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**le saunda holdings ltd.**  
**萊爾斯丹控股有限公司\***  
(incorporated in Bermuda with limited liability)  
(stock code:0738)

**CONNECTED TRANSACTION:  
ACQUISITION OF PROPERTY COMPANY**

The Board announces that on 20 February 2017, the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor and Mr. Lee to acquire the entire issued share capital of the Property Company, which solely owns the Property, for a cash consideration of RMB10,800,000 (approximately HK\$12,258,000).

Reference is made to the announcements of the Company dated 21 January 2009, 31 January 2011, 21 January 2013 and 9 February 2015 in relation to, among others, the lease agreements between the Group and the Property Company. The Company has been leasing the Property for office use from the Property Company since 2009. The lease of the Property, under the current lease agreement will expire on 28 February 2017. Upon the completion of the Acquisition, the Group will continue to use the Property as office.

Mr. Lee is a non-executive Director and the controlling shareholder of the Company. The Vendor is wholly and beneficially owned by Mr. Lee. Accordingly, the Acquisition constitutes a connected transaction for the Company under the Listing Rules. Since some of the applicable percentage ratios in respect of the Acquisition is more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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## **THE SALE AND PURCHASE AGREEMENT**

### **Date**

20 February 2017

### **Parties:**

Vendor: Freedom Resources Limited, a company wholly and beneficially owned by Mr. Lee

Purchaser: Blooming On Limited (榮世有限公司), an indirect wholly-owned subsidiary of the Company

Vendor's Guarantor: Mr. Lee, who unconditionally and irrevocably guarantees to the Purchaser the due performance and observance by the Vendor of its obligations, covenants and warranties under the Sale and Purchase Agreement

### ***Asset to be acquired***

Pursuant to the Sale and Purchase Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the entire issued share capital of the Property Company.

### ***Consideration***

Pursuant to the Sale and Purchase Agreement, the consideration payable by the Group is RMB10,800,000 (approximately HK\$12,258,000). The consideration was agreed after arm's length negotiations between the Vendor and the Purchaser with reference to the valuation of the Property of RMB10,800,000 as at 20 February 2017 as provided by an independent professional valuer to the Company.

The consideration is payable by the Group in cash as to RMB10,800,000 (approximately HK\$12,258,000) upon completion of the Acquisition.

### ***Condition precedents***

The completion of the Acquisition is subject to the following conditions:

- (i) the Vendor shall prove good title to the Property in accordance with the relevant laws of PRC and provide the original property ownership certificate and all documents relating to the title to the Property; and
- (ii) all the Vendor's warranties remain true and accurate and nothing contrary is found during the due diligence investigation.

The completion of the Acquisition shall take place on or before 1 March 2017, or such other date as shall be agreed in writing by the parties.

### **INFORMATION OF THE PROPERTY COMPANY**

The Property Company is a limited company incorporated in Hong Kong and the sole owner of the Property. The principal business of the Property Company is property holding, with the Property as its major asset.

The Property is located at Units 3005-3009 on Level 30, Guangzhou Metro Plaza. The total gross floor area of the Property is approximately 456.19 sq.m. The Property was occupied by the Group prior to the Acquisition. The Vendor confirms that the Property is free from mortgage, charge, pledge, lien or any form of encumbrances.

The audited net profit before and after tax of the Property Company for the year ended 29 February 2016 were approximately HK\$245,000 and HK\$307,000 respectively. The audited net profit before and after tax of the Property Company for the year ended 28 February 2015 were approximately HK\$873,000 and HK\$744,000 respectively. The unaudited net asset value of the Property Company as at 31 January 2017 was approximately HK\$12,390,000.

The Property was acquired by the Property Company at a consideration of approximately HK\$10,347,000 in 1996. As at 31 January 2017, the unaudited book value of the Property in the accounts of the Property Company was HK\$12,541,000.

Upon completion of the Acquisition, the Property Company will become a subsidiary of the Company.

### **INFORMATION ON THE VENDOR**

The Vendor is a company incorporated in the British Virgin Islands and is wholly and beneficially owned by Mr. Lee. The principal business of the Vendor is investment holding.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in manufacturing and sale of shoes.

## **REASONS FOR THE ACQUISITION**

Reference is made to the announcements of the Company dated 21 January 2009, 31 January 2011, 21 January 2013 and 9 February 2015 in relation to, among others, the lease agreements between the Group and the Property Company. The Group has been leasing the Property for office use from the Property Company since 2009. The lease of the Property under the current lease agreement will expire on 28 February 2017. Upon the completion of the Acquisition, the Group will continue to use the Property as office.

In view of the fact that the Group has practical needs to continue the occupancy for its operational needs in the foreseeable future, the Board believes that it is in long term benefit for the Group to take ownership of the Property rather than continue to lease the Property, as it allows the Group to save rental costs and avoid the potential risk of forfeiting the occupancy of the Property.

The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are on normal commercial terms and fair and reasonable after arm's length negotiations between the parties, and the Acquisition is in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Mr. Lee is a non-executive Director and the controlling shareholder of the Company. The Vendor is wholly and beneficially owned by Mr. Lee. Accordingly, the Acquisition constitutes a connected transaction for the Company under the Listing Rules. Since some of the applicable percentage ratios in respect of the Acquisition is more than 0.1% but less than 5%, the Acquisition is subject to the reporting and announcement requirements, but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Mr. Lee is considered to have a material interest in the Acquisition by virtue of his interests in the Vendor, and therefore abstained from voting on the board resolutions in respect of the Acquisition. Other than Mr. Lee, none of the Directors have a material interest in the Acquisition.

## DEFINITIONS

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

“Acquisition”	the acquisition of the Property Company pursuant to the Sale and Purchase Agreement
“Board”	the board of the Directors
“Company”	Le Saunda Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Guangzhou Metro Plaza”	Metro Plaza, 183-187 Tian He North Road, Guangzhou, PRC
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong Dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lee”	Mr. Lee Tze Bun, Marces, a non-executive Director and the controlling shareholder of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan
“Property”	the premises located at Units 3005-3009 on Level 30, Guangzhou Metro Plaza, which is solely and beneficially owned by the Property Company
“Property Company”	Super Billion Properties Limited (瑞億置業有限公司), a company incorporated in Hong Kong and is indirectly wholly and beneficially owned by Mr. Lee
“Purchaser”	Blooming On Limited (榮世有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement for the sale and purchase of Property Company dated 20 February 2017 as described in this announcement

“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square metre
“Vendor”	Freedom Resources Limited, a company incorporated in the British Virgin Islands and is wholly and beneficially owned by Mr. Lee

By Order of the Board  
**Le Saunda Holdings Limited**  
**James Ngai**  
*Chairman*

Hong Kong, 20 February 2017

*As at the date of this announcement, the Company’s executive Directors are Mr. Cheng Wang, Gary, Ms. Chu Tsui Lan, Ms. Chui Kwan Ho, Jacky; non-executive Directors are Mr. James Ngai and Mr. Lee Tze Bun, Marces; independent non-executive Directors are Mr. Lam Siu Lun, Simon, Mr. Leung Wai Ki, George and Mr. Hui Chi Kwan.*

*For illustration purposes, RMB is converted to HK\$ at a rate of RMB1=HK\$1.135 in this announcement. No representation is made that any amount in HK\$ or RMB would have been or can be converted at the above rate.*

*\*For identification purposes only*