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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)**

**(I) ADOPTION OF RISK-RELATED INVESTMENT MANAGEMENT POLICY  
AND  
(II) DISCLOSEABLE TRANSACTION:  
SUBSCRIPTION OF PRINCIPAL-PRESERVATION STRUCTURED  
DEPOSIT PRODUCT**

**ADOPTION OF RISK-RELATED INVESTMENT MANAGEMENT POLICY**

The Board announces that on 3 March 2015, it was unanimously resolved by all of the Directors (including all the independent non-executive Directors) that in order to improve the capital usage efficiency and generate investment return from the Group's idle funds, the Group might engage in risk-related investments including investments in securities, real estate and trust products and other acts of risk-related investment which may be recognized by the Stock Exchange. Investment in securities includes investment in domestic and overseas stocks, securities investment funds and other negotiable securities and their derivatives as well as wealth management products with stocks, interest rate or exchange rate as investment subjects and their derivatives bought from banks and other financial institutions.

In order to standardize the risk-related investment management, raise the operational efficiency of funds, strengthen risk control, prevent investment risks, the Company has adopted the Risk-related Investment Management Policy.

**DISCLOSEABLE TRANSACTION: SUBSCRIPTION OF PRINCIPAL-PRESERVATION  
STRUCTURED DEPOSIT PRODUCT**

The Board is pleased to announce that on 4 March 2015, the Subscriber, an indirect wholly-owned subsidiary of the Company entered into the Structured Deposit Agreement with the Bank for the Subscription at a subscription amount of RMB12,000,000 (equivalent to approximately HK\$15,000,000) which was financed by the idle funds of the Group.

As the relevant percentage ratio(s) calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements, but is exempted from the Shareholders' approval under Chapter 14 of the Listing Rules.

## **ADOPTION OF RISK-RELATED INVESTMENT MANAGEMENT POLICY**

The Board announces that on 3 March 2015, it was unanimously resolved by all of the Directors (including all the independent non-executive Directors) that in order to improve the capital usage efficiency and generate investment return from the Group's idle funds, the Group should be permitted to engage in risk-related investments including investments in securities, real estate and trust products and other acts of risk-related investment which may be recognized by the Stock Exchange. Investment in securities includes investment in domestic and overseas stocks, securities investment funds and other negotiable securities and their derivatives as well as wealth management products with stocks, interest rate or exchange rate as investment subjects and their derivatives bought from banks and other financial institutions.

In order to standardize the risk-related investment management, raise the operational efficiency of funds, strengthen risk control and prevent investment risks, the Company has adopted the Risk-related Investment Management Policy.

The principal provisions of the Risk-related Investment Management Policy are as follows:

### **Applicability**

The Risk-related Investment Management Policy is applicable to the Company as well as all subsidiaries wholly-owned or controlled by the Company. Under the Risk-related Investment Management Policy, no wholly-owned nor controlled subsidiaries of the Company shall carry out risk-related investment without the consent of the Company.

The following investment circumstances relating to the principal business of the Company are not risk-related investment covered under the Risk-related Investment Management Policy:

- (i) acts of investment for the purpose of expanding the production scale of the main business or extend the industry chain; and
- (ii) purchase of shares of another listed company exceeding 10% of the total issued share capital for strategic investment purposes, which will be held for more than 3 years.

## **Investment principles**

According to the Risk-related Investment Management Policy, the risk-related investment of the Group must follow the following principles:

- (i) the risk-related investment must follow the related provisions of the laws and regulations and regulatory documents of the State;
- (ii) The risk-related investment must be prudent, the risk control must be strengthened, and the benefits must be reasonably assessed;
- (iii) The risk-related investment must be suitable for the structure of the assets of the Group, the scale must be appropriate, investment must be made within its capability, it shall not affect the normal operation of the principal business, nor will it become the principal business of the Group;
- (iv) the Group shall only use its own funds for risk-related investment. The funds raised by the listing, the funds from the loans and funds raised by financing channels shall not be used for risk-related investment; and
- (v) the risk-related investment must only be made provided that it will not affect the working capital of the Group and any payment of dividend already declared for distribution.

## **Management body and duties**

According to the Risk-related Investment Management Policy:

- (i) the chairman of Company is the first person in charge for the risk-related investment management, he will sign the agreements, contracts related to risk-related investment within the authority granted by the Board or shareholders' meeting;
- (ii) the chief executive officer of the Company is the direct person in charge for the arrangement and implementation of risk-related investment projects;
- (iii) the finance department of the Company is responsible for the study, negotiation, assessment and execution of risk-related investment projects. Also, the finance department of the Company is responsible for the fund application management of risk-related investment projects;
- (iv) the Company secretary is responsible for the disclosure of information of risk-related investment projects;
- (v) the audit department is responsible for the audit and supervision of risk-related investment projects. It must conduct full inspection of all risk-related investment projects at the end of the year (or in the middle of the year if necessary), forecast the probable income and losses of all risk-related investment, and report to the audit committee;

- (vi) the chief financial officer is responsible for monitoring at all times types of investment to be made, reporting on the investment goals, trading strategies of the investment expected to be made and the target industries, monitoring the use of the idle funds in compliance with treasury policy adopted by the Company from time to time, and formulating a stop-loss limit in this regard; and
- (vii) the chief financial officer must report to the board of directors at least once a month on the investment performance, and implement from time to time any monitoring measures that the board of directors considers as appropriate and necessary.

### **Decision-making procedures and approval authority**

The finance department shall conduct preliminary study, negotiation and assessment (including but not limited to the legality of the prospective investment projects, market outlook and future growth, investment income and risk alert and investment scale of risk management projects, carry out feasibility studies, prepare project proposals and shall report to the chief executive officer.

The chief executive officer shall arrange the related departments and personnel to carry out evaluation and examination of the prospective investment projects (if necessary, external firms or experts can be engaged for consultation and examination of the prospective investment projects), determine the establishment of the projects, prepare proposals on the risk-related investment projects and shall report to the chairman.

The audit department shall carry out pre-audit of the projects already set up for investment, issue audit opinion and give feedback to the chairman.

Any risk-related investment with all the percentage ratios under Chapter 14 of the Listing Rules lower than 5% based on the total amount incurred shall require no prior consideration and approval by the Board.

Any risk-related investment with any of the percentage ratios under Chapter 14 of the Listing Rules being 5% or more but lower than 25% based on the total amount incurred shall be considered and approved by the Board.

Any risk-related investment with any of the percentage ratios under Chapter 14 of the Listing Rules being 25% or more based on the total amount incurred shall be submitted to the Shareholders' meeting for consideration and approval after being considered and approved by the Board.

When the Board considers the risk-related investment matters, the independent Directors should make independent opinion on whether or not the approval procedures comply with the regulations, whether there is proper internal control procedures and the impact on the Company etc.

## **Disposal work flow**

When the Group disposes of risk-related investment projects, the finance department should carry out analysis, examination of the risk-related investment projects to be disposed of and issue analysis reports. After the chief executive officer has reviewed the reports, they are submitted to the chairman. After the chairman has reviewed and approved the projects, then they are submitted to the Board or the shareholders' meeting for consideration.

The finance department should make accounting verification of the risk-related investment projects to be disposed of, and inspect, monitor their authenticity, legality to prevent loss of the assets of the Group.

After the disposal of risk-related investment projects are completed, the Company should carry out inspection of the risk-related investment projects, compute the investment income or loss, and identify the problems during the project execution process, and report to the board in writing.

## **Information disclosure**

The Company must strictly discharge the obligation of disclosure of the risk-related investment information according to the Listing Rules and the related laws and regulations, regulatory documents and the provisions in the Articles of Association of the Company, etc.

## **DISCLOSEABLE TRANSACTION: SUBSCRIPTION OF PRINCIPAL-PRESERVATION STRUCTURED DEPOSIT PRODUCT**

The Board is pleased to announce that on 4 March 2015, the Subscriber, an indirect wholly-owned subsidiary of the Company entered into the Structured Deposit Agreement with the Bank for the Subscription at a subscription amount of RMB12,000,000 (equivalent to approximately HK\$15,000,000) which was financed by the idle funds of the Group.

### **Principal terms of the Structured Deposit Agreement**

The principal terms of the Structured Deposit Agreement are as follows:

**Date:** : 4 March 2015

**Parties** : The Subscriber as subscriber

The Bank as the bank

The Bank is a licensed bank incorporated under the laws of the PRC. The Bank is principally engaged in commercial and retail banking business in the PRC and is regulated by the China Banking Regulatory Commission.

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Bank and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

- Type of the Structured Deposit** : Principal-preservation and floating income structured product
- Principal amount of the Structured Deposit** : RMB12,000,000 (equivalent to approximately HK15,000,000), which shall be deposited into the bank account maintained with the Bank within 1 working days prior to the commencement of the term of the Structured Deposit Agreement.
- Term** : 90 days commencing from 5 March 2015 to 3 June 2015
- Income** : The aggregate of the fixed income and floating income shall be calculated in accordance with the following formulae:

Fixed income

Fixed income = Principal amount of the Structured Deposit x 2.7% x D/365

Floating income

If on the Target Date, the London Gold Fixing Price is more than or equal to US\$2,650 per troy ounce, then:

Floating income = Principal amount of the Structured Deposit x 1.90% x D/365

If on the Target Date, the London Gold Fixing Price is more than or equal to US\$390 per troy ounce but less than US\$2,650 per troy ounce, then:

Floating income = Principal Amount of the Structured Deposit x 1.70% x D/365

If on the Target Date, the London Gold Fixing Price is less than US\$390 per troy ounce, then:

Floating income = 0

For the purpose of the above formulae:-

D = The number of days elapsed commencing from 5 March 2015 up to but excluding the maturity date of the Structured Deposit (or the early termination date as the case may be)

- Management fee** : No management fee or other fee shall be payable by the Subscriber to the Bank in relation to the Subscription
- Repayment of the principal amount of the Structured Deposit and the income** : The principal of the Structured Deposit and the income gained shall be paid by the Bank at the end of the term of the Structured Deposit in one lump sum
- Early termination** : The Structured Deposit Agreement may be terminated by the Bank (but not the Subscriber) by giving two working days' prior written notice to the Subscriber.

In the event that the Structured Deposit Agreement is terminated, the Bank shall return the Structured Deposit in full and pay the income gained under the Structured Deposit Agreement as at the date of such termination to the Subscriber within three working days after such termination. The Subscriber shall have no claim against the Bank for damages and compensation.

The Subscriber has undertaken that it will not close the account maintained with the Bank in relation to the Subscription during the term of the Structured Deposit Agreement.

## **REASONS AND BENEFITS FOR ENTERING INTO THE STRUCTURED DEPOSIT AGREEMENT**

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

In view that the product under the Structured Deposit Agreement is a principal-preservation with floating income product which provides a reasonable return on the idle funds of the Group, the Directors are of the view that the Structured Deposit Agreement has been entered into on normal commercial terms, and the terms thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **IMPLICATION OF THE LISTING RULES**

As the relevant percentage ratio(s) calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the reporting and announcement requirements, but is exempted from the Shareholders' approval under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Bank”	Industrial Bank Co., Limited, a licensed bank incorporated in the PRC
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“London Gold Fixing Price”	the afternoon fixing price of gold per troy ounce quoted in US\$ by The London Gold Market Fixing Limited (published by the London Bullion Market Association usually at 3:00 p.m.)
“PRC”	the People’s Republic of China which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Risk-related Investment Management Policy”	the policy adopted by the Company on 3 March 2015 to regulate the risk-related investment of the Group
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposit”	principal-preservation and floating income structured deposit product of RMB12,000,000 offered by the Bank



“Structured Deposit Agreement”	the Structured Deposit Agreement entered into between the Subscriber and the Bank dated 4 March 2015 in relation to the Subscription
“Subscriber”	開易(廣東)服裝配件有限公司 (KEE (Guangdong) Garment Accessories Limited*), a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company
“Subscription”	the subscription of the Structured Deposit
“Target Date”	means 10 April 2015 or the date of the early termination of the Structured Deposit Agreement if prior to 10 April 2015
“working day(s)”	means the working day(s) for the PRC prescribed by the International Swaps and Derivatives Association
“%”	per cent
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States of America

*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 translation of Chinese names or words in this announcement, 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, 4 March 2015

*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 nonexecutive Directors are Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy.*