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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)

**CONTINUING CONNECTED TRANSACTION –
THE MASTER AGREEMENT**

On 18 July 2014 (after trading hours), KEE Guangdong, an indirect wholly-owned subsidiary of the Company, entered into the Master Agreement with Lingfeng Trading, pursuant to which the Lingfeng Trading Group will (i) provide the processing services in connection with flat knit ribs to KEE Guangdong; (ii) sell flat knit ribs to KEE Guangdong; and/or (iii) supply equipment or spare parts to KEE Guangdong on an ongoing or continuing basis for three years ending 31 December 2016.

As at the date of this announcement, Lingfeng Trading holds 20% of the interest in KEE Jingmen, a direct non-wholly owned subsidiary of KEE Guangdong and an indirect non-wholly owned PRC subsidiary of the Company. Under the Listing Rules, Lingfeng Trading is a connected person of the Company. The entering into of the Master Agreement therefore constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the transactions contemplated under the Master Agreement on an annual basis are more than 0.1% but are less than 5% and such transactions are conducted on normal commercial terms, the Master Agreement is subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As no Director has any material interest in the Master Agreement, none of the Directors has abstained from voting on the board resolution approving the Master Agreement.

INTRODUCTION

On 18 July 2014 (after trading hours), KEE Guangdong, an indirect wholly-owned subsidiary of the Company, entered into the Master Agreement with Lingfeng Trading, pursuant to which the Lingfeng Trading Group will (i) provide the processing services in connection with flat knit ribs to KEE Guangdong; (ii) sell flat knit ribs to KEE Guangdong; and/or (iii) supply equipment or spare parts to KEE Guangdong on an ongoing or continuing basis for three years ending 31 December 2016.

THE MASTER AGREEMENT

The principal terms of the Master Agreement are summarised as follows:

- Date: 18 July 2014 (after trading hours)
- Parties: (a) KEE Guangdong, an indirect wholly-owned subsidiary of the Company
(b) Lingfeng Trading
- Term: For three years ending 31 December 2016
- Subject Matter: (i) provision of the processing services in connection with flat knit ribs to KEE Guangdong; (ii) sell flat knit ribs to KEE Guangdong; and/or (iii) supply of equipment or spare parts to KEE Guangdong
- Payment: Payment will be made within 30 days upon satisfactory receipt of the products, equipment and/or spare parts and the corresponding invoices from Lingfeng Trading Group
- Pricing: The processing service fee and the price of products, equipment and/or spare parts supplied by the Lingfeng Trading Group will be fixed between KEE Guangdong and the Lingfeng Trading Group from time to time based on the fair market value

The Master Agreement is the framework agreement which provide the mechanism for the operation of the continuing connected transactions contemplated thereunder. It is envisaged that from time to time and as required, separate agreements or separate purchase orders may be entered into between KEE Guangdong and the Lingfeng Trading Group for the transactions contemplated under the Master Agreement.

ANNUAL CAPS

The business relationship between the Group and the Lingfeng Trading Group began in 2012.

The historical amounts paid or payable by the Group to the Lingfeng Trading Group for each of the two years ended 31 December 2013 were approximately:

	For the year ended 31 December	
	2012	2013
	RMB 2,734,767.88*	RMB 760,915.91

* The amount represents the historical amount paid or payable by the Group to the Lingfeng Trading Group before 31 August 2012, and Lingfeng Trading did not hold any interest in KEE Jingmen during the period.

The total amount payable by KEE Guangdong to the Lingfeng Trading Group for the transactions contemplated under the Master Agreement for each of the three years ending 31 December 2014, 31 December 2015 and 31 December 2016 shall not exceed RMB5,000,000 (equivalent to approximately HK\$6,250,000).

The Company has determined the above annual caps based on the following factors:

- (a) the historical amounts paid or payable by the Group to the Lingfeng Trading Group for each of the two years ended 31 December 2012 and 31 December 2013
- (b) the estimated processing fees to be charged by the Lingfeng Trading Group for the provision of the processing services in connection with flat knit ribs for each of the three years ending on 31 December 2014, 31 December 2015 and 31 December 2016;
- (c) the estimated amount of the products, equipment and/or spare parts to be supplied by the Lingfeng Trading Group for each of the three years ending on 31 December 2014, 31 December 2015 and 31 December 2016; and
- (d) the business development of the Company.

Reasons for and benefits of the entering into of the Master Agreement

The Company is principally engaged in the manufacture and sale of zipper products and flat knit rib.

The Lingfeng Trading Group is principally engaged in the business of flat knit rib. Lingfeng Trading has held 20% interest in KEE Jingmen since 31 August 2012.

Due to the limitation of the models and specifications of the Group's equipment, the Group has to outsource certain customer orders to the third parties for processing or production based on the design and technical requirements of the Company.

The Board notes that the Lingfeng Trading Group is experienced in processing flat knit ribs and considers they are qualified to (i) provide the processing services in connection with the production of flat knit ribs and (ii) supply flat knit ribs, equipment and/or spare parts to the Group. On such basis, the Group entered into the Master Agreement with Lingfeng Trading.

The Directors (including the independent non-executive Directors) are of the view that the Master Agreement has been entered into on normal commercial terms, and the terms thereof are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Lingfeng Trading holds 20% of the interest in KEE Jingmen, a direct non-wholly owned subsidiary of KEE Guangdong and an indirect non-wholly owned PRC subsidiary of the Company. Under the Listing Rules, Lingfeng Trading is a connected person of the Company. The entering into of the Master Agreement therefore constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the transactions contemplated under the Master Agreement on an annual basis are more than 0.1% but are less than 5% and such transactions are conducted on normal commercial terms, the Master Agreement is subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As no Director has any material interest in the Master Agreement, none of the Directors has abstained from voting on the board resolution approving the Master Agreement.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	KEE Holdings Company Limited (開易控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to that term under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“KEE Jingmen”	KEE (Jingmen) Garment Accessories Company Limited#(開易(荊門)服裝配件有限公司), a company incorporated in the PRC with limited liability
“KEE Guangdong”	KEE (Guangdong) Garment Accessories Company Limited# (開易(廣東)服裝配件有限公司), a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of the Company
“Lingfeng Trading”	Shanghai Lingfeng Trading Company Limited# (上海翎峰貿易有限公司), a company incorporated in PRC with limited liability
“Lingfeng Trading Group”	Lingfeng Trading and its subsidiaries

“Master Agreement”	an agreement dated 18 July 2014 and entered into between Lingfeng Trading and KEE Guangdong pursuant to which the Lingfeng Trading Group will (i) provide the processing services in connection with flat knit ribs to KEE Guangdong; (ii) sell flat knit ribs to KEE Guangdong and/or (iii) supply equipment or spare parts to KEE Guangdong on an ongoing or continuing basis for three years ending 31 December 2016
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.25. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

the English translations of Chinese names or words in this circular, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

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

Hong Kong, 18 July 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.