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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 TRANSACTIONS
LEASE RENEWAL AGREEMENTS**

LEASE RENEWAL AGREEMENTS

The Board is pleased to announce that, on 16 January 2017, (i) Classic Winner as lessor and KEE Zippers, an indirect wholly-owned subsidiary of the Company, entered into the HK Lease Renewal Agreement in relation to the renewal of the lease of the HK Property for a term of three years commencing from 16 January 2017; and (ii) Nanhai Jinheming as lessor and KEE Zhejiang, an indirect wholly-owned subsidiary of the Company, as lessee entered into the PRC Lease Renewal Agreement in relation to the renewal of the lease of the PRC Properties for a term of three years commencing from 16 January 2017.

LISTING RULES IMPLICATIONS

Classic Winner and Nanhai Jinheming are owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, who are directors of KEE BVI and KEE Zippers were executive Directors of the Company in the past 12 months. Classic Winner and Nanhai Jinheming are therefore connected persons of the Company, and the Lease Renewal Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios under Chapter 14A of the Listing Rules for the transactions contemplated under the Lease Renewal Agreements in aggregate, on an annual basis, are below 5% but the maximum annual aggregate amounts payable under the Lease Renewal Agreements exceed HK\$3,000,000, the transactions contemplated under the Lease Renewal Agreements are subject to the reporting, announcement and annual review requirements, but are exempt from independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

None of the Directors of the Company has material interest in the Lease Renewal Agreements 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.

INTRODUCTION

Reference is made to the Circular and the announcement of the Company dated 13 January 2016 in relation to, among other matters, the Lease Agreements and the completion of the Disposals.

After arm's length negotiations, the Board is pleased to announce that on 16 January 2017:

- (i) Classic Winner as lessor and KEE Zippers, an indirect wholly-owned subsidiary of the Company, as lessee entered into the HK Lease Renewal Agreement in relation to the renewal of the lease of the HK Property for a term of three years commencing from 16 January 2017; and
- (ii) Nanhai Jinheming as lessor and KEE Zhejiang, an indirect wholly-owned subsidiary of the Company, as lessee entered into the PRC Lease Renewal Agreement in relation to the renewal of the lease of the PRC Properties for a term of three years commencing from 16 January 2017.

The principal terms of the Lease Renewal Agreements are set out below:

HK LEASE RENEWAL AGREEMENT

Date:	16 January 2017
Parties:	(1) Classic Winner, a company owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, as lessor; and (2) KEE Zippers, an indirect wholly-owned subsidiary of the Company, as lessee
Premises:	Office B on the sixteenth floor of YHC Tower, No. 1 Sheung Yuet Road, Kowloon, Hong Kong
Leased area:	139.63 sq.m.
Permitted use:	Office and non-domestic use only
Term:	Three years commencing from 16 January 2017

Monthly rent: HK\$51,000 per calendar month (exclusive of government rates, government rent, management fee and all other outgoings) for each and every calendar year payable in advance in cash without any deduction on the 16th day of every calendar month.

The amount of the monthly rent was determined by arm's length negotiations between the lessor and the lessee based on the estimated market rental of the HK Property of HK\$51,000 per month as at 31 December 2016 as determined by an independent valuer.

Management fees, government rates and government rent: Management fees, government rates and government rent shall be payable by KEE Zippers during the term of the HK Lease Renewal Agreement

Deposit: Nil

Historical transaction value

The actual transaction amount and the historical annual cap in relation to the lease of the HK Property for year ended 31 December 2016 was HK\$1.

Annual caps

For each of the three years ending 15 January 2020, the maximum annual aggregate amounts (being the total monthly rent payable per year) payable by KEE Zippers to Classic Winner under the HK Lease Renewal Agreement are as follows:

	annual cap
Year ending 15 January 2018	HK\$612,000
Year ending 15 January 2019	HK\$612,000
Year ending 15 January 2020	HK\$612,000

In arriving at the amount of the monthly rent and the above annual caps, the Directors have taken into account the following factors:

- (a) the estimated market rental of the HK Property of HK\$51,000 per month as at 31 December 2016 as determined by an independent valuer; and
- (b) the monthly rent payable by KEE Zippers to Classic Winner under the HK Lease Renewal Agreement.

PRC LEASE RENEWAL AGREEMENT

- Date: 16 January 2017
- Parties: (1) Nanhai Jinheming, a company owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, as lessor; and
- (2) KEE Zhejiang, an indirect wholly-owned subsidiary of the Company, as lessee
- Premises: the Land and the PRC Buildings
- Leased area: (1) the Land: approximately 32,241.3 sq.m.
- (2) the PRC Buildings: approximately 23,183.43 sq.m.
- Permitted use: Industrial use only
- Term: Three years commencing from 16 January 2017
- Monthly Rent: RMB275,000 (equivalent to approximately HK\$308,000) per month payable in cash within the first 10 working days before the 16th day of each month commencing from 16 January 2017
- The amount of the monthly rent was determined by arm's length negotiations between the lessor and the lessee based on the estimated market rental of the PRC Properties of RMB275,000 per month as at 31 December 2016 as determined by an independent valuer.
- Management fees and other outgoings: Except for the rent, property management fees, water and electricity fees, cable television fees and communication fees which shall be borne and paid by KEE Zhejiang, other fees and expenses in relation to the PRC Properties shall be borne and paid by Nanhai Jinheming (which may include without limitation to property taxes and land use taxes, etc.).
- All fees which shall be borne and paid by Nanhai Jinheming or KEE Zhejiang under the PRC Lease Agreement will not be reimbursed or compensated by the other party to the PRC Lease Renewal Agreement.

Renewal: Upon expiry of the term of lease, KEE Zhejiang has the right to renew the lease for consecutive terms of not more than three years by giving a three months' notice in writing to Nanhai Jinheming before the expiry of the then existing term.

The length of the renewed terms of the lease of the PRC Properties shall not be more than 15 years in aggregate.

The Company will comply with the relevant Listing Rules (including but not limited to making an announcement and obtaining independent Shareholders' approval if necessary) when KEE Zhejiang exercises its right to renew the PRC Lease Renewal Agreement.

Deposit: RMB825,000 (equivalent to approximately HK\$924,000), representing three months' rent under the PRC Lease Renewal Agreement of which RMB200,000 has already been paid under the PRC Lease Agreement. The balance of the deposit shall be payable upon execution of the PRC Lease Renewal Agreement.

Historical transaction value

No rent was paid by KEE Zhejiang to Nanhai Jinheming for the year ended 31 December 2016.

Annual caps

For each of the three years ending 15 January 2020, the maximum annual aggregate amounts (being the aggregate amount of the deposit and the total monthly rent payable per year) payable by KEE Zhejiang to Nanhai Jinheming under the PRC Lease Renewal Agreement are as follows:

annual cap

Year ending 15 January 2018	RMB4,125,000 (equivalent to approximately HK\$4,620,000)
Year ending 15 January 2019	RMB4,125,000 (equivalent to approximately HK\$4,620,000)
Year ending 15 January 2020	RMB4,125,000 (equivalent to approximately HK\$4,620,000)

In arriving at the amount of the monthly rent and the above annual caps, the Directors have taken into account the following factors:

- (a) the estimated market rental of the PRC Properties of RMB275,000 per month as at 31 December 2016 as determined by an independent valuer; and
- (b) the monthly rent and deposit payable by KEE Zhejiang to Nanhai Jinheming under the PRC Lease Renewal Agreement.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE LEASE RENEWAL AGREEMENTS

The Group is principally engaged in the business of producing finished zippers, enterprise sales planning, enterprise image planning, business information consultation, conference services, exhibition display services, real estate information consultation and real estate agency services in China.

Taking into account the market rent of the HK Property and the PRC Properties as determined by the independent valuer and that the Lease Renewal Agreements will allow the Group to continue to use the HK Property and the PRC Properties for its existing business operations, the Board (including the independent non-executive Directors) consider that the terms of the Lease Renewal Agreements are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Classic Winner and Nanhai Jinheming are owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, who are directors of KEE BVI and KEE Zippers and were executive Directors of the Company in the past 12 months. Classic Winner and Nanhai Jinheming are therefore connected persons of the Company, and the Lease Renewal Agreements and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all of the applicable percentage ratios under Chapter 14A of the Listing Rules for the transactions contemplated under the Lease Renewal Agreements in aggregate, on an annual basis, are below 5% but the maximum annual aggregate amounts payable under the Lease Renewal Agreements exceed HK\$3,000,000, the transactions contemplated under the Lease Renewal Agreements are subject to the reporting, announcement and annual review requirements, but are exempt from independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

None of the Directors of the Company has material interest in the Lease Renewal Agreements 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.

DEFINITIONS

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

“Board”	the board of Directors
“Circular”	the circular of the Company dated 21 December 2015 in relation to, among other matters, the Disposals and the Lease Agreements
“Classic Winner”	Classic Winner Limited, a company incorporated in Hong Kong with limited liability, which is owned as to 50% by Mr. Xu Xipeng and as to 50% by Mr. Xu Xinan

“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
“Director(s)”	the director(s) of the Company
“Disposals”	collectively (i) the disposal of the PRC Properties by KEE Zhejiang to Nanhai Jinheming; and (ii) the disposal of the HK Property by KEE Zippers to Classic Winner
“Group”	the Company and its subsidiaries
“HK Lease Agreement”	the lease agreement dated 13 January 2016 and entered into between Classic Winner as lessor and KEE Zippers as lessee in relation to the lease of the HK Property for a term of one year commencing from 13 January 2016
“HK Lease Renewal Agreement”	the lease renewal agreement dated 16 January 2017 and entered into between Classic Winner as lessor and KEE Zippers as lessee in relation to the lease of the HK Property for a term of three years commencing from 16 January 2017
“HK Property”	the Office B on the 16th Floor of YHC Tower, No. 1, Sheung Yuet Road, Kowloon, Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“KEE BVI”	KEE International (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“KEE Zhejiang”	開易(浙江)服裝配件有限公司 (KEE (Zhejiang) Garment Accessories Limited [#]), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“KEE Zippers”	KEE Zippers Corporation Limited (開易拉鏈有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Land”	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 (Weizhong village, Weitang Town, Jiashan County, Zhejiang Province, PRC)
“Lease Agreements”	collectively the HK Lease Agreement and the PRC Lease Agreement

“Lease Renewal Agreements”	collectively the HK Lease Renewal Agreement and the PRC Lease Renewal Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanhai Jinheming”	佛山市南海今和明投資有限公司 (Foshan City Nanhai Jinheming Investment Company Limited [#]), a limited liability company established in the PRC and is owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively
“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
“PRC Buildings”	the seven blocks of buildings and the facilities including greening, the laying of pipes, networks roads located at the Land
“PRC Lease Agreement”	the lease agreement dated 13 January 2016 and entered into between Nanhai Jinheming as lessor and KEE Zhejiang as lessee in relation to the lease of the PRC Properties for a term of one year commencing from 13 January 2016
“PRC Lease Renewal Agreement”	the lease agreement dated 16 January 2017 and entered into between Nanhai Jinheming as lessor and KEE Zhejiang as lessee in relation to the lease of the PRC Properties for a term of three years commencing from 16 January 2017
“PRC Properties”	collectively the Land and the PRC Buildings
“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)
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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\$1.12. 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, 16 January 2017

As at the date of this announcement, the Directors 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