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DISCLOSEABLE TRANSACTION PROVISION OF SHAREHOLDERS' LOAN

The Board wishes to announce that the Company (through Lee Kee HK) as one of the lenders, had entered into the Loan Agreement on 19th March 2012. Under the Loan Agreement, Lee Kee HK would provide the Loan in the amount of USD3.5 million to Genesis BVI, being its pro rata share of a shareholders' loan of USD7 million in aggregate to be provided by all of the shareholders of Genesis BVI.

As the applicable percentage ratios in respect of the Loan exceed 5% but less than 25%, the Loan 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.

LOAN AGREEMENT

The Board wishes to announce that the Company (through Lee Kee HK), had entered into the Loan Agreement on 19th March 2012 as one of the lenders. Under the Loan Agreement, Lee Kee HK would provide the Loan in the amount of USD3.5 million to Genesis BVI, being its pro rata share of a shareholders' loan of USD7 million in aggregate to be provided by all of the shareholders of Genesis BVI. The principle terms of the Loan Agreement are as follows:

Date of agreement:	19th March 2012
Lenders:	Lee Kee HK and the Third Party Shareholder
Borrower:	Genesis BVI, which the Company owns 50% shareholding interests indirectly through Lee Kee HK
Amount of loan:	USD7 million in aggregate, of which USD3.5 million would be provided by the Third Party Shareholder, and USD3.5 million would be provided by Lee Kee HK.
Interests:	Interest-free

Term: Initial term of 3 years (the “**Initial Term**”) which shall be automatically extended for consecutive periods of 3 years immediately after the expiration of the Initial Term, subject to the repayment notice outlined below.

Repayment notice: During the Initial Term, Lee Kee HK and the Third Party Shareholder may jointly request for repayment by serving not less than six months’ written notice on Genesis BVI.

After the Initial Term, either Lee Kee HK or the Third Party Shareholder may request for repayment by serving not less than six months’ written notice on Genesis BVI whereupon repayment shall be made to both Lee Kee HK and the Third Party Shareholder.

If Genesis BVI does not have sufficient funds to repay as requested, any amount repaid by Genesis BVI shall be shared equally between Lee Kee HK and the Third Party Shareholder.

Drawdown: Within 14 days after receiving drawdown notice from Genesis BVI

REASONS FOR AND BENEFITS OF THE LOAN

The Company intends to secure a stable supply in China and to extend the Company’s value chain. The Company’s ownership of interest in Genesis BVI is one of the steps to achieve such goals. However the costs of other financing means are generally high in the PRC, being the major place of operation of the indirect wholly-owned operating subsidiary of Genesis BVI. Such a high-financing-cost business environment in the PRC has significantly affected the performance of Genesis BVI in the past few years. The Board is of the view that the Loan and the shareholders’ loan from the Third Party Shareholder will provide Genesis BVI with cheap funding to meet their operational expenses, thereby improving the competitiveness and the financial results of Genesis BVI. The Directors believe that the terms of the Loan are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The aggregated amount of the shareholders’ loan was determined with reference to the Board’s estimation on production and operation needs of Genesis BVI and its subsidiaries. The Loan would be financed by the internal resources of the Group.

INFORMATION ON THE GROUP AND GENESIS BVI

The Group principally engages in the business of processing, sourcing and distribution of nonferrous metals, primarily zinc alloy and zinc, nickel and nickel-related products, aluminium alloy and aluminium, stainless steel and other electroplating chemicals. The Group also provides related value-added and ancillary services from procurement of raw metal materials to after-sales services.

Genesis BVI principally engages in the processing, production and sale of zinc alloy through its indirect wholly-owned subsidiary in the PRC. Genesis BVI recorded a net loss (both before and after taxation and extraordinary items) of approximately HKD4,550,000 and

HKD3,095,000 prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants for the years ended 31 December 2010 and 2011 respectively.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Genesis BVI and the Third Party Shareholder (and their respective ultimate beneficial owners) 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 Loan exceed 5% but less than 25%, the Loan 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:

“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;
“Directors”	the directors of the Company;
“Genesis BVI”	Genesis Recycling Technology (BVI) Limited, a company incorporated in the British Virgin Islands and is owned as to 50% by Lee Kee HK, and 50% by the Third Party Shareholder;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China;
“Lee Kee HK”	Lee Kee Group Limited, a company incorporated in Hong Kong, a wholly owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange;
“Loan”	the shareholders' loan in the amount of USD3.5 million to be made to Genesis BVI by Lee Kee HK, being its pro rata share of the aggregate amount of the loan to be provided by all of Genesis' shareholders;

“Loan Agreement”	the agreement dated 19th March 2012 entered into between Lee Kee HK and the Third Party Shareholder as the lenders on one part, and Genesis BVI as the borrower on the other part in relation to a shareholders’ loan of USD7 million in aggregate to be provided by all of the shareholders of Genesis BVI;
“PRC”	The People’s Republic of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Third Party Shareholder”	the Third Party Shareholder of Genesis BVI holding 50% shareholding interests in Genesis BVI; and
“USD”	the lawful currency of United States of America.

By Order of the Board
CHAN Pak Chung
Chairman

Hong Kong, 19th March 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. William Tasman WISE, Mr. CHUNG Wai Kwok, Jimmy, Mr. LEUNG Kwok Keung* and Mr. HU Wai Kwok*.*

* *Independent Non-Executive Directors*