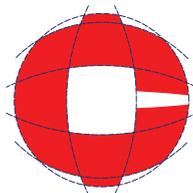


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中持基業控股有限公司
Kate China Holdings Limited

KATE CHINA HOLDINGS LIMITED

中持基業控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8125)

INSIDE INFORMATION — COOPERATIVE AGREEMENT WITH RT MANAGEMENT LIMITED AND MR. LUI CHUNG TAK MARK

This announcement is made in accordance with the requirements of Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

INTRODUCTION

The board of directors (the “Board”) of Kate China Holdings Limited (the “Company”) is pleased to announce that on 19 December 2014, the Company’s wholly owned subsidiary, namely Hotel Sourcing International Limited (“HSI”), entered into the cooperative agreement (“Cooperative Agreement”) with RT Management Limited (“RTM”) and Mr. Lui Chung Tak Mark (“Mr. Mark Lui”), Hong Kong’s famous music composer and interior and fashion designer, in relation to setting up, developing, promoting and carrying on the business of design, sale and marketing of furniture, furnishings, materials and other related products (“Cooperation”).

To the best of the directors’ knowledge, information and belief having made all reasonable enquiries, each of RTM, its ultimate beneficial owners and Mr. Mark Lui is a third party independent of the Company and its connected persons as defined under the GEM Listing Rules.

MAJOR TERMS OF COOPERATIVE AGREEMENT

Under the Cooperation, RTM shall procure Mr. Mark Lui to provide to HSI the sole and exclusive services as chief designer and consultant for furniture, furnishings, materials and other related products. HSI shall be responsible for manufacturing, management, quality control, cost control,

sale, price setting, sale and marketing, and management of the said products. The cooperation term is initially set to be one year, with an option granted to HSI to extend the term for a further year. During the term, RTM and Mr. Mark Lui shall in each year submit to HSI not less than 8 pieces of design work for the products to be manufactured. HSI shall pay to RTM service fee for the services to be rendered by RTM and Mr. Mark Lui amounting to fifty percent (50%) of the net sale proceeds received from the sale of the products designed by Mr. Mark Lui after deduction of costs of sale.

The Cooperation will leverage Mr. Mark Lui's fame and status as Hong Kong's style icon and HSI's experience and expertise in provision of design and fitting-out business. The Board considers that the Cooperation will help to strengthen the brand recognition of the Company and its subsidiaries ("Group") and broaden the Group's customer base and in turn enhance the development of its business as a whole.

The Board considers that the terms of the Cooperative Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Yours faithfully,
For and on behalf of
Kate China Holdings Limited
Chan Tat Wah
Chairman and Executive Director

Hong Kong, 19 December 2014

As at the date of this announcement, the executive Directors are Mr. Chan Tat Wah, Mr. Fok Chun Kit and Mr. Tsang Kei Cheong; and the independent non-executive Directors are Mr. Lam Yiu Kin, Mr. Lu Tak Ming and Prof. Lai Kin Keung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its posting and on the website of the Company at www.katechina.hk.