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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)

HOLDING ANNOUNCEMENT

Reference is made to the announcements of KEE Holdings Company Limited (the “**Company**”) dated 10 July 2015, 29 July 2015 and 10 August 2015 (the “**Previous Announcements**”) pursuant to Rules 3.7 and 3.8 of the Takeovers Code. Unless otherwise defined, terms used in this announcement shall have the same meanings as those used in the Previous Announcements.

The Company makes this holding announcement to inform the shareholders of the Company (the “**Shareholders**”) and potential investors, amongst others, the status of the Possible Transaction.

SALE AND PURCHASE AGREEMENT

The Board has been informed by Nicco that Nicco as vendor, Glory Emperor Trading Limited (the “**Purchaser**”) as purchaser and Mr. Xu Xipeng and Mr. Xu Xinan as guarantors entered into a conditional sale and purchase agreement (the “**Sale and Purchase Agreement**”) on 19 August 2015, pursuant to which Nicco conditionally agreed to sell and the Purchaser conditionally agreed to purchase in aggregate 310,490,000 Shares, representing approximately 72.789% of the issued share capital of the Company as at the date of the Sale and Purchase Agreement, for a consideration of HK\$707,575,661 (equivalent to HK\$2.2789 per Share). If the Sale and Purchase Agreement is completed, the Purchaser will make mandatory unconditional cash offers (the “**Possible Offers**”) for the relevant securities of the Company pursuant to Rule 26 of the Takeovers Code. The Purchaser is a special purpose vehicle designated and indirect wholly owned by Zhonghong Holding Co., Ltd. (中弘控股股份有限公司), a company listed on Shenzhen Stock Exchange with the code of 000979.

WARNING: THE POSSIBLE OFFERS ARE POSSIBILITIES ONLY. AS THE POSSIBLE OFFERS WILL ONLY BE MADE, AMONG OTHERS, AFTER THE COMPLETION OF THE SALE AND PURCHASE AGREEMENT AND THE COMPLETION OF THE DISPOSAL AGREEMENTS (AS DEFINED BELOW), WHICH ARE SUBJECT TO A NUMBER OF

CONDITIONS, THE POSSIBLE OFFERS MAY OR MAY NOT PROCEED. SHAREHOLDERS AND POTENTIAL INVESTORS ARE THEREFORE ADVISED TO EXERCISE CAUTION WHEN DEALING IN THE SHARES OF THE COMPANY, AND IF THEY ARE IN DOUBT ABOUT THEIR POSITION, THEY SHOULD CONSULT THEIR PROFESSIONAL ADVISERS.

THE DISPOSAL AGREEMENTS – MAJOR AND CONNECTED TRANSACTIONS, CONTINUING CONNECTION TRANSACTIONS AND SPECIAL DEALS

On the same day, the Group entered into the following agreements:

- (a) A disposal agreement (the “**KEE BVI Disposal Agreement**”) between the Company as vendor and Nicco as purchaser, pursuant to which the Company conditionally agreed to sell and Nicco conditionally agreed to purchase 15% of the issued share capital of KEE International (BVI) Limited (the “**KEE BVI**”), a direct wholly-owned subsidiary of the Company (the “**KEE BVI Disposal**”);
- (b) A master disposal agreement (the “**PRC Master Disposal Agreement**”) between the Company as vendor and 佛山市南海今和明投資有限公司 (Foshan City Nanhai Jinheming Investment Company Limited#) (“**Nanhai Jinheming**”) as purchaser, pursuant to which the Company agreed to (i) procure 開易(廣東)服裝配件有限公司 (KEE (Guangdong) Garment Accessories Limited#), an indirect wholly-owned subsidiary of the Company, to sell and Nanhai Jinheming agreed to purchase 80% of the equity interest in 開易(荊門)服裝配件有限公司 (KEE (Jingmen) Garment Accessories Limited#) (“**KEE Jingmen**”), an indirect non-wholly owned subsidiary of the Company; and (ii) procure 開易(浙江)服裝配件有限公司 (KEE (Zhejiang) Garment Accessories Limited#) (“**KEE Zhejiang**”), an indirect wholly-owned subsidiary of the Company, to sell and Nanhai Jinheming agreed to purchase the land use rights of the piece of land located at 中國浙江省嘉善縣魏塘鎮魏中村 (Weizhongcun, Weitangzhen, Jiashan county, Zhejiang Province, PRC) (the “**Land**”) and the seven blocks of buildings and the facilities including greening, the laying of pipes, networks roads located at the Land (together with the Land, the “**PRC Properties**”) (collectively, the “**PRC Assets Disposal**”) and it has been agreed that the PRC Properties shall be leased back by Nanhai Jinheming to KEE Zhejiang after completion of the disposal of the PRC Properties; and
- (c) the disposal agreement (the “**HK Disposal Agreement**”, together with the KEE BVI Disposal Agreement and the PRC Master Disposal Agreement, the “**Disposal Agreements**”) between KEE Zippers Corporation Limited (“**KEE Zippers**”), an indirect wholly-owned subsidiary of the Company, as vendor and Classic Winner Limited (“**Classic Winner**”) as purchaser, pursuant to which the KEE Zippers agreed to sell and Classic Winner agreed to purchase an office situated at Office B on the sixteenth floor of YHC Tower, Nos. 1, 1A and 1B Sheung Yuet Road, Kowloon, Hong Kong (the “**HK Property**”) (the “**HK Property Disposal**” together with the KEE BVI Disposal and the PRC Assets Disposal, the “**Disposals**”) and it has been agreed that the HK Property shall be leased back by Classic Winner to KEE Zippers after completion of the disposal of the HK Property.

As at the date of the Disposal Agreements, (i) Nicco is beneficially owned as to 49.75%, 49.75% and 0.5% by Mr. Xu Xipeng, Mr. Xu Xinan and Mr. Chow Hoi Kwang, Albert, respectively; (ii) Nanhai Jinheming is beneficially owned as to 50% by Mr. Xu Xipeng and as to 50% by Mr. Xu Xinan; and (iii) Classic Winner is owned as to 50% by Mr. Xu Xipeng and as to 50% by Mr. Xu Xinan.

As such, each of Nicco, Nanhai Jinheming and Classic Winner is a connected person of the Company and the Disposals constitute connected transactions and the leaseback arrangements for the PRC Properties and the HK Property constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Disposals in aggregate exceeds 25% but less than 75%, the Disposals also constitute major transactions for the Company pursuant to the Listing Rules.

The Disposals and the leaseback arrangements for the PRC Properties and the HK Property also constitute special deals under Note 4 to Rule 25 of the Takeovers Code and require, among other things, the consent of the Executive and the approval of the independent Shareholders.

The Sale and Purchase Agreement and the Disposal Agreements are inter-conditional but not conditional upon the closing of the Subscription (as defined below).

SUBSCRIPTION AGREEMENT

On 20 August 2015, the Company as issuer and the Purchaser as subscriber entered into a subscription agreement, pursuant to which the Company conditionally agreed to issue, and the Purchaser conditionally agreed to subscribe for, in cash, up to HK\$600,000,000 aggregate principal amount of zero per cent coupon convertible bonds with an initial conversion price of HK\$0.96 per Share (the “**Subscription**”).

The Subscription is conditional upon, amongst others, the closing of the Sale and Purchase Agreement and the Disposal Agreements.

A joint announcement setting out the details of the above transactions (the “**Joint Announcement**”) will be published by the Purchaser and the Company in accordance with the Listing Rules and the Takeovers Code as soon as practicable.

Trading in the Shares has been suspended since 1:00 p.m. on 29 June 2015 and will remain suspended pending the publication of the Joint Announcement.

The English translation or transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purposes only, and should not be regarded as the official English name(s) of such Chinese name(s).

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

Hong Kong, 20 August 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 non-executive Directors are Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy.

All the Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.