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Glory Emperor Trading Limited KEE Holdings Company Limited

耀帝貿易有限公司

開易控股有限公司

*(Incorporated in the British Virgin Islands
with limited liability)*

*(Incorporated in the Cayman Islands
with limited liability)*

(Stock Code: 2011)

JOINT ANNOUNCEMENT

(1) ACQUISITION OF SHARES IN KEE HOLDINGS COMPANY LIMITED

BY GLORY EMPEROR TRADING LIMITED;

(2) MAJOR AND CONNECTED TRANSACTIONS, CONTINUING CONNECTED TRANSACTIONS AND SPECIAL DEALS;

(3) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFERS BY CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED ON BEHALF OF GLORY EMPEROR TRADING LIMITED FOR ALL OF THE ISSUED SHARES IN (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY GLORY EMPEROR TRADING LIMITED AND PARTIES ACTING IN CONCERT WITH IT) AND TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF KEE HOLDINGS COMPANY LIMITED;

(4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER; AND

(5) RESUMPTION OF TRADING

**Financial adviser to
Glory Emperor Trading Limited**



China International Capital Corporation Hong Kong Securities Limited

SALE AND PURCHASE AGREEMENT

The Board was informed by Nicco that on 19 August 2015, Nicco as vendor, the Offeror as purchaser, and Mr. Xu Xipeng and Mr. Xu Xinan as vendor's guarantors entered into the Sale and Purchase Agreement pursuant to which Nicco has conditionally agreed to sell and the Offeror has conditionally agreed to purchase the Sale Shares for a consideration of HK\$707,575,661 (equivalent to HK\$2.2789 per Sale Share). The Sale Shares represent approximately 72.789% of the issued share capital of the Company as at the date of this joint announcement. Details of the Sale and Purchase Agreement are set out in the section headed "1. Sale and Purchase Agreement" below.

DISPOSAL AGREEMENTS

On 19 August 2015, the Company and KEE Zippers respectively entered into the Disposal Agreements with Nicco, Nanhai Jinheming and Classic Winner in relation to the Disposals. The Disposals as contemplated under the Disposal Agreements constitute major and connected transactions and continuing connected transactions for the Company under the Listing Rules and special deals under Rule 25 of the Takeovers Code. Details of the Disposals are set out in the section headed "2. Major and connected transactions, continuing connected transactions and special deals".

IMPLICATIONS OF THE DISPOSAL AGREEMENTS, THE LEASE AGREEMENTS, THE SHAREHOLDERS' AGREEMENT UNDER THE LISTING RULES AND THE TAKEOVERS CODE

Pursuant to the Sale and Purchase Agreement, the Offeror has agreed to acquire the Sale Shares, which represent approximately 72.789% of the issued share capital of the Company as at the date of this joint announcement.

Since the Disposals, the Lease Agreements and the Shareholders' Agreement are not capable of being extended to all Shareholders, the Disposals, the Lease Agreements and the Shareholders' Agreement constitute special deals under Note 4 to Rule 25 of the Takeovers Code, which require the consent of the Executive and such consent, if granted, will normally be conditional upon the Independent Financial Adviser publicly stating in its opinion that the terms of the Disposals, the Lease Agreements and the Shareholders' Agreement are fair and reasonable and the approval of the Independent Shareholders having been obtained by way of a poll at the EGM. An application will be made to the Executive for consent to proceed with the Disposals, the Lease Agreements and the Shareholders' Agreement under Rule 25 of the Takeovers Code.

Since Nicco, Classic Winner and Nanhai Jinheming are connected persons of the Company, the Disposals shall constitute connected transactions on the part of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals are more than 25% but less than 75%, the Disposals are also major transactions under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Upon the completion of the Disposals, the Lease Agreements will become continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules. Since the Lease Agreements are part of the transactions under the Disposals, the Lease Agreements shall also be subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. Upon any variation or renewal of the Lease Agreements, the Company shall comply with all applicable requirements under the Listing Rules.

Notwithstanding the requirements of the Listing Rules, as stated above, the Disposals, the Lease Agreements and the Shareholders' Agreement are required to be approved by the Independent Shareholders as special deals pursuant to Rule 25 of the Takeovers Code.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS

Upon the Share Transfer Completion, the Offeror and parties acting in concert with it will be interested in 310,490,000 Shares, representing approximately 72.789% of the issued share capital of the Company as at the date of this joint announcement.

In accordance with Rules 13 and 26.1 of the Takeovers Code, on the Share Transfer Completion, the Offeror will be required to make unconditional mandatory offers in cash (i) for the Offer Shares, being all the Shares in issue during the offer period, other than those Shares already owned or agreed to be acquired by the Offeror, or parties acting in concert with the Offeror; and (ii) to cancel all the Share Options. The Offers comprising the Share Offer and the Option Offer, if and when made, will be unconditional in all respects.

As at the date of this joint announcement, the Company has 426,560,000 Shares in issue, 9,534,000 vested Share Options which entitle the holders thereof to subscribe for 9,534,000 new Shares and 2,701,000 unvested Share Options and has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

Subject to and upon the Share Transfer Completion, CICC, the financial adviser to the Offeror, will make the Offers on behalf of the Offeror in compliance with the Takeovers Code on the terms to be set out in the Offer Document to be issued in accordance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$2.2789 in cash

The Share Offer Price of HK\$2.2789 per Offer Share under the Share Offer is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The Option Offer

- (1) For cancellation of each Share Option with exercise price of HK\$1.39 HK\$0.8889 in cash
- (2) For cancellation of each Share Option with exercise price of HK\$0.60 HK\$1.6789 in cash

The consideration for cancellation of each outstanding vested Share Option has been determined by deducting the exercise price payable on exercise of each Share Option from the Share Offer Price payable for each Offer Share under the Share Offer.

Undertaking not to accept the Option Offer

All the holders (who are employees of the Group) of the 2,701,000 unvested Share Options have undertaken to the Offeror not to accept the Option Offer in respect of their unvested Share Options. Under the Sale and Purchase Agreement, Nicco as the vendor has undertaken to the Offeror that all the unvested Share Options shall be cancelled within five Business Days after the date of publication of this joint announcement.

Financial Resources available to the Offeror

The maximum amount of cash payable by the Offeror to the Shareholders in respect of acceptances of the Offers is approximately HK\$292,394,265. The Offeror intends to finance and satisfy the balance of the Consideration payable under the Sale and Purchase Agreement and the consideration payable under the Offers by using funds from the Loan Agreement as further described below in “5. Financing Arrangements”. CICC, the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the balance of the Consideration and the consideration payable upon full acceptances of the Offers.

FINANCING ARRANGEMENTS OF THE OFFEROR

On 25 August 2015, the Offeror and Li Zhen entered into the Loan Agreement pursuant to which Li Zhen will lend to the Offeror such amounts as it may require, in the approximate amount of HK\$1,005,000,000 for the purpose of funding the Offers and payment of associated stamp duty. The source of fund of the Loan was from (i) a capital contribution from Zhonghong to Li Zhen through its intermediate holding company; and (ii) the proceeds from the issue of the Notes in the principal amount of HK\$680,000,000 pursuant to the Investment Agreement dated 14 August 2015 and entered into among Li Zhen, Keen Concept, Zhonghong and the Offeror. On 5 November 2015, Li Zhen, Keen Concept, Zhonghong and the Offeror entered into a Deed of Amendment Agreement to amend certain terms of the Investment Agreement, the Notes and the Debenture. Details of the Loan Agreement and the Investment Agreement (as amended) are set out in the section headed “5. Financing Arrangements” below.

INDEPENDENT BOARD COMMITTEES

The Company has, pursuant to the Takeovers Code, formed the Code IBC comprising Mr. Yang Shaolin, Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy, being all the non-executive Directors, to advise (i) the Independent Shareholders on whether the Disposals, the Lease Agreements and the Shareholders' Agreement are in the interests of the Company and the Independent Shareholders as a whole; (ii) whether the terms of the Disposal Agreements, the Lease Agreements and the Shareholders' Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the voting action that should be taken; and (iii) the Independent Shareholders and the Optionholder(s) on whether the terms of the Offers (if they are made) are fair and reasonable and as to acceptance of the Offers.

The Company has also formed the Listing Rules IBC pursuant to the Listing Rules comprising Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy, being all the independent non-executive Directors, to advise the Independent Shareholders on (i) whether the Disposals, the Lease Agreements and the Shareholders' Agreement are in the interests of the Company and the Independent Shareholders as a whole; and (ii) whether the terms of the Disposal Agreements, the Lease Agreements and the Shareholders' Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the voting action that should be taken.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

BOSC International has been appointed as independent financial adviser to advise (i) the Code IBC, the Listing Rules IBC and the Independent Shareholders on the Disposals, the Lease Agreements and the Shareholders' Agreement; and (ii) the Code IBC on the terms of the Offers. The appointment of the Independent Financial Adviser has been approved by the Code IBC.

EGM AND DESPATCH OF DOCUMENTS

The EGM will be convened to approve, among others, the Disposals, the Lease Agreements and the Shareholders' Agreement. A circular containing, among other things, (i) information regarding the Disposal Agreements, the Lease Agreements, the Shareholders' Agreement; (ii) the recommendation from the Code IBC and the Listing Rules IBC; (iii) the advice of the Independent Financial Adviser on the Disposal Agreements, the Lease Agreements and the Shareholders' Agreement; (iv) financial information of the Group; (v) the valuation report relating to the properties of the Group; and (vi) the notice of the EGM will be despatched by the Company to the Shareholders on or before 30 November 2015 in accordance with the Listing Rules and the Takeovers Code.

Pursuant to Rule 8.2 of the Takeovers Code, the Offer Document is normally expected to be despatched within 21 days of the date of this joint announcement. However, as the Offers are subject to the Share Transfer Completion and the Share Transfer Conditions cannot be fulfilled within 21 days of the date of this joint announcement, the Offeror will make an application for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Offer Document to the Shareholders and the Optionholders, together with the form(s) of acceptance of transfer in relation to the Offer Shares, of the form(s) for the cancellation of the Share Options, to a date within seven days after fulfilment of the pre-conditions. Further announcement will be made by the Offeror and the Company on the timing of the despatch of the Offer Document.

Pursuant to Rule 8.4 of the Takeovers Code, the Company is required to despatch an offeree board circular containing, among other things, the letter from the Board, the recommendations from the Independent Board Committee to the Independent Shareholders and the Optionholder(s) in relation to the Offers and the advice and recommendations from the Independent Financial Adviser to the Independent Board Committee within 14 days of the publication of the Offer Document.

It is intended by the Offeror and the Company that the Offer Document and the offeree board circular will be despatched separately and will not be combined into a composite offer and response document.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 1:00 p.m. on Monday, 29 June 2015 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 10 November 2015.

WARNING: The Share Transfer Completion is conditional upon the fulfilment or waiver (as the case may be) of the Share Transfer Conditions and the Offers will only be made if the Share Transfer Completion takes place. Accordingly, the Share Transfer may or may not be completed and the Offers may or may not be made. Shareholders and potential investors in the Company are advised to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.

Reference is made to the announcements of the Company dated 10 July 2015, 29 July 2015, 10 August 2015, 20 August 2015 and 15 October 2015 pursuant to Rules 3.7 and 3.8 of the Takeovers Code and in relation to, amongst others, the Sale and Purchase Agreement and the Disposal Agreements.

The Company was informed by Nicco that on 19 August 2015, Nicco as vendor, the Offeror as purchaser, and Mr. Xu Xipeng and Mr. Xu Xinan as vendor's guarantors entered into the Sale and Purchase Agreement pursuant to which Nicco has agreed to sell and the Offeror has agreed to purchase 310,490,000 Shares, representing approximately 72.789% of the issued share capital of the Company as at the date of this joint announcement. Details of the Sale and Purchase Agreement are set out in the section headed "1. Sale and Purchase Agreement" below.

Further, on 19 August 2015, the Company and KEE Zippers respectively entered into the Disposal Agreements with Nicco, Nanhai Jinheming and Classic Winner in relation to the Disposals. The Disposals as contemplated under the Disposal Agreements constitute major and connected transactions and continuing connected transactions for the Company under the Listing Rules and special deals under Rule 25 of the Takeovers Code. Details of the Disposals are set out in the section headed “2. Major and connected transactions, continuing connected transactions and special deals”.

Further, on 27 August 2015, the Offeror and Li Zhen entered into the Loan Agreement pursuant to which Li Zhen will lend to the Offeror such amounts as it may require, in the approximate amount of HK\$1,005,000,000 for the purpose of funding the Offers. The source of funds for the Loan was from (i) a capital contribution from Zhonghong to Li Zhen through its intermediate holding companies; and (ii) the proceeds from the issue of Notes in the principal amount of HK\$680,000,000 pursuant to the Investment Agreement dated 14 August 2015 and entered into among Li Zhen, Keen Concept, Zhonghong and the Offeror. On 5 November 2015, Li Zhen, Keen Concept, Zhonghong and the Offeror entered into a Deed of Amendment Agreement to amend certain terms of the Investment Agreement, the Notes and the Debenture. Details of the Loan Agreement and the Investment Agreement (as amended) are set out in the section headed “5. Financing Arrangements” below.

The Share Transfer Completion (further details of which are set out in the section headed “1. Sale and Purchase Agreement” below) will result in the Offeror acquiring 310,490,000 Shares, representing approximately 72.789% of the voting rights in the Company as at the date of this joint announcement and incurring an obligation to make the Offers under the Takeovers Code. Details of the Offers are set out in the section headed “4. Possible unconditional mandatory cash offers” below.

1. SALE AND PURCHASE AGREEMENT

Date: 19 August 2015

Parties

- (i) Nicco as vendor;
- (ii) the Offeror as purchaser;
- (iii) Mr. Xu Xipeng as vendor’s guarantor; and
- (iv) Mr. Xu Xinan as vendor’s guarantor.

Nicco is a controlling Shareholder and the beneficial owner of 310,490,000 Shares, representing approximately 72.789% of the issued share capital of the Company as at the date of this joint announcement. Nicco is beneficially owned as to 49.75%, 49.75% and 0.5% by Mr. Xu Xipeng, Mr. Xu Xinan and Mr. Chow Hoi Kwang, Albert, respectively. Each of Mr. Xu Xipeng, Mr. Xu Xinan and Mr. Chow Hoi Kwang, Albert are executive Directors. Nicco is therefore a connected person of the Company.

To the best of the information and belief of the Directors having made all reasonable enquiries, the Offeror, its ultimate beneficial owners and parties acting in concert with any of them, are third parties independent of, and not connected with, the Group and its connected persons.

Subject Matter

Pursuant to the Sale and Purchase Agreement, Nicco has conditionally agreed to sell and the Offeror has conditionally agreed to purchase the Sale Shares, representing approximately 72.789% of the issued share capital of the Company as at the date of this joint announcement, free from all encumbrances together with all rights attaching thereto as at the Share Transfer Completion Date, including all rights to any dividend or other distribution declared, made or paid on or after the Share Transfer Completion Date.

Consideration

The Consideration for the 310,490,000 Sale Shares is HK\$707,575,661, equivalent to HK\$2.2789 per Sale Share. The Consideration shall be payable by the Offeror to Nicco in the following manner:

- (1) as to HK\$71,000,000 shall be payable within 3 Business Days after the signing of the Sale and Purchase Agreement by the Offeror to the bank account of the escrow agent jointly appointed by the Offeror and Nicco as deposit, and the earnest money of HK\$35,000,000 previously paid and held in escrow under the MOU and the accrued interest shall be refunded in full at the same time. The transfer of the Deposit to the bank account of the escrow agent jointly appointed by the Offeror and Nicco and the refund of the earnest money have been completed; and
- (2) as to HK\$636,575,661 shall be payable in cash (or such other manner as Nicco and the Offeror may agree) at the Share Transfer Completion.

The Consideration was agreed between Nicco and the Offeror after arm's length negotiations with reference to the appraised unaudited consolidated net assets value attributable to the Shareholders as at 30 June 2015 (taking into account the market premium of the Company, the valuation on HK Property, PRC Properties and the properties held by KEE Jingmen as appraised by Greater China Appraisal Limited and shown in the Valuation Report and the deduction of any applicable tax and related expenses expected to be borne by the Group in connection with the Disposals) as agreed between Nicco and the Offeror.

Conditions precedent to the Share Transfer Completion

The Share Transfer Completion is conditional upon:

- (1) Nicco and each of the Guarantors having performed or complied with all undertakings and obligations in the Sale and Purchase Agreement that are required to be performed or complied with by them before the Share Transfer Completion Date;
- (2) the representations, warranties and undertakings given by Nicco and the Guarantors in the Sale and Purchase Agreement remaining true and accurate and not misleading in all respects as of the Share Transfer Completion Date;

- (3) there having been no material adverse change on the businesses, financial conditions or business prospect of the Remaining Group adversely affecting the listing status of the Remaining Group;
- (4) the relevant members of the Group and the relevant purchasers under the Disposal Agreements having passed the board resolutions (or the shareholders' resolutions (as the case may be)) approving the Disposals relevant to them and the signing and performance of the relevant Disposal Agreements;
- (5) the relevant members of the Group and the relevant purchasers under the Disposal Agreements having duly signed the Disposal Agreements and in accordance with the terms and conditions of the Sale and Purchase Agreement and all the conditions precedent to the completion of the transactions set out in the Disposal Agreements having been fulfilled (or waived in accordance with the Disposal Agreements);
- (6) the Shareholders (other than such Shareholders who are required to abstain from voting at the EGM of the Company pursuant to the Listing Rules and/or the Takeovers Code) having formally and effectively passed resolutions at the EGM to approve the Disposals and the transactions contemplated thereunder, the form and substance of such resolutions shall be satisfactory to the Offeror and Nicco;
- (7) all necessary consents and approvals from relevant approval and/or regulatory authorities and/or third parties (including but not limited to the consents and/or approvals (if necessary) from the Stock Exchange and the SFC) in relation to the transactions as contemplated under the transaction documents and the Offers (including but not limited to the Share Transfer and the Disposals) having been obtained, and there having been no laws, regulations, rules or decisions which have been put forward, promulgated or adopted by the relevant approval and/or regulatory authorities which would prohibit or restrict the transactions as contemplated under the transaction documents and the Offers;
- (8) the SFC and the Stock Exchange (if required) having approved the announcement to be released in connection with the transactions contemplated under the transaction documents and the publication of such announcement on the websites of the Company and the Stock Exchange;
- (9) (i) the current listing status of the Sale Shares not having been withdrawn and the Sale Shares continuing to be traded on the Stock Exchange (save for any temporary suspension pending the publication of the announcement for the signing of the Sale and Purchase Agreement or the transactions contemplated thereunder); (ii) there having no indication from the Stock Exchange or the SFC that either one of them may cancel or object to the listing status of the Sale Shares for (without limitation) any reasons other than the Share Transfer Completion, the terms of the Sale and Purchase Agreement or insufficient public float of the issued Shares upon the Share Transfer Completion; and (iii) there having not occurred any other event which may adversely affect the listing status of the Company;
- (10) the listing status of the Shares on the Stock Exchange (for any reason whatsoever) not having been cancelled prior to the Share Transfer Completion;

- (11) the PRC shareholder which indirectly controls the Offeror shall have completed the foreign investment approval and registration and recordation necessary for completion of the transactions contemplated under the transaction documents as required under the applicable laws;
- (12) the Offeror having performed or complied with all of its undertakings and obligations as required to be performed by it before the Share Transfer Completion Date; and
- (13) the representations, warranties and undertakings given by the Offeror in the Sale and Purchase Agreement remaining true and accurate and not misleading in all respects as at the Share Transfer Completion Date.

Nicco and the Guarantors shall and shall procure the Group Companies to use their reasonable endeavours to fulfil the Share Transfer Conditions (1) to (10) above as soon as possible and no later than the Long Stop Date. The Offeror shall use its best endeavours to fulfil Share Transfer Conditions (11) to (13) as soon as possible and no later than the Long Stop Date. If any of the Share Transfer Conditions is not fulfilled or waived before the Long Stop Date, the Share Transfer Completion will not take place. Nicco and the Offeror may in writing waive any of the Share Transfer Conditions to be fulfilled by the other party except that the Share Transfer Conditions (4) to (11) above are incapable of being waived. Nicco and the Offeror agreed that the Share Transfer Conditions (6) to (8) and (11) are uncontrollable by Nicco and the Offeror. If the Share Transfer Completion does not take place on the Share Transfer Completion Date due to the non-fulfilment of any of the Share Transfer Conditions (6) to (8) and (11), either party may terminate the Sale and Purchase Agreement by sending a written notice to the other party and neither party shall bear any legal responsibility unless otherwise specified in the transaction documents. If the Share Transfer Condition (5) is not fulfilled for the reasons that the resolutions for approving the Disposals were not passed at the EGM or the Disposals were not approved by the relevant regulatory authorities, this shall not be regarded as the responsibility of Nicco or the Guarantors, and either party may terminate the Sale and Purchase Agreement by sending a written notice to the other party and none of the parties shall bear any legal responsibility unless otherwise specified in the transaction documents.

Subject to the above, if Share Transfer Completion does not take place due to the non-fulfilment of Share Transfer Conditions which are required to be fulfilled or procured to be fulfilled by Nicco and the Guarantors, the Offeror may elect to terminate the Sale and Purchase Agreement by written notice, and Nicco is required to refund the Deposit and pay to the Offeror a sum equal to the Deposit on the next Business Day following such written notice as default payment. Subject to the above, if Share Transfer Completion does not take place due to the non-fulfilment of Share Transfer Conditions which are required to be fulfilled or procured to be fulfilled by the Offeror, the Deposit will be forfeited as default payment to Nicco.

Share Transfer Completion

Subject to the fulfilment of the Share Transfer Conditions, the Share Transfer Completion will take place on the Share Transfer Completion Date, being the third Business Day after the day on which the last of the Share Transfer Conditions is

fulfilled or waived (as the case may be) or such later date as the Offeror and Nicco may agree in writing. An announcement will be made after the Share Transfer Completion having taken place.

2. MAJOR AND CONNECTED TRANSACTIONS, CONTINUING CONNECTED TRANSACTIONS AND SPECIAL DEALS

The principal terms of the KEE BVI Disposal Agreement, the PRC Master Disposal Agreement, the PRC Lease Agreement, the HK Property Disposal Agreement and the HK Lease Agreement are set out below.

(A) KEE BVI Disposal Agreement

Date: 19 August 2015

Parties: (1) the Company as vendor; and
(2) Nicco as purchaser.

Subject matter

Pursuant to the KEE BVI Disposal Agreement, the Company agreed to sell and Nicco agreed to purchase the KEE BVI Disposal Shares (representing 15% of the issued share capital of KEE BVI), free from all encumbrances together with all rights attaching thereto as at the KEE BVI Disposal Completion Date, including all rights to any dividend or other distribution declared, made or paid on or after the KEE BVI Disposal Completion Date, at the consideration of HK\$24,627,172.

Consideration for the KEE BVI Disposal

The consideration for the KEE BVI Disposal of HK\$24,627,172 was agreed between the Company and Nicco after arm's length negotiations, taking into account, among others, the adjusted unaudited consolidated net assets value of KEE BVI Group attributable to 15% of the equity interest in KEE BVI Group as at 30 June 2015 in the amount of approximately HK\$24,627,172 assuming that the PRC Assets Disposal, the HK Property Disposal and the Reorganisation have been completed.

The consideration for the KEE BVI Disposal shall be settled by Nicco in cash at KEE BVI Disposal Completion.

KEE BVI Disposal Conditions

KEE BVI Disposal Completion is conditional upon the fulfilment or waiver of the following KEE BVI Disposal Conditions:—

- (i) the Company having obtained the necessary approval by the Independent Shareholders of the KEE BVI Disposal Agreement and the transactions contemplated thereunder (including but not limited to the Shareholders' Agreement) as required under the Listing Rules and the Takeovers Code;

- (ii) the Company having obtained the necessary consents of the Executive for the special deal constituted by the KEE BVI Disposal Agreement and the transactions contemplated thereunder (including but not limited to the Shareholders' Agreement) pursuant to Rule 25 of the Takeovers Code;
- (iii) all the conditions precedent to the completion of the transactions as contemplated under the Sale and Purchase Agreement, the PRC Master Disposal Agreement and the HK Property Disposal Agreement having been fulfilled (or waived in accordance with the relevant agreement(s)) (other than the condition precedent that all the conditions precedent to the completion of the transactions set out in the KEE BVI Disposal Agreement being fulfilled or waived);
- (iv) all other relevant requirements under all applicable laws, rules and regulations in Hong Kong or otherwise, including without limitation the Listing Rules, the Takeovers Code and/or all necessary approvals and processes of the relevant authorities for the entering into and implementation of the KEE BVI Disposal Agreement and the transactions contemplated thereunder (including but not limited to the Shareholders' Agreement) having been duly fulfilled, obtained and/or complied with by the Company;
- (v) all other relevant requirements under all applicable laws, rules and regulations in Hong Kong or otherwise, including without limitation the Listing Rules, the Takeovers Code and/or all necessary approvals and processes of the relevant authorities for the entry into and implementation of the KEE BVI Disposal Agreement and the transactions contemplated thereunder (including but not limited to the Shareholders' Agreement) having been duly fulfilled, obtained and/or complied with by Nicco;
- (vi) the warranties given by Nicco under the KEE BVI Disposal Agreement remaining true and accurate and not misleading; and
- (vii) the completion of the Reorganisation.

The Company shall use its best endeavours to fulfil the KEE BVI Disposal Conditions (i) to (iv) and (vii) above as soon as possible and no later than the Long Stop Date. Nicco shall use its best endeavours to fulfil KEE BVI Disposal Conditions (v) and (vi) above as soon as possible and no later than the Long Stop Date. The KEE BVI Disposal Conditions set out above are not capable of being waived (save and except that KEE BVI Disposal Condition (vi) may be waived by the Company by notice in writing).

If any of the KEE BVI Disposal Conditions set out above have not been fulfilled on or before the Long Stop Date, the KEE BVI Disposal Agreement shall cease and determine and thereafter neither party to the KEE BVI Disposal Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Information of the Reorganisation

Prior to the KEE BVI Disposal Completion, the KEE BVI Group will undergo the following reorganisation:

- (i) each of KEE BVI and KEE Zippers shall repay amounts due to the Company of HK\$27,011,350 and HK\$120,372,902 respectively; and
- (ii) KEE BVI will declare and distribute dividends in the amount of HK\$23,338,165 to the Company. For the avoidance of doubt, Nicco shall have no rights to receive such dividend.

KEE BVI Disposal Completion

Subject to the KEE BVI Disposal Conditions having been satisfied or waived (as the case may be), KEE BVI Disposal Completion shall take place simultaneously with the Share Transfer Completion, the PRC Assets Disposal Completion and the HK Property Disposal Completion.

Immediately after the KEE BVI Disposal Completion, KEE BVI will become an 85% owned subsidiary of the Company. The financial results of the KEE BVI Group will continue to be consolidated into the Company's consolidated financial statements. According to Hong Kong Financial Reporting Standards, no gain or loss will be recognised to the consolidated statement of profit or loss and other comprehensive income if a company has not lost control over a subsidiary after disposal of its partial interest in the subsidiary. Any premium or shortfall between the consideration received and carrying amount of equity stake being disposed of, will be recognised directly as equity instead of profit or loss. As such, no gain or loss will be recognised for the KEE BVI Disposal.

As the KEE BVI Disposal will not result in any change in control by the Company over KEE BVI, the KEE BVI Disposal will have no impact on the consolidated statement of profit or loss and other comprehensive income of the Group.

Upon KEE BVI Disposal Completion, the Company's equity interest in KEE BVI will be reduced to 85%, while Nicco's equity interest in KEE BVI will be 15%.

Use of proceeds

The proceeds from the KEE BVI Disposal will be HK\$24,627,172.

The Company intends to use the proceeds from the KEE BVI Disposal to achieve its plan of developing an internet marketing platform and internet financing platform business, including use towards the cost of setting up the internet platforms and related human resource costs. For details please see the section headed "8. Intention of the Offeror in relation to the Company".

Shareholders' Agreement

Pursuant to the KEE BVI Disposal Agreement, KEE BVI, the Company and Nicco shall enter into a Shareholders' Agreement which shall set out the rights and obligations of the Company and Nicco and the arrangements between them with respect to the ownership, management and operations of the KEE BVI and its subsidiaries upon the KEE BVI Disposal Completion. The principal terms of the Shareholders' Agreement are set out below:

(a) Board composition

The Shareholders' Agreement shall provide that the board of directors of KEE BVI shall comprise five directors, three of them shall be appointed and removed at the request of the Company and two of them shall be appointed and removed at the request of Nicco.

The chairman of the board of directors of KEE BVI shall be nominated by the Company and does not have a second or casting vote.

(b) Business

KEE BVI Group shall maintain its principal business in design, manufacture and sale of finished zippers, flat knit ribs and other garment accessories and, subject to written approval of all the shareholders of KEE BVI, shall not participate in any other business activities which are unrelated or not reasonably related to the Business Scope.

(c) Matters requiring unanimous consent

During the term of the Shareholders' Agreement, unless the unanimous consent of the shareholders of KEE BVI has been obtained the shareholders of KEE BVI shall take all necessary actions to ensure that the KEE BVI Group shall not carry out the following actions:

- (i) the creation or issue or award of any share(s) or the issue of any warrant, debentures, securities or other obligations convertible into shares or enter into any agreement to do any of the same;
- (ii) the capitalisation, repayment or other form of distribution (other than by way of dividends out of profits available for distribution) to buy back or purchase of any shares of the KEE BVI Group or any other reorganisation of share capital;
- (iii) the alteration of the memorandum of association or articles of association and the passing of any resolutions inconsistent with the provisions of the Shareholders' Agreement;
- (iv) the lending of any moneys (otherwise than by way of deposit with a bank or other institution(s) the normal business of which includes the acceptance of deposits), the granting of any credit or the giving of any guarantee or indemnity for obligations to any third parties (other than the KEE BVI Group), or the creation of any encumbrances over any

property or business of the KEE BVI Group, unless the sum involved is no more than HK\$5,000,000 or such activity is carried out in the ordinary course of business of the KEE BVI Group;

- (v) the acquisition, amalgamation or merger, holding or formation of any company or the participation in any partnership (except for the existing subsidiaries of the KEE BVI Group, partnerships or joint ventures or wholly-owned subsidiaries);
- (vi) the entering into of any material contract unrelated to the Business Scope which exceeds the value of HK\$5,000,000;
- (vii) save for the ordinary course of business of the KEE BVI Group, the sale of the assets of the KEE BVI Group in a total amount exceeding HK\$5,000,000;
- (viii) the addition of any connected transaction(s) (save for the connected transactions within the KEE BVI Group);
- (ix) the alteration of the rights attaching to any of the shares of KEE BVI Group;
- (x) any material alteration to the nature and scope of business, termination of any business or engagement in a new business by the KEE BVI Group;
- (xi) consolidation or merger with or acquisition of other business;
- (xii) the alteration of the company structure of the KEE BVI Group;
- (xiii) the alteration of the Shareholders' Agreement;
- (xiv) except for the resignation of the relevant director (not including Mr. Xu Xipeng and Mr. Xu Xinan) and/or senior management of the KEE BVI Group, any change to the existing directors and/or senior management of the KEE BVI Group;
- (xv) the alteration of the KEE BVI Group's existing policy on bonus or dividend or declaring or distributing any dividend;
- (xvi) appointment, removal or replacement of KEE BVI's independent auditor and valuer;
- (xvii) any changes to the KEE BVI Group's accounting reference date or accounting policies, other than those that are required under any law or any relevant accounting standards from time to time;
- (xviii) the sale of the trademarks, invention patents, design patents, utility model patents and other intellectual properties of the KEE BVI Group which are of material importance to the operation of the KEE BVI Group; and

(xix) participating in or agreeing to propose in any action of closure, termination or dissolution of any members of the KEE BVI Group or taking part in any bankruptcy or insolvency proceedings, or due to its insolvency or inability to repay debts, entering into settlement and arrangements with its creditors.

During the term of the Shareholders' Agreement, if KEE BVI Group has incurred more than HK\$3 million loss during any twelve-month period, the Company shall have the right to carry out the actions set out in paragraphs (i) to (xix) above, including but not limited to appointment or change of all directors and management of the subsidiaries of KEE BVI and dealing with any assets of KEE BVI without seeking the view of Nicco or obtaining the approval by Nicco.

(d) Transfer of shares and lock-up

None of the shareholders of KEE BVI shall dispose of or permit or suffer a transfer of the whole or any part of the shares held by it or any interest therein unless the following procedures are complied with:

- (i) the transfer is to be made to a third party who is approved in writing by all other shareholders and a transfer part or all of the shares in KEE BVI by a shareholder to any individual(s) on such conditions which has been approved in writing by all other shareholders; and
- (ii) a transfer of all (but not part) of the shares in KEE BVI by a shareholder to its wholly-owned subsidiary and a deed of adherence has been executed by the transferee upon completion of transfer of shares in KEE BVI.

Except as stated above, the parties to the Shareholders' Agreement agree that, if KEE BVI Group has incurred more than HK\$3 million loss during any twelve-month period, the Company shall be entitled to transfer all or part of the shares in KEE BVI to any third parties, but Nicco shall have the right of first refusal to acquire the shares in KEE BVI under the same terms.

No shareholder of KEE BVI shall create any encumbrances over its shares in KEE BVI without the prior written consent of the other.

(e) Undertakings by Nicco

Pursuant to the Shareholders' Agreement, Nicco shall undertake to the Company that during the term of the Shareholders' Agreement, it shall (i) use its best endeavours to maintain the good operation of the business of KEE BVI Group and shall ensure that the operation of the KEE BVI Group will not affect the listing status of the Company; and (ii) ensure that Mr. Xu Xipeng and Mr. Xu Xinan will and will continue to be the directors of the relevant members of the KEE BVI Group and participate in the operation and management of the business of the KEE BVI Group.

(f) *Duration*

The Shareholders' Agreement shall continue in full force and effect until KEE BVI shall be wound up or otherwise cease to exist as a separate corporate existing or when the entire issued shares of KEE BVI's is held by one shareholder.

Reasons for and benefits of the KEE BVI Disposal

The Board considers that the KEE BVI Disposal would allow the Company to realise part of its investment in KEE BVI Group and ensure that Mr. Xu Xipeng and Mr. Xu Xinan, who are familiar with and have rich experience in the business and operation of KEE BVI Group will continue to be part of the management of KEE BVI Group and KEE BVI Group will be operated normally after Share Transfer Completion.

As such, the Directors (excluding the members of the Code IBC and the Listing Rules IBC whose view is subject to the advice from the Independent Financial Adviser) consider that the terms of the KEE BVI Disposal Agreement and the Shareholders' Agreement are on normal commercial terms and are fair and reasonable and that the KEE BVI Disposal Agreement, the Shareholders' Agreement and the transactions respectively contemplated thereunder are in the interests of the Company and the Independent Shareholders as a whole.

Financial information on the KEE BVI Group

Set out below is a summary of the key financial data of KEE BVI Group based on the unaudited consolidated financial statements of KEE BVI Group for the years ended 31 December 2013 and 2014:

	For the year ended	
	31 December	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net profit before taxation	10,799	10,805
Net profit after taxation attributable to equity shareholders	8,323	8,889

The unaudited consolidated net assets value attributable to equity shareholders of KEE BVI Group as at 30 June 2015 was approximately HK\$160,041,657. Based on the unaudited consolidated net assets value of KEE BVI Group as at 30 June 2015, assuming the PRC Assets Disposal, the HK Property Disposal and the Reorganisation had been completed on 30 June 2015, the adjusted unaudited consolidated net assets value attributable to equity shareholders of KEE BVI Group would be HK\$164,181,144 as at 30 June 2015. For the purposes of illustration, the adjusted unaudited consolidated net assets value of KEE BVI Group attributable to 15% of the equity interest in KEE BVI Group as at 30 June 2015 was approximately HK\$24,627,172.

Pursuant to Rule 10 of the Takeovers Code, (i) the unaudited net profit before taxation and the unaudited net profit after taxation attributable to equity shareholders of KEE BVI Group for the two years ended 31 December 2013 and 31 December 2014; (ii) the unaudited consolidated net assets value attributable to equity shareholders of KEE BVI Group as at 30 June 2015; and (iii) the adjusted unaudited consolidated net assets value of KEE BVI Group attributable to 15% of the equity interest in KEE BVI Group as at 30 June 2015 assuming the PRC Assets Disposal, the HK Property Disposal and the Reorganisation had been completed on 30 June 2015 (together, the “KEE BVI Group Financial Information”) constitute profit forecasts and should be reported on in accordance with Rule 10 of the Takeovers Code; and the reports must be included in this joint announcement in accordance with Rule 10.4 of the Takeovers Code. Due to the time constraint in issuing this joint announcement in compliance with Chapters 14 and 14A of the Listing Rules and the Inside Information Provision under Part XIVA of the SFO, the parties have encountered practical difficulties in meeting the reporting requirements under Rule 10 of the Takeovers Code for the purpose of this joint announcement. The KEE BVI Group Financial Information does not meet the standard required under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the KEE BVI Group Financial Information in assessing the merits and demerits of the Disposals and/or the Offer and/or when dealing in the Shares.

The KEE BVI Group Financial Information will be reported on by the Company’s financial advisers and auditors or accountants in the next document to be sent to the Shareholders pursuant to Rule 10 of the Takeovers Code. The Company expects the Circular relating to the Disposals to be despatched to the Shareholders will be the next Shareholder’s document.

(B) The PRC Master Disposal Agreement

Date: 19 August 2015

Parties: (1) the Company as vendor; and
(2) Nanhai Jinheming as purchaser

As at the date of this joint announcement, Nanhai Jinheming is owed as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively. Nanhai Jinheming is therefore a connected person of the Company.

Subject Matter

Pursuant to the PRC Master Disposal Agreement:

- (a) the Company agreed to procure KEE Guangdong to sell and Nanhai Jinheming agreed to purchase the KEE Jingmen Sale Capital, representing 80% of the equity interest in KEE Jingmen; and
- (b) the Company agreed to procure KEE Zhejiang to sell and Nanhai Jinheming agreed to purchase the PRC Properties.

Both KEE Guangdong and KEE Zhejiang are indirect wholly-owned subsidiaries of the Company.

The PRC Properties

The PRC Properties which are located in Weizhong Village, Weitang Town, Jiashan County, Zhejiang Province, PRC comprise the Land and the PRC Buildings. The Land has a total area of approximately 32,241.3 sq.m. The PRC Buildings comprise seven buildings constructed on the Land and with aggregate gross floor area of approximately 23,183.43 sq.m. The PRC Properties were granted for land use rights for a term expiring on 20 June 2056 for industrial use and is currently occupied by KEE Zhejiang for industrial and ancillary purposes. It is one of the two major production plants of the Group in the PRC.

The details of the two major production plants are as follows:

Operating subsidiary	Location	Site Area	Gross Floor Area	No. of staff as at 31 August 2015	Major equipment	Production capacity
KEE Zhejiang	Weizhong Village, Weitang Town, Jiashan County, Zhejiang Province, PRC	32,241.3 sq.m.	23,183.43 sq.m.	191	– Approximate no. of zipper production equipment: 520	Approximately 40% of the Group's production capacity
KEE Guangdong	Xiahengtian Industrial District, Lishui Town, Nanhai District, Foshan City, Guangdong Province, PRC	26,976.6 sq.m.	17,705.22 sq.m.	412	– Approximate no. of production equipments mainly for Finished Zippers, Sliders, Flat knit ribs and mould: 1,110	Approximately 60% of the Group's production capacity

The carrying amount of the PRC Properties as at 30 June 2015 was approximately HK\$28,894,231. According to the valuation of the PRC Properties, the market value of the PRC Properties as at 30 June 2015 was approximately RMB37,000,000 (equivalent to approximately HK\$44,533,200).

Consideration

The total consideration for the disposal of the KEE Jingmen Sale Capital is RMB87,417,730 (or HK\$105,215,980 if paid in Hong Kong dollars), which shall be satisfied by Nanhai Jinheming by bank transfer to the bank account designated by KEE Guangdong upon the PRC Assets Disposal Completion.

The total consideration for the disposal of the PRC Properties is RMB37,000,000 (or HK\$44,533,200 if paid in Hong Kong dollars), which shall be satisfied by Nanhai Jinheming by bank transfer to the bank account designated by KEE Zhejiang upon the PRC Assets Disposal Completion.

The total considerations for the KEE Jingmen Sale Capital and the PRC Properties were agreed between the Company and Nanhai Jinheming after arm's length negotiations with reference to 80% of the adjusted unaudited net asset value of KEE Jingmen as at 30 June 2015 in the amount of HK\$105,215,980 (taking into account the fair value uplift of the properties held by KEE Jingmen as at 30 June 2015 with reference to the appraised value of the properties held by KEE Jingmen

as at 30 June 2015 of RMB100,700,000 (equivalent to approximately HK\$121,202,520) as set out in the valuation report in the Appendix) and the appraised value of the PRC Properties of RMB37,000,000 (equivalent to approximately HK\$44,533,200) as at 30 June 2015.

Please refer to the Appendix to this joint announcement for the text of the valuation report issued by Greater China Appraisal Limited for, amongst others, the value of the properties held by KEE Jingmen and the PRC Properties as at 30 June 2015 and the text of the letter dated 9 November 2015 from Greater China Appraisal Limited confirming that the value of the real property interests of the Group as at 31 August 2015 would not be materially different from the valuation date as at 30 June 2015.

PRC Assets Disposal Conditions

The PRC Assets Disposal Completion is conditional upon the fulfillment or waiver of the following PRC Assets Disposal Conditions:–

- (i) the Company having obtained the necessary approval by the Independent Shareholders of the PRC Master Disposal Agreement and the transactions contemplated thereunder (including but not limited to the transfer of KEE Jingmen Sale Capital, the transfer of the PRC Properties and the lease of the PRC Properties) as required under the Listing Rules and the Takeovers Code;
- (ii) the Company having obtained the necessary consents of the Executive for the special deal constituted by the PRC Master Disposal Agreement and the transactions contemplated thereunder (including but not limited to the transfer of KEE Jingmen Sale Capital, the transfer of the PRC Properties and the lease of the PRC Properties) pursuant to Rule 25 of the Takeovers Code;
- (iii) all the conditions precedent to the completion of the transactions set out in the Sale and Purchase Agreement, the KEE BVI Disposal Agreement and the HK Property Disposal Agreement having been fulfilled (or waived in accordance with these agreements) (other than the condition precedent that all the conditions precedent to the completion of the transactions set out in the PRC Master Disposal Agreement being fulfilled or waived);
- (iv) all other relevant requirements under all applicable laws, rules and regulations in Hong Kong or otherwise, including without limitation the Listing Rules, the Takeovers Code and/or all necessary approvals and processes of the relevant authorities for the entry into and implementation of the PRC Master Disposal Agreement and the transactions contemplated thereunder having been duly fulfilled, obtained and/or complied with by the Company;
- (v) without prejudice to the generality of condition (iv) above, all necessary consents and approvals which are required for the disposal of the KEE Jingmen Sale Capital having been satisfied, obtained and/or complied with by KEE Guangdong;

- (vi) without prejudice to the generality of condition (iv) above, all necessary consents and approvals which are required for the disposal and lease of the PRC Properties having been satisfied, obtained and/or complied with by KEE Zhejiang;
- (vii) all other relevant requirements under all applicable laws, rules and regulations in Hong Kong or otherwise, including without limitation the Listing Rules, the Takeovers Code and/or all necessary approvals and processes of the relevant authorities for the entry into and implementation of the PRC Master Disposal Agreement and the transactions contemplated thereunder having been duly fulfilled, obtained and/or complied with by Nanhai Jinheming; and
- (viii) the warranties given by Nanhai Jinheming under the PRC Master Disposal Agreement remaining true and accurate and not misleading.

The Company shall use its best endeavours to fulfil the PRC Assets Disposal Conditions (i) to (vi) above. Nanhai Jinheming shall use its best endeavours to fulfil PRC Assets Disposal Conditions (vii) and (viii) above.

The PRC Assets Disposal Conditions set out above are not capable of being waived (save and except that PRC Assets Disposal Condition (viii) may be waived by the Company by notice in writing).

If any of the PRC Assets Disposal Conditions set out above have not been fulfilled on or before the Long Stop Date), the PRC Master Disposal Agreement shall cease and determine and thereafter neither party to the PRC Master Disposal Agreement shall have any obligations and liabilities towards each other thereunder save or any antecedent breaches of the terms thereof.

PRC Assets Disposal Completion

Subject to the PRC Assets Disposal Conditions having been satisfied or waived (as the case may be), PRC Assets Disposal Completion shall take place on the PRC Assets Disposal Completion Date simultaneously with the Share Transfer Completion, the KEE BVI Disposal Completion and the HK Property Disposal Completion. At PRC Assets Disposal Completion, KEE Guangdong and Nanhai Jinheming shall execute the relevant transfer agreement for the transfer of the KEE Jingmen Sale Capital, and KEE Zhejiang and Nanhai Jinheming shall execute the relevant transfer agreement for the transfer of the PRC Properties.

Immediately after PRC Assets Disposal Completion, KEE Jingmen will cease to be an indirect non-wholly owned subsidiary of the Company and the financial results of KEE Jingmen will no longer be consolidated into the Company's consolidated financial statements after PRC Assets Disposal Completion.

Information on KEE Jingmen

KEE Jingmen is owned as to 80% by KEE Guangdong and as to 20% by 上海翎峰貿易有限公司 (Shanghai Lingfeng Trading Company Limited#). KEE Jingmen is principally engaged in the manufacture and sale of zipper products and other garment accessories as at the date of this joint announcement. KEE Jingmen has

been granted the land use rights of the Jingmen Land and the Jingmen Buildings for industrial use. The land use rights for the Jingmen Land and the Jingmen Buildings were granted for terms expiring on 15 April 2062 and 26 June 2062 respectively. As at the date of this joint announcement, the superstructure of the Jingmen Buildings has been completed. Since the Jingmen Buildings are still under construction, they are not currently utilised by the Group for its operation as at the date of this joint announcement.

Set out below is a summary of the key financial data of KEE Jingmen based on the audited financial statements of KEE Jingmen for the years ended 31 December 2013 and 2014:

	For the year ended 31	
	December	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net loss before taxation	1,333	739
Net loss after taxation	1,333	739

The unaudited net assets value of KEE Jingmen as at 30 June 2015 was approximately HK\$121,370,983. According to the valuation of the properties held by KEE Jingmen, the market value of such properties as at 30 June 2015 was approximately RMB100,700,000 (equivalent to approximately HK\$121,202,520). For the purposes of illustration, the unaudited net assets value of KEE Jingmen as at 30 June 2015 (after adjusted for the fair value uplift of the properties held by KEE Jingmen as at 30 June 2015 with reference to the valuation report as set out in the Appendix) was approximately HK\$131,519,975 and the adjusted unaudited net assets value of KEE Jingmen as at 30 June 2015 attributable to 80% of the equity interest in KEE Jingmen was approximately HK\$105,215,980.

Pursuant to Rule 10 of the Takeovers Code, (i) the unaudited net assets value of KEE Jingmen attributable to 80% of the equity interest in KEE Jingmen as at 30 June 2015 (after adjusted for the fair value uplift of the properties held by KEE Jingmen as at 30 June 2015 with reference to the valuation report as set out in the Appendix to this joint announcement); and (ii) the unaudited net assets value of KEE Jingmen as at 30 June 2015 (together, the “KEE Jingmen Financial Information”) constitute profit forecasts and should be reported on in accordance with Rule 10 of the Takeovers Code; and the reports must be included in this joint announcement in accordance with Rule 10.4 of the Takeovers Code. Due to the time constraint in issuing this joint announcement in compliance with Chapters 14 and 14A of the Listing Rules and the Inside Information Provision under Part XIVA of the SFO, the parties have encountered practical difficulties in meeting the reporting requirements under Rule 10 of the Takeovers Code for the purpose of this joint announcement. The KEE Jingmen Financial Information does not meet the standard required under Rule 10 of the Takeovers Code. Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the KEE Jingmen Financial Information in assessing the merits and demerits of the Disposals and/or the Offer and/or when dealing in the Shares.

The KEE Jingmen Financial Information will be reported on by the Company's financial advisers and auditors or accountants in the next document to be sent to the Shareholders pursuant to Rule 10 of the Takeovers Code. The Company expects the Circular relating to the Disposals to be despatched to the Shareholders will be the next Shareholder's document.

Financial effect of the PRC Assets Disposal

It is estimated that the Group will record a gain of approximately HK\$23,758,163 as a result of the PRC Assets Disposal (including the disposal gain of the PRC Properties of HK\$15,638,969 and the disposal gain of KEE Jingmen Sale Capital of HK\$8,119,194 respectively), which is arrived at after taking into consideration the difference between (i) the considerations for the KEE Jingmen Sale Capital and the PRC Properties; and (ii) the net carrying amounts of the KEE Jingmen Sale Capital and the PRC Properties upon PRC Assets Disposal Completion.

Use of proceeds

The proceeds from the PRC Assets Disposal will be RMB124,417,730 or HK\$149,749,180. The Company intends to use the proceeds from the PRC Assets Disposal to achieve its plan of developing an internet marketing platform and internet financing platform business, including use towards the cost of setting up the internet platforms and related human resource costs. For details please see the section headed "8. Intention of the Offeror in relation to the Company".

The PRC Lease Agreement

Pursuant to the PRC Master Disposal Agreement, KEE Zhejiang and Nanhai Jinheming shall enter into the PRC Lease Agreement in relation to the lease of the PRC Properties.

The principal terms of the PRC Lease Agreement are set out below:

Parties	:	(i) Nanhai Jinheming as landlord; and (ii) KEE Zhejiang as tenant
Premises	:	(i) the Land; and (ii) the PRC Buildings
Leased area	:	(i) the Land: approximately 32,241.3 sq.m. (ii) the PRC Buildings: approximately 23,183.43 sq.m.
Permitted use	:	Industrial use only
Term	:	One year commencing from the PRC Assets Disposal Completion Date

Renewal : Upon expiry of the term of lease, KEE Zhejiang has the right to renew the lease for consecutive terms of not more than three years by giving a three months' notice in writing to Nanhai Jinheming before the expiry of the then existing term.

The length of the renewed terms of the lease of the PRC Properties shall not be more than 15 years in aggregate (excluding the rent free period).

Monthly rent : Rent free for the current term of one year. The monthly rent for renewed terms shall be determined according to the prevailing market rent in the same region under the valuation report issued by a qualified valuer.

Management fees and other outgoings: : For the initial term of one year, the management fees (including but not limited to property management fees, water and electricity fees, cable television fees, communications fees, city management, urban services fees) for the PRC Properties and the taxes payable by KEE Zhejiang as tenant under the applicable laws shall be borne by KEE Zhejiang. For the renewed terms, except for the rent, property management fees, water and electricity fees, cable television fees and communication fees which shall be borne by KEE Zhejiang, other fees and expenses in relation to the PRC Properties shall be borne by Nanhai Jinheming.

Deposit : RMB200,000 (equivalent to approximately HK\$240,720). Such deposit shall be payable upon execution of the PRC Lease Agreement. For the renewed terms, if the total of two-months' rent is more than RMB200,000, KEE Zhejiang shall pay the difference to Nanhai Jinheming as deposit.

Annual Cap

Since no rent is payable for the first one year term, the annual cap in respect of the PRC Lease Agreement during its first one year term will be RMB200,000, being the amount of the deposit payable under the PRC Lease Agreement.

Reasons for and benefits of the PRC Assets Disposal and the PRC Lease Agreement

The Board considers that the capital gain from the PRC Assets Disposal can strengthen the capital base of the Group and provide fund to meet its growth. Since KEE Zhejiang has been granted the right for renewal under the PRC Lease Agreement and the major terms for renewal (including the determination of the rent, term, management fees and other outgoings and deposit) have already been provided in the PRC Lease Agreement, the Board also considers that the PRC Lease Agreement can ensure that the Group will be able to use the PRC

Properties as one of its production plants for at least 16 years with rent free for the first year and market rent for the subsequent 15 years. Given the leaseback arrangement under the PRC Lease Agreement and the fact that the Jingmen Buildings are not currently utilised by the Group for its operation, the Board is of the view that it is unlikely for the PRC Assets Disposal to have any material impact on the operation of the Group. In the unlikely event that KEE Zhejiang is unable to renew the PRC Lease Agreement, the production capacity of the Group will be temporarily affected. The Group will seek for an appropriate location to relocate the production plant in Zhejiang as soon as possible. In the meantime, the Group will transfer part of the production of KEE Zhejiang to the larger production plant operated by KEE Guangdong, expand the production capacity of such production plant and contract out part of the production process to minimise the impact.

As such, the Directors (excluding the members of the Code IBC and the Listing Rules IBC whose view is subject to the advice from the Independent Financial Adviser) consider that the terms of the PRC Master Disposal Agreement and the PRC Lease Agreement are on normal commercial terms and are fair and reasonable and the PRC Master Disposal Agreement, the PRC Lease Agreement and the transactions respectively contemplated thereunder are in the interests of the Company and the Independent Shareholders as a whole.

(C) The HK Property Disposal Agreement

Date: 19 August 2015

Parties: (i) KEE Zippers as vendor; and
(ii) Classic Winner as purchaser.

KEE Zippers is an indirect wholly-owned subsidiary of the Company. Classic Winner is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. As at the date of this joint announcement, Classic Winner is owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively. Classic Winner is therefore a connected person of the Company.

Subject Matter

Pursuant to the HK Property Disposal Agreement, KEE Zippers agreed to sell and Classic Winner agreed to purchase the HK Property.

HK Property

The HK Property is the office situated at Office B on the sixteenth floor of YHC Tower, No. 1 Sheung Yuet Road, Kowloon, Hong Kong with a total saleable area of approximately 139.63 sq.m. The HK Property has been mortgaged to a bank as security for an outstanding bank borrowing of approximately HK\$15 million. The HK Property is currently occupied by the Group for office use.

Consideration

The consideration for the sale and purchase of the HK Property shall be HK\$24,800,000 which shall be payable by Classic Winner in cash at the HK Property Disposal Completion.

The consideration for the HK Property was agreed between KEE Zippers and Classic Winner after arm's length negotiations with reference to the appraised value of the HK Property of HK\$24,800,000 as at 30 June 2015.

Please refer to the Appendix to this joint announcement for the text of the valuation report issued by Greater China Appraisal Limited for, amongst others, the value of the HK Property as at 30 June 2015 and the text of the letter dated 9 November 2015 from Greater China Appraisal Limited confirming that the value of the real property interests of the Group as at 31 August 2015 would not be materially different from the valuation date as at 30 June 2015. Greater China Appraisal Limited has given and has not withdrawn its written consent to the issue of this announcement with the inclusion herein of its valuation report and confirmation letter and references to its name in the form and context in which they respectively appear in this joint announcement.

HK Property Disposal Conditions

HK Property Disposal Completion shall be conditional upon:–

- (i) KEE Zippers having shown, proved and given a good title of the HK Property in accordance with Section 13 and Section 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong);
- (ii) the Company having obtained all necessary Independent Shareholders' approval with respect to the HK Property Disposal Agreement and the transactions contemplated thereunder (including but not limited to the transactions contemplated under the HK Lease Agreement) as required under the Listing Rules and the Takeovers Code;
- (iii) the Company having obtained all necessary consents of the Executive for the special deal constituted by the HK Property Disposal Agreement and the transactions contemplated thereunder (including but not limited to the transactions contemplated under the HK Lease Agreement) pursuant to Rule 25 of the Takeovers Code;
- (iv) all the conditions precedent to the completion of the transactions set out in the Sale and Purchase Agreement, the KEE BVI Disposal Agreement and the PRC Master Disposal Agreement having been fulfilled (or waived in accordance with these agreements) (other than the condition precedent that all the conditions precedent to the completion of the transactions set out in the HK Property Agreement being fulfilled or waived);
- (v) all other relevant requirements under all applicable laws, rules and regulations in Hong Kong or otherwise, including without limitation the Listing Rules, the Takeovers Code and/or all necessary approvals and

processes of the relevant authorities for the entry into and implementation of the HK Property Disposal Agreement and the transactions contemplated thereunder having been duly fulfilled, obtained and/or complied with by KEE Zippers and/or its holding companies; and

- (vi) all other relevant requirements under all applicable laws, rules and regulations in Hong Kong or otherwise, including without limitation the Listing Rules, the Takeovers Code and/or all necessary approvals and processes of the relevant authorities for the entry into and implementation of the HK Property Disposal Agreement and the transactions contemplated thereunder having been duly fulfilled, obtained and/or complied with by Classic Winner.

Classic Winner may at its absolute discretion at any time waive condition (i) as set out above by notice in writing to KEE Zippers. Neither KEE Zippers nor Classic Winner may waive conditions (ii) to (vi) as set out above.

KEE Zippers shall use all reasonable endeavours to procure the fulfillment of conditions (i) to (v) above. Classic Winner shall use all reasonable endeavours to procure the fulfillment of condition (vi). If any of the HK Property Disposal Conditions are not fulfilled or waived on or before 31 December 2015 or such other date as may be agreed between KEE Zippers and Classic Winner in writing, the rights and obligations of the parties under the HK Property Disposal Agreement shall lapse and be of no further effect except for antecedent breach.

HK Property Disposal Completion

Completion of the HK Property Disposal Agreement shall take place at or before 5:00 p.m. on the third Business Day after fulfillment (or waiver as provided in the HK Property Disposal Agreement) of the last of the conditions precedent set out above or such other date as may be agreed between KEE Zippers and Classic Winner in writing.

Completion under the HK Property Disposal Agreement shall take place at the same time as completion under the Sale and Purchase Agreement, the KEE BVI Disposal Agreement and the PRC Master Disposal Agreement.

Financial effect of the HK Property Disposal

It is estimated that the Group will record a gain of approximately HK\$3,718,725 as a result of the HK Property Disposal, which is arrived at after taking into consideration the difference between (i) the consideration for the HK Property; and (ii) the net carrying amount of the HK Property as at the HK Property Disposal Completion.

Use of proceeds

The proceeds from the HK Property Disposal will be HK\$24,800,000.

The Company intends to use HK\$15,000,000 of the proceeds to settle the bank loan secured by the HK Property and the balance of the proceeds from the HK Property Disposal to achieve its plan of developing an internet marketing platform

and internet financing platform business, including use towards the cost of setting up the internet platforms and related human resource costs. For details please see the section headed “8. Intention of the Offeror in relation to the Company”.

HK Lease Agreement

Pursuant to the HK Property Disposal Agreement, Classic Winner and KEE Zippers shall enter into the HK Lease Agreement upon HK Property Disposal Completion.

The principal terms of the HK Lease Agreement are set out below:

- Parties** : (i) Classic Winner as landlord; and
(ii) KEE Zippers as tenant
- Premises** : Office B on the sixteenth floor of YHC Tower, No. 1 Sheung Yuet Road, Kowloon, Hong Kong
- Leased area** : 139.63 sq.m.
- Permitted use** : Office and non-domestic use only
- Renewal** : KEE Zippers shall be entitled to an option to extend the term of the HK Lease Agreement for another one year upon the expiration of the initial term of one year by serving a written notice to such intent of not less than three (3) months before the expiration of the said term provided that KEE Zippers has fully performed all its obligations in the HK Lease Agreement throughout the said term. For the avoidance of doubt, if no written notice aforesaid is served prior to the required notice period before the expiration of the said term, the option to renew shall lapse and cease to have effect automatically.

The rent for the extended term under the option to renew shall be the then open market rent (inclusive of government rates, government rent, management fees and all other outgoings) of the HK Property as at the commencement date(s) of the extended term.

The open market rent is to be calculated by reference to current market rental as follows:

- (a) If agreement is reached between Classic Winner and KEE Zippers as to the rent to be payable throughout the extended term, the rent payable during the extended term shall be such agreed sum.
- (b) If such an agreement has not been made two (2) months before the commencement of the extended term, either Classic Winner or KEE Zippers may serve a notice upon the other calling for an independent chartered surveyor and valuer to be appointed to determine the open market rent. The surveyor's decision shall be conclusive and binding on the parties thereto.
- (c) Pending determination of the open market rent, KEE Zippers shall continue to pay on account for the extended term the rent payable immediately before the beginning of the extended term and within fourteen (14) days of the determination of the open market rent, KEE Zippers shall pay to Classic Winner or vice versa (as the case may be) the difference between the rent actually paid by KEE Zippers during the period pending determination as aforesaid and the extended term payable for the period pending determination.

Term	:	One year commencing from the date of the HK Property Disposal Completion
Rent	:	HK\$1 (exclusive of government rates, government rent, management fee and all other outgoings) for the whole term payable in advance without any deduction on the date of the HK Lease Agreement
Management fees, government rates and government rent	:	Management fees, government rates and government rent shall be payable by KEE Zippers for the initial term of one year
Deposit	:	Nil (upon exercise of the option to renew, the deposit shall be adjusted to two (2) months' rent during the extended term of the HK Lease Agreement)

Annual Cap

Since HK\$1 rent is payable for the first one year term and no deposit is payable, the annual cap in respect of the HK Lease Agreement during its first one year term will be HK\$1.

Reasons for and benefits of the HK Property Disposal and the HK Lease Agreement

The Board considers that the capital gain from the HK Property Disposal can strengthen the capital base of the Group and provide fund to meet its growth. The Board also considers that the HK Lease Agreement with a nominal rent of HK\$1 for the initial term of one year is beneficial to the Group financially. Given the leaseback arrangement under the HK Lease Agreement, the Board is of the view that the HK Property Disposal will not have any material impact on the operation of the Group.

As such, the Directors (excluding the members of the Code IBC and the Listing Rules IBC whose view is subject to the advice from the Independent Financial Adviser) consider that the terms of the HK Property Disposal Agreement and the HK Lease Agreement are on normal commercial terms and are fair and reasonable and the HK Property Disposal Agreement, the HK Lease Agreement and the transactions respectively contemplated thereunder are in the interests of the Company and the Independent Shareholders as a whole.

3. IMPLICATIONS OF THE DISPOSAL AGREEMENTS, THE LEASE AGREEMENTS, THE SHAREHOLDERS' AGREEMENT UNDER THE LISTING RULES AND THE TAKEOVERS CODE

Pursuant to the Sale and Purchase Agreement, the Offeror has agreed to acquire the Sale Shares, which represent approximately 72.789% of the issued share capital of the Company as at the date of this joint announcement.

Since the Disposals, the Lease Agreements and the Shareholders' Agreement are not capable of being extended to all Shareholders, the Disposals, the Lease Agreements and the Shareholders' Agreement constitute special deals under Note 4 to Rule 25 of the Takeovers Code, which require the consent of the Executive and such consent, if granted, will normally be conditional upon the Independent Financial Adviser publicly stating in its opinion that the terms of the Disposals, the Lease Agreements and the Shareholders' Agreement are fair and reasonable and the approval of the Independent Shareholders having been obtained by way of a poll at the EGM. An application will be made to the Executive for consent to proceed with the Disposals, the Lease Agreements and the Shareholders' Agreement under Rule 25 of the Takeovers Code. Shareholders should note that such consent may or may not be granted by the Executive and, if such consent is not granted, completion of the Disposals will not proceed. As the obtaining of such consent is a Share Transfer Condition, Share Transfer Completion will not take place if such consent is not obtained on or before the Long Stop Date.

Since Nicco, Classic Winner and Nanhai Jinheming are connected persons of the Company, the Disposals shall constitute connected transactions on the part of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable

percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals exceeds 25% but less than 75%, the Disposals are also major transactions under Chapter 14 of the Listing Rules and are subject to the reporting, announcement and the Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules.

Upon the completion of the Disposals, the Lease Agreements will become continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules. Since the Lease Agreements are part of the transactions under the Disposals, the Lease Agreements shall also be subject to the reporting, annual review, announcement and the Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. Upon any variation or renewal of the Lease Agreements, the Company shall comply with all applicable requirements under the Listing Rules.

Notwithstanding the requirements of the Listing Rules, as stated above, the Disposals, the Lease Agreements and the Shareholders' Agreement are required to be approved by the Independent Shareholders as special deals pursuant to Note 4 to Rule 25 of the Takeovers Code.

At the EGM, (i) Nicco, Nanhai Jinheming, Classic Winner, Mr. Xu Xipeng, Mr. Xu Xinan, Mr. Chow Hoi Kwang, Albert, their associates and parties acting in concert with any of them; (ii) the Offeror, Keen Concept their associates and parties acting in concert with any of them; and (iii) any Shareholders who are involved in or interested in the Sale and Purchase Agreement, the Disposal Agreements, the Lease Agreements, the Shareholders' Agreement and any transactions contemplated thereunder shall abstain from voting on all the Shareholders' resolutions approving the Disposal Agreements, the Lease Agreements, the Shareholders' Agreement.

Members of the Code IBC and the Listing Rules IBC will defer their views as to whether, the terms of the Disposal Agreement, the Lease Agreements and the Shareholders' Agreement (as special deals for the purpose of Rule 25 of the Takeovers Code and/or connected transactions for the purpose of Chapter 14A of the Listing Rules) are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole, until after advice has been sought from the Independent Financial Adviser, whose advice will be set out in the circular.

The Company will make an application to the Executive for his consent under Note 4 to Rule 25 of the Takeovers Code in relation to the special deals.

4. POSSIBLE UNCONDITIONAL MANDATORY CASH OFFERS

Upon the Share Transfer Completion, the Offeror and parties acting in concert with it will be interested in 310,490,000 Shares, representing approximately 72.789% of the issued share capital of the Company as at the date of this joint announcement.

In accordance with Rules 13 and 26.1 of the Takeovers Code, on Share Transfer Completion, the Offeror will be required to make unconditional mandatory offers in cash (i) for the Offer Shares, being all the Shares in issue during the offer period, other than those Shares already owned or agreed to be acquired by the Offeror, or parties

acting in concert with the Offeror; and (ii) to cancel all the Share Options. The Offers comprising the Share Offer and the Option Offer, if and when made, will be unconditional in all respects.

As at the date of this joint announcement, the Company has 426,560,000 Shares in issue, 9,534,000 vested Share Options which entitle the holders thereof to subscribe for 9,534,000 new Shares and 2,701,000 unvested Share Options. Save for the 9,534,000 vested Share Options and 2,701,000 unvested Share Options, the Company does not have any outstanding options, derivatives, warrants, or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares, and the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this joint announcement.

The Offers will be made on the terms mentioned below.

Terms of the Offers

Subject to and upon the Share Transfer Completion, CICC, the financial adviser to the Offeror, will make the Offers on behalf of the Offeror in compliance with the Takeovers Code on the terms to be set out in the Offer Document.

The Share Offer

For each Offer Share HK\$2.2789 in cash

The Share Offer Price of HK\$2.2789 per Offer Share under the Share Offer is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Offer Document.

The Option Offer

- (1) For cancellation of each Share Option with exercise price of HK\$1.39 HK\$0.8889 in cash
- (2) For cancellation of each Share Option with exercise price of HK\$0.60 HK\$1.6789 in cash

The consideration for cancellation of each outstanding vested Share Option has been determined by deducting the exercise price payable on exercise of each Share Option from the Share Offer Price payable for each Offer Share under the Share Offer pursuant to Rule 13 of the Takeovers Code. Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be cancelled and renounced in their entirety.

Undertaking not to accept the Option Offer

All the holders (who are employees of the Group) of the unvested Share Options have undertaken to the Offeror not to accept the Option Offer in respect of their unvested Share Options. Under the Sale and Purchase Agreement, Nicco as the vendor has undertaken to the Offeror that all the unvested Share Options shall be cancelled within five Business Days after the date of publication of this joint announcement.

The Share Offer Price

The Share Offer Price of HK\$2.2789 per Offer Share represents:

- (a) a premium of approximately 23.2% over the closing price of HK\$1.85 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 36.5% over the average closing price of approximately HK\$1.6690 per Share as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Date;
- (c) a premium of approximately 29.0% over the average closing price of approximately HK\$1.7667 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Date; and
- (d) a premium of approximately 193.9% over the net asset value per Share of approximately HK\$0.7754 (based on the unaudited consolidated net assets of the Group of approximately HK\$338,157,000 as at 30 June 2015 and the total number of issued and outstanding shares of the Company on a fully diluted basis of 436,094,000 Shares assuming all the 9,534,000 vested share options have been exercised).

Highest and Lowest Share Prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the date of this joint announcement were HK\$2.39 per Share on 5 June 2015 and HK\$0.57 per Share on 13 March 2015 respectively.

Total value of the Offers

Based on the Share Offer Price of HK\$2.2789 per Offer Share and 426,560,000 Shares in issue as at the date of this Joint Announcement (including the Sale Shares), the entire issued share capital of the Company is valued at HK\$972,087,584. In the event that the Share Offer is accepted in full, the maximum amount payable by the Offeror under the Share Offer will be HK\$264,511,923 (assuming no Share Option is exercised prior to the Share Offer).

Based on (i) the Option Offer Price of HK\$0.8889 per Share Option with exercise price of HK\$1.39 for each Offer Share in respect of outstanding vested Share Options involving 6,372,000 Offer Shares and outstanding unvested Share Options involving 276,000 Offer Shares, and (ii) the Option Offer Price of HK\$1.6789 with exercise price of HK\$0.60 for each Offer Share in respect of outstanding vested Share Options involving 3,162,000 Offer Shares and outstanding unvested Share Options involving

2,425,000 Offer Shares, as at the date of this Joint Announcement, the maximum amount payable under the Option Offer (assuming no Share Option is exercised prior to the date of closing of the Offers and the Option Offer is accepted in full) is HK\$15,289,422, of which HK\$10,972,753 is in respect of the vested Share Options and HK\$4,316,669 is in respect of the unvested Share Options.

In the event all the Share Options (both vested and unvested) are exercised in full by the Optionholders prior to the date of closing of the Offers and the Share Offer is accepted in full (including all Offer Shares issued and allotted as a result of the exercise of the vested and unvested Share Options), the maximum amount payable by the Offeror pursuant to the Share Offer will be increased to approximately HK\$292,394,265 and no amount will then be payable under the Option Offer. In such case the Company should have received a subscription price of HK\$10,754,280 from the exercise of the vested Share Options and a subscription price of HK\$1,838,640 from the exercise of the unvested Share Options, totalling HK\$12,592,920.

In the event only the vested Share Options are exercised in full by the Optionholders prior to the date of closing of the Offers and the Share Offer is accepted in full (including all Offer Shares issued and allotted as a result of the exercise of the vested Share Options), the maximum amount payable by the Offeror pursuant to the Share Offer will be increased to approximately HK\$286,238,956 and HK\$4,316,669 will then be payable under the Option Offer for the remaining unvested Share Options. In such case the Company should have received a subscription price of HK\$10,754,280 from the exercise of the vested Share Options.

Financial Resources available to the Offeror

The maximum amount of cash payable by the Offeror in respect of acceptances of the Offers is approximately HK\$292,394,265. The Offeror intends to finance and satisfy the Consideration payable under the Sale and Purchase Agreement and the consideration payable under the Offers by using funds from the Loan Agreement as further described below in “5. Financing Arrangements”. CICC, the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the Consideration and the consideration payable upon full acceptances of the Offers

Effect of accepting the Offers

By accepting the Share Offer, the Shareholders will sell their Shares to the Offeror free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the despatch of the Offer Document. By accepting the Option Offer, the Optionholders will agree to the cancellation of their tendered vested Share Options and all rights attached thereto with effect from the date on which the Option Offer is made, being the date of the despatch of the Offer Document. Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Shareholders and Optionholders are reminded to read the recommendations of the Code IBC and the advice of the Independent Financial Adviser appointed by the Code IBC in respect of the Offers which will be included in the Offer Document.

Overseas Shareholders

The availability of the Offers to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offers to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty on acceptance of the Share Offer at a rate of 0.1% of the consideration payable in respect of the acceptance by the Shareholders or if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amount payable to those relevant Shareholders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong). No stamp duty will be payable in connection with the Option Offer.

Payment

Payment (after deducting the accepting Shareholders' share of stamp duty) in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) business days (as defined under the Takeovers Code) of the receipt of duly completed acceptances. Relevant documents of title must be received to render each acceptance of the Offers complete and valid.

Taxation advice

Shareholders and Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, its concert parties, the Company, CICC and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

Dealing and interest in the Company's securities

For the period commencing six months immediately prior to 10 July 2015 (being the date on which the Company announced the possible acquisition of the interest in the Company by a potential purchaser) and up to the date of this joint announcement, save for the entering into of the MOU and the Sale and Purchase Agreement and save for the dealings and shareholding as set out below, the Offeror, its ultimate beneficial owner or any party acting in concert with any of them (including Keen Concept,

COAMI and their respective subsidiaries) have not dealt in nor have they had any Shares or relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) of the Company. By providing financing to and making investment in the Offeror Group, Keen Concept and COAMI are presumed to be parties acting in concert with the Offeror.

For the period commencing six months immediately prior to 10 July 2015 (being the date on which the Company announced the possible acquisition of the interest in the Company by a potential purchaser) and up to the date of this joint announcement, CICC Financial Products Ltd., a wholly owned subsidiary of CICC, has had proprietary trades in the Shares of the Company as set out below. As at the date of this joint announcement, CICC Financial Products Ltd. holds 4,000 Shares in the Company.

Date	Purchased/sold	Price	Number of Shares purchased/sold
22 May 2015	Purchased	HK\$1.5442	100,000
27 May 2015	Purchased	HK\$1.862157	102,000
29 May 2015	Purchased	HK\$1.868333	12,000
5 June 2015	Sold	HK\$2.230561	214,000
24 June 2015	Purchased	HK\$1.545	4,000

Other Arrangements

As at the date of this joint announcement, save as disclosed in this joint announcement:

- (a) none of the Offeror, the Offeror's director or parties acting in concert with any of them (including the Offeror, Keen Concept, COAMI and their respective subsidiaries) owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (b) the Offeror, the Offeror's director and parties acting in concert with any of them (including the Offeror, Keen Concept, COAMI and their respective subsidiaries) have not received any irrevocable commitment to accept the Offers;
- (c) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, the Offeror's director or parties acting in concert with any of them (including the Offeror, Keen Concept, COAMI and their respective subsidiaries);
- (d) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offers;
- (e) save for the Sale and Purchase Agreement, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; and

- (f) the Offeror, the Offeror's director and parties acting in concert with any of them (including the Offeror, Keen Concept, COAMI and their respective subsidiaries) have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

5. FINANCING ARRANGEMENTS

OVERVIEW OF FINANCING ARRANGEMENTS

The purchase of the Sale Shares and the Offers by the Offeror are financed by Li Zhen, the immediate holding company of the Offeror. Specifically, the Offeror entered into the Loan Agreement dated on 27 August 2015 with Li Zhen pursuant to which Li Zhen will lend to the Offeror such amounts as it may require, in the approximate amount of HK\$1,005,000,000.

To obtain the funds the subject of the Loan Agreement, the Offeror, Li Zhen, and Zhonghong entered into the following financing arrangements.

Firstly, Li Zhen (as the issuer, a covenantor and an obligor), the Offeror (as an obligor) and Zhonghong (as a warrantor, a covenantor and an obligor) entered into the Investment Agreement dated 14 August 2015 with Keen Concept, under which Li Zhen is to issue the Notes (as amended) in the aggregate principal amount of HK\$680,000,000 to Keen Concept. In connection with the Investment Agreement, Li Zhen has charged all of its shares in the Offeror representing 100% of the issued share capital of the Offeror in favor of Keen Concept pursuant to the Share Charge, and has also charged two of its general bank accounts opened with the Account Bank (one of which is the Escrow Account as further described below) in favor of Keen Concept pursuant to the Account Charge. In addition, the Offeror has entered into a share charge relating to all of the Sale Shares and Offer Shares to be acquired by the Offeror pursuant to the Listco Share Charge and created charges over all of the Offeror's assets other than the excluded assets for the benefit of Keen Concept pursuant to the Debenture (as amended and restated). Further, Zhonghong has provided a corporate guarantee to Keen Concept with respect to the obligations of Li Zhen and the Offeror under the Investment Agreement, the Share Charge, the Account Charge, the Listco Share Charge and the Debenture (as amended and restated), pursuant to the Parent Guarantee. On 5 November 2015, Li Zhen, Keen Concept, Zhonghong and the Offeror entered into a Deed of Amendment Agreement to amend certain terms of the Investment Agreement, the Notes and the Debenture.

Details of the Investment Agreement (as amended) are set out in the section headed "Investment Agreement (as amended) and Related Security Documents" below.

Secondly, Zhonghong has provided a capital contribution to Li Zhen.

In addition, Li Zhen has entered into an escrow agreement dated 27 July 2015 with CICC and the Account Bank pursuant to which Li Zhen had placed the net proceeds of the subscription of the Notes amounting to HK\$680,000,000, and part of the capital contribution amounting to HK\$325,000,000 into the Escrow Account which is opened and maintained under the name of Li Zhen with the Account Bank. The escrow agreement was amended and restated in its entirety through the execution of the Amended and Restated Escrow Agreement on 24 September 2015 among Li Zhen, CICC, the Account Bank and Keen Concept. Pursuant to the Amended and Restated

Escrow Agreement, Keen Concept was made a party to the agreement and a signatory to the Escrow Account, and the escrow property was revised to reflect the total funds in the amount of HK\$1,005 million (i.e., the aggregate of the net proceeds of the Notes amounting to HK\$680,000,000 and part of the capital contribution amounting to HK\$325,000,000). In addition, the term of the escrow arrangement was extended by the Amended and Restated Escrow Agreement to the earlier of (i) the escrow funds are fully released by the Account Bank pursuant to the agreement and (ii) upon the expiration of one calendar month from 28 February 2016. Prior to 28 February 2016 (inclusive), the Offeror may only withdraw the funds held in the Escrow Account to satisfy its obligations under the Sale and Purchase Agreement and the Offers with the written instructions from both the Offeror and CICC; after 28 February 2016, the Offeror may only withdraw any remaining funds held in the Escrow Account with the written instructions of both the Offeror and Keen Concept. The other internal funds of Li Zhen will be deposited into an ordinary account opened and maintained under the name of Li Zhen with the Account Bank subject to the Account Charge and another ordinary account under the name of Li Zhen.

INFORMATION ON KEEN CONCEPT

Principal business of Keen Concept and COAMI

Keen Concept, a special purpose vehicle incorporated in British Virgin Islands, is a direct wholly owned subsidiary of COAMI. Keen Concept and COAMI are presumed to be parties acting in concert with the Offeror.

COAMI is a financial services provider. COAMI is licensed as a money lender in Hong Kong. The main businesses of COAMI, and through its subsidiaries, include investments, investment banking advisory services and asset management services.

China Orient International Asset Management Limited, a wholly-owned subsidiary of COAMI incorporated in Hong Kong, is licensed for Type 4 (advising on securities) and Type 9 (asset management) regulated activities by the Hong Kong Securities and Futures Commission. In addition, China Orient International Asset Management Limited has been granted RMB qualified foreign institutional investor (RQFII) licensed by the CSRC with a quota of RMB1 billion granted in October 2013 and RMB1.5 billion granted in July 2014 by SAFE.

China Orient International Capital Limited, a wholly-owned subsidiary of COAMI incorporated in Hong Kong, is licensed for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities by the Hong Kong Securities and Futures Commission.

INVESTMENT AGREEMENT (AS AMENDED) AND RELATED SECURITY DOCUMENTS

(i) Investment Agreement (As Amended)

Date: 14 August 2015

Parties

- (i) Li Zhen as the issuer and an obligor;
- (ii) Keen Concept as investor;
- (iii) Zhonghong as a warrantor, a covenantor and an obligor; and
- (iv) the Offeror as an obligor

Closing

The investment under the Investment Agreement was made and the Notes were issued on the Issue Date being 17 August 2015.

Amendment and Amendment Fees

After the investment was made, the parties have entered into a Deed of Amendment Agreement on 5 November 2015 to amend certain terms of the Investment Agreement.

In consideration of the Investor entering into the Deed of Amendment Agreement, the Issuer agrees and covenants to pay Keen Concept:

- (a) a first tranche fee in the amount of HK\$25,000,000 on the first tranche fee payment date, being the date that falls twelve (12) months plus fifteen (15) Business Days from the closing date of the Investments Agreement (as amended); and
- (b) a second tranche fee in the amount of HK\$25,000,000 on the second tranche fee payment date, being the date that falls twenty-four (24) months plus fifteen (15) Business Days from the closing date of the Investment Agreement (as amended) provided that the said second tranche fee shall not be payable by the Issuer if all outstanding amount of the Notes has been redeemed in full on or before the said second tranche fee payment date.

Set forth below are the key terms of the Investment Agreement (as amended):

Controlled Accounts

Under the Investment Agreement (as amended), Li Zhen shall cause, and Zhonghong shall procure, a representative of Keen Concept to be appointed as a signatory to the Controlled Accounts, being certain of Li Zhen's accounts and securities accounts. Under the provisions, Keen Concept's signatory can only be removed and replaced upon its request. In addition, the Controlled Accounts are subject to, inter alia, the following restrictions:

- (a) the mandate of the Controlled Accounts shall provide that no withdrawal of cash/securities may be made without the signature of Keen Concept's signatory;
- (b) the Controlled Accounts shall not be overdrawn at any time; and

- (c) the entire amount of the Notes subscription price of HK\$680,000,000 be paid into the Escrow Account.

(ii) The Notes (As Amended)

In connection with the entering into of the Deed of Amendment Agreement by the parties, certain terms and conditions of the Notes issued on 17 August 2015 to Keen Concept under the Investment Agreement were also amended. Set forth below are the key terms of the Notes as amended:

Issuer	:	Li Zhen
Principal Amount	:	HK\$680,000,000 (the “Notes subscription price”)
Term & Maturity Date	:	24 months, i.e., due on the Maturity date, being 17 August 2017, or such later date as the issuer and the majority Noteholders may agree in writing, but in any event no later than the third anniversary of the Issue.
Interest Rate	:	12% per annum
Exchange Right	:	The Notes (as amended) may be converted into the issued shares of the Offeror in accordance with the terms and conditions of the Notes (as amended).
Redemption at Maturity	:	Li Zhen shall redeem the Notes (as amended) on the Maturity Date.
Early Redemption	:	At the option of Li Zhen, the Notes (as amended) may be redeemed in whole, but not in part, after the expiry of 12 months from the Issue Date, being 17 August 2016, by giving not less than 15 Business Days’ notice to the Noteholders at the redemption amount as specified under the Investment Agreement (as amended).
Redemption for Relevant Event	:	If an event as defined under the definition of “Relevant Event” (as defined below) occurs, the Issuer or the Noteholder may issue a notice to the other party stating that such a Relevant Event has occurred and, at the discretion of the party issuing the notice, require all of the Notes (as amended) be redeemed at a redemption amount equal to the sum of (i) the outstanding principal amount of the Notes (which is being redeemed), (ii) all accrued interests and other payments payable in connection therewith and (iii) the Additional Interest (as defined below).

“Relevant Event” means (a) the Share Purchase Agreement is terminated for any reason prior to its completion or (b) the conditions to the Share Transfer are not fulfilled or waived on or before 31 December 2015 (or such other date as agreed by the parties to the Sale and Purchase Agreement and approved by the majority Noteholders).

“Additional Interest” means:

- (i) if the Notes are properly redeemed on a date upon or before expiry of 4 months from the Issue Date, such additional interest equal to interest payable at the Interest Rate for 2 months (i.e. 60 days) for the outstanding principal amount of the Notes (which is being redeemed);
- (ii) if the Notes are properly redeemed on a date after expiry of 4 months from the Issue Date but before the expiry of 6 months from the Issue Date, such additional interest amount which would give the Noteholder interest payment for 6 months (including interest payment already received by the Noteholder) at the Interest Rate for the outstanding principal amount of the Exchangeable Notes (which is being redeemed); or
- (iii) if the Notes are properly redeemed on a date upon or after expiry of 6 months from the Issue Date, the amount of additional interest payable shall be nil.

Event of Default : Any of the following shall constitute an “Event of Default”:

- (a) the Issuer fails to pay any principal in respect of the Notes on the due date for payment thereof or on the due date for redemption thereof unless its failure to pay is caused by (i) an administrative or technical error and payment is made within three Business Days after its due date; or (ii) a disruption to those payment or communication systems or to those financial markets that are, in each case, required to operate in order for payments to be made in connection with the Notes and payment is made within three Business Days of its due date;

- (b) the Issuer fails to pay any interest on any of the Notes or any Obligor fails to pay any amount under the Transaction Documents on the due date for payment thereof unless its failure to pay is caused by (i) an administrative or technical error and payment is made within three Business Days after its due date; or (ii) a disruption to those payment or communication systems or to those financial markets that are, in each case, required to operate in order for payments to be made in connection with the Notes and payment is made within three Business Days of its due date;
- (c) a default (except for the events specified in this Conditions (a) to (t)) is made by any Obligor in the performance or observance of any covenant, condition or provision contained in any of the Transaction Documents to which it is a party and on its part to be performed or observed which default is incapable of remedy or, if it is capable of remedy, is not remedied within five (5) Business Days following the service by any Investor on any Obligor of notice requiring such default to be remedied;
- (d) (i) any other present or future indebtedness of any Group Company or any Obligor for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) any Obligor or any Group Company fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the principal amount of the relevant indebtedness, guarantees and indemnities in respect of any single event mentioned above in this Condition 10.1(c) have occurred shall be no less than HK\$20,000,000, or (iv) any security given by any Obligor under any of the Security Documents has become enforceable;

- (e) a resolution is passed or an order of a court of competent jurisdiction is made for the bankruptcy, winding up or dissolution of any Obligor or any Group Company except (i) for the purposes of or pursuant to and followed by a consolidation or amalgamation with or merger into the Offeror or any other Group Company, (ii) for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction (other than as described in (i) above) the terms of which shall have previously been approved by the majority Noteholder or (iii) by way of a voluntary winding up or dissolution where there are surplus assets in such subsidiary and such surplus assets attributable to the Offeror and/or any other subsidiary are distributed to the Offeror and/or any such other subsidiary;
- (f) an encumbrancer takes possession or a receiver is appointed over the whole or a material part of the assets or undertaking of any Obligor or any Group Company;
- (g) a distress, execution or seizure order before judgment is levied or enforced upon or issued out against the whole or a material part of the property of any Obligor or any Group Company (as the case may be);
- (h) any Obligor or any Group Company is unable to pay its debts as and when they fall due or any Obligor or any Group Company shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, reorganisation or insolvency law or make an assignment for the benefit of, or enter into any composition with, its creditors, provided that the principal amount of the relevant debts mentioned above in this Condition 10.1(g) shall be no less than HK\$20,000,000;
- (i) proceedings shall have been initiated against any Obligor or any Group Company under any applicable bankruptcy, reorganisation or insolvency law which is not discharged, stayed or dismissed within thirty (30) Business Days;

- (j) any step is taken by any person for the appointment of a liquidator (including provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer of any Obligor or any Group Company or over all or a material part of the assets of any Obligor or any Group Company;
- (k) (i) any step is taken by any judicial, governmental or administrative authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of any Obligor or any Group Company or (ii) any Obligor or any Group Company is prevented from exercising normal control over all or a material part of its property, assets and revenue;
- (l) it is or becomes unlawful for a Obligor to perform or the Obligor is or may otherwise become unable to perform any of its obligations under the Transaction Documents to which it is a party;
- (m) any Transaction Document is not effective in accordance with its terms or is alleged by a Obligor to be ineffective in accordance with its terms or any Transaction Document is or may otherwise become unenforceable;
- (n) an Obligor repudiates or rescinds a Transaction Document or expresses an intention to repudiate or rescind a Transaction Document;

- (o) occurrence of any material adverse effect on the business, results, operations, property or condition (financial or otherwise) of the Issuer and the Group taken as a whole;
- (p) any final judgment or order is made against any Obligor or any Group Company, unless:
 - (i) the amount payable by the relevant Obligor or Group Company in connection with such judgment or order is paid or discharged within ten (10) Business Days; or
 - (ii) the aggregate amount of loss and liability of all Obligor and members of the Group incurred in connection with all such judgments and orders (excluding any judgement or order referred to in paragraph (i) above) is less than HK\$20,000,000 (or its equivalent in other currencies);
- (q) a representation, warranty or statement made or repeated in or in connection with any Transaction Document or in any document delivered by or on behalf of a Obligor under or in connection with any Transaction Document is incorrect in any material respect when made or deemed to be made or repeated unless the facts and circumstances giving rise to such breach of representation are capable of remedy and are remedied within ten (10) Business Days of the earlier of (i) the Noteholder giving notice to the relevant Obligor; and (ii) the relevant Obligor becoming aware of the breach;
- (r) the Guarantor ceasing to have direct or indirect interest in 100% of the issued shareholding of the Issuer or ceasing to have Control over the Offeror;

- (s) the listing status of the Company on the Stock Exchange is at any time terminated, or trading in the shares of the Company is suspended for a period of more than ten (10) consecutive trading days for reasons other than due to clearance of the announcement relating to bona fide transactions entered into by the Company or its subsidiaries pursuant to the requirements under the Hong Kong Listing Rules;
- (t) any event occurs which has an analogous effect to any of the events referred to in paragraphs (a) to (r) above.

The Issuer shall notify promptly the Noteholder in writing as soon as possible upon becoming aware of any Event of Default or any matter, event or circumstance (including any omission to act) which shall in all likelihood give rise to an Event of Default.

If an Event of Default occurs, the Noteholder may issue a notice of default to the Issuer and, at the discretion of the Noteholder, require all or any part of the Notes be redeemed at a redemption amount equal to (i) the outstanding principal amount of the Notes (which is being redeemed), (ii) all interests and other payments payable in connection therewith and (iii) an additional amount equal to the Default Interest Rate from the date of notice of default until the date the Notes are properly redeemed hereunder.

Major Defaults : During the offer period, the Noteholder may not exercise any remedy or make any claim under or in respect of the Notes (other than under the Parent Guarantee), including with respect to any Event of Default, except upon the occurrence and continuation of the following Events of Default in so far as they relate to an Obligor: (h) (insolvency), excluding any inability of any Obligor to pay its debts as they fall due; (i) (insolvency proceedings); (j) (creditors' process), only where such liquidator (including provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer is actually appointed; (k(i)) (expropriation); and (l) (unlawfulness and invalidity), but only in so far as it relates to unlawfulness and then only to unlawfulness under the laws of Hong Kong or the British Virgin Islands. The above Events of Default are considered Major Defaults for the purposes of the Investment Agreement (as amended), and therefore the occurrence of an Event of Default that is not a Major Default shall not affect the availability of financial resources for the Offers and the Sale and Purchase Agreement in general.

(iii) Related Security Documents

In connection with the Investment Agreement, Li Zhen, the Offeror and Zhonghong entered into the following charges, debenture and guarantee in favour of Keen Concept on 14 August 2015:

(1) *the Share Charge*

Li Zhen entered into a deed of share charge relating to the following shares in favour of Keen Concept:

- (a) all its rights, title and interest present and future in the shares in the Offeror representing 100% of the issued share capital of the Offeror,
- (b) Dividends and,
- (c) other Additional Rights as specified under the Share Charge.

(2) *the Account Charge*

Li Zhen entered into a deed of charge relating to the following accounts in favour of Keen Concept:

- (a) a general bank account and an escrow account opened under the name of Li Zhen with the Account Bank, and all of Li Zhen's right, title and interest in and to each of the Accounts and all credit balance, rights, benefits and proceeds therein;

- (b) assigns, and agrees to assign absolutely to Keen Concept all its rights, present and future against the Account Bank in respect of (i) each of the Account Agreements relating to each of (ii) the Accounts and the Accounts and its interest in the Accounts, including any monies payable to the Li Zhen and any claims, awards or judgments and other rights to receive moneys due or to become due for any reason whatsoever in respect of any of the Account Agreements relating to any of the Accounts or its interest in the Accounts;
- (c) in general, save with Keen Concept's prior written consent, the Offeror shall not be entitled to receive, withdraw or otherwise transfer any of the Deposit from any of the Accounts except for any withdrawal from the Escrow Account during the offer period in order to satisfy the obligations of the Offeror in respect of Sale and Purchase Agreement and the Offers. Keen Concept has given an undertaking in the Account Charge that it shall procure that its signatory give such written consents as necessary for the Offeror to make withdrawals to satisfy Offeror's obligations in respect of the Sale and Purchase Agreement and the Offers; and
- (d) the Account Charge shall not be enforceable during the offer period (other than under the Parent Guarantee), except in the circumstances where a Major Default (whose definition in the Account Charge is the same as in the Investment Agreement (as amended)) has occurred and is continuing. Therefore, the occurrence of all Event of Default that is not a Major Default shall not affect the availability of financial resources for the Offers and the Sale and Purchase Agreement in general

(3) *the Listco Share Charge*

The Offeror entered into a deed of share charge relating to the following shares in favour of Keen Concept:

- (a) the Shares and related rights and interests which, as at the date of the deed of share charge, are legally and/or beneficially owned by the Offeror and which are held from time to time in a custodian account or in certificated form by the Offeror;
- (b) all the Shares to be acquired by the Offeror in accordance with the Sale and Purchase Agreement comprising 310,490,000 Shares representing approximately 72.789% (prior to exercise of any outstanding options) of the issued share capital of the Company and pursuant to the Offers, and the related rights and interests which are to be legally and/or beneficially owned by the Offeror.

(4) *the Debenture (as amended and restated)*

The Offeror entered into a deed of debenture over all of the Offeror's assets other than those excluded in favour of Keen Concept. The Debenture was amended and restated on 5 November 2015 pursuant to the Deed of Amendment Agreement.

The following assets are excluded from the Debenture (as amended and restated):

- (a) the subject matter of the security and encumbrances constituted by the Listco Share Charge and the Account Charge;
- (b) all other Shares and related rights and interests which are or will be legally and/or beneficially owned or to be owned by the Offeror (whether in a securities account (other than any of the Charged Accounts) or in certificated form) by the Offeror from time to time and the related Additional Rights (in each case) which is not subject to the Listco Share Charge and/or the Account Charge;
- (c) all rights, title and interests of the Offeror in and to all present and future shares, stocks, equity interests, debentures, bonds or other securities and investments in respect of or in connection with the Company or otherwise (other than those subject to the security and encumbrances constituted by the Listco Share Charge) (collectively, the **“Excluded Investments”**);
- (d) (in respect of paragraph (c) above) all allotments, accretions, offers, rights, benefits and advantages (including all voting rights) whatsoever at any time accruing, offered or arising in respect of or incidental to any Excluded Investment by way of conversion, redemption, bonus, preference, purchase, substitution, exchange or as a result of any exercise of any option, warrant, conversion right or any other right, power or privilege in respect of dividend, distribution, interest or otherwise in respect of the Excluded Investments;
- (e) (in respect of paragraph (c) above) the following items (collectively the **“Excluded Proceeds”**):
 - (i) all allotments, rights, money or property arising at any time in relation to any of the Excluded Investments by way of indemnification or compensation for loss, conversion, exchange, sale, redemption, bonus, preference, option, conversion, consolidation, subdivision or otherwise;
 - (ii) all Dividends paid or payable in relation to any of the Excluded Investments or other excluded proceeds thereof;
 - (iii) all stock, shares, loan capital, bonds, investments, money or other securities (whether or not marketable), rights or other property accruing, offered, issued or offered as a substitution for any of the Excluded Investments; and
 - (iv) any other identifiable or traceable personal property in any form derived directly or indirectly from any dealing with the Excluded Investments or other Excluded Proceeds therefrom.

(5) *the Parent Guarantee*

Zhonghong entered into a corporate guarantee agreement with Keen Concept to guarantee the performance of the obligations of Li Zhen and/or the Offeror under the Guarantee Documents, which are the Investment Agreement (as amended), the Notes (as amended), the Share Charge, the Listco Share Charge, the Account Charge and the Debenture (as amended and restated).

In the event of a breach by either Li Zhen and/or the Offeror (as the case may be) under any Guarantee Document, Keen Concept may directly enforce its rights under the Guarantee Document through the Parent Guarantee by requesting Zhonghong to perform the obligations of Li Zhen and/or the Offeror (as the case may be), including during the offer period, without the need to have separately enforced against Li Zhen and/or the Offeror and without the need to provide evidence of the relevant breach by Li Zhen and/or the Offeror.

The term of the Parent Guarantee is the longer of (i) two years after the expiration of the performance period for the primary obligations of Li Zhen and/or the Offeror under all the Guarantee Documents; and (ii) after all obligations of Li Zhen and/or the Offeror under all the Guarantee Documents have been fully performed.

6. INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 6 July 2010 and its Shares have been listed on the Main Board since January 2011 under the Stock Code 2011.

The Group is principally engaged in manufacturing finished zippers in China. The Group's customers for zippers are primarily OEMs who manufacture apparel products for (i) apparel brands in China; and (ii) some well known international apparel labels. The Group maintains a close working relationship with apparel brand owners on the design of zippers to be applied on the apparel products. The apparel brand owners usually decide on the zipper supplier for their OEMs and place orders with such OEMs who in turn source zippers from the Group. In addition, the Group also supplies flat knit ribs to customers to gradually satisfy the one-stop procurement demand for apparel components and accessories. The Group also supplies sliders, components of zippers (including continuous zipper chains and stops) and moulds and designs and supplies premium items exclusively to apparel brand owners to meet the promotional needs for their products.

Shareholding structure of the Company

The following table sets out the shareholding structures of the Company (i) as at the date of this joint announcement; (ii) immediately after Share Transfer Completion but before the Offers (assuming that none of 9,534,000 vested Share Options have been exercised); and (iii) immediately after Share Transfer Completion but before the Offers (assuming that all of 9,534,000 vested Share Options have been exercised by the Optionholders); and:

	(i) As at the date of this joint announcement		(ii) Immediately after Share Transfer Completion (assuming that none of 9,534,000 vested Share Options have been exercised)		(iii) Immediately after Share Transfer Completion (assuming that all of 9,534,000 vested Share Options have been exercised)	
	<i>Number of Shares</i>		<i>Number of Shares</i>		<i>Number of Shares</i>	
	<i>Approx. %</i>	<i>Approx. %</i>	<i>Approx. %</i>	<i>Approx. %</i>	<i>Approx. %</i>	<i>Approx. %</i>
The Offeror and parties acting in concert with it	–	–	310,490,000	72.789%	310,490,000	71.198%
Nicco (<i>Note</i>)	310,490,000	72.789%	–	–	–	–
Directors	–	–	–	–	1,140,000	0.261%
Public shareholders	<u>116,070,000</u>	<u>27.211%</u>	<u>116,070,000</u>	<u>27.211%</u>	<u>124,464,000</u>	<u>28.541%</u>
Total	<u>426,560,000</u>	<u>100.000%</u>	<u>426,560,000</u>	<u>100.000%</u>	<u>436,094,000</u>	<u>100.000%</u>

Note: Mr. Xu Xipeng, Mr. Xu Xinan and Mr. Chow Hoi Kwang, Albert are beneficial owners of 49.75%, 49.75% and 0.50% respectively, of the issued share capital of Nicco.

7. INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in BVI with limited liability. Save for entering into the MOU, the Sale and Purchase Agreement with Nicco and other agreements in relation to the Sale and Purchase Agreement, the Investment Agreement (as amended) and the related Security Documents and the Offers, the Offeror did not engage in any business activities. Prior to the Completion, the Offeror does not have any assets other than the inter-company loan facility provided by Li Zhen under the Loan Agreement.

The Offeror is directly wholly-owned by Li Zhen, which is a company incorporated in Hong Kong and is principally engaged in investment holding activities. The Offeror, through Li Zhen and other intermediate holding companies, is indirectly wholly-owned by Zhonghong. Zhonghong is established in the PRC with its headquarters in Beijing and is primarily engaged in the business of real estate development in various provinces in the PRC including Beijing, Jilin, Shan Dong and Hainan. As an integrated leader in the PRC property industry, Zhonghong has a diverse portfolio of property related businesses which primarily focuses on the development, sale and management of commercial properties including offices, residential properties, hotels and shopping complexes. In addition, its long term strategy includes the development and operation of travel destinations and it currently operates and manages several cultural and leisure resort destinations in Beijing, Jilin, Shan Dong and Hainan. In pursuit of this long term

strategy, Zhonghong has entered into strategic cooperation agreements in various regions rich in tourism resources allowing it first entry into such markets to exploit the potential of such regions for developing holiday resort businesses. As such, it has already accumulated over 6 million square metres of land for further development. Zhonghong was listed on the Stock Exchange of Shenzhen with the Stock Code 000979 in 2010. As of 31 March 2015, Zhonghong's total asset value was RMB17.9 billion and as of 22 May 2015, its total market capitalisation was RMB27.8 billion. In 2011 it was recognized as one of the "Top 100 Real Estate Companies" in China. As one of the leading real estate enterprises in the PRC, it has won numerous honours and awards.

As at the date of this announcement, Mr. Wang Yonghong, through one of his wholly owned companies called Zhonghong Zhuoye, is the controlling shareholder of Zhonghong and holds 34.51% of the issued shares of Zhonghong.

8. INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

Regarding the business assets and employees of the Group

The Group is currently principally engaged in the manufacture and sale of zipper products and other garment accessories as at the date of this joint announcement. Following the Share Transfer Completion and taking into account a series of factors, including but not limited to the current macro economy environment and market condition, the Offeror intends to continue to operate the existing businesses of the Company with the present management of the Company. The Offeror has no plans to (i) dispose of, terminate or downsize the existing business of the Company; (ii) redeploy the fixed assets of the Company; or (iii) terminate any employees or make significant changes to any employment of the Company.

The Offeror has also confirmed that it does not have any plans and has not engaged in any discussion or negotiation on injection of assets or businesses into the existing business.

Expansion plan of the Group

Following the Share Transfer Completion, apart from the existing business of zipper manufacture and sale, the Group will look for new investments and business opportunities in order to diversify its existing business with a view to formulating a suitable business strategy to expand its business scope and broaden its income stream, achieving better growth potential and enhancing Shareholders' return. In this regard, expansion into the e-commerce and online finance industries will hold great potential and will provide good future development opportunities for the Company.

Recent industry reports show that within the PRC real estate industry, there are currently an excessive number of information sources, which vary in both quality and reliability, particularly amongst online sources. The ability to sort through large quantities of data and efficiently provide data that is relevant to the user are of vital importance to both developers and property investors. An e-commerce platform can provide such ability and can effectively identify property investment demand and match it with appropriate property supply. At the same time, an e-commerce platform can identify users' demand for financing and match such demand with other users who possess the relevant capital and investment intentions, thus facilitating both sides to realize their investment needs. Further, the recent promulgation of the "2015 Guiding

Opinions on Promoting the Healthy Development of Internet Finance” demonstrates the PRC government’s support for internet finance association with the online marketing and e-commerce industry.

The continually improving regulatory environment and rapid expansion of online services create a favourable climate. It is expected that consumer demand for online services will grow every day. The development of e-commerce capabilities can bring about further opportunities, drive future growth and provide excellent potential returns.

In view of the significant growth potentials in China’s e-commerce industry, the online marketing business will hold great potential for investment and create additional value for the Company and its Shareholders. As such, following the Share Transfer Completion, the Company plans to develop an internet platform through which to conduct online marketing and e-commerce businesses involving major real estate and tourist destination projects. Specifically, following the Share Transfer Completion, the Company plans to develop an internet platform that is available to the general public which identifies individuals, including third parties, who have property purchase intentions and demands for loans required in connection with such property purchases, and refer these individual borrowers to individuals who have the appropriate funds and investment plans. Through the online platform, the borrowers can be matched with the investors in an efficient manner and thus satisfying their respective needs and the Company can charge a commission fee based on the transactions conducted. This internet business model is believed to have significant demand and development potential.

Through the share transfer under the Sale and Purchase Agreement, the Company will be able to leverage the experience, network and resources of Zhonghong in the real estate industry to expand into such new business stream while still maintaining its existing zipper products business stream in parallel. Funds raised through completion of the Disposal Agreements in the approximate amount of HK\$200,000,000 will primarily be used to finance the Company’s efforts in implementing this new business strategy, in addition to settling the bank loan secured by the Hong Kong Property.

More specifically, these funds will primarily be used over the next two years to construct an open, collaborative online real estate information and marketing platform, build up operational and management teams, improve the marketing of the Company’s business and customer service levels, consolidate working capital and explore new business opportunities. Details are set out below:

1. approximately 20% will be used to build up professional business teams, including (i) professional management staff; (ii) professional technical staff charged with constructing the online platform, including establishing the webpage, necessary applications and electronic databases; and (iii) business development professionals charged with promoting the online platform and its products within the market and conducting market research;
2. approximately 40% will be used to market the product offering and establish brand recognition. The Group plans to engage an independent marketing company to assist in establishing the brand and image of the products, and significantly invest in promotional activities through both traditional media and online media. Specific methods will include engaging a brand spokesperson, collaborating with

media outlets, engaging in corporate sponsorship and other promotional and advertising activities. The goal will be to improve brand recognition and increase market share amongst online investors; and

3. approximately 40% will be used to purchase equipment and services necessary for the business, including cloud services equipment and networking channels, outsourced web and application hosting, third party payment platforms, messaging platforms, third party user identification and security systems and other systems as well as being used for working capital, including the settling of the bank loan secured by the Hong Kong Property.

The implementation of any new investment or business expansion will be done in compliance with the Listing Rules.

Based on the current business scale and plan, the Offeror has not identified specific funding needs for the new business in the future or after the next two years. However, the Offeror plans to review the development progress of the new business periodically in the future. Should the development of the new business progress faster than currently anticipated and the Company decides that it is in the interest of the Company to expand the scale of the new business thereby requiring further funding needs (in addition to the financial resources generated by the new business), the Company may consider a range of options that are available at the relevant time for raising additional funds. Any future fund raising will be in full compliance with the regulatory requirements, including not to cause the Company to become a cash company, and obtaining independent Shareholders' approval (if required).

No binding agreement for the use of the proceeds from the Disposals has been entered into by the Group as at the date of this joint announcement.

Regarding the Board composition

The Board is currently made up of seven Directors, comprising (i) Mr. Xu Xipeng, Mr. Xu Xinan and Mr. Chow Hoi Kwang as executive Directors; (ii) Mr. Yang Shalin as non-executive Director; and (iii) Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy as independent non-executive Directors. Pursuant to the terms of the Sale and Purchase Agreement, subject to the Share Transfer Completion, Nicco shall cause such Directors as may be notified by the Offeror to Nicco to give notice to resign as Directors with effect from the earliest time permitted under the Takeovers Code. Such resignation will not take effect earlier than the date of the close of the Offers. As of the date of this joint announcement, the Offeror has not given such notice.

In addition, pursuant to the terms of the Sale and Purchase Agreement, Nicco shall cause such persons as the Offeror may nominate to be validly appointed as Directors with effect from the earliest time permitted under the Takeovers Code. Such appointment will not take effect earlier than the date of despatch of the Offer Document in relation to the Offer, subject to the requirements of the Takeovers Code. Further announcement(s) will be made on any further proposed change of the composition of the Board. As of the date of this joint announcement, the Offeror has not made such nomination.

Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

9. MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Offeror intends that the Company will remain listed on the Stock Exchange after the close of the Offers. The director of the Offeror and the new Directors to be appointed will jointly and severally undertake to the Stock Exchange to take appropriate steps following the close of the Offers to ensure that the minimum public float requirement under the Listing Rules is complied with by the Company.

The Stock Exchange has stated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25%, of the Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares.

10. DEALINGS DISCLOSURE

Under Rule 3.8 of the Takeovers Code, the respective associates (as defined in the Takeovers Code, including but not limited to persons who own or control 5% or more of any class of relevant securities of the Company or the Offeror) of the Company and of the Offeror are hereby reminded to disclose their dealings in any securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any seven day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

11. INDEPENDENT BOARD COMMITTEES

The Company has, pursuant to the Takeovers Code, formed the Code IBC comprising Mr. Yang Shaolin, Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy, being all the non-executive Directors, to advise (i) the Independent Shareholders on whether the Disposals, the Lease Agreements and the Shareholders' Agreement are in

the interests of the Company and the Independent Shareholders as a whole; (ii) whether the terms of the Disposal Agreements, the Lease Agreements and the Shareholders' Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the voting action that should be taken; and (iii) the Independent Shareholders and the Optionholder(s) on whether the terms of the Offers (if they are made) are fair and reasonable and as to acceptance of the Offers.

The Company has also formed the Listing Rules IBC pursuant to the Listing Rules comprising Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy, being all the independent non-executive Directors, to advise the Independent Shareholders on (i) whether the Disposals, the Lease Agreements and the Shareholders' Agreement are in the interests of the Company and the Independent Shareholders as a whole; and (ii) whether the terms of the Disposal Agreements, the Lease Agreements and the Shareholders' Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the voting action that should be taken.

12. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

BOSC International has been appointed as independent financial adviser to advise (i) the Code IBC, the Listing Rules IBC and the Independent Shareholders on the Disposals, the Lease Agreements and the Shareholders' Agreement; and (ii) the Code IBC on the terms of the Offers. The appointment of the Independent Financial Adviser has been approved by the Code IBC.

Shareholders are advised to take no action as regards the Offers until they have received the Offer Document which will contain, amongst others, the terms of the Offers and the advice of the Code IBC and the Independent Financial Adviser

13. EGM AND DESPATCH OF DOCUMENTS

The EGM will be convened to approve, among others, the Disposals, the Lease Agreements and the Shareholders' Agreement. A circular containing, among other things, (i) information regarding the Disposal Agreements, the Lease Agreements and the Shareholders' Agreement; (ii) the recommendation from the Code IBC and the Listing Rules IBC; (iii) the advice of the Independent Financial Adviser on the Disposal Agreements, the Lease Agreements and the Shareholders' Agreement; (iv) financial information of the Group; (v) the valuation report relating to the properties of the Group; and (vi) the notice of the EGM will be despatched by the Company to the Shareholders on or before 30 November 2015 in accordance with the Listing Rules and the Takeovers Code.

Pursuant to Rule 8.2 of the Takeovers Code, the Offer Document is normally expected to be despatched within 21 days of the date of this joint announcement. However, as the Offers are subject to the Share Transfer Completion and the Share Transfer Conditions cannot be fulfilled within 21 days of the date of this joint announcement, the Offeror will make an application for the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code to extend the deadline for the despatch of the Offer Document to the Shareholders and the Option holders, together with the form(s) of acceptance of transfer in relation to the Offer Shares and the form(s) for the cancellation of the Share Options, to a date within seven days after Share Transfer

Completion or such later date as the Executive may approve. Further announcement will be made by the Offeror and the Company on the timing of the despatch of the Offer Document.

Pursuant to Rule 8.4 of the Takeovers Code, the Company is required to despatch an offeree board circular containing, among other things, the letter from the Board, the recommendations from the Code IBC to the Independent Shareholders and the Optionholder(s) in relation to the Offers and the advice and recommendations from the Independent Financial Adviser to the Code IBC within 14 days of the publication of the Offer Document.

It is intended by the Offeror and the Company that the Offer Document and the offeree board circular will be despatched separately and will not be combined into a composite offer and response document.

14. RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 1:00 p.m. on Monday, 29 June 2015 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 10 November 2015.

WARNING: The Share Transfer Completion is conditional upon the fulfilment or waiver (as the case may be) of the Share Transfer Conditions and the Offers will only be made if the Share Transfer Completion takes place. Accordingly, the Share Transfer may or may not be completed and the Offers may or may not be made. Shareholders and potential investors in the Company are advised to exercise caution when dealing in the Shares, and if they are in doubt about their position, they should consult their professional advisers.

15. DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Account Bank”	a commercial bank licensed in Hong Kong with whom the bank accounts which are the subject of the Account Charge are opened and maintained, which is approved in writing by the Chargee in its sole discretion
“Account Agreement”	any agreement between the Account Bank and Li Zhen governing the operation of the Accounts

“Accounts”	the general account and the escrow account held in the name of the Li Zhen stipulated in the Account Charge (including any account which is a successor to any Account on any re-numbering or re-designation of amounts and any account into which all or any part of a credit balance of any Account is transferred for administrative purpose)
“Account Charge”	the account charge dated 14 August 2015 entered into between Li Zhen and Keen Concept under which Li Zhen charged two of its general bank accounts opened with the Account Bank (one of which is the Escrow Account) in favor of Keen Concept
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Additional Rights”	in relation to the Share Charge, in relation to the any asset, (a) the proceeds of sale of that asset or any part of that asset; (b) any monies and proceeds paid or payable in relation to that asset; and (c) the benefit of all other rights, powers, claims, consents, contracts, warranties, security, guarantees, indemnities or covenants for title in respect of that asset, including the Dividends
“Amended and Restated Escrow Agreement”	the amended and restated agreement dated 24 September 2015 and entered into among Li Zhen, CICC, the Account Bank and Keen Concept pursuant to which the escrow agreement was amended and restated in its entirety
“associate”	has the meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors
“BOSC International” or “Independent Financial Adviser”	BOSC International Company Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to (i) the Listing Rules IBC, the Code IBC and the Independent Shareholders in relation to the Disposals, the Lease Agreements and the Shareholders’ Agreement; and (ii) the Code IBC in relation to the Offers

“Business Day”	any day (other than Saturday and Sunday and public holiday and any day on which a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong and the PRC are generally open for business
“Business Scope”	the business scope of KEE BVI Group in design manufacture and sale of finished zippers, float knit ribs and other garment accessories
“BVI”	the British Virgin Islands
“Charged Account”	in relation to the Debenture (as amended and restated): (a) all other current, savings, deposit or other accounts with any bank or financial institution in which the Offeror now or in the future has an interest and (to the extent of its interest) all balances now or in the future standing to the credit of those accounts, whether principal, interest or otherwise; (b) if there is a change of Account Bank, any account into which all or part of a credit balance from a Charged Account is transferred; and (c) any account which is a successor to a Charged Account on any re-numbering or re-designation of accounts and any account into which all or any part of a credit balance of a Charged Account is transferred for administrative purposes, except for the account(s) which have been charged by the Offeror under the Listco Share Charge, the Account Charge and any account to which monies are transferred as permitted under the terms of the Transaction Documents
“CICC”	China International Capital Corporation Hong Kong Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Offeror
“Circular”	the circular in relation to the Disposals to be despatched by the Company to the Shareholders

“Classic Winner”	Classic Winner Limited, a company incorporated in Hong Kong with limited liability, which is owned as to 50% by Mr. Xu Xipeng and as to 50% by Mr. Xu Xinan
“COAMC”	中國東方資產管理公司 (China Orient Asset Management Corporation [#]), a company established in the PRC whose ultimate beneficial owner is the PRC Ministry of Finance
“COAMI”	China Orient Asset Management (International) Holding Limited (中國東方資產管理 (國際) 控股有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of COAMC
“Code IBC”	the independent committee of the Board, comprising all non-executive Directors, namely Mr. Yang Shaolin, Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy, which has been established pursuant to the Takeovers Code to advise (i) the Independent Shareholders on the Disposal Agreements, the Lease Agreements and the Shareholders’ Agreement and the transactions contemplated respectively thereunder; and (ii) the Independent Shareholders and the Optionholder(s) on the Offers (if they are made)
“Company”	KEE Holdings Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Controlled Accounts”	certain of Li Zhen’s accounts and securities accounts to which, pursuant to the Investment Agreement (as amended), Li Zhen shall cause, and Zhonghong shall procure, a representative of Keen Concept to be appointed as a signatory
“Debenture”	the deed of debenture dated 14 August 2015 and entered into by Glory Emperor and Keen Concept and amended and restated pursuant to the Deed of Amendment Agreement on 5 November 2015, pursuant to which Glory Emperor charged all other remaining assets not subject to charge under any other Transaction Documents in favor of Keen Concept.

“Deed of Amendment Agreement”	the deed of amendment agreement dated 5 November 2015 and entered into among Li Zhen, Keen Concept, Zhonghong and Offeror pursuant to which the Investment Agreement and the Notes were amended and the Debenture was amended and restated
“Deposit”	the deposit of HK\$71,000,000 payable by the Offeror to Nicco under the Sale and Purchase Agreement
“Directors”	directors of the Company
“Disposals”	collectively (i) the KEE BVI Disposal pursuant to the KEE BVI Disposal Agreement; (ii) the PRC Assets Disposal pursuant to the PRC Master Disposal Agreement; and (iii) the HK Property Disposal pursuant to the HK Property Disposal Agreement
“Disposal Agreements”	collectively the KEE BVI Disposal Agreement, HK Property Disposal Agreement and the PRC Master Disposal Agreement
“Dividends”	in respect of the Offeror, all present and future: <ul style="list-style-type: none"> (a) dividends and distributions of any kind including cash dividends, stock dividends, liquidating dividends, non-cash dividends and any other sum received or receivable in respect of any of the shares in the Offeror; (b) rights, shares, money or other assets accruing or offered by way of stock splits or reclassifications redemption, bonus, option or otherwise in respect of any of the shares in the Offeror; (c) allotments, offers, warrants and rights accruing or offered in respect of any of the shares in the Offeror; and (d) other rights and assets attaching to, deriving from or exercisable by virtue of the ownership of, any of the shares in the Offeror

“EGM”	an extraordinary general meeting of the Company to be convened to seek the approval of the Independent Shareholders in respect of the Disposals, the Lease Agreements and the Shareholders’ Agreement and the transactions contemplated respectively thereunder
“Escrow Account”	an escrow account opened and maintained under the name of Li Zhen with the Account Bank
“Event of Default”	has the meaning ascribed to it in the section headed “Investment Agreement (As Amended) and Related Security Documents – (ii) The Notes (As Amended)” of this joint announcement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Excluded Investments”	has the meaning as described in the Debenture section (as amended and restated)
“Excluded Proceeds”	has the meaning as described in the Debenture section (as amended and restated)
“Fee Letter”	the fee letter agreement dated 14 August 2015 between Li Zhen and Keen Concept with respect to the fee payable to Keen Concept in relation to the Investment Agreement
“Group” or “Group Companies”	the Company and its subsidiaries
“Guarantee Documents”	the Investment Agreement (as amended), the Notes (as amended), the Share Charge, the Listco Share Charge, the Account Charge and the Debenture (as amended and restated)
“Guarantors”	Mr. Xu Xipeng and Mr. Xu Xinan and “Guarantor” means any of them
“HK Lease Agreement”	the lease agreement to be entered into between Classic Winner as lessor and KEE Zippers as lessee in relation to the lease of the HK Property
“HK Property”	the Office B on the 16th Floor of YHC Tower, No. 1, Sheung Yuet Road, Kowloon, Hong Kong
“HK Property Disposal”	the disposal of the HK Property by KEE Zippers to Classic Winner pursuant to the HK Property Disposal Agreement

“HK Property Disposal Agreement”	the disposal agreement dated 19 August 2015 and entered into simultaneously with the Sale and Purchase Agreement, the KEE BVI Disposal Agreement and the PRC Master Disposal Agreement between KEE Zippers and Classic Winner, pursuant to which KEE Zippers agreed to sell and Classic Winner agreed to purchase the HK Property on and subject to the terms and conditions contained therein
“HK Property Disposal Completion”	the completion of the HK Property Disposal in accordance with the terms and conditions of the HK Property Disposal Agreement
“HK Property Disposal Conditions”	the conditions to the HK Property Disposal Completion, as set out in the paragraph headed “HK Property Disposal Conditions” in this joint announcement and “HK Property Disposal Condition” means any of them
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders who are not involved in nor interested in the Disposal Agreements, the Lease Agreements and the Shareholders’ Agreement. For the avoidance of doubt, Independent Shareholders shall exclude (i) Nicco, Nanhai Jinheming, Classic Winner, Mr. Xu Xipeng, Mr. Xu Xinan, Mr. Chow Hoi Kwang, Albert, their associates and parties acting in concert with any of them; and (ii) the Offeror, Keen Concept, their associates and parties acting in concert with any of them
“Investment Agreement”	the investment agreement dated 14 August 2015 and entered into between Li Zhen as the issuer, Keen Concept as investor, Zhonghong as warrantor and the Offeror as obligor in relation to the issue of the Notes, which was subsequently amended by the Deed of Amendment Agreement
“Issue Date”	the date on which the investment under the Investment Agreement was made and the Notes were issued, being 17 August 2015.
“Jingmen Buildings”	buildings with total planned gross floor area of approximately 38,426 sq.m. located on the Jingmen Land

“Jingmen Land”	the land located at east of Longjing Main Road, north of Fuyao Er Road, Jingmen City, Hubei Province, the PRC which comprises two parcels of land with a total site area of approximately 149,680.32 sq.m.
“KEE” BVI”	KEE International (BVI) Limited, a company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company
“KEE BVI Disposal”	the disposal of 15% of the issued share capital of KEE BVI by the Company to Nicco pursuant to the KEE BVI Disposal Agreement
“KEE BVI Disposal Agreement”	the disposal agreement dated 19 August 2015 and entered into simultaneously with the Sale and Purchase Agreement, the PRC Master Disposal Agreement and the HK Property Disposal Agreement between the Company and Nicco, pursuant to which the Company agreed to sell and Nicco agreed to purchase 15% of the issued share capital of KEE BVI on and subject to the terms and conditions contained therein
“KEE BVI Disposal Shares”	15 issued shares of KEE BVI, representing 15% of the issued share capital of KEE BVI
“KEE BVI Disposal Completion”	the completion of the KEE BVI Disposal in accordance with the terms and conditions of the KEE BVI Disposal Agreement
“KEE BVI Disposal Completion Date”	the third Business Day after the day on which the last of the KEE BVI Disposal Conditions are fulfilled or waived (as the case may be) or such later date as the Company and Nicco may agree in writing
“KEE BVI Disposal Conditions”	the conditions to the KEE BVI Disposal Completion, as set out in the paragraph headed “KEE BVI Disposal Conditions” in this joint announcement and “KEE BVI Disposal Condition” means any of them
“KEE BVI Group”	KEE BVI and its subsidiaries
“KEE BVI Share(s)”	the issued share(s) of US\$1.00 each in the capital of KEE BVI

“KEE Guangdong”	開易（廣東）服裝配件有限公司（KEE（Guangdong）Garment Accessories Limited [#] ），a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“KEE Jingmen”	開易（荊門）服裝配件有限公司（KEE（Jingmen）Garment Accessories Limited [#] ），a company established in the PRC with limited liability and is owned as to 80% by KEE Guangdong and as to 20% by 上海翎峰貿易有限公司（Shanghai Lingfeng Trading Company Limited [#] ）
“KEE Jingmen Sale Capital”	80% registered and paid up capital of KEE Jingmen
“KEE Zhejiang”	開易（浙江）服裝配件有限公司（KEE（Zhejiang）Garment Accessories Limited [#] ），a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company
“KEE Zippers”	KEE Zippers Corporation Limited（開易拉鏈有限公司），a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Keen Concept”	Keen Concept Enterprise Corp., a company incorporated under the laws of the British Virgin Islands with limited liability (company number: 1880387) with its registered office at ARIAS, FABREGA & FABREGA TRUST CO. BVI LIMITED, Level 1, Palm Grove House, Wickham’s Cay 1, Road Town, Tortola, British Virgin Islands, being a wholly-owned subsidiary of COAMI
“Land”	the land use rights of the piece of land located at 中國浙江省嘉善縣魏塘鎮魏中村（Weizhong Village, Weitang Town, Jiashan County, Zhejiang Province, PRC）
“Last Trading Day”	28 June 2015, being the last trading day prior to the suspension of trading in the Shares on 29 June 2015 pending the publication of this joint announcement
“Lease Agreements”	collectively the HK Lease Agreement and the PRC Lease Agreement

“Li Zhen”	Li Zhen Hong Kong Trading Co., Limited, a company incorporated in Hong Kong with limited liability (company number: 2255733) and is an indirect wholly-owned subsidiary of Zhonghong, with its registered office at Rm 1903, 19/F, Podium Plaza, 5 Hanoi Road, Tsim Sha Tsui, Kowloon, Hong Kong
“Listco Share Charge”	the share charge dated 14 August 2015 entered into between the Offeror and Keen Concept relating to all of the Sale Shares and Offer Shares of the Company to be acquired by the Offeror
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Listing Rules IBC”	the independent committee of the Board established pursuant to the Listing Rules, comprising all independent non-executive Directors, namely Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy, which has been established pursuant to the Listing Rules to advise the Independent Shareholders on the Disposal Agreements, the Lease Agreements, the Shareholders’ Agreement and the transactions contemplated respectively thereunder
“Loan”	the amount of HK\$1,005,000,000 which would be lent to the Offeror by Li Zhen pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 27 August 2015 and entered into between the Offeror as borrower and Li Zhen as lender in relation to the provision of the Loan to the Offeror for the purpose of funding the Offers
“Long Stop Date”	31 December 2015 or such later date as may be agreed between the parties to the relevant documents in writing
“Main Board”	Main Board of the Stock Exchange (excludes the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM Board of the Stock Exchange

“Major Default”	has the meaning ascribed to it in the Notes (as amended) section headed “Investment Agreement (As Amended) and Related Security Documents – (ii) The Notes (As Amended)” of this joint announcement
“Maturity Date”	the date of maturity of the Notes, being 17 August 2017, or such later date as the Issuer and the majority Noteholders may agree in writing, but in any event no later than the third anniversary of the issue of the Notes
“MOU”	the memorandum of understanding dated 29 June 2015 (as amended and supplemented by the supplemental memorandum of understanding dated 8 August 2015 and the extension letters dated 28 July 2015 and 17 August 2015) and entered into between Nicco as vendor and an independent third party which is the holding company of the Offeror as purchaser in relation to the sale and purchase of the Sale Shares
“Nanhai Jinheming”	佛山市南海今和明投資有限公司 (Foshan City Nanhai Jinheming Investment Company Limited [#]), a limited liability company established in the PRC and is owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively
“Nicco”	Nicco Worldwide Inc., a company incorporated in BVI with limited liability and is owned as to 49.75%, 49.75% and 0.5% by Mr. Xu Xipeng, Mr. Xu Xinan and Mr. Chow Hoi Kwang, Albert, respectively
“Noteholders”	holders of the Notes (as amended)
“Notes (as amended)”	the exchangeable notes in the aggregate principal amount of HK\$680,000,000 issued pursuant to the Investment Agreement
“Obligors”	any party to the Transaction Documents (other than Keen Concept)
“Offer Document”	the offer document to be despatched to the Shareholders and the Optionholders in connection with the Offers
“Offer Price”	the price of HK\$2.2789 per Offer Share payable in cash by The Offeror on the terms of the Share Offer

“Offer Shares”	all the Shares in issue and to be issued (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)
“Offeror”	Glory Emperor Trading Limited (耀帝貿易有限公司), a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of Zhonghong
“Offers”	collectively, the Share Offer and the Option Offer
“Option Offer”	the possible mandatory unconditional cash offer to be made by CICC on behalf of the Offeror to cancel the outstanding Share Options on the terms and conditions set out in the Offer Document and in compliance with the Takeovers Code
“Optionholder(s)”	the holder(s) of the Share Option(s)
“Overseas Shareholders”	Independent Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“Parent Guarantee”	a corporate guarantee agreement dated 14 August 2015 entered into between Zhonghong and Keen Concept in which Zhonghong guarantees the performance of the obligations of Li Zhen and/or the Offeror under the Investment Agreement (as amended), the Notes (as amended), the Share Charge, the Listco Share Charge, the Account Charge and the Debenture (as amended and restated)
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“PRC Assets Disposal”	collectively (i) the disposal of 80% equity interest in KEE Jingmen by KEE Guangdong to Nanhai Jinheming and (ii) the disposal of the PRC Properties by KEE Zhejiang to Nanhai Jinheming pursuant to the PRC Master Disposal Agreement
“PRC Assets Disposal Completion”	the completion of the PRC Assets Disposal in accordance with the terms and conditions of the PRC Master Disposal Agreement

“PRC Assets Disposal Completion Date”	the third Business Day after the day on which the last of the PRC Assets Disposal Conditions are fulfilled or waived (as the case may be) or such later date as the Company and Nanhai Jingheming may agree in writing
“PRC Assets Disposal Conditions”	the conditions to the PRC Assets Disposal Completion, as set out in the paragraph headed “PRC Assets Disposal Conditions” in this joint announcement and “PRC Assets Disposal Condition” means any of them
“PRC Buildings”	the seven blocks of buildings and the facilities including greening, the laying of pipes, networks roads located at the Land
“PRC Lease Agreement”	the lease agreement to be entered into between Nanhai Jinheming as lessor and KEE Zhejiang as lessee in relation to the lease of the PRC Properties
“PRC Master Disposal Agreement”	the disposal agreement dated 19 August 2015 and entered into simultaneously with the Sale and Purchase Agreement, the KEE BVI Disposal Agreement and the HK Property Disposal Agreement between the Company and Nanhai Jinheming, pursuant to which (i) the Company agreed to procure KEE Guangdong to sell and Nanhai Jinheming agreed to purchase 80% of the equity interest in KEE Jingmen; and (ii) the Company agreed to procure KEE Zhejiang to sell and Nanhai Jinheming agreed to purchase the PRC Properties on and subject to the terms and conditions contained therein
“PRC Properties	collectively the Land and the PRC Buildings
“Registrar”	Tricor Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong
“Remaining Group”	the subsidiaries of the Company after the Disposals, including KEE BVI, KEE Zippers, KEE Guangdong, KEE Zhejiang and 佛山市優納服裝配件有限公司 (Foshan City UNA Garment Accessories Co., Limited [#])
“Reorganisation”	the proposed reorganisation of the Group to be undertaken by the Company for the purpose of KEE BVI Disposal Completion

“RMB”	Renminbi, the lawful currency in the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (or any successor entity)
“Sale and Purchase Agreement”	the sale and purchase agreement dated 19 August 2015 and entered into amongst Nicco as vendor, The Offeror as purchaser, and Mr. Xu Xipeng and Mr. Xu Ximan as guarantors in relation to the sale and purchase of 310,490,000 Shares
“Sale Shares”	a total of 310,490,000 Shares agreed to be acquired by the Offeror from Nicco pursuant to the terms of the Share Purchase Agreement, representing approximately 72.789% of the existing issued share capital of the Company as at the date of this joint announcement
“Security Documents”	collectively, the Account Charge, the Share Charge, the Listco Share Charge, the Debenture (as amended and restated) and the Parent Guarantee and each other document required to be executed by any party under or in connection with the above documents in connection with the Investment Agreement (as amended)
“SFC”	the Securities and Futures Commission of Hong Kong.
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.01 each in the issued capital of the Company
“Share Charge”	the share charge dated 14 August 2015 entered into between Li Zhen and Keen Concept under which Li Zhen charged all of its shares in the Offeror representing 100% of the issued share capital of the Offeror in favor of Keen Concept
“Share Offer”	the possible mandatory unconditional cash offer to be made by CICC on behalf of the Offeror to acquire the Offer Shares on the terms and conditions set out in the Offer Document and in compliance with the Takeovers Code
“Share Offer Price”	HK\$2.2789 for each Offer Share payable by the Offeror to the Shareholders accepting the Share Offer

“Share Options”	the outstanding share option(s) granted by the Company under its share option scheme adopted on 14 December 2010
“Share Transfer”	the proposed transfer of the Sale Shares by Nicco to the Offeror pursuant to the terms of the Sale and Purchase Agreement
“Share Transfer Completion”	the completion of the Share Transfer in accordance with the terms and conditions of the Sale and Purchase Agreement
“Share Transfer Completion Date”	the third Business Day after the day on which the last of the Share Transfer Conditions are fulfilled or waived (as the case may be) or such later date as the Offeror and Nicco may agree in writing
“Share Transfer Conditions”	the conditions to the Share Transfer Completion, as set out in the paragraph headed “Share Transfer Conditions” in this joint announcement and “Share Transfer Condition” means any of them
“Shareholder(s)”	holder(s) of issued Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into at the KEE BVI Disposal Completion amongst the Company, Nicco and KEE BVI pursuant to the KEE BVI Disposal Agreement
“sq.m.”	square metre
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers in force from time to time
“trading day”	a day on which the Stock Exchange is open for the business of dealings in securities
“Transaction Documents”	collectively, the Debenture (as amended and restated), the Investment Agreement (as amended), the Notes (as amended), the Security Documents, the Fee Letter and any other documents designated by Keen Concept and Li Zhen
“U.S.”	United States of America

“Valuation Report”	the valuation report and the letter of confirmation both dated 9 November 2015 issued by Greater China Appraisal Limited in connection with their valuation as at 30 June 2015 and 31 August 2015 of the real property interests held by the Group, the text of which is set out in the Appendix to this joint announcement
“Zhonghong Zhuoye”	中弘卓業集團有限公司 (Zhonghong Zhuoye Group Company Limited [#]), a company established under the laws of the PRC with limited liability. As of the date of this joint announcement, Mr. Wang Yonghong is the 100% ultimate beneficial owner of Zhonghong Zhuoye
“Zhonghong”	中弘控股股份有限公司 (Zhonghong Holding Co., Limited [#]), a joint stock company established under the laws of the PRC with limited liability (PRC business licence registration number: 340000000018072), the shares of which are quoted on the Shenzhen Stock Exchange (Stock code: 000979.SZ). As of the date of this announcement, Mr. Wang Yonghong, through his wholly owned company Zhonghong Zhuoye, is the controlling shareholder of Zhonghong and holds 34.51% of its issued shares
“%”	per cent

For ease of reference and unless otherwise specified in this announcement, sums in HK\$ and RMB in this announcement have been translated at the rate RMB1.0 = HK\$1.2036. This does not mean that HK\$ could be converted into RMB, or vice versa, based on such exchange rate.

[#] The English translation or transliteration of the Chinese name(s) in this announcement, where indicated, is included for information purposes only, and should not be regarded as the official English name(s) of such Chinese name(s).

By order of the board of the directors
Glory Emperor Trading Limited
 耀帝貿易有限公司
 Director

By order of the Board
KEE Holdings Company Limited
Xu Xipeng
 Chairman

Hong Kong, 9 November 2015

As at the date of this joint announcement, the director of the Offeror is Mr. Liu Chang.

As at the date of this joint 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.

As at the date of this joint announcement, the directors of Zhonghong are Mr. Wang Yonghong, Mr. Cui Wei, Mr. Jin Jie, Mr. Liu Zuming, and the independent directors of Zhonghong are Ms. Li Yaping, Mr. Lin Yingshi and Mr. Lan Qingxin.

The director of the Offeror and the directors of Zhonghong jointly and severally accepts full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Group, its associates and parties acting in concert with the Group) and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

APPENDIX

Valuation report issued by Greater China Appraisal Limited

The following is the text of a letter, a summary of values and valuation certificates prepared for the purpose of incorporation in this joint announcement received from Greater China Appraisal Limited, an independent valuer, in connection with their valuation as at 30 June 2015 of the real property interests held by the Group and a letter of confirmation from Greater China Appraisal Limited in connection with their valuation as at 31 August 2015 of the real property interests held by the Group.

GREATER CHINA APPRAISAL LIMITED

漢華評值有限公司

Room 2703
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

9 November 2015

The Board of Directors
KEE Holdings Company Limited
Office B on 16th Floor, YHC Tower
No. 1 Sheung Yuet Road
Kowloon
Hong Kong

Dear Sir,

Re: Valuation of various real properties located in Hong Kong and the People's Republic of China (the "PRC")

In accordance with the instructions from KEE Holdings Company Limited (the "Company") for us to value certain real property interests which are held by the Company or its subsidiaries (these companies referred to as the "Group"), details of which are provided in the enclosed valuation certificates, in Hong Kong and the PRC, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of such real property interests as at 30 June 2015 (referred to as the "valuation date").

This letter which forms part of our valuation report explains the basis and methodology of valuation, and clarifies our assumptions made, title investigation of the real properties and the limiting conditions.

I. BASIS OF VALUATION

The valuation is our opinion of the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

II. VALUATION METHODOLOGY

For the valuation of the real property in Group I, the comparison method is used where comparison based on prices realised or market prices of comparable real properties is made. Comparable real properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each real property. Adjustments in the prices of the comparable real properties are then made to account for the identified differences between such real properties and the real properties in the relevant factors.

For the valuation of the real property in Group II, where due to the nature of buildings and structures of the real property interest, there are no readily identifiable market comparable sales readily available. Such real property interest has therefore been valued on the basis of its depreciated replacement cost.

Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacing the improvements, less deduction for physical deterioration and all relevant forms of obsolescence and optimization. The reported market value only applies to the whole of the complex or developments as a unique interest, and no piecemeal transaction of the complex or development is assumed. The depreciated replacement cost of the real property interest is subject to adequate potential profitability of the concerned business.

In valuing the real property in Group III, we have assumed that it will be developed and completed in accordance with the latest development proposal provided to us by the Group. In arriving at our opinion of market value, we have made reference to comparable sale transactions as available in the relevant market and taken into account the development costs relevant to the stage of construction as at the valuation date.

III. ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the real property interests on the open market in their existing states without the benefit of any deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangement which would serve to increase the value of the real property interests.

All applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report.

No environment impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the report. It is also assumed that all required licences, consents, or other legislative or administrative authority from any local, provincial, or national government or private entity or organization either have been or can be obtained or renewed for any use which the report covers.

Other specific assumptions of the real properties, if any, have been stated out in the footnotes of the valuation certificates.

IV. TITLESHP INVESTIGATION

We have caused searches made at the Land Registry in Hong Kong in respect of the real property interest in Group I that is located in Hong Kong. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which do not appear on the copy handed to us.

For the real property interests in Groups II and III which are located in the PRC, we have been provided with copies of legal documents regarding the real properties. However, due to the current registration system of the PRC, no investigation has been made for the legal title or any liability attached to the real properties.

In the course of our valuation of the real properties located in the PRC, we have relied upon the legal opinion given by the Company's PRC legal advisors – Guangdong Baiyue Law Firm (廣東百越律師事務所) in relation to the legal title to the real properties. All legal documents disclosed in this report, if any, are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the real properties set out in this report.

According to the Company's PRC legal advisors, the owners of the real properties in the PRC has the rights to occupy, use, transfer, lease, mortgage or by other means dispose of the real properties and these real properties are not subject to any mortgage, judicial, seizure or other rights restrictions.

V. LIMITING CONDITIONS

We have inspected the exterior and, where possible, the interior of the real properties. However, no structural survey has been made and we are therefore unable to report as to whether the real properties are free from rot, infestation or any other structural defects. Also, no tests were carried out on any of the services.

We have not carried out detailed site measurements to verify the correctness of the areas in respect of the real properties but have assumed that the areas shown on the relevant documents provided to us are correct. Based on our experience of valuation of similar real properties, we consider the assumptions so made to be reasonable. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

No site investigations have been carried out to determine the suitability of the ground conditions or the services for any real property development. Our valuation is made on the basis that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period.

Having examined all relevant documentation, we have relied to a very considerable extent on the information provided and have accepted advice given to us by the Group on such matters as planning approvals, statutory notices, easements, tenure, occupation, development scheme, construction costs, site and floor areas and in the identification of the real properties. We have had no reason to doubt the truth and accuracy of the information provided by the Group. We were also advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

No allowances have been made in our valuation for any charges, mortgages or amounts owing on the real properties valued nor for any expenses or taxation which may be incurred in effecting a sale.

Since certain real properties are located in a relatively under-developed market, the PRC, those assumptions are often based on imperfect market evidence. A range of values may be attributable to the real properties depending upon the assumptions made. While we have exercised our professional judgment in arriving at the value, report readers are urged to consider carefully the nature of such assumptions which are disclosed in the valuation report and should exercise caution in interpreting the valuation report.

VI. OPINION OF VALUE

Our opinion of the market value of the real property interests is set out in the attached summary of values and valuation certificates.

VII. REMARKS

Our valuation has been prepared in accordance with generally accepted valuation procedures and in compliance with the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited, and Rule 11 of The Codes on Takeovers and Mergers and Share Buy-backs published by Securities and Futures Commission.

For the purpose of compliance with Rule 11.3 of the Code on Takeovers and Mergers and Share Buy-backs and as advised by the Company, the potential tax liabilities which may arise from the sale of the real properties include:

The office B on 16th Floor of YHC Tower, No. 1 Sheung Yuet Road, Kowloon, Hong Kong (“HK property”)

- Stamp duty at a rate of maximum 8.5 % of the consideration of the real property; and
- Profit tax at a rate of 16.5% on the profit amount.

A parcel of land and various buildings and structures constructed thereon located at No. 116 Jinjia Main Road, Weitang Town, Weizhong Village, Jiashan County, Zhejiang Province (“Zhejiang property”) and two parcels of land and various buildings being constructed thereon located at east of Longjing Main Road, north of Fuyao Er Road, Jingmen (“Jingmen property”) in the PRC

- Business tax at a rate of 5% of the consideration of the real property;
- Land appreciation tax for the real property at progressive tax rates of 30% on the appreciation;
- Stamp duty at a rate of 0.05% of the consideration of the real property;
- Income tax at a rate ranging from 15% to 25% on profit before tax; and
- City maintenance and construction tax and Local Education surcharge at a rate of 10% of the business tax.

For the HK property and Zhejiang property, as the Company has entered into agreements for disposal of the real properties, therefore, the likelihood of the relevant tax liability being crystallised is high. For the Jingmen property, the Company has entered into agreement for the disposal of the shares of holding company of the Jingmen property instead of the disposal of the Jingmen property directly, so the likelihood of any potential tax liability applicable to the disposal of the Jingmen property directly being crystallised is remote. The disposal of the HK property and Zhejiang property, and the disposal of the shares of holding company of Jingmen property constitute special deals under Note 4 to Rule 25 of the Code on Takeovers and Mergers and Share Buy-backs.

In valuing the real property interests, we have complied with the requirements contained in the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

Site inspection of the real properties was conducted in July 2015 by Ms. Phoebe Fung (BSc) and Mr. Zhang Bao (cost engineer). The completed real properties were maintained in a reasonable condition commensurate with its ages and uses and equipped with normal building services.

For the real property interests in Hong Kong and the PRC, the monetary amounts herein are stated in Hong Kong Dollars (HK\$) and Chinese Renminbi (RMB) respectively.

We enclose herewith the summary of values and the valuation certificates.

This valuation report is issued subject to our General Service Conditions.

Yours faithfully,
For and on behalf of
Greater China Appraisal Limited
Mr. Gary Man
Registered Professional Surveyor (G.P.)
FHKIoD, FRICS, MHKIS, MCIREA
Director

Note: Mr. Gary Man is a Chartered Surveyor who has more than 27 years of valuation experience in countries such as The PRC, Hong Kong, Singapore, Vietnam, Philippines and the Asia Pacific region.

SUMMARY OF VALUES

GROUP I – REAL PROPERTY INTEREST HELD FOR OWNER OCCUPATION IN HONG KONG

No. Real Property	Market Value in existing state as at 30 June 2015
1. Office B on 16th floor, YHC Tower, No. 1 Sheung Yuet Road, Kowloon, Hong Kong	HK\$24,800,000
	<hr/>
Sub-total:	<u>HK\$24,800,000</u>

GROUP II – REAL PROPERTY INTERESTS HELD FOR OWNER OCCUPATION IN THE PRC

No. Real Property	Market Value in existing state as at 30 June 2015
2. A parcel of land and various buildings and structures constructed thereon located at No. 116 Jinjia Main Road, Weitang Town, Weizhong Village, Jiashan County, Zhejiang Province, the PRC	RMB37,000,000
	<hr/>
Sub-total:	<u>RMB37,000,000</u>

**GROUP III – REAL PROPERTY INTEREST HELD UNDER DEVELOPMENT IN
THE PRC**

No. Real Property	Market Value in existing state as at 30 June 2015
3. Two parcels of land and various buildings being constructed thereon located at east of Longjing Main Road, north of Fuyao Er Road, Jingmen City, Hubei Province, the PRC	RMB100,700,000
Sub-total:	<u>RMB100,700,000</u>
Total:	<u>HK\$24,800,000</u> <u>RMB137,700,000</u>

VALUATION CERTIFICATE

GROUP I – REAL PROPERTY INTEREST HELD FOR OWNER OCCUPATION IN HONG KONG

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 June 2015
1.	Office B on 16th floor, YHC Tower, No. 1 Sheung Yuet Road, Kowloon, Hong Kong 223/40000th shares of and in the Remaining Portion of New Kowloon Inland Lot No. 5881 (the "Lot")	The real property comprises an office unit on the 16th floor within a 36-storey office building with car-parking facilities. The building, which was completed in 2013, consists of retail spaces on the ground floor and the 5th floor. The saleable area of the real property is approximately 139.63 square metres (1,503.00 square feet). The Lot is held under Conditions of Sale No. UB11567 for a term of 99 years from 1 July 1898 which has been statutorily extended to 30 June 2047. The government rent payable for the Lot is equal to 3% of its rateable value.	Upon inspection, the real property is currently occupied for office purpose.	HK\$24,800,000 (Hong Kong Dollars Twenty Four Million and Eight Hundred Thousand)

Notes:

- (i) The registered owner of the real property is KEE Zippers Corporation Limited, an indirect wholly-owned subsidiary of the Company, via memorial no. 14021201800011 dated 30 January 2014 at a consideration of HK\$19,967,220.
- (ii) The real property is subject to a mortgage in favour of CTBC Bank Co., Ltd. via memorial no. 15012700290083 dated 6 January 2015.

GROUP II – REAL PROPERTY INTERESTS HELD FOR OWNER OCCUPATION IN THE PRC

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 June 2015																				
2.	A parcel of land and various buildings and structures constructed thereon located at No.116 Jinjia Main Road, Weitang Town, Weizhong Village, Jiashan County, Zhejiang Province, the PRC	<p>The real property comprises a parcel of land with a site area of approximately 32,241.3 square metres and 7 buildings and various structures constructed thereon. The buildings were completed in between 2008 and 2009.</p> <p>The total gross floor area of the buildings is approximately 23,183 square metres. Detail breakdown is shown below:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>No. of Block</th> <th>No. of Storey</th> <th>Gross Floor Area (square metres)</th> </tr> </thead> <tbody> <tr> <td>Office</td> <td>1</td> <td>3</td> <td>3,478.07</td> </tr> <tr> <td>Workshop</td> <td>5</td> <td>1-2</td> <td>13,889.51</td> </tr> <tr> <td>Dormitory</td> <td>1</td> <td>4</td> <td><u>5,815.85</u></td> </tr> <tr> <td>Total:</td> <td></td> <td></td> <td><u>23,183.43</u></td> </tr> </tbody> </table> <p>The structures comprise guard room, machine room, internal road, greenery, etc.</p> <p>The real property were granted for land use rights for a term expiring on 20 June 2056 for industrial use.</p>	Usage	No. of Block	No. of Storey	Gross Floor Area (square metres)	Office	1	3	3,478.07	Workshop	5	1-2	13,889.51	Dormitory	1	4	<u>5,815.85</u>	Total:			<u>23,183.43</u>	Upon inspection, the real property is currently occupied by the Group for industrial and ancillary purposes.	RMB37,000,000 (Renminbi Thirty Seven Million)
Usage	No. of Block	No. of Storey	Gross Floor Area (square metres)																					
Office	1	3	3,478.07																					
Workshop	5	1-2	13,889.51																					
Dormitory	1	4	<u>5,815.85</u>																					
Total:			<u>23,183.43</u>																					

Notes:

- (i) According to a State-owned Land Use Rights Certificate, known as Shan Guo Yong (2010) Di 00207710 Hao, issued by the People’s Government of Jiashan County and dated 15 December 2010, the land use rights of the real property with a site area of approximately 32,241.3 square metres is held by KEE (Zhejiang) Garment Accessories Limited (“KEE (Zhejiang)”), an indirect wholly-owned subsidiary of the Company, for a term expiring on 20 June 2056 for industrial use.
- (ii) According to 7 sets of Building Ownership Certificates, known as Jia Shan Xian Fang Quan Zheng Shan Zi Di S0030654 to S0030660 Hao, the building ownerships of the buildings with a total gross floor area of approximately 23,183.43 square metres is held by KEE (Zhejiang).
- (iii) We have been provided with a legal opinion regarding the real property interests issued by the Company’s PRC legal advisors which are summarised below:
 - (a) KEE (Zhejiang) has obtained the land use rights of the land parcel as mentioned in Note (i), and is legally entitled to occupy, use, transfer, lease, mortgage or by other means dispose of the land parcel;
 - (b) KEE (Zhejiang) has obtained the building ownership of the buildings as mentioned in Note (ii), and is legally entitled to occupy, use, transfer, lease, mortgage or by other means dispose of the buildings; and
 - (c) the land use rights of the land parcel as mentioned in Note (i) and the building ownerships mentioned in Note (ii) are not subject to any mortgage, judicial seizure or other rights restrictions.

GROUP III – REAL PROPERTY INTEREST HELD UNDER DEVELOPMENT IN THE PRC

No.	Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 June 2015										
3.	Two parcels of land and various buildings being constructed thereon located at east of Longjing Main Road, north of Fuyao Er Road, Jingmen City, Hubei Province, the PRC	<p>The real property comprises two parcels of land with a total site area of approximately 149,680.32 square metres and various buildings being constructed thereon.</p> <p>According to the information provided, the total planned gross floor area of the buildings will be approximately 38,426 square metres upon completion. Detail breakdown is shown below:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area <i>(square metres)</i></th> </tr> </thead> <tbody> <tr> <td>Workshop</td> <td>26,354.30</td> </tr> <tr> <td>Composite and ancillary buildings</td> <td>4,246.20</td> </tr> <tr> <td>Dormitory</td> <td><u>7,825.95</u></td> </tr> <tr> <td>Total:</td> <td><u>38,426.45</u></td> </tr> </tbody> </table> <p>The buildings are scheduled to be completed in 2015. The estimated construction cost for the buildings is approximately RMB 66,000,000, of which approximately RMB 64,600,000 had been incurred up to the valuation date.</p> <p>The real property was granted for land use rights for terms expiring on 15 April 2062 and 5 August 2062 from 2 sets of State-owned Land Use Rights Certificate for industrial use.</p>	Usage	Gross Floor Area <i>(square metres)</i>	Workshop	26,354.30	Composite and ancillary buildings	4,246.20	Dormitory	<u>7,825.95</u>	Total:	<u>38,426.45</u>	Upon inspection, the superstructure of the real property has been completed.	RMB100,700,000 (Renminbi One Hundred Million and Seven Hundred Thousand)
Usage	Gross Floor Area <i>(square metres)</i>													
Workshop	26,354.30													
Composite and ancillary buildings	4,246.20													
Dormitory	<u>7,825.95</u>													
Total:	<u>38,426.45</u>													

Notes:

- (i) According to a State-owned Land Use Rights Grant Contract, entered into between the State-owned Land and Resources Bureau of Jingmen and KEE (Jingmen) Garment Accessories Limited (“KEE Jingmen”), a 80%-owned subsidiary of the Group, dated 13 January 2012, the land use rights of a parcel of land with a site area of approximately 71,246.34 square metres were constructed to be granted to KEE Jingmen for a term of 50 years for industrial use at a consideration of RMB16,250,000.
- (ii) According to a State-owned Land Use Rights Grant Contract, entered into between the State-owned Land and Resources Bureau of Jingmen and KEE Jingmen dated 6 August 2012, the land use rights of a parcel of land with a site area of approximately 78,434 square metres were contracted to be granted to KEE Jingmen for a term of 50 years for industrial use at a consideration of RMB13,600,000.

- (iii) According to two sets of State-owned Land Use Rights Certificates, known as Jing Guo Yong (2012) Di 20120845 Hao and Jing Guo Yong (2012) Di 20121742 Hao, issued by the Peoples' Government of Jingmen and dated 16 April 2012 and 27 June 2012 respectively, the land use rights of the real property with a total site area of approximately 149,680.32 square metres were granted to KEE Jingmen for terms expiring on 15 April 2062 and 5 August 2062 respectively for industrial use.
- (iv) According to a Construction Land Use Planning Permit, known as Jing Men Shi Di Zi Di 2012022 Hao issued by the Urban-Rural Planning Bureau of Jingmen, permission has been given for the planning of construction of the real property.
- (v) According to 2 sets of Construction Work Planning Permits, Nos.2012GF048 and Nos.2012GF083, issued by the Urban-Rural Planning Bureau of Jingmen, the construction of the real property with a total gross floor area of approximately 72,140.67 square metres has been approved.
- (vi) According to a Construction Work Commencement Permit, Nos.2012014, issued by the Construction and Environmental Protection Bureau of Jingmen Economic Development Zone, permission has been given for commencement of construction of a real property with a total gross floor area of approximately 38,426.45 square metres.
- (vii) According to a Construction Work Commencement Permit, Nos.2012015, issued by the Construction and Environmental Protection Bureau of Jingmen High and New Technology Industry Park, permission has been given for commencement of construction of a real property with a total gross floor area of approximately 1,188 square metres.
- (viii) The capital value of the real property, as if completed according to the development proposals as described above as at the valuation date, would be RMB101,300,000.
- (ix) We have been provided with a legal opinion regarding the real property interests issued by the Company's PRC legal advisors which are summarised below:
 - (a) KEE Jingmen has obtained the land use rights of the land parcels as mentioned in Note (iii), and is legally entitled to occupy, use, transfer, lease, mortgage or by other means dispose of the land parcels;
 - (b) the land use rights of land parcels as mentioned in Note (iii) are not subject to any mortgage, judicial seizure or other rights restrictions; and
 - (c) KEE Jingmen is in application for completion of the construction work, and relevant Building Ownership Certificates will be officially granted without legal impediment. Once KEE Jingmen has obtained the Building Ownership Certificates of the buildings, KEE Jingmen is legally entitled to occupy, use, transfer, lease, mortgage or by other means dispose of the buildings.

GREATER CHINA APPRAISAL LIMITED

漢華評值有限公司

Room 2703
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

9 November 2015

The Board of Directors
KEE Holdings Company Limited
Office B on 16th Floor, YHC Tower
No.1 Sheung Yuet Road
Kowloon
Hong Kong

Dear Sirs,

Company : KEE Holdings Company Limited (the “Company”)

Transaction : Joint Announcement

(1) Acquisition Of Shares In KEE Holdings Company Limited By Glory Emperor Trading Limited; (2) Major And Connected Transactions, Continuing Connected Transactions And Special Deals; (3) Possible Mandatory Unconditional Cash Offers By China International Capital Corporation Hong Kong Securities Limited On Behalf Of Glory Emperor Trading Limited For All Of The Issued Shares In (Other Than Those Already Owned Or Agreed To Be Acquired By Glory Emperor Trading Limited And Parties Acting In Concert With It) And To Cancel All The Outstanding Share Options Of KEE Holdings Company Limited; (4) Appointment Of Independent Financial Adviser And (5) Resumption Of Trading

Our valuation report dated 9 November 2015 with valuation date as at 30 June 2015 has been included in the Appendix to the joint announcement in respect of the captioned transaction.

For the period between 30 June 2015 and 31 August 2015, we have considered all the relevant update information provided from the Company and the market trend. As such, we hereby confirm that the value of the real property interests as at 31 August 2015 would not be materially different from the valuation date as at 30 June 2015.

Yours faithfully
For and on behalf of
Greater China Appraisal Limited
Gary Man
Director