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**中國恒泰**  
**CHINA APEX**

**China Apex Group Limited**  
**中國恒泰集團有限公司**

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

**(Stock Code: 2011)**

## **UPDATE ON THE EXEMPTED CONNECTION TRANSACTION – LEASE AGREEMENT**

Reference is made to the announcement of China Apex Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 27 August 2021 in relation to the lease of the PRC Property for a term of two years from 1 September 2021 to 31 August 2023 (the “**Announcement**”). Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

In order to streamline the Group’s business operation in Jingmen, Hubei, KEE (Hubei) Zippers Manufacturing Company Limited\* (開易(湖北)拉鍊製造有限公司) (“**KEE Hubei**”) was established on 17 March 2022 in Jingmen, Hubei, which is wholly owned by KEE Guangdong, an indirect 85%-owned subsidiary of the Company. Following the establishment of KEE Hubei, the Group’s operation in Jingmen, Hubei currently undertaken by KEE Guangdong Jingmen Branch will be assumed by KEE Hubei. As part of this arrangement, the Lease Agreement which was entered into between KEE Jingmen as lessor and KEE Guangdong Jingmen Branch as lessee would also be assumed by KEE Hubei as a new lessee.

On 29 April 2022, KEE Jingmen as lessor, KEE Guangdong Jingmen Branch as the original lessee, and KEE Hubei as the new lessee entered into a novation agreement pursuant to which KEE Hubei shall assume all the rights and obligations of KEE Guangdong Jingmen Branch under the Lease Agreement with effect from 1 May 2022. The deposit which was paid by KEE Guangdong Jingmen Branch shall be returned by KEE Jingmen within 10 days and KEE Hubei shall pay a deposit in the same amount to KEE Jingmen within 3 days of entering into the novation agreement. Save as disclosed above, all the principal terms of the Lease Agreement as stated in the Announcement remain unchanged.

As at the date of this announcement, given that (i) KEE Jingmen is a connected person of the Company at the subsidiary level; (ii) the Directors have approved the novation agreement; and (iii) the independent non-executive Directors have confirmed that the terms of the novation agreement are fair and reasonable and the transactions contemplated under the novation agreement are on normal commercial terms and in the interests of the Company and its Shareholders as a whole, the transactions contemplated under the novation agreement are subject to the reporting and announcement requirements, but are exempt from the circular, independent financial advice and independent Shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

None of the Directors has material interest in the novation agreement and the transactions contemplated thereunder and hence no Director is required to abstain from voting on the relevant resolutions of the Board approving the same.

Having considered the reasons mentioned above, the Board (including the independent non-executive Directors) consider that the terms of the abovementioned novation agreement are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

\* *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  
**China Apex Group Limited**  
**Yip Siu Lun Dave**  
*Chairman and executive Director*

Hong Kong, 29 April 2022

*As at the date of this announcement, the executive Directors are Mr. Yip Siu Lun Dave, Mr. Qiu Chuanzhi, Mr. Mak Yung Pan Andrew and Mr. Wu Cody Zhuo-xuan; the non-executive Director is Ms. Lin Ping; and the independent non-executive Directors are Mr. Leung Ka Tin, Mr. Cheng Hong Kei and Mr. Liew Fui Kiang.*