale & Purchase Agreement and any of the transaction contemplated thereunder;

- (v) each of the warranties given by the Vendor in the Sale & Purchase Agreement being true, accurate and complete in every respect as at the date of Completion; and
- (vi) there has not been any material adverse change in respect of the Target Company since the date of the Sale & Purchase Agreement or the occurrence of any incident which will have a material adverse effect on the business, prospects, operating performance or financing position of the Target Company.

Hang Tai may waive all or any of the conditions set out under items (i), (v) and (vi) above by notice in writing to the Vendor. For the avoidance of doubt, conditions set out under items (ii), (iii) and (iv) above are not capable of being waived.

If any of the conditions have not been fulfilled or waived on or before 31 August 2017 (or such later date as may be agreed between Hang Tai and the Vendor in writing), the Sale & Purchase Agreement shall lapse and thereafter neither Hang Tai nor the Vendor shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

### **Completion**

Completion of the Acquisition under the Sale & Purchase Agreement shall take place on the 10th Business Day after the fulfillment or waiver of all conditions precedent set out in the Sale & Purchase Agreement.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company, and the financial results of the Target Company will be consolidated into the financial results of the Company.

## **INFORMATION ABOUT THE PARTIES TO THE SALE & PURCHASE AGREEMENT**

### **The Company and Hang Tai**

Hang Tai, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of 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**

The Vendor is a company incorporated in Hong Kong on 14 June 2012 and is principally engaged in investment holding and the principal activity of its principal subsidiary is securities and futures brokerage business.

As at the date of this announcement, the Target Company is wholly-owned by the Vendor.

## **The Target Company**

The Target Company is a company incorporated in Hong Kong with limited liability. It is a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities).

A summary of the financial information of the Target Company is set out below:

	<b>For the year ended 31 March</b>	
	<b>2017</b>	<b>2016</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)
Turnover	1,141	1,789
Loss before taxation	5,784	5,179
Loss after taxation	5,784	5,179

The audited net asset value of the Target Company as at 31 March 2017 is approximately HK\$11,670,000.

## **REASONS FOR AND BENEFITS OF THE 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.

As stated in the interim report of the Company for the six months ended 31 January 2017, the Group will, from time to time, consider different business opportunities to increase shareholders' return. The Board considers that, given Hong Kong's well-established status as the region's financial hub and the vibrant activities in the financial industry in Hong Kong in recent years, the financial services sector provides an attractive area into which the Group may develop.

In this connection, the Group has identified the Target Company and considered that the Acquisition is a good investment opportunity for the Group to step into the Hong Kong financial services sector in a bid to generate revenue for the Group. The Board considers that the Acquisition would save the Company the effort and process required for setting up a securities brokerage and financial services company at a reasonable cost. Moreover, taking into consideration of the established platform of the Target Company and the expected growth potential of the securities industry in Hong Kong, the Board considers the investment opportunity through the Acquisition is valuable and it would improve the Group's results and provide better return to the Shareholders in the absence of unforeseen circumstances. To complement this strategic move, the Group is also in the process of establishing its own asset management and investment advisory businesses. In the long run, the Group plans to provide a wide range of financial services so as to capture the business opportunities of the financial market in Hong Kong.

After considering the above factors, the Directors believe that the Acquisition is on normal commercial terms and is fair and reasonable, and the Acquisition and the transactions contemplated thereunder are in the best interests of the Company and its Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios set out in the GEM Listing Rules in respect of the Acquisition under the Sale & Purchase Agreement is/are more than 25% but less than 100%, the entering into of the Sale & Purchase Agreement constitutes a major transaction of the Company under Chapter 19 of the GEM Listing Rules. As such, the Sale & Purchase Agreement and the transactions contemplated thereunder are subject to reporting, announcement and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

## **GENERAL**

An EGM will be convened by the Company during which an ordinary resolution will be proposed to the Shareholders to approve the Acquisition, the Sale & Purchase Agreement and all transactions contemplated thereunder. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolution for approving the Acquisition, the Sale & Purchase Agreement and all transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) major terms of the Sale & Purchase Agreement; (ii) further details of the Acquisition; (iii) the financial information of the Target Companies; (iv) unaudited pro forma financial information of the Enlarged Group and (v) a notice to convene the EGM, is expected to be despatched to the Shareholders on or before 21 June 2017.

**Shareholders and potential investors should note that Completion is subject to the fulfillment of the conditions under the Sale & Purchase Agreement and the Sale & Purchase Agreement may or may not proceed to Completion. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

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

“Acquisition”	the acquisition of the entire issued shares of the Target Company by Hang Tai from the Vendor pursuant to the Sale & Purchase Agreement
“Board”	the board of Directors
“Business Day”	a day (other than Sunday) on which banks in Hong Kong are open for business in Hong Kong generally throughout their normal business hours
“Company”	KSL Holdings Limited, an exempted company with limited liability incorporated in the Cayman Islands whose issued shares are listed on Growth Enterprise Market of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale & Purchase Agreement
“Consideration”	the consideration of HK\$17,900,000 payable by Hang Tai in respect of the Acquisition under the Sale & Purchase Agreement
“Director(s)”	the director(s) of the Company
“Enlarged Group”	the Group (including the Target Company) following Completion

“EGM”	the extraordinary general meeting of the Company to be convened to approve, the Acquisition in accordance with the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on Growth Enterprise Market of the Stock Exchange, as amended from time to time
“Group”	the Company and its subsidiaries
“Hang Tai”	Hang Tai Investment Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“HK\$”	Hong Kong dollars, 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) and its/their ultimate beneficial owner(s) which are independent of the Company and its connected persons and their respective associates
“Sale & Purchase Agreement”	the agreement dated 31 May 2017 entered into between Hang Tai and the Vendor in respect of the Acquisition
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	GuoKing (HK) Securities & Futures Co., Limited, a company incorporated in Hong Kong with limited liability and is wholly-owned by the Vendor as at the date of this announcement

“Vendor” GuoKing Holdings Co., Limited, a company incorporated in Hong Kong with limited liability

“%” per cent.

By order of the Board  
**KSL Holdings Limited**  
**Tong Jiangxia**  
*Chairperson*

Hong Kong, 31 May 2017

*As at the date of this announcement, the executive Directors are Ms. Tong Jiangxia, Ms. Au Man Yi, 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](http://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](http://www.kslholdings.com).*