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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)

**MAJOR TRANSACTION IN RELATION TO
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN
NEO OCEAN VENTURES LIMITED**

THE DISPOSAL

The Board is pleased to announce that on 18 July 2017 (after trading hours), the Company as the vendor and the Purchaser as the purchaser entered into the Disposal Agreement, pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Share, representing the entire issued share capital of the Target Company, and the Sale Loan, at the aggregate Consideration of HK\$100,000,000.

Upon Completion, the Target Group will cease to be subsidiaries of the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 25% but are below 75%, the Disposal constitutes a major transaction of the Company and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders have a material interest in the Disposal Agreement and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the Disposal Agreement and the transactions contemplated thereunder. The Company intends to obtain written Shareholder's approval from Glory Emperor, a controlling Shareholder directly holding 326,089,600 Shares, representing approximately 70.16% of the issued share capital of the Company as at the date of this announcement, for approving the Disposal Agreement and the transactions contemplated thereunder in lieu of holding a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules.

In the event that the Company is unable to obtain the written Shareholder's approval from Glory Emperor, an extraordinary general meeting of the Company will be convened as soon as practicable at which ordinary resolution(s) will be proposed for the Shareholders to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder.

GENERAL

A circular of the Company containing, among other matters, further details of the Disposal and any other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 8 August 2017.

Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Disposal Agreement and therefore may or may not occur. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares and other securities of the Company.

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THE DISPOSAL AGREEMENT

- Date:** 18 July 2017 (after trading hours)
- Parties:**
- (1) the Company, as vendor; and
 - (2) Grandcheer Limited, as purchaser.

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

Subject matter

Pursuant to the Disposal Agreement, the Company shall sell as beneficial owner and the Purchaser shall purchase the Sale Share and the Sale Loan. The Sale Share, representing the entire issued share capital of the Target Company, free from all Encumbrances together with all rights now and hereafter attaching thereto including but not limited to all dividends to be paid, declared or made in respect thereof at any time on or after Completion. The Sale Loan, representing the loan owed by the Target Company to the Company at Completion, will be sold free from all Encumbrances together with all rights attaching thereto as at the Completion Date.

The Purchaser shall not be obliged to purchase any of the Sale Share and the Sale Loan unless the sale and purchase of the Sale Share and the Sale Loan are completed simultaneously.

As at the date of this announcement, the Sale Loan amounted to approximately HK\$138,674,000.

Consideration

The aggregate Consideration for the sale and purchase of the Sale Share and Sale Loan shall be HK\$100,000,000.

The Consideration shall be payable by the Purchaser to the Company in the following manner:

- (a) HK\$20,000,000, being the Deposit and part payment of the Consideration, shall be paid by the Purchaser to the Company in cash within three Business Days after signing of the Disposal Agreement;
- (b) HK\$30,000,000, being the second installment shall be paid by the Purchaser to the Company at Completion; and
- (c) HK\$50,000,000 being the balance of the Consideration shall be paid by the Purchaser to the Company in cash within one year from the date of Completion.

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser on normal commercial terms by taking into account (i) the net liability of the Target Group of approximately HK\$45,785,000 as at 30 June 2017; (ii) the reasons for the Disposal as discussed in the paragraph headed "Reasons for the Disposal" in this announcement; and (iii) the outstanding amount of the Sale Loan of approximately HK\$138,674,000 as at the date of the Disposal Agreement.

Having considered the above factors, the Board considers that the Consideration, which was arrived at after arm's length negotiations, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Security for the balance of the Consideration

As security for the payment of the balance of the Consideration, the Purchaser shall upon Completion execute the Share Charge and the Debt Security Assignment in favour of the Company, which shall be released upon full settlement of the Consideration.

Conditions precedent

Completion is conditional upon and subject to the following conditions:

- (1) the Purchaser having completed the due diligence review on the assets, liabilities, operations and affairs of the Target Group;
- (2) all necessary consents, licences and approvals required to be obtained on the part of the Company in respect of the sale and purchase of the Sale Share and the Sale Loan having been obtained;
- (3) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of the sale and purchase of the Sale Share and the Sale Loan having been obtained;
- (4) the Shareholder(s) approving the Disposal Agreement and the transactions contemplated thereunder in compliance with the requirements of the Listing Rules by passing the requisite resolution(s) at a general meeting or by way of written Shareholder's approval;
- (5) there being no matters, facts or circumstances which constitute or will constitute breach of the warranties given by the Company contained in the Disposal Agreement; and
- (6) there being no matters, facts or circumstances which constitute or will constitute breach of the warranties given by the Purchaser contained in the Disposal Agreement.

The Company shall use its best endeavours to procure the fulfillment of the conditions set out in (1), (2), (4) and (5) above. The Purchaser shall use its best endeavours to procure the fulfillment of the conditions set out in (3) and (6) above. The Company may in its absolute discretion at any time waive the condition set out in (6) above. The Purchaser may in their absolute discretion at any time waive the conditions set out in (1) and (5) above. None of the conditions set out in (2), (3) and (4) above are capable of being waived.

If the conditions set out above have not been satisfied (or as the case may be, waived) on or before the Long Stop Date, the Disposal Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms thereof, and the Company shall refund the Deposit to the Purchaser without interest within ten Business Days.

Completion

Completion shall take place within three Business Days after the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Disposal Agreement or such other date as the Company and the Purchaser may agree in writing.

Upon Completion, the Target Group will cease to be subsidiaries of the Company.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the BVI with limited liability, which is principally engaged in investment holding. The Target company indirectly owns the entire equity interest in 天津活力營銷顧問有限公司 (Tianjin Vitality Marketing Consultancy Company Limited*) and 天津金惠天金有限公司 (Tianjin Jinhui Tianjin Company Limited*) (“Tianjin Jinhui”), both are companies established in the PRC and are principally engaged in enterprise sales planning, enterprise image planning, business information consultation, conference services, exhibition display services, real estate information consultation and real estate agency. Tianjin Jinhui directly owns the entire equity interest in 北京栩金易信息諮詢有限公司 (Beijing Xujinyi Information Consultancy Company Limited*), a company established in the PRC with limited liability which has not commenced operation as at the date of this announcement.

Set out below is a summary of the key financial data of the Target Group for the period ended from 23 February 2016 (the date on which the Company acquired the Target Company as a shelf company) to 31 December 2016 and for the six months ended 30 June 2017 which were prepared in accordance with the generally accepted accounting principles in Hong Kong:

	For the period from 23 February 2016 to 31 December 2016 (unaudited) HK\$'000	For the six months ended 30 June 2017 (unaudited) HK\$'000
Revenue	7,630	94,399
Net loss before tax	(7,886)	(26,796)
Net loss after tax	(7,888)	(26,828)

As at 30 June 2017, the unaudited consolidated net liability of the Target Group based on the unaudited financial statements of the Target Group prepared in accordance with the generally accepted accounting principles in Hong Kong was approximately HK\$45,785,000.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Group will cease to have any interests in the Target Group, and the financial results of the Target Group will no longer be consolidated in the financial statements of the Group.

GAIN OR LOSS ATTRIBUTABLE TO THE DISPOSAL

Based on the preliminary assessment on the unaudited combined financial information of the Target Group, the Group will record a gain of approximately HK\$6.1 million as a result of the Disposal. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to final audit to be performed by the auditors of the Company. The proceeds from the Disposal are intended to be used for general working capital of the Group and to finance the investment opportunities as may be identified from time to time.

REASONS FOR THE DISPOSAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 6 July 2010 and the Shares of which have been listed on the Main Board of the Stock Exchange since January 2011. The Group is principally engaged in design, manufacture and sale of finished zippers and other garment accessories and real estate agency services in the PRC.

The performance of the Target Group has not been satisfactory since it commenced the business in 2016, especially after the government of the PRC has imposed home purchase restrictions on the residential real estate market in various cities in the PRC which recorded significant increase in home prices. Further, the proceeds from the Disposal can further strengthen the cash position of the Group and will allow the Group to reallocate its resources for working capital and financing the investment opportunities as may be identified from time to time.

Accordingly, the Directors are of the view that the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which the licensed banks in Hong Kong are generally open for business throughout their normal business hours
“BVI”	British Virgin Islands
“Company”	KEE Holdings Company Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands on 6 July 2010, the Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$100,000,000 payable by the Purchaser to the Company for the sale and purchase of the Sale Share and the Sale Loan under the Disposal Agreement
“Debt Security Assignment”	assignment of the Sale Loan by way of security to be executed by the Purchaser in favour of the Company as security for, among others, the Purchaser's payment obligations for the balance of the Consideration under the Disposal Agreement

“Deposit”	a sum of HK\$20,000,000 being the deposit and part payment of the Consideration to be made by the Purchaser to the Company within three Business Days after signing of the Disposal Agreement for the purchase of the Sale Share and the Sale Loan
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Sale Loan by the Company to the Purchaser pursuant to the terms of the Disposal Agreement
“Disposal Agreement”	the conditional sale and purchase agreement dated 18 July 2017 and entered into between the Purchaser and the Company in relation to the Disposal
“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale and purchase or sale and leaseback arrangement whatsoever nature and includes any agreement for any of the same
“Glory Emperor”	Glory Emperor Trading Limited, a company incorporated in the BVI with limited liability and the holder of 326,089,600 Shares, representing approximately 70.16% of the issued share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling one month after the date of the Disposal Agreement, or such later date as the Company and the Purchaser may agree in writing
“PRC”	the People’s Republic of China, excluding (except where the context requires) Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Grandcheer Limited, a company incorporated in Hong Kong with limited liability

“Sale Loan”	the shareholder’s loan owed by the Target Company to the Company at Completion and all obligations, liabilities and debts owed or incurred by the Target Company to the Company on Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion. As at the date of this announcement, the Sale Loan amounted to approximately HK\$138,674,000
“Sale Share”	one ordinary share of US\$1.00 in the share capital of the Target Company owned by the Company, representing the entire issued share capital of the Target Company
“Share Charge”	the share charge to be executed by the Purchaser in favour of the Company upon Completion whereby the Purchaser shall charge the Sale Share to the Company as security for, among others, the Purchaser’s payment obligations for the balance of the Consideration under the Disposal Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Neo Ocean Ventures Limited, a company incorporated in the BVI with limited liability
“Target Group”	the Target Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

By Order of the Board
KEE Holdings Company Limited
Wu David Hang
Chairman

Hong Kong, 18 July 2017

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

Executive Directors:

Mr. Wu David Hang

Ms. Feng Xiaoying

Independent non-executive Directors:

Mr. Wong Yik Chung John

Mr. Tse Kai Chuen Calvin

Mr. Leung Ka Tin

* *For identification purposes only.*