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**KEE Holdings Company Limited**

**開易控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2011)**

## **LITIGATION ANNOUNCEMENT**

The board of directors of Company (the “**Board**”) hereby announces that, on 3 March 2014, 開易(廣東)服裝配件有限公司 (KEE (Guangdong) Garment Accessories Limited) (“**KEE Guangdong**”), an indirect wholly-owned subsidiary of the Company, received a notice of responses to action (the “**Response Notice**”) from the Intermediate People’s Court (the “**Foshan Intermediate Court**”) of Foshan City, Guangdong Province of the People’s Republic of China.

Pursuant to the writ of civil proceedings filed by the claimant, the claimant, a finished zipper producer, alleges that a teeth chain design (the “**Design**”) used in a finished zipper series produced by KEE Guangdong has infringed an exterior design patent (the “**Design Patent**”) owned by the claimant. The claimant requests the Foshan Intermediate Court to: (i) confirm that the zipper teeth chain of such finished zipper series produced, sold and committed to be sold by KEE Guangdong infringes the Design Patent; (ii) order KEE Guangdong to cease the infringement of the Design Patent; (iii) order KEE Guangdong to pay RMB1 million to the claimant as compensation and bear all the costs incurred by the claimant for the civil proceedings (including but not limited to legal costs); and (iv) order KEE Guangdong to bear the litigation costs of the civil proceedings. The hearing of the above civil proceedings has been fixed to be held on 9 April 2014.

The Board disagrees with the claim by the claimant. KEE Guangdong is currently seeking legal advice on the civil proceedings. In the meantime, KEE Guangdong has temporarily suspended the use of the Design and used an alternative one for development of new zipper products. Given that the amount of the claim is immaterial compared to the turnover of the Group and that there is an alternative teeth chain design readily available for the production of finished zippers, the Board is of view that the civil proceedings will not have any material effect on the financial or business position of the Group as a whole.

The Company will make further announcement(s) to update the shareholders of the Company and the potential investors on any significant development regarding the above civil proceedings as and when appropriate.

By Order of the Board  
**KEE Holdings Company Limited**  
**Xu Xipeng**  
*Chairman*

Hong Kong, 13 March 2014

*As at the date of this announcement, the executive Directors are Mr. Xu Xipeng, Mr. Xu Xinan and Mr. Chow Hoi Kwang, Albert; the non-executive Director is Mr. Yang Shaolin; and the independent non-executive Directors are Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy.*