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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)**

**DISCLOSEABLE TRANSACTION**

**COMPLETION OF THE ACQUISITION OF THE LAND USE RIGHTS  
IN THE JINGMEN ECONOMIC DEVELOPMENT ZONE\*,  
HUBEI PROVINCE, PRC**

Reference is made to the Proposed Acquisition Announcement, the First Acquisition Announcement, the First Transfer Agreement Announcements and the Second Acquisition Announcement.

The Board is pleased to announce the completion of the acquisition of the Acquired Land following the confirmation from Jingmen High-tech dated 28 December 2012 that the Purchaser has fully discharged its payment obligations in connection with the First Acquisition and the Second Acquisition.

The aggregate value of the consideration for the First Acquisition and the Second Acquisition is RMB24.16 million, which is satisfied as to RMB23.91 million that has been paid by the Purchaser and as to its remaining portion to be settled by the Jingmen Municipal People's Government on behalf of the Group based on the Proposed Acquisition Agreement.

The Land is located at the Eastern side of Longjin Road\* (龍井路以東), the Southern side of Chuangye Road No. 1\* (創業一路以南), the Western side of Keji Road No.4\* (科技四路以西) and the Northern side of Chuangye Road No. 2\* (創業二路以北) of 荊門經濟開發區 (Jingmen Economic Development Zone\*) in Hubei Province, PRC.

The First Acquisition and the Second Acquisition, in aggregate, constitute a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and are therefore subject to the requirements of reporting and announcement under the Listing Rules.

## FIRST ACQUISITION

Reference is made to the Proposed Acquisition Announcement, the First Acquisition Announcement and the First Transfer Agreement Announcements.

On 18 May 2011, KEE Guangdong entered into the Proposed Acquisition Agreement with the Jingmen Municipal People's Government in relation to the proposed acquisition of the Land.

On 22 December 2011, the Purchaser successfully bid for the First Portion of the Land. On 16 April 2012, the First Land Use Right Certificate was granted to the Purchaser pursuant to the First Land Use Right Transfer Agreement.

Details of the First Acquisition are as follows:

Date : 16 April 2012

Parties : (i) the Purchaser

(ii) the Vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected person(s) (as defined in the Listing Rules).

The First Portion of the Land : The First Portion of the Land (excluding public roads) has an area of 71,246.34 square meters (equivalent to approximately 106.87 mu (畝)). The term of the land use right to the First Portion of the Land is 50 years. The permitted usage of the First Portion of the Land is for industrial use only.

Consideration : RMB10.56 million, as disclosed in the First Acquisition Announcement and the First Transfer Agreement Announcements.

## SECOND ACQUISITION

Reference is made to the Second Acquisition Announcement. On 30 July 2012, the Purchaser successfully bid for the Second Portion of the Land. On 28 December 2012, a state-owned land use right certificate for the Second Portion of the Land was granted to the Purchaser pursuant to the Second Land Use Right Transfer Agreement.

On 28 December 2012, Jingmen High-tech confirmed in writing that the Purchaser had fully discharged its payment obligations in connection with the First Acquisition and the Second Acquisition.

Details of the Second Acquisition are as follows:

Date : 28 December 2012

Parties : (i) the Purchaser  
(ii) the Vendor

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected person(s) (as defined in the Listing Rules).

The Second Portion of the Land : The Second Portion of the Land (excluding public roads) has an area of 78,433.98 square meters (equivalent to approximately 117.65 mu (畝)). The term of the land use right to the Second Portion of the Land is 50 years. The permitted usage of the Second Portion of the Land is for industrial use only.

Consideration : RMB13.6 million, as disclosed in the Second Acquisition Announcement.

## **AGGREGATION OF THE FIRST ACQUISITION AND THE SECOND ACQUISITION**

The Acquired Land has a total area of 149,680.32 square meters (equivalent to approximately 224.52 mu (畝)). The difference between this area of the Acquired Land and the area of 270 mu (畝) of the Land as announced on 18 May 2011 is accounted for by the public roads within the Land which the Group is permitted to use but does not own.

The considerations for the First Acquisition and the Second Acquisition are aggregated pursuant to Rules 14.22 and 14.23 of the Listing Rules. For the purpose of Rule 14.07 of the Listing Rules, the aggregate consideration is RMB24.16 million, which is satisfied as to RMB23.91 million that has been already paid by the Purchaser and as to its remaining portion to be settled by the Jingmen Municipal People's Government on behalf of the Group based on the Proposed Acquisition Agreement. Pursuant to a confirmation issued by Jingmen High-tech on 28 December 2012, the Purchaser has fully discharged its payment obligations in connection with the First Acquisition and the Second Acquisition.

## **LISTING RULES IMPLICATIONS**

As the applicable percentage ratios for the First Acquisition and the Second Acquisition, in aggregate, are greater than 5% but less than 25% for the purpose of Rule 14.07 of the Listing Rules, the First Acquisition and the Second Acquisition together constitute a discloseable transaction for the Company under Rule 14.06(2) of the Listing Rules and are therefore subject to the requirements of reporting and announcement under the Listing Rules.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION OF THE LAND**

The Group is a producer of finished zippers in the PRC. KEE Guangdong is a wholly-owned subsidiary of the Company principally engaged in the manufacture and sale of zipper products in the PRC. The Purchaser is a subsidiary of KEE Guangdong and intends to build a production base in 荊門經濟開發區 (Jingmen Economic Development Zone\*) in Jingmen City of Hubei Province in the PRC, which will principally produce flat knit rib, zippers, and other garment accessories.

The Directors consider that the First Acquisition and the Second Acquisition, in aggregate, will enable the Group to build a new production base (including electroplating facilities) for the production of flat knit rib, zippers, and other garment accessories to augment the Group's operation and production capacities. Accordingly, the production capacity of the Group will be expanded and more revenue is expected to be generated. The Directors consider that the First Acquisition and the Second Acquisition, in aggregate, are in the interests of the Company and the Shareholders as a whole.

The Directors consider that the aggregate consideration for the First Acquisition and the Second Acquisition is fair and reasonable having taken into account the market price of comparable land, the prevailing market conditions in Jingmen, the location of the Land and the development potential of the Land. The Directors are of the view that the terms of the First Acquisition and the Second Acquisition are on normal commercial terms and fair and reasonable as far as the Company and the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

## **DEFINITIONS**

In this announcement, unless otherwise indicated, the following expressions shall have the respective meanings set out below:

“Acquired Land”	the First Portion of the Land and the Second Portion of the Land
“Board”	the board of directors of the Company
“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 shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“First Acquisition”	the acquisition of land use right of the First Portion of the Land through an open bidding at the First Auction
“First Acquisition Announcement”	the Company's announcement dated 22 December 2011 in relation to the First Acquisition
“First Auction”	the public auction held on 22 December 2011 at which the First Portion of the Land was offered for sale

“First Land Use Right Certificate”	the state-owned land use right certificate ( 國有土地使用証 ) for the First Portion of the Land granted to the Purchaser on 16 April 2012
“First Land Use Right Transfer Agreement”	the land use right transfer agreement entered into between the Purchaser and the Vendor dated 13 January 2012 in relation to the First Acquisition
“First Portion of the Land”	a portion of the Land with an area of 71,246.34 square meters (equivalent to approximately 106.87 mu ( 畝 )) offered for sale in the First Auction
“First Transfer Agreement Announcements”	the Company’s announcements dated 18 April 2012 and 19 April 2012 in relation to the First Land Use Right Transfer Agreement and the First Land Use Right Certificate
“Group”	the Company and its subsidiaries
“Jingmen High-tech”	荊門高新技術產業開發有限責任公司 (Jingmen High-tech Industry Development Company Limited*), a wholly-owned subsidiary of 荊門市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of the Jingmen Municipal People’s Government*)
“Jingmen Municipal People’s Government”	荊門市人民政府 (Jingmen Municipal People’s Government*), a PRC Governmental Body
“KEE Guangdong”	開易 (廣東) 服裝配件有限公司 (KEE (Guangdong) Garment Accessories Limited*), a wholly-owned subsidiary of the Company established in the PRC with limited liability
“Land”	a piece of land with a total estimated area of approximately 270 mu ( 畝 ) located at the Eastern side of Longjin Road* ( 龍井路以東 ), the Southern side of Chuangye Road No. 1* ( 創業一路以南 ), the Western side of Keji Road No.4* ( 科技四路以西 ) and the Northern side of Chuangye Road No. 2* ( 創業二路以北 ) of 荊門經濟開發區 (Jingmen Economic Development Zone*) in Hubei Province, PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“PRC Governmental Body”	has the meaning defined in Chapter 19A of the Listing Rules
“Proposed Acquisition Agreement”	the agreement entered into on 18 May 2011 by KEE Guangdong and the Jingmen Municipal People’s Government in Hubei Province, PRC, setting out the basic logistics and terms relating to the proposed acquisition of the land use right of the Land through the process of bidding invitation, auction and listing ( 招拍掛 ) as required under the laws and regulations of the PRC

“Proposed Acquisition Announcement”	the Company’s announcement dated 18 May 2011 in relation to the Proposed Acquisition Agreement
“Purchaser”	開易(荊門)服裝配件有限公司(KEE (Jingmen) Garment Accessories Limited*), a limited liability company established in the PRC owned as to 80% by KEE Guangdong and 20% by Shanghai Lingfeng
“RMB”	Renminbi, the lawful currency of the PRC
“Second Acquisition”	the acquisition of land use right of the Second Portion of the Land through an open bidding at the Second Auction
“Second Acquisition Announcement”	the Company’s announcement dated 31 July 2012 in relation to the Second Acquisition
“Second Auction”	the public auction held on 30 July 2012 at which the Second Portion of the Land was offered for sale
“Second Land Use Right Transfer Agreement”	the land use right transfer agreement entered into between the Purchaser and the Vendor dated 6 August 2012 in relation to the Second Acquisition
“Second Portion of the Land”	a portion of the Land with an area of 78,433.98 square meters (equivalent to approximately 117.65 mu (畝)) offered for sale in the Second Auction
“Shanghai Lingfeng”	上海翎峰貿易有限公司(Shanghai Lingfeng Trading Limited*), a limited liability company incorporated under the laws of the PRC
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	荊門市國土資源局(the Department of Land and Resource of Jingmen*) of the Jingmen Municipal People’s Government, a PRC Governmental Body

By Order of the Board  
**KEE HOLDINGS COMPANY LIMITED**  
**Xu Xipeng**  
*Chairman*

Hong Kong, 28 December 2012

*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.*

*\* Translation for identification purpose only*