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九龍建業有限公司
KOWLOON DEVELOPMENT COMPANY LIMITED
(Incorporated in Hong Kong with limited liability)
(Stock Code : 34)

**DISCLOSEABLE AND CONNECTED
TRANSACTION**



POLYTEC ASSET HOLDINGS LIMITED
保利達資產控股有限公司*
(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 208)

**MAJOR AND
CONNECTED TRANSACTION**

THE PAH ACQUISITIONS

On 22 June 2018, the Purchaser, a direct wholly-owned subsidiary of PAH, and the Vendor entered into (i) the First Agreement in relation to the First Acquisition at an initial consideration of HK\$1,200,111,000 subject to adjustment; and (ii) the Second Agreement in relation to the Second Acquisition at a consideration of HK\$644,378,000.

Upon completion of the PAH Acquisitions, the First Target Company will be owned as to 50% by the Purchaser and will not become a subsidiary of PAH; and the Second Target Company will be owned as to 60% by the Purchaser and will become a subsidiary of PAH. The First Target Group will be accounted for as a joint venture in the respective financial statements of PAH and KDC and the financial results of the Second Target Group will be consolidated into the respective financial statements of PAH and KDC.

LISTING RULES IMPLICATIONS

KDC

As at the date of this announcement, KDC is indirectly owned as to approximately 70.61% by the Vendor through Intellinsight. The Vendor is therefore a controlling shareholder and a connected person of KDC. PAH is an indirect non-wholly owned subsidiary of KDC as KDC holds approximately 73.44% equity interest in PAH through Marble King. As two of the applicable percentage ratios (as defined under the Listing Rules) in respect of the PAH Acquisitions exceed 5% but less than 25%, the PAH Acquisitions constitute discloseable and connected transactions for KDC under Chapter 14 and Chapter 14A of the Listing Rules which are subject to the reporting, announcement, circular and independent shareholders' approval requirements.

PAH

Given that the Vendor is a controlling shareholder of KDC and therefore the ultimate controlling shareholder of PAH as PAH is an indirect non-wholly owned subsidiary of KDC, the Vendor is a connected person of PAH. As two of the applicable percentage ratios (as defined under the Listing Rules) in respect of the PAH Acquisitions exceed 25% but less than 100%, the PAH Acquisitions constitute major and connected transactions for PAH under Chapter 14 and Chapter 14A of the Listing Rules which are subject to the reporting, announcement, circular and independent shareholders' approval requirements.

GENERAL

KDC

An independent board committee comprising all the independent non-executive directors of KDC will be formed to advise the independent shareholders of KDC on the terms of the PAH Acquisitions.

An independent financial adviser will be appointed to advise the independent board committee and the independent shareholders of KDC regarding, among other things, the terms of the PAH Acquisitions.

As additional time is required to prepare and finalise the financial information in the circular, a circular containing, among other things, (i) further details about the PAH Acquisitions; (ii) the recommendations of the independent board committee of KDC in relation to the PAH Acquisitions; (iii) a letter of advice from the independent financial adviser to the independent board committee and the independent shareholders of KDC in relation to the PAH Acquisitions; (iv) valuation reports of the Projects; and (v) the notice convening the KDC EGM, will be dispatched to the shareholders of KDC on or before 28 September 2018.

PAH

An independent board committee comprising all the independent non-executive directors of PAH will be formed to advise the independent shareholders of PAH on the terms of the PAH Acquisitions.

An independent financial adviser will be appointed to advise the independent board committee and the independent shareholders of PAH regarding, among other things, the terms of the PAH Acquisitions.

As additional time is required to prepare and finalise the financial information in the circular, a circular containing, among other things, (i) further details about the PAH Acquisitions; (ii) the recommendations of the independent board committee of PAH in relation to the PAH Acquisitions; (iii) a letter of advice from the independent financial adviser to the independent board committee and the independent shareholders of PAH in relation to the PAH Acquisitions; (iv) valuation reports of the Projects; and (v) the notice convening the PAH EGM, will be dispatched to the shareholders of PAH on or before 28 September 2018.

Shareholders of KDC and PAH and potential investors should note that completion of the PAH Acquisitions is subject to the fulfilment of the conditions precedent set out in the respective transaction agreements and therefore may or may not occur. As the PAH Acquisitions may or may not proceed to completion, shareholders of KDC and PAH and potential investors are reminded to exercise caution when dealing in the securities of KDC and PAH.

THE PAH ACQUISITIONS

On 22 June 2018, the Purchaser, a direct wholly-owned subsidiary of PAH, and the Vendor entered into (i) the First Agreement in relation to the First Acquisition at an initial consideration of HK\$1,200,111,000 subject to adjustment; and (ii) the Second Agreement in relation to the Second Acquisition at a consideration of HK\$644,378,000.

The First Acquisition

On 22 June 2018, the Purchaser and the Vendor entered into the First Agreement in relation to the First Acquisition. The principal terms of the First Agreement are set out below:

Subject matter

Pursuant to the First Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell 1) the First Target Shares, representing 50% of the equity interest in the First Target Company; and 2) the First Target Sale Loan, representing 50% of the obligations, liabilities and debts owing or incurred by the First Target Company to the Vendor as at 31 May 2018, amounted to approximately HK\$196,459,000.

Consideration

Subject to the consideration adjustment in connection with the increase of the Plot Ratio set out in the section headed “Consideration adjustment” below, the initial consideration for the First Acquisition is HK\$1,200,111,000 (the “**Initial Consideration**”), which shall be apportioned as to HK\$1,003,652,000 for the First Target Shares and as to HK\$196,459,000 for the First Target Sale Loan, and shall be payable in cash by the Purchaser to the Vendor in the following manner:

- (1) an amount of HK\$300,028,000 (representing 25% of the consideration for the First Acquisition) has been paid upon signing the First Agreement (the “**First Deposit**”); and
- (2) the remaining balance of an amount of HK\$900,083,000 will be payable on the Completion Date.

Upon completion of the First Acquisition, the First Deposit shall be credited towards the consideration for the First Acquisition. In the event that completion of the First Acquisition does not occur for any reason, the Vendor shall within five (5) Business Days refund the First Deposit without deduction, withholding or interest to the Purchaser.

Consideration adjustment

In the event that the Plot Ratio is increased on or before the Long-Stop Date, the Vendor shall notify the Purchaser in writing (the “**Notice**”) of the new Plot Ratio and the Purchaser or PAH will appoint an independent valuer to perform a new valuation of the First Project as at 31 May 2018 based on the new Plot Ratio (the “**New Valuation**”). The Initial Consideration will then be adjusted by an amount equivalent to 50% of the increase taking into account the result of the New Valuation after deducting the tax effect to be assumed (the “**Adjusted Consideration**”). The Purchaser shall then pay the difference between the Adjusted Consideration and the Initial Consideration in cash within ten (10) Business Days after the receipt of the Notice by the Purchaser from the Vendor, subject to a cap of HK\$311,912,000 which is determined based on the maximum Plot Ratio of 3.5.

The consideration for the First Acquisition was determined by the parties after arm’s length negotiations with reference to, among other factors:

- (1) unaudited net asset value of the First Target Group as of 31 May 2018;
- (2) appreciation of properties attributable to the First Project based on the preliminary valuation as of 31 May 2018, after the tax effect to be assumed;
- (3) the prevailing property market conditions in the PRC;
- (4) the aggregate sum of the First Target Sale Loan; and
- (5) benefits to PAH following completion of the First Acquisition.

PAH intends to fund the First Acquisition by its internal financial resources and/or bank financing and/or loans from ultimate holding company/parent company under normal commercial terms.

Conditions precedent

Completion of the First Agreement is conditional upon satisfaction or waiver of the following conditions:

- (a) the Purchaser having been satisfied with the results of such enquiries, investigations and due diligence reviews of the business, affairs, operations and financial position of the First Target Group by the Purchaser or any of its officers, employees, agents, professional advisers or other agents;
- (b) PAH having obtained the independent shareholders’ approval of the First Agreement and the transactions contemplated under it as required under the Listing Rules;
- (c) KDC having obtained the independent shareholders’ approval of the First Agreement and the transactions contemplated under it as required under the Listing Rules;
- (d) a valuation report of the First Project having been delivered to the Purchaser and the valuation of the First Project as at 31 May 2018 set out in such report being not less than RMB5,500,000,000 (equivalent to approximately HK\$6,727,500,000**);

- (e) the warranties made by the Vendor remaining true and accurate in all respects and not misleading in any respect as of the Completion Date;
- (f) no notice, order, judgement, action or proceeding of any court, arbitrator, authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by the First Agreement or which is reasonably likely to materially and adversely affect the right of the Purchaser to own the legal and beneficial title to the First Target Shares and the First Target Sale Loan, free from encumbrances, following the Completion Date; and
- (g) all consents of any government or regulatory authority or of any other person that are required to be obtained in connection with the consummation of the transactions contemplated by the First Agreement shall have been duly obtained and effective as of the Completion Date.

The Purchaser may at any time waive in whole or in part and conditionally or unconditionally any of the foregoing conditions precedent (other than conditions (b) and (c) above) in writing to the Vendor.

If the conditions precedent (b) and (c) above are not satisfied on or before the Long-Stop Date or any of the other conditions precedent is not satisfied or waived on or before the Completion Date, the Purchaser may terminate the First Agreement by notice in writing to the Vendor, provided however that (a) the surviving provisions as stipulated under the First Agreement shall continue in force following the lapse of the First Agreement; and (b) the termination of the First Agreement shall be without prejudice to the rights and liabilities of any party to the First Agreement accrued prior to such termination.

Completion

Subject to the satisfaction or waiver of the foregoing conditions precedent, completion of the First Acquisition shall take place on the Completion Date. Completion of the First Acquisition is not inter-conditional upon completion of the Second Acquisition. Upon completion of the First Acquisition, the First Target Company will be owned as to 50% by the Purchaser and will not become a subsidiary of PAH. The First Target Group will be accounted for as a joint venture in the respective financial statements of PAH and KDC.

The Second Acquisition

On 22 June 2018, the Purchaser and the Vendor entered into the Second Agreement in relation to the Second Acquisition. The principal terms of the Second Agreement are set out below:

Subject matter

Pursuant to the Second Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell 1) the Second Target Shares, representing 60% of the equity interest in the Second Target Company; and 2) the Second Target Sale Loan, representing 60% of the obligations, liabilities and debts owing or incurred by the Second Target Company to the Vendor as at 31 May 2018, amounted to approximately HK\$149,888,000.

Consideration

The consideration for the Second Acquisition is HK\$644,378,000, which shall be apportioned as to HK\$494,490,000 for the Second Target Shares and as to HK\$149,888,000 for the Second Target Sale Loan and shall be payable in cash by the Purchaser to the Vendor in the following manner:

- (1) an amount of HK\$161,095,000 (representing 25% of the consideration for the Second Acquisition) has been paid upon signing the Second Agreement (the “**Second Deposit**”); and
- (2) the remaining balance of an amount of HK\$483,283,000 will be payable on the Completion Date.

Upon completion of the Second Acquisition, the Second Deposit shall be credited towards the consideration for the Second Acquisition. In the event that completion of the Second Acquisition does not occur for any reason, the Vendor shall within five (5) Business Days refund the Second Deposit without deduction, withholding or interest to the Purchaser.

The consideration for the Second Acquisition was determined by the parties after arm’s length negotiations with reference to, among other factors:

- (1) unaudited net asset value of the Second Target Group as of 31 May 2018;
- (2) appreciation of properties attributable to the Second Project based on the preliminary valuation as of 31 May 2018, after the tax effect to be assumed;
- (3) the prevailing property market conditions in the PRC;
- (4) the aggregate sum of the Second Target Sale Loan; and
- (5) benefits to PAH following completion of the Second Acquisition.

PAH intends to fund the Second Acquisition by its internal financial resources and/or bank financing and/or loans from ultimate holding company/parent company under normal commercial terms.

Conditions precedent

Completion of the Second Agreement is conditional upon satisfaction or waiver of the following conditions:

- (a) the Purchaser having been satisfied with the results of such enquiries, investigations and due diligence reviews of the business, affairs, operations and financial position of the Second Target Group by the Purchaser or any of its officers, employees, agents, professional advisers or other agents;
- (b) PAH having obtained the independent shareholders’ approval of the Second Agreement and the transactions contemplated under it as required under the Listing Rules;

- (c) KDC having obtained the independent shareholders' approval of the Second Agreement and the transactions contemplated under it as required under the Listing Rules;
- (d) a valuation report of the Second Project having been delivered to the Purchaser and the valuation of the Second Project as at 31 May 2018 set out in such report being not less than RMB2,050,000,000 (equivalent to approximately HK\$2,507,523,000**);
- (e) the warranties made by the Vendor remaining true and accurate in all respects and not misleading in any respect as of the Completion Date;
- (f) no notice, order, judgement, action or proceeding of any court, arbitrator, authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by the Second Agreement or which is reasonably likely to materially and adversely affect the right of the Purchaser to own the legal and beneficial title to the Second Target Shares and the Second Target Sale Loan, free from encumbrances, following the Completion Date;
- (g) the Second Target PRC Subsidiary having obtained the relevant PRC government approval regarding the change in use of the northern part of the Second Project from industrial use to commercial use; and
- (h) all consents of any government or regulatory authority or of any other person that are required to be obtained in connection with the consummation of the transactions contemplated by the Second Agreement shall have been duly obtained and effective as of the Completion Date.

The Purchaser may at any time waive in whole or in part and conditionally or unconditionally any of the foregoing conditions precedent (other than conditions (b) and (c) above) in writing to the Vendor.

If the conditions precedent (b) and (c) above are not satisfied on or before the Long-Stop Date or any of the other conditions precedent is not satisfied or waived on or before the Completion Date, the Purchaser may terminate the Second Agreement by notice in writing to the Vendor, provided however that (a) the surviving provisions as stipulated under the Second Agreement shall continue in force following the lapse of the Second Agreement; and (b) the termination of the Second Agreement shall be without prejudice to the rights and liabilities of any party to the Second Agreement accrued prior to such termination.

Completion

Subject to the satisfaction or waiver of the foregoing conditions precedent, completion of the Second Acquisition shall take place on the Completion Date. Completion of the Second Acquisition is not inter-conditional upon completion of the First Acquisition. Upon completion of the Second Acquisition, the Second Target Company will be owned as to 60% by the Purchaser and will become a subsidiary of PAH. The financial results of the Second Target Group will be consolidated into the respective financial statements of PAH and KDC.

INFORMATION ON THE PARTIES

The Vendor

The Vendor is principally engaged in investment holding.

The Purchaser and PAH

The Purchaser is a direct wholly-owned subsidiary of PAH, and is principally engaged in investment holding.

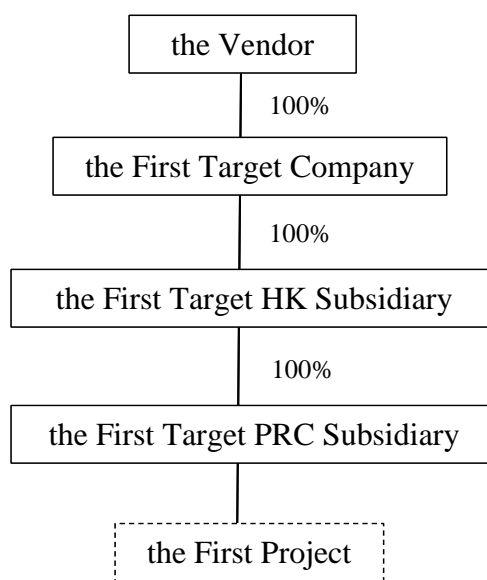
PAH and its subsidiaries are principally engaged in property investment, trading and development related activities, oil exploration and production related activities, manufacturing of ice and provision of cold storage and related services and other miscellaneous operations.

PAH is an indirect non-wholly owned subsidiary of KDC as KDC holds approximately 73.44% equity interest in PAH through Marble King. KDC and its subsidiaries are principally engaged in investment holding, property development, property investment, property management and oil production.

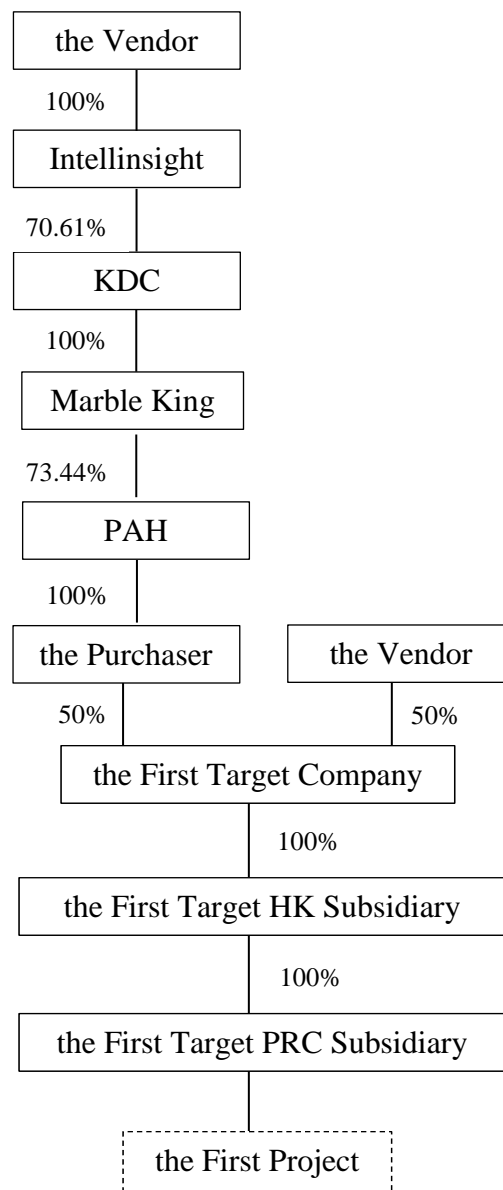
INFORMATION ON THE TARGET GROUPS

Set out below are the shareholding structures of the Target Groups before and after completion of the PAH Acquisitions:

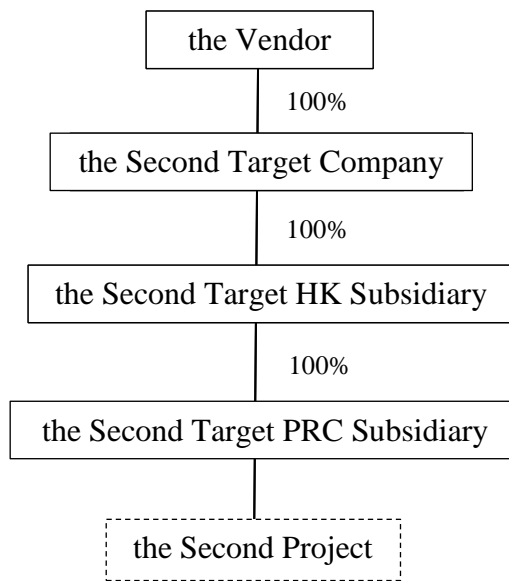
Before completion of the First Acquisition



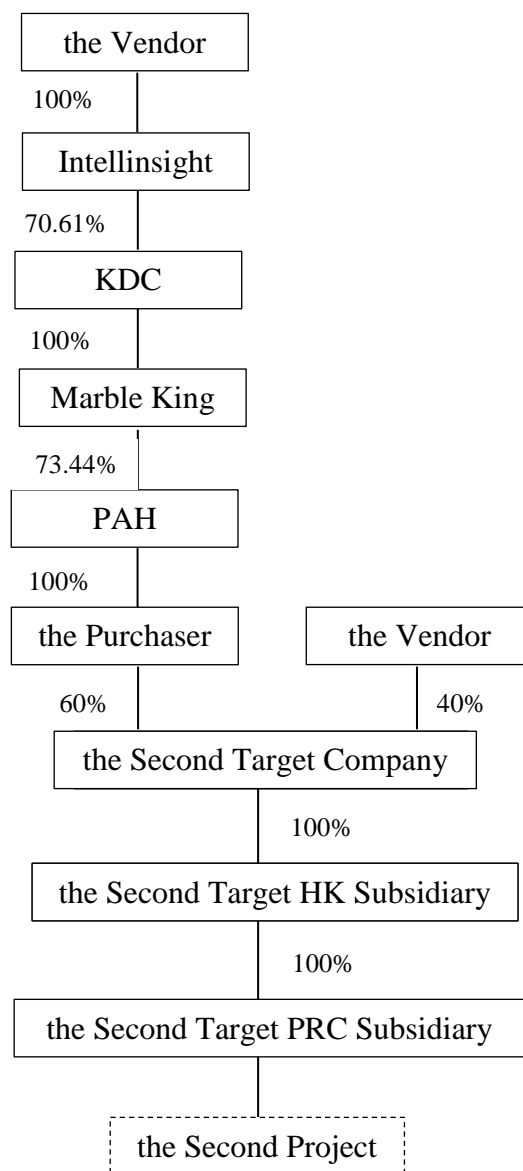
Upon completion of the First Acquisition



Before completion of the Second Acquisition



Upon completion of the Second Acquisition



FINANCIAL INFORMATION OF THE TARGET GROUPS

THE FIRST TARGET GROUP

The First Target Company and the First Target HK Subsidiary are principally engaged in investment holding. As at the date of this announcement, save for the equity interests in the First Target HK Subsidiary and the First Target PRC Subsidiary, each of the First Target Company and the First Target HK Subsidiary does not have any material assets.

According to the unaudited consolidated financial statements of the First Target Group which are prepared on a basis consistent with the HK GAAP, its consolidated financial results for each of the years ended 31 December 2016 and 31 December 2017 are as follows:

For the year ended 31 December

	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Net loss before tax	24	18
Net loss after tax	24	18

As at 31 May 2018, the adjusted net asset value of the First Target Group was HK\$2,007,304,000 based on the unaudited financial statements of the First Target Group.

THE SECOND TARGET GROUP

The Second Target Company and the Second Target HK Subsidiary are principally engaged in investment holding. As at the date of this announcement, save for the equity interests in the Second Target HK Subsidiary and the Second Target PRC Subsidiary, each of the Second Target Company and the Second Target HK Subsidiary does not have any material assets.

According to the unaudited consolidated financial statements of the Second Target Group which are prepared on a basis consistent with the HK GAAP, its consolidated financial results for each of the years ended 31 December 2016 and 31 December 2017 are as follows:

For the year ended 31 December

	2016 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Net loss before tax	263	323
Net loss after tax	263	323

As at 31 May 2018, the adjusted net asset value of the Second Target Group was HK\$824,150,000 based on the unaudited financial statements of the Second Target Group.

REASONS FOR AND BENEFITS OF THE PAH ACQUISITIONS

The First Target Company indirectly holds the First Project which is designated for residential and commercial uses; and the Second Target Company indirectly holds the Second Project which is targeted for commercial uses. The PAH Acquisitions allow PAH to enhance its landbank in the PRC, especially in the Guangdong-Hong Kong-Macao Greater Bay Area. The board of each of KDC and PAH considers that the PAH Acquisitions are good investment opportunities with great development potential in view of the physical locations of the Projects, local policy support, demand in properties in the vicinities and the outlook of the property market and economic development in the regions in general. The board of each of KDC and PAH believes that both KDC and PAH will benefit from the sale and leasing of the properties in the Projects and the anticipated growth in the value of the Projects.

Based on the factors as disclosed above, the directors of each of KDC and PAH (excluding the independent non-executive directors of each of KDC and PAH who will express their views after considering the advice from their respective independent financial adviser) consider that the terms of the Agreements and the PAH Acquisitions are fair and reasonable, on normal commercial terms and in the interests of KDC and PAH and their respective shareholders as a whole.

LISTING RULES IMPLICATIONS

KDC

As at the date of this announcement, KDC is indirectly owned as to approximately 70.61% by the Vendor through Intellinsight. The Vendor is therefore a controlling shareholder and a connected person of KDC. PAH is an indirect non-wholly owned subsidiary of KDC as KDC holds approximately 73.44% equity interest in PAH through Marble King. As two of the applicable percentage ratios (as defined under the Listing Rules) in respect of the PAH Acquisitions exceed 5% but less than 25%, the PAH Acquisitions constitute discloseable and connected transactions for KDC under Chapter 14 and Chapter 14A of the Listing Rules which are subject to the reporting, announcement, circular and independent shareholders' approval requirements.

PAH

Given that the Vendor is a controlling shareholder of KDC and therefore the ultimate controlling shareholder of PAH as PAH is an indirect non-wholly owned subsidiary of KDC, the Vendor is a connected person of PAH. As two of the applicable percentage ratios (as defined under the Listing Rules) in respect of the PAH Acquisitions exceed 25% but less than 100%, the PAH Acquisitions constitute major and connected transactions for PAH under Chapter 14 and Chapter 14A of the Listing Rules which are subject to the reporting, announcement, circular and independent shareholders' approval requirements.

VOTING

Mr. Or, Ms. Ng, Mr. Or Pui Kwan and Ms. Or Pui Ying, Peranza, being the discretionary objects of the discretionary trust which ultimately owns the Vendor (and Mr. Or and Ms. Ng also being directors of the Vendor), Mr. Or, Ms. Ng, Mr. Or Pui Kwan and Mr. Lam Yung Hei (the husband of Ms. Or Pui Ying, Peranza) have abstained from voting on the relevant board resolutions of KDC approving the PAH Acquisitions. Mr. Or and Ms. Or Pui Ying, Peranza have abstained from voting on the relevant board resolutions of PAH approving the PAH Acquisitions.

As at the date of this announcement, KDC is held as to approximately 70.61% by Intellinsight, a wholly-owned subsidiary of the Vendor which is wholly-owned by Ors Holdings Limited (“**OHL**”). OHL is in turn wholly-owned by a discretionary trust, the trustee of which is HSBC International Trustee Limited. As Mr. Or is the founder of the trust and the discretionary objects of the trust include Mr. Or, Ms. Ng, Mr. Or Pui Kwan and Ms. Or Pui Ying, Peranza, they are taken to be interested in the KDC Shares held by the trust. In addition, 277,500 KDC Shares, representing approximately 0.024% of the total issued share capital of KDC are held by China Dragon Limited (“**China Dragon**”) which is wholly-owned by Mr. Or and 43,500 KDC Shares, representing approximately 0.0037% of the total issued share capital of KDC, are held by Mr. Or Pui Kwan. Accordingly, Intellinsight, China Dragon, Mr. Or, Mr. Or Pui Kwan and their associates will abstain from voting in the KDC EGM to approve the Agreements and the transactions contemplated thereunder.

Marble King, a wholly-owned subsidiary of KDC, is a controlling shareholder of PAH and 7,000,000 PAH Shares, representing approximately 0.16% of the total issued share capital of PAH, are held by each of Mr. Or Pui Kwan and Ms. Or Pui Ying, Peranza. Therefore, Marble King, Mr. Or Pui Kwan, Ms. Or Pui Ying, Peranza and their associates will abstain from voting in the PAH EGM to approve the Agreements and the transactions contemplated thereunder.

GENERAL

KDC

An independent board committee comprising all the independent non-executive directors of KDC will be formed to advise the independent shareholders of KDC on the terms of the PAH Acquisitions.

An independent financial adviser will be appointed to advise the independent board committee and the independent shareholders of KDC regarding, among other things, the terms of the PAH Acquisitions.

As additional time is required to prepare and finalise the financial information in the circular, a circular containing, among other things, (i) further details about the PAH Acquisitions; (ii) the recommendations of the independent board committee of KDC in relation to the PAH Acquisitions; (iii) a letter of advice from the independent financial adviser to the independent board committee and the independent shareholders of KDC in relation to the PAH Acquisitions; (iv) valuation reports of the Projects; and (v) the notice convening the KDC EGM, will be dispatched to the shareholders of KDC on or before 28 September 2018.

PAH

An independent board committee comprising all the independent non-executive directors of PAH will be formed to advise the independent shareholders of PAH on the terms of the PAH Acquisitions.

An independent financial adviser will be appointed to advise the independent board committee and the independent shareholders of PAH regarding, among other things, the terms of the PAH Acquisitions.

As additional time is required to prepare and finalise the financial information in the circular, a circular containing, among other things, (i) further details about the PAH Acquisitions; (ii) the recommendations of the independent board committee of PAH in relation to the PAH Acquisitions; (iii) a letter of advice from the independent financial adviser to the independent board committee and the independent shareholders of PAH in relation to the PAH Acquisitions; (iv) valuation reports of the Projects; and (v) the notice convening the PAH EGM, will be dispatched to the shareholders of PAH on or before 28 September 2018.

Shareholders of KDC and PAH and potential investors should note that completion of the PAH Acquisitions is subject to the fulfilment of the conditions precedent set out in the respective transaction agreements and therefore may or may not occur. As the PAH Acquisitions may or may not proceed to completion, shareholders of KDC and PAH and potential investors are reminded to exercise caution when dealing in the securities of KDC and PAH.

DEFINITIONS

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

“Agreements”	the First Agreement and the Second Agreement;
“associate”	has the meaning ascribed to it under the Listing Rules;
“Business Days”	means a day on which commercial banks are open for business in Hong Kong (excluding Saturdays, Sundays, public holidays and any weekday on which Typhoon Signal No. 8 or higher is hoisted or a black rain storm warning is given in Hong Kong at any time during 9:00 a.m. to 5:00 p.m.);
“Completion Date”	the date of completion of the First Agreement and the Second Agreement (as the case may be);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“First Acquisition”	the acquisition of the First Target Shares and the First Target Sale Loan by the Purchaser from the Vendor;

“First Agreement”	the sale and purchase agreement dated 22 June 2018 entered into between the Purchaser and the Vendor in relation to the First Acquisition;
“First Project”	the property development project located at Nantongwei and Shawei, Beitai Village, South District, Zhongshan City, Guangdong Province, the PRC* (中國廣東省中山市南區北台村沙圍及南通尾) with a total gross floor area of approximately 587,004 sq m and a total site area of approximately 234,802 sq m;
“First Target Company”	Smart Rising Limited (雋揚有限公司), a company incorporated in the British Virgin Islands with limited liability;
“First Target Group”	the First Target Company and its subsidiaries (being the First Target HK Subsidiary and the First Target PRC Subsidiary);
“First Target HK Subsidiary”	Upway Investments Limited (雋達投資有限公司), a company incorporated in Hong Kong with limited liability;
“First Target PRC Subsidiary”	中山市雋達房地產有限公司 (Zhongshan Junda Property Co., Ltd*), a company established in the PRC with limited liability;
“First Target Sale Loan”	HK\$196,459,000, being 50% of the aggregate amount of loans, interests (if any) and other sums and indebtedness due by the First Target Company to the Vendor;
“First Target Shares”	500 ordinary shares of the First Target Company, representing 50% of the issued share capital of the First Target Company;
“HK GAAP”	Hong Kong Generally Accepted Accounting Principles;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Intellinsight”	Intellinsight Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and the parent company of KDC;

“KDC”	Kowloon Development Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 34);
“KDC EGM”	the extraordinary general meeting of KDC to be convened for the purpose of considering and, if thought fit, approving, among other things, the PAH Acquisitions and the transactions contemplated thereunder;
“KDC Share(s)”	ordinary share(s) in the capital of KDC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long-Stop Date”	31 December 2019, or such other date as may be agreed between the Purchaser and the Vendor in writing;
“Marble King”	Marble King International Limited, a company incorporated in the British Virgin Islands with limited liability and the parent company of PAH;
“Mr. Lam Yung Hei”	Mr. Lam Yung Hei, an executive director of KDC, the son-in-law of Mr. Or and Ms. Ng, the brother-in-law of Mr. Or Pui Kwan and the husband of Ms. Or Pui Ying, Peranza;
“Mr. Or”	Mr. Or Wai Sheun, an executive director and the chairman of KDC and PAH, the husband of Ms. Ng, the father of Mr. Or Pui Kwan and Ms. Or Pui Ying, Peranza and the father-in-law of Mr. Lam Yung Hei;
“Mr. Or Pui Kwan”	Mr. Or Pui Kwan, an executive director of KDC and the son of Mr. Or and Ms. Ng, the brother of Ms. Or Pui Ying, Peranza and the brother-in-law of Mr Lam Yung Hei;
“Ms. Ng”	Ms. Ng Chi Man, a non-executive director of KDC, the wife of Mr. Or, the mother of Mr. Or Pui Kwan and Ms. Or Pui Ying, Peranza and the mother-in-law of Mr. Lam Yung Hei;
“Ms. Or Pui Ying, Peranza”	Ms. Or Pui Ying, Peranza, a non-executive director of PAH, the daughter of Mr. Or and Ms. Ng, the sister of Mr. Or Pui Kwan and the wife of Mr. Lam Yung Hei;

“PAH”	Polytec Asset Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 208);
“PAH Acquisitions”	the First Acquisition and the Second Acquisition;
“PAH EGM”	the extraordinary general meeting of PAH to be convened for the purpose of considering and, if thought fit, approving, among other things, the PAH Acquisitions;
“PAH Share(s)”	ordinary share(s) in the capital of PAH;
“Plot Ratio”	plot ratio of the First Project for development as approved by the relevant authority in the PRC, which shall not be greater than 3.5 and as at the date of the announcement the plot ratio is 2.5;
“PRC”	the People’s Republic of China;
“Projects”	the First Project and the Second Project;
“Purchaser”	Noble Prime International Limited, a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of PAH as at the date of this announcement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Second Acquisition”	the acquisition of the Second Target Shares and the Second Target Sale Loan by the Purchaser from the Vendor;
“Second Agreement”	the sale and purchase agreement dated 22 June 2018 entered into between the Purchaser and the Vendor in relation to the Second Acquisition;
“Second Project”	the property development project located at the interchange place of Jiuzhou Road and Yingbin Road, Zhuhai City, Guangdong Province, the PRC* (中國廣東省珠海市九洲大道與迎賓大道交匯處) with a total gross floor area of approximately 179,024 sq m and a total site area of approximately 43,656 sq m consisting of the northern part and the southern part of the lands;
“Second Target Company”	Allround Holdings Limited (全能控股有限公司), a company incorporated in the British Virgin Islands with limited liability;

“Second Target Group”	the Second Target Company and its subsidiaries (being the Second Target HK Subsidiary and the Second Target PRC Subsidiary);
“Second Target HK Subsidiary”	All Complete Limited (皓永有限公司), a company incorporated in Hong Kong with limited liability;
“Second Target PRC Subsidiary”	珠海保利達房地產開發有限公司 (Zhuhai Polytec Property Development Co., Ltd.*), a company established in the PRC with limited liability;
“Second Target Sale Loan”	HK\$149,888,000, being 60% the aggregate amount of loans, interests (if any) and other sums and indebtedness due by the Second Target Company to the Vendor;
“Second Target Shares”	60 ordinary shares of the Second Target Company, representing 60% of the issued share capital of the Second Target Company;
“sq m”	square meter;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Groups”	the First Target Group and the Second Target Group;
“Vendor”	Polytec Holdings International Limited, a company incorporated in the British Virgin Islands with limited liability and the ultimate holding company of KDC and PAH; and
“%”	per cent.

By Order of the Board
Kowloon Development Company Limited
Lee Kuen Chiu
Company Secretary

By Order of the Board
Polytec Asset Holdings Limited
Lee Chi Ming
Company Secretary

Hong Kong, 22 June 2018

As at the date of this announcement, the directors of KDC are Mr. Or Wai Sheun (Chairman), Mr. Lai Ka Fai, Mr. Or Pui Kwan and Mr. Lam Yung Hei as executive directors; Ms. Ng Chi Man and Mr. Yeung Kwok Kwong as non-executive directors; and Mr. Li Kwok Sing, Aubrey, Mr. Lok Kung Chin, Hardy, Mr. Seto Gin Chung, John and Mr. David John Shaw as independent non-executive directors.

As at the date of this announcement, the directors of PAH are Mr. Or Wai Sheun (Chairman), Mr. Yeung Kwok Kwong, Ms. Wong Yuk Ching and Ms. Chio Koc Ieng as executive directors; Mr. Lai Ka Fai and Ms. Or Pui Ying, Peranza as non-executive directors and Mr. Liu Kwong Sang, Dr. Tsui Wai Ling, Carlye and Prof. Dr. Teo Geok Tien Maurice as independent non-executive directors.

** For identification purpose only*

*** For the purpose of this announcement, the conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00=HK\$1.2232*