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利記控股有限公司 LEE KEE HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 637)

DISCLOSEABLE TRANSACTION

DISPOSAL OF CLAIM

Reference is made to the announcement of the Company dated 11 November 2011.

The Board wishes to announce that on 29 October 2012, the Seller (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Trade Agreement, pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase from the Seller, the Claim of the Seller against MF Global UK in respect of the cash maintained in the Account at a consideration of GBP1,341,543.33 (approximately HKD16,648,000.00).

As the applicable percentage ratios in respect of the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules and is subject to the requirements of notification and announcement only.

TRADE AGREEMENT

Reference is made to the announcement of the Company dated 11 November 2011.

The Board wishes to announce that on 29 October 2012, the Seller (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Trade Agreement, pursuant to which the Seller agreed to sell, and the Purchaser agreed to purchase from the Seller, the Claim of the Seller against MF Global UK in respect of the cash maintained in the Account at a consideration of GBP1,341,543.33 (approximately HKD16,648,000.00). The principal terms of the Trade Agreement are as follows:

Date of agreement:	29 October 2012
Seller:	Lee Kee Metal Company Limited
Purchaser:	An independent third party

Claim to be disposed of:	All of the Seller's non-segregated client money, client assets and general unsecured claims against MF Global UK including arising out of or in connection with the Account in the total amount of GBP1,812,896.39 (approximately HKD22,498,000.00)
Consideration:	GBP1,341,543.33 (approximately HKD16,648,000.00), which has been determined after arm's length negotiations between the Seller and the Purchaser, taking into account the fact that MF Global UK is in special administration
Terms of payment:	the Consideration will be payable in full by way of cash by the Purchaser on the Settlement Date
Settlement Date:	the date falling two Business Days after receipt by the Purchaser of the claim transfer acknowledgement in respect of the Claim from the special administrators of MF Global UK

REASONS FOR THE DISPOSAL AND INTENDED USE OF PROCEEDS

As disclosed in the announcement of the Company dated 11 November 2011, MF Global UK is in special administration and pursuant to certain preliminary legal advice received by the Group, the Group will be treated as an unsecured creditor of MF Global UK. Based on such preliminary legal advice, the Group recorded an impairment loss of the total amount of cash maintained in the Account for the financial year ended 31 December 2011. In view of the uncertainty of the market situation, liquidation outcome and cost of recovery, the Board considers that the Disposal could ensure the recovery of a large part of the total amount of the Claim and is therefore beneficial to the Group.

The Board (including independent non-executive directors) is of the view that the terms of the Trade Agreement and the Disposal are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The consideration of the Disposal will be entirely treated as a reversal of impairment to the Group during the financial year ending 31 December 2012. For illustration purpose, the Company estimates a profit of approximately HKD16,648,000.00 on the Disposal with reference to the zero unaudited book value of the Claim as at 30 June 2012.

According to the Board, the net proceeds from the Disposal will mainly be used as additional working capital for the Company.

INFORMATION ON THE GROUP AND THE PURCHASER

The Group principally engages in the businesses of (i) sourcing and distribution of non-ferrous metals, electroplating chemicals, precious metals and stainless steel, and (ii) providing related value-added customer services.

The principal business activity of the Purchaser is the trading and investing in illiquid assets.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 14.06 of the Listing Rules and is subject to the requirements of notification and announcement only.

DEFINITIONS

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

“Account”	the account for metals and futures trading maintained by the Seller with MF Global UK;
“Board”	the board of Directors;
“Company”	Lee Kee Holdings Limited, a company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange;
“Claim”	all of the Seller's non-segregated client money, client assets and general unsecured claims against MF Global UK including arising out of or in connection with the Account in the total amount of GBP1,812,896.39 (approximately HKD22,498,000.00);
“Directors”	the directors of the Company;
“Disposal”	the disposal by the Seller of the Claim to the Purchaser;
“GBP”	Great Britain Pounds, the lawful currency of the United Kingdom;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China;
“HKD”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange;

“MF Global UK”	MF Global UK Limited (in special administration);
“Purchaser”	An independent third party;
“Trade Agreement”	the agreement entered into between the Seller and the Purchaser in relation to the Disposal on 29 October 2012;
“Seller”	Lee Kee Metal Company Limited; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By Order of the Board
CHAN Pak Chung
Chairman

Hong Kong, 29 October 2012

As at the date of this announcement, the Directors of the Company are Mr. CHAN Pak Chung, Ms. CHAN Yuen Shan, Clara, Ms. MA Siu Tao, Mr. CHUNG Wai Kwok, Jimmy, Mr. LEUNG Kwok Keung* and Mr. HU Wai Kwok*.*

* *Independent Non-Executive Directors*