



KSH Holdings Limited

(Company Registration Number: 200603337G)
(Incorporated in the Republic of Singapore on 9 March 2006)

ACQUISITION OF EQUITY INTEREST IN HEBEI YUE ZHI REAL ESTATE DEVELOPMENT CO., LTD

The Board of Directors (the “**Board**”) of KSH Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that pursuant to an agreement (the “**Agreement**”) entered into with Beijing Jia Hua Hong Yuan Investment Co., Ltd. (北京嘉华宏远投资有限公司) (“**Jia Hua**”), Gaobeidian City Lei Hua Yi Wei Sport Development Co., Ltd. (高碑店市雷华羿伟体育发展有限公司) (“**Lei Hua**”) and KAP Holdings (China) Pte. Ltd. (“**KAP**”), the Company’s wholly-owned subsidiary, KSH International Investment Pte. Ltd. (“**KSHII**”), shall invest RMB 45 million to subscribe for a 22.5% equity interest in Hebei Yue Zhi Real Estate Development Co., Ltd. (河北悦致房地产开发有限公司) (“**Yue Zhi**”), a company incorporated in the People’s Republic of China (the “**Acquisition**”).

Prior to the Acquisition, the registered capital of Yue Zhi was RMB55 million, fully unpaid as the registered capital had not been due in accordance with Yue Zhi’s constitution, and held by Jia Hua (82%) and Lei Hua (18%). Yue Zhi had negative book net tangible assets of approximately RMB148,608 as at 30 November 2017. The principal activity of Yue Zhi is real estate development and management. Subject to the receipt of approvals from the relevant authorities, Yue Zhi intends to carry on real estate development and management for the development project in Gaobeidian, Hebei.

Pursuant to the Agreement:

- (a) the registered capital of Yue Zhi shall be increased to RMB 200 million, to be contributed by the parties as follows:
- | | | | |
|------|---------|---|--|
| i) | Jia Hua | – | RMB 45 million, being 22.5% of the registered capital |
| ii) | Lei Hua | – | RMB 10 million, being 5.0% of the registered capital |
| iii) | KSHII | – | RMB 45 million, being 22.5% of the registered capital |
| iv) | KAP | – | RMB 100 million, being 50.0% of the registered capital |
- (b) the profit and loss as well as the risks relating to Yue Zhi will be borne by the parties in the following proportions:
- | | | | |
|------|---------|---|--------|
| i) | Jia Hua | – | 28.00% |
| ii) | Lei Hua | – | 6.75% |
| iii) | KSHII | – | 20.25% |
| iv) | KAP | – | 45.00% |

The Group’s share of the investment amount for the Acquisition will be funded by internal resources and external borrowings. A further announcement will be made to update the shareholders once such sum of RMB 45,000,000.00 has been remitted by KSHII to Yue Zhi.

The Acquisition is not expected to have any material impact on the net tangible assets and earnings per share of the Company and the Group for the current financial year ending 31 March 2018.

Interests of Directors and Controlling Shareholders

Mr Lim Yeow Hua @ Lim You Qin, an Independent Director and shareholder of the Company, is also an Independent Director of Oxley Holdings Limited which has 55% effective equity interest in KAP, and has accordingly abstained from voting in respect of the Acquisition.

Mr. Ko Chuan Aun, an Independent Director of the Company, is also an Independent Director and shareholder of Lian Beng Group Ltd which has 20% effective equity interest in KAP, and has accordingly abstained from voting in respect of the Acquisition.

Save as disclosed above, none of the other directors or substantial shareholders of the Company has any interest, direct or indirect, in the aforesaid transaction save for their shareholdings (if any) in the Company.

BY ORDER OF THE BOARD

CHOO CHEE ONN

Executive Chairman and Managing Director
23 January 2018