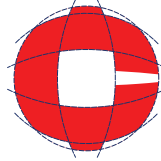


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中持基業控股有限公司
Kate China Holdings Limited

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中持基業控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8125)

**VOLUNTARY ANNOUNCEMENT –
EXEMPT CONNECTED TRANSACTION INVOLVING
ACQUISITION OF ENTIRE ISSUED SHARE CAPITAL IN
WEALTHY POOL INTERNATIONAL HOLDINGS LIMITED**

THE ACQUISITION

The Board is pleased to announce that on 17 November 2015 (after trading hours of the Stock Exchange), the Company and the Vendor entered into the Acquisition Agreement, pursuant to which the Company has agreed to acquire the Sale Shares (representing the entire issued share capital in the Target Company) from the Vendor at a total consideration of US\$50,000 (equivalent to approximately HK\$390,000), which shall be settled by the Company in cash within 7 days from Completion.

GENERAL

As the Vendor, through her controlled corporation, is an indirect substantial shareholder of the Company, the Vendor is regarded as a connected person of the Company. As the Acquisition was conducted on normal commercial terms and the relevant percentage ratios are less than 5% and the Consideration is less than HK\$3,000,000, the Acquisition constitutes an exempt connected transaction for the Company under Chapter 20 of the GEM Listing Rules, and is therefore fully exempt from shareholders' approval, annual review and all disclosure requirements.

This announcement is made by the Company on a voluntary basis to provide update on the business of the Group to the Shareholders and potential investors.

THE ACQUISITION AGREEMENT

Date

17 November 2015 (after trading hours of the Stock Exchange)

Parties

- (i) Ms. Zheng Juhua, as the vendor; and
- (ii) the Company, as the purchaser.

As the Vendor, through her controlled corporation, is an indirect substantial Shareholder of the Company, the Vendor is regarded as a connected person of the Company under the GEM Listing Rules.

Assets to be acquired

Pursuant to the Acquisition Agreement, the Company has agreed to acquire the Sale Shares, representing the entire issued share capital of the Target Company.

Consideration

The Consideration is US\$50,000 (equivalent to approximately HK\$390,000), which shall be settled by the Company in cash within 7 days from Completion.

The Consideration was arrived at after arm's length negotiations between the parties to the Acquisition Agreement based on the paid-up capital of the Target Company.

Based on the aforesaid, the Directors (including the independent non-executive Directors) considered that the Consideration is fair and reasonable and on normal commercial terms and that the entering into the Acquisition Agreement is in the interests of the Company and the Shareholders as a whole.

The Company will finance the Consideration by the internal resources of the Company.

Completion

The Acquisition Agreement is unconditional and Completion took place at the same time upon signing of the Acquisition Agreement.

INFORMATION ON THE TARGET COMPANY AND ITS INVESTMENT IN SINGCO

The Target Company, incorporated in the British Virgin Islands with limited liability, is wholly and beneficially owned by the Vendor prior to the Completion. The Target Company is an investment holding company, holding 34% of the issued share capital of SingCo.

The SingCo is a company incorporated in Singapore with limited liability and is a joint venture company established by the Target Company and other two Independent Third Parties pursuant to a framework agreement dated 17 September 2015. To the best of the knowledge and information of the Directors and as represented by the Vendor, the SingCo has not yet commenced business as at the date of the Acquisition Agreement and it is intended to engage in the business of logistics, freight forwarding, warehousing and/or related business in connection with commodities and other general trade (the “**Business**”). As at the date hereof, the SingCo is owned as to 34%, 33% and 33% by the Target Company, and two other Independent Third Parties respectively, namely CTHK and MTZ.

CTHK is a company incorporated in Hong Kong with limited liability and is principally engaged in trading of goods and related investment.

MTZ is a private limited liability company incorporated in Singapore and is principally engaged in investment holding and production and trading of non-ferrous metal.

To the best of the knowledge and information of the Directors and as represented by the Vendor, as at the date of this announcement, the shareholders of the SingCo are in the course of conducting due diligence and other preparatory work that are reasonably required in respect of any possible investment in the Business, and there is no agreed capital commitment by each of the shareholders of the SingCo, including the Target Company.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company and its results will be consolidated into the Group’s financial statements. On the other hand, the SingCo will become an associated company of the Target Company and will be treated investment of the Group, and its results will not be consolidated into the Group’s financial statements.

The Company will further study the business plan of the SingCo with its other shareholders. In the event that there is any further investment or capital commitment agree to made by the Group to the SingCo or if there is any transactions conducted in relation to the SingCo which would also constitute notifiable transactions of the Company, the Company will make further announcements and to comply with the requirements of the GEM Listing Rules.

REASONS FOR THE ACQUISITION

The Group is principally engaged in the provision of (i) design and fitting-out services in Hong Kong and (ii) design and procurement of furnishings and materials services in Hong Kong, Singapore and Malaysia.

As disclosed in the announcement of the Company dated 23 June 2015 for the annual results of the Company for the year ended 31 March 2015, the Group will continue to explore business opportunities associated with its core business so as to strengthen its revenue base and maximize the return to the shareholders and the value of the Company. Since the Target Company and the SingCo will engage in the Business and related investment, it is expected to broaden the business development of the Group. Moreover, it also provides a valuable opportunity for the Group to explore further business opportunities relying on the experience of CTHK and MTZ in the business and at a relatively lower cost and risk exposure.

With regard to the above, the Directors (including the independent non-executive Directors) consider that the terms of the Acquisition (including the Consideration) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

As the Vendor, through her controlled corporation, is an indirect substantial shareholder of the Company, the Vendor is regarded as a connected person of the Company. As the Acquisition was conducted on normal commercial terms and the relevant percentage ratios are less than 5% and the Consideration is less than HK\$3,000,000, the Acquisition constitutes an exempted connected transaction for the Company under Chapter 20 of the GEM Listing Rules, and is therefore fully exempt from shareholders' approval, annual review and all disclosure requirements.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares from the Vendor by the Company pursuant to the Acquisition Agreement
“Acquisition Agreement”	The unconditional acquisition agreement dated 17 November 2015 entered into between the Vendor and the Company in relation to the Acquisition
“Board”	board of Directors
“CTHK”	Chalco Trading Hong Kong Co., Ltd, a company incorporated in Hong Kong, the ultimate beneficially owners of which are Independent Third Party
“Company”	Kate China Holdings Limited (stock code: 8125), a company incorporated in Hong Kong with limited liability, the issued Shares are listed on the GEM

“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the Acquisition Agreement, which took place upon signing of the Acquisition Agreement
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	US\$50,000, being the aggregate consideration for the sale and purchase of the Sale Shares
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) and their ultimate beneficial owner(s) (if applicable) which are independent of the Company and its connected persons
“MTZ”	MTZ Holdings Pte. Ltd., a private limited liability company incorporated in Singapore, the ultimate beneficially owners of which are Independent Third Party
“Sale Shares”	50,000 ordinary shares, representing the entire issued share capital of the Target Company
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SingCo”	PGS Group Pte. Ltd, a company incorporated in Singapore with limited liability, the issued shares of which are owned as to 34% by the Target Company, as to 33% by CTHK and as to 33% by MTZ respectively
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the GEM Listing Rules

“Target Company”	Wealthy Pool International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially and wholly owned by the Vendor immediately prior to the Completion
“Vendor”	Ms. Zheng Juhua, an indirect substantial shareholder of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States Dollars, the lawful currency of the United States
“%”	per cent.

For the purpose of illustration only, amounts denominated in US\$ in this announcement have been translated into HK\$ at the rate of US\$1 = HK\$7.80. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

By Order of the Board
Kate China Holdings Limited
Chan Chi Yuen
Chairman and Executive Director

Hong Kong, 17 November 2015

As at the date of this announcement, the executive Directors are Mr. Chan Chi Yuen (Chairman), Mr. Fok Chun Kit (CEO), Mr. Tsang Kei Cheong and Mr. Liu Rongsheng; the non-executive Director is Mr. Yuan Guanghua; and the independent non-executive Directors are Mr. Chan Chiu Hung Alex, Mr. Lu Tak Ming and Mr. Wu Zhao.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM 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 on the website of the Company at www.katechina.hk.