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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
IN RELATION TO THE FRAMEWORK COOPERATION AGREEMENT**

FRAMEWORK COOPERATION AGREEMENT

The Board is pleased to announce that on 29 July 2016 (after trading hours), Tianjin Vitality, an indirect wholly-owned subsidiary of the Company, and Zhonghong entered into the Framework Cooperation Agreement, pursuant to which Zhonghong has agreed to engage Tianjin Vitality as the exclusive agent for the sales of the property projects developed by the Zhonghong Group including the related sales planning, organisation, promotion and sales activities for the period commencing from the Effective Date to 30 June 2017.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhonghong, which indirectly owns 75% of the issued share capital of the Company, is a controlling Shareholder. Accordingly, Zhonghong is a connected person of the Company and the entering into of the Framework Cooperation Agreement constitutes a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the transactions contemplated under the Framework Cooperation Agreement (when aggregated with the transactions contemplated under the Cooperation Agreement) exceeds 25%, the continuing connected transaction contemplated under the Framework Cooperation Agreement is subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The EGM will be convened at which a resolution will be proposed to seek the Independent Shareholders' approval of the Framework Cooperation Agreement and the transactions contemplated thereunder (including but not limited to the annual cap).

A circular containing, among other matters, (i) further details of the Framework Cooperation Agreement; (ii) the letter from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders; and (iv) a notice to convene the EGM will be despatched to the Shareholders on or before 19 August 2016.

FRAMEWORK COOPERATION AGREEMENT

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The principal terms of the Framework Cooperation Agreement are summarised as follows:

Date: 29 July 2016 (after trading hours)

Parties: (i) Tianjin Vitality, an indirect wholly-owned subsidiary of the Company; and

(ii) Zhonghong

Zhonghong is a company established in the PRC with its headquarters in Beijing. As at the date of this announcement, Zhonghong, which indirectly owns 75% of the issued share capital of the Company, is a controlling Shareholder. Zhonghong is therefore a connected person of the Company. Zhonghong is principally engaged in the business of real estate development in various cities and provinces in the PRC including Beijing, Jilin, Zhejiang, Shandong and Hainan.

Term: From the Effective Date to 30 June 2017

Effective Date: The Framework Cooperation Agreement shall become effective from the date on the passing of the ordinary resolution by the Independent Shareholders at the EGM to approve the Framework Cooperation Agreement and the transactions contemplated thereunder (the “**Independent Shareholders’ Approval**”) (except for the confidentiality, dispute resolution and legal effect provisions which shall be effective from the date of execution).

Scope of services: Pursuant to the Framework Cooperation Agreement, Zhonghong has agreed to engage Tianjin Vitality as the exclusive agent for the sales of the property projects developed by the Zhonghong Group including the related sales planning, organization and promotion activities.

Management of sales personnel: Tianjin Vitality shall be responsible for the allocation of sales personnel for the property projects and be also responsible for the organisation, management and assessment of such sales personnel. Tianjin Vitality may from time to time engage third party sales agents for the sales of the property projects developed by the Zhonghong Group and shall be responsible for the management of these third party sales agents.

Advertising and promotion: Tianjin Vitality has the right to formulate sales plan and conduct advertising and promotion based on the actual circumstances. Unless otherwise agreed by Zhonghong and Tianjin Vitality, the advertising and promotion expenses shall be borne by Tianjin Vitality.

Sale price: The Zhonghong Group shall be entitled to request Tianjin Vitality to sell the property projects at a price not less than the amount agreed by the Zhonghong Group and Tianjin Vitality (the “**Minimum Sales Price**”).

Commission: The Zhonghong Group shall pay to Tianjin Vitality a commission (the “**Commission**”) ranging from 5.5% to 6.5% of the sales amount received by the Zhonghong Group for the sales of properties. The actual amount of the rate of the Commission will be determined based on the factors including the type, location and construction progress of the respective property projects.

Excess sales fee: If the property projects developed by the Zhonghong Group are sold at a price exceeding the Minimum Sales Price, Tianjin Vitality shall be entitled to receive an excess sales fee (the “**Excess Sales Fee**”) equal to 20% to 40% of the excess sales amount received by the Zhonghong Group. The actual amount of the rate of the Excess Sales Fee will be determined based on the factors including the type, location and construction progress of the respective property projects.

Payment: Tianjin Vitality and Zhonghong shall determine the total Commission and Excess Sales Fee payable to Tianjin Vitality for the previous month on or before the fifth calendar day of each month.

If the sales are arranged by Tianjin Vitality, the Commission and the Excess Sales Fee for the previous month shall be payable by the Zhonghong Group to Tianjin Vitality on or before the 15th calendar day of each month.

If the sales are arranged by a third party sale agent, Tianjin Vitality can request the Zhonghong Group to pay the Commission and the Excess Sales Fee in one of the following manners:

- (i) the Zhonghong Group shall pay the Commission and the Excess Sales Fee for the previous month to Tianjin Vitality on or before the 15th calendar day of each month and Tianjin Vitality shall pay the commission to the third party agent by itself in accordance with its agreement with the third party agent; or
- (ii) the Zhonghong Group shall pay the commission to the third party agent within the period as notified by Tianjin Vitality and shall pay the balance of the Commission and the Excess Sales Fee (after deduction of the commission payable to the third party agent) for the previous month to Tianjin Vitality on or before the 15th calendar day of each month.

Termination: Either party may terminate the Framework Cooperation Agreement by one-month notice in writing.

If the Independent Shareholders’ Approval is not obtained at the EGM on or before 30 September 2016 or such other date as Zhonghong and Tianjin Vitality may agree in writing, the Framework Cooperation Agreement shall terminate with immediate effect.

The rates of the Commission and the Excess Sales Fee were arrived at after arm's length negotiations between Tianjin Vitality and Zhonghong and based on the prevailing market rate, which will not be lower than the rates of commission and excess sales fee to be charged by Tianjin Vitality for similar services to be provided to third parties independent of and not connected with the Company and its connected persons.

ANNUAL CAP

Pursuant to the Framework Cooperation Agreement, the maximum annual aggregate amount payable by Zhonghong Group to Tianjin Vitality under the Framework Cooperation Agreement during the term of the Framework Cooperation Agreement shall not exceed RMB130,000,000 (equivalent to approximately HK\$152,100,000). The annual cap was determined with reference to the estimation of the total amount of the Commission and the Excess Sales Fee payable by the Zhonghong Group to Tianjin Vitality during the term of the Framework Cooperation Agreement based on the type, location, construction progress and estimated sales prices of the property projects developed by the Zhonghong Group. Save for the services to be provided by Tianjin Vitality to the Zhonghong Group under the Cooperation Agreement, Tianjin Vitality has not provided services similar to those under the Framework Cooperation Agreement to the Zhonghong Group before entering into the Framework Cooperation Agreement.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE FRAMEWORK COOPERATION AGREEMENT

The Group is principally engaged in manufacturing finished zippers and other garment accessories in China. As disclosed in the announcement of the Company dated 12 July 2016, in order to diversify and expand the business scope of the Group, Tianjin Vitality was established in the PRC with business scope in enterprise sales planning, enterprise image planning, business information consultation, conference services, exhibition display services, real estate information consultation and real estate agency.

The Zhonghong Group currently has property projects in various cities and provinces in the PRC including Beijing, Jilin, Zhejiang, Shandong and Hainan.

The Directors consider that the entering into of the Framework Cooperation Agreement would provide a good opportunity for the Group to develop its real estate agency business and provide a new income stream to the Group by acting as the exclusive agent for the sales of the property projects developed by the Zhonghong Group. Having considered the factors as mentioned above, the Directors (excluding the independent non-executive Directors whose views will be given after considering the recommendation from the independent financial adviser of the Company) are of the view that the Framework Cooperation Agreement and the transactions contemplated thereunder (including the annual cap) are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

None of the Directors of the Company has material interest in the Framework Cooperation Agreement and the transactions contemplated thereunder and hence no Director is required to abstain from voting on the relevant resolutions of the Board approving the same.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhonghong, which indirectly owns 75% of the issued share capital of the Company, is a controlling Shareholder. Accordingly, Zhonghong is a connected person of the Company and the entering into of the Framework Cooperation Agreement constitutes a continuing connected transaction on the part of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios as defined under the Listing Rules in respect of the transactions contemplated under the Framework Cooperation Agreement (when aggregated with the transactions contemplated under the Cooperation Agreement) exceeds 25%, the continuing connected transaction contemplated under the Framework Cooperation Agreement is subject to reporting, announcement, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The EGM will be convened at which a resolution will be proposed to seek the Independent Shareholders' approval of the Framework Cooperation Agreement and the transactions contemplated thereunder (including but not limited to the annual cap).

Zhonghong, which has a material interest in the Framework Cooperation Agreement, and its associates are required to abstain from voting on the proposed resolution to approve the Framework Cooperation Agreement and the transactions contemplated thereunder (including but not limited to the annual cap) at the EGM. Save for the aforesaid and to the best knowledge of the Company, as at the date of this announcement, no other Shareholder has material interest in the Framework Cooperation Agreement and therefore no other Shareholder is required to abstain from voting on the proposed resolution to approve the Framework Cooperation Agreement and the transactions contemplated thereunder (including but not limited to the annual cap) at the EGM.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders as to whether the Framework Cooperation Agreement and the transactions contemplated thereunder (including the annual cap) are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole, and as to how to vote on the proposed resolution to approve the Framework Cooperation Agreement and the transactions contemplated thereunder (including the annual cap) at the EGM. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other matters, (i) further details of the Framework Cooperation Agreement; (ii) the letter from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders; and (iv) a notice to convene the EGM will be despatched to the Shareholders on or before 19 August 2016.

DEFINITIONS

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

“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	KEE Holdings Company 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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the cooperation agreement dated 12 July 2016 and entered into between Tianjin Vitality and 御馬坊置業有限公司 (Yumafang Property Company Limited [#]), a company established in the PRC with limited liability which is indirectly wholly-owned by Zhonghong, the details of which were set out in the announcement dated 12 July 2016 of the Company
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Framework Cooperation Agreement becomes effective pursuant to the terms of the Framework Cooperation Agreement
“Framework Cooperation Agreement”	the framework agreement dated 29 July 2016 entered into between Tianjin Vitality and Zhonghong in respect of the engagement of Tianjin Vitality as the exclusive agent for the sales of the property projects developed by the Zhonghong Group including the related sales planning, organisation, promotion and sales activities for the period commencing from the Effective Date to 30 June 2017
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors established for the purpose of advising the Independent Shareholders as to whether the Framework Cooperation Agreement and the transactions contemplated thereunder (including the annual cap) are fair and reasonable, on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole, and as to how to vote on the proposed resolution to approve the Framework Cooperation Agreement and the transactions contemplated thereunder (including the annual cap) at the EGM
“Independent Shareholder(s)”	Shareholder(s) (other than Zhonghong and its associates) who are not prohibited under the Listing Rules from voting at the EGM to approve the Framework Cooperation Agreement and the transactions contemplated hereunder (including the annual cap)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Vitality”	天津活力營銷顧問有限公司 (Tianjin Vitality Marketing Consultancy Company Limited [#]), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Zhonghong”	中弘控股股份有限公司 (Zhonghong Holding Co., Limited [#]), a joint stock company established under the laws of the PRC with limited liability, the shares of which are quoted on the Shenzhen Stock Exchange (Stock code: 000979.SZ)
“Zhonghong Group”	Zhonghong and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency in the PRC
“%”	per cent

For ease of reference and unless otherwise specified in this announcement, sums in HK\$ and RMB in this announcement have been translated at the rate RMB1.0 = HK\$1.17. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.

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
Wu David Hang
Chairman

Hong Kong, 29 July 2016

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Mr. Wu David Hang

Mr. Hou Jian

Independent non-executive Directors:

Mr. Wong Yik Chung John

Mr. Tse Calvin Kai Chuen

Mr. Leung Ka Tin