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**KEE Holdings Company Limited**

**開易控股有限公司**

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

**(Stock Code: 2011)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**FINANCIAL HIGHLIGHTS**

	<b>Year ended 31 December</b>		<b>Change</b>
	<b>2014</b>	<b>2013</b>	
	<b>\$'000</b>	<b>\$'000</b>	
Turnover	<b>165,359</b>	160,841	<b>+2.8</b>
Gross profit	<b>49,849</b>	48,914	<b>+1.9</b>
Profit from operations	<b>6,553</b>	4,977	<b>+31.7</b>
Profit attributable to equity Shareholders	<b>3,661</b>	3,061	<b>+19.6</b>
	<b>As at 31 December</b>		<b>Change</b>
	<b>2014</b>	<b>2013</b>	
	<b>\$'000</b>	<b>\$'000</b>	
Total assets	<b>395,154</b>	390,719	<b>+1.1</b>
Deposits with banks	<b>41,158</b>	14,213	<b>+189.6</b>
Cash and cash equivalents	<b>37,975</b>	81,666	<b>-53.5</b>
Total equity attributable to equity Shareholders	<b>307,804</b>	311,412	<b>-1.2</b>

**DIVIDEND**

The Board recommends the payment of a final dividend of HK2 cents per Share (2013: HK2 cents) in respect of the year 2014 to the Shareholders.

Upon approval at the annual general meeting on Friday, 22 May 2015, the proposed final dividend will be paid on or about Monday, 15 June 2015 to Shareholders whose names appear on the register of members of the Company on Monday, 1 June 2015.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS***for the year ended 31 December 2014**(Expressed in Hong Kong dollars)*

	<i>Note</i>	<b>2014</b> <b>\$'000</b>	<b>2013</b> <b>\$'000</b>
<b>Turnover</b>	2	<b>165,359</b>	160,841
Cost of sales		<b>(115,510)</b>	(111,927)
<b>Gross profit</b>		<b>49,849</b>	48,914
Other revenue	3	<b>2,495</b>	2,804
Other net losses		<b>(163)</b>	(1,278)
Distribution costs		<b>(15,936)</b>	(16,921)
Administrative expenses		<b>(29,692)</b>	(28,542)
<b>Profit from operations</b>		<b>6,553</b>	4,977
Finance costs	4(a)	<b>(417)</b>	–
<b>Profit before taxation</b>	4	<b>6,136</b>	4,977
Income tax	5	<b>(2,742)</b>	(2,064)
<b>Profit for the year</b>		<b>3,394</b>	2,913
<b>Attributable to:</b>			
Equity Shareholders of the Company		<b>3,661</b>	3,061
Non-controlling interests		<b>(267)</b>	(148)
<b>Profit for the year</b>		<b>3,394</b>	2,913
<b>Basic and diluted earnings per share (HK cents)</b>	6	<b>0.9</b>	0.7

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*for the year ended 31 December 2014*

*(Expressed in Hong Kong dollars)*

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Profit for the year	<b>3,394</b>	2,913
<b>Other comprehensive income for the year</b>		
Items that may be reclassified subsequently to profit or loss:		
– Exchange differences on translation of the financial statements of subsidiaries	<u>(1,108)</u>	<u>10,001</u>
<b>Total comprehensive income for the year</b>	<b><u>2,286</u></b>	<b><u>12,914</u></b>
<b>Attributable to:</b>		
Equity Shareholders of the Company	<b>2,637</b>	12,503
Non-controlling interests	<b>(351)</b>	411
<b>Total comprehensive income for the year</b>	<b><u>2,286</u></b>	<b><u>12,914</u></b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2014

(Expressed in Hong Kong dollars)

	Note	2014 \$'000	2013 \$'000
<b>Non-current assets</b>			
Fixed assets			
– Property, plant and equipment		211,874	189,179
– Lease prepayments		33,052	33,878
		<u>244,926</u>	<u>223,057</u>
Intangible assets		7,666	6,018
Prepayments for fixed assets		391	6,319
Deferred tax assets		1,961	2,105
		<u>254,944</u>	<u>237,499</u>
<b>Current assets</b>			
Inventories	8	18,369	17,101
Trade and other receivables	9	41,535	40,036
Current tax recoverable		1,173	204
Deposits with banks		41,158	14,213
Cash and cash equivalents		37,975	81,666
		<u>140,210</u>	<u>153,220</u>
<b>Current liabilities</b>			
Bank borrowing		17,000	–
Trade and other payables	10	45,290	53,996
Current tax payable		33	78
		<u>62,323</u>	<u>54,074</u>
<b>Net current assets</b>		<u>77,887</u>	<u>99,146</u>
<b>Total assets less current liabilities</b>		<u>332,831</u>	<u>336,645</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***at 31 December 2014 (continued)**(Expressed in Hong Kong dollars)*

	<i>Note</i>	<b>2014</b> <b>\$'000</b>	2013 \$'000
<b>Non-current liabilities</b>			
Deferred tax liabilities		<u>543</u>	<u>398</u>
<b>Net assets</b>		<u><b>332,288</b></u>	<u><b>336,247</b></u>
<b>Capital and reserves</b>	<i>11</i>		
Share capital		4,150	4,150
Reserves		<u>303,654</u>	<u>307,262</u>
<b>Total equity attributable to equity Shareholders of the Company</b>		<b>307,804</b>	311,412
<b>Non-controlling interests</b>		<u>24,484</u>	<u>24,835</u>
<b>Total equity</b>		<u><b>332,288</b></u>	<u><b>336,247</b></u>

## NOTES TO THE FINANCIAL STATEMENTS

*(Expressed in Hong Kong dollars unless otherwise indicated)*

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance, which for the current financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“The Hong Kong Stock Exchange”). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

#### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2014 comprise KEE Holdings Company Limited (“the Company”) and its subsidiaries (together referred to as “the Group”).

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### (c) Changes in accounting policies

The HKICPA has issued the following amendments to HKFRSs and one new interpretation that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, Investment entities
- Amendments to HKAS 32, Offsetting financial assets and financial liabilities
- Amendments to HKAS 36, Recoverable amount disclosures for non-financial assets
- HK (IFRIC) 21, Levies

These amendments and new interpretation do not have an impact on these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

## 2 TURNOVER

The principal activities of the Group are manufacture and sale of zippers and other related products such as flat knit ribs, premium items and other products.

Turnover represents the sales value of goods supplied to customers. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2014 \$'000	2013 \$'000
Zippers and sliders	145,924	150,024
Flat knit ribs	13,159	6,389
Premium items and others	6,276	4,428
	<u>165,359</u>	<u>160,841</u>

No individual customer had transactions exceeding 10% of the Group's turnover.

## 3 OTHER REVENUE

	2014 \$'000	2013 \$'000
Government grants	480	425
Interest income	2,015	2,379
	<u>2,495</u>	<u>2,804</u>

During 2014, the Group was awarded unconditional government grants of HK\$480,000 (2013: HK\$425,000) as recognition of the Group's contribution to the development of the local economy.

#### 4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

##### (a) Finance costs

	2014 \$'000	2013 \$'000
Interest on bank advances	<u>417</u>	<u>–</u>

##### (b) Staff costs\*

	2014 \$'000	2013 \$'000
Salaries, wages and other benefits	51,232	49,920
Contributions to defined contribution retirement plans	5,102	5,248
Equity-settled share-based payment expenses	2,055	3,423
	<u>58,389</u>	<u>58,591</u>

##### (c) Other items

	2014 \$'000	2013 \$'000
Depreciation and amortisation*		
– lease prepayments	709	705
– property, plant and equipment	14,803	13,779
– intangible assets	947	846
	<u>16,459</u>	<u>15,330</u>
Auditors' remuneration		
– audit services	1,111	1,111
– tax services	182	64
– other services	354	352
	<u>1,647</u>	<u>1,527</u>



(c) Other items (continued)

	2014 \$'000	2013 \$'000
Impairment losses charged on trade and other receivables	327	37
Operating lease charges: minimum lease payments		
– hire of plant and machinery*	4,886	4,647
– hire of other assets (including property rentals)	306	1,156
	<u>5,192</u>	<u>5,803</u>
Net foreign exchange loss	154	447
Net loss on disposal of fixed assets	171	1,019
Research and development expenses on new products	1,926	2,220
Cost of inventories*	<u>115,510</u>	<u>111,927</u>

\* Cost of inventories includes HK\$53,760,000 (2013: HK\$52,379,000) relating to staff costs, depreciation and amortisation expenses and operating lease charges, which amounts are also included in the respective total amounts disclosed separately above or in note 4(b) for each of these types of expenses.

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Income tax in the consolidated statement of profit or loss represents:

	2014 \$'000	2013 \$'000
<b>Current tax – PRC corporate income tax</b>		
Provision for the year	2,524	3,350
Over-provision in respect of prior years	(104)	(1,278)
	<u>2,420</u>	<u>2,072</u>
<b>Current tax – Hong Kong Profits Tax</b>		
Provision for the year	33	795
	<u>289</u>	<u>(803)</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<u>289</u>	<u>(803)</u>
	<u>2,742</u>	<u>2,064</u>

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2014 \$'000	2013 \$'000
Profit before taxation	<u>6,136</u>	<u>4,977</u>
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdiction concerned (note i)	3,087	2,683
Effect of non-deductible expenses	121	543
Effect of non-taxable income	(73)	–
Effect of tax losses not recognised	389	76
Effect of tax concessions (note ii)	(836)	(221)
PRC dividend withholding tax (note iii)	145	93
Over-provision in prior years	(104)	(1,278)
Others	13	168
Actual tax expense	<u>2,742</u>	<u>2,064</u>

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands or the BVI.

KEE Zippers is subject to Hong Kong Profits Tax at 16.5% in 2014 and 2013.

- (ii) KEE (Guangdong) Garment Accessories Limited (“KEE Guangdong”) was recognised as a High and New Technology Enterprise (“HNTE”) and was entitled to a preferential income tax rate of 15% up to 2015. Except for KEE Guangdong, the statutory income tax rate applicable to the Company’s other subsidiaries in mainland China was 25%.

- (iii) Pursuant to the Corporate Income Tax Law of the PRC and its relevant regulations, PRC-resident enterprises are levied withholding income tax at 10% on dividends to their non-PRC-resident corporate investors for earnings accumulated beginning on 1 January 2008. Undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. Under the Sino-Hong Kong Double Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident which is the “beneficial owner” and holds 25% or more of the equity interest of a PRC-resident enterprise is entitled to a reduced withholding tax rate of 5%. As at 31 December 2014, deferred tax liability recognised in this regard was HK\$543,000 (2013: HK\$398,000).

## 6 EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity Shareholders of the Company of HK\$3,661,000 (2013: HK\$3,061,000) and the weighted average of 415,000,000 ordinary shares (2013: 415,000,000) in issue during the year.

### (b) Diluted earnings per share

The effect of the Company's share options was anti-dilutive for the years ended 31 December 2013 and 2014. Therefore, diluted earnings per share are the same as the basic earnings per share.

## 7 SEGMENT REPORTING

The Group manages its businesses by geographical areas. On 23 August 2014, the Group reorganised the structure of reportable segments by merging segments of "Southern China", "Eastern China" and "Central China" to one reportable segment of "Mainland China" as they have similar economic characteristics and are similar in respect of the nature of products, the nature of production processes, the type of customers, the methods used to distribute the products, and the nature of the regulatory environment. The comparative amounts in segment reporting have been adjusted accordingly.

Accordingly, the Group has presented the following two reportable segments in a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker ("CODM") for the purposes of resource allocation and performance assessment.

- Mainland China: this segment manufactures zippers products and mainly sells to customers in mainland China. Currently its activities are mainly carried out in Guangdong, Zhejiang and Hubei provinces.
- Overseas: this segment purchases zipper products from segment of Mainland China and sells to overseas customers. Its activities are mainly carried out in Hong Kong.

### (a) Segment results and segment assets

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results and assets attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of investments in financial assets and deferred tax assets.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted profit before taxation" i.e. "turnover less cost of sales, distribution costs and administrative expenses". Items not specifically attributed to individual segment are excluded from the calculation of segment profit. The Group's CODM is provided with segment information concerning segment revenue, profit and assets. Segment liabilities are not reported to the Group's CODM regularly.

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2014 and 2013 respectively is set out below:

(a) Segment results and segment assets (continued)

Year ended 31 December 2014

	Mainland China \$'000	Overseas \$'000	Total \$'000
Revenue from external customers	142,531	22,828	165,359
Inter-segment revenue	15,967	80	16,047
<b>Reportable segment revenue</b>	<b>158,498</b>	<b>22,908</b>	<b>181,406</b>
<b>Reportable segment profit/(loss)</b>	<b>9,534</b>	<b>(578)</b>	<b>8,956</b>
Interest income from bank deposits	1,968	47	2,015
Interest expense	–	(417)	(417)
Depreciation and amortisation for the year	(15,998)	(461)	(16,459)
<b>Reportable segment assets at year end</b>	<b>350,729</b>	<b>44,083</b>	<b>394,812</b>
Additions to non-current segment assets during the year	20,953	21,989	42,942

Year ended 31 December 2013

	Mainland China \$'000	Overseas \$'000	Total \$'000
Revenue from external customers	126,610	34,231	160,841
Inter-segment revenue	23,106	130	23,236
<b>Reportable segment revenue</b>	<b>149,716</b>	<b>34,361</b>	<b>184,077</b>
<b>Reportable segment profit</b>	<b>5,926</b>	<b>3,062</b>	<b>8,988</b>
Interest income from bank deposits	1,243	1,136	2,379
Depreciation and amortisation for the year	(15,316)	(14)	(15,330)
<b>Reportable segment assets at year end</b>	<b>378,742</b>	<b>11,602</b>	<b>390,344</b>
Additions to non-current segment assets during the year	77,653	5,497	83,150

**(b) Reconciliations of reportable segment revenues, profit or loss and assets**

	2014 \$'000	2013 \$'000
<b>Revenue</b>		
Reportable segment revenue	181,406	184,077
Elimination of inter-segment revenue	(16,047)	(23,236)
	<u>181,406</u>	<u>184,077</u>
<b>Consolidated turnover (note 2)</b>	<b><u>165,359</u></b>	<b><u>160,841</u></b>
	2014 \$'000	2013 \$'000
<b>Profit</b>		
Reportable segment profit	8,956	8,988
Elimination of unrealised profit of inter-segment purchase of inventories, other assets and fixed assets	198	458
	<u>8,956</u>	<u>8,988</u>
<b>Reportable segment profit derived from the Group's external customers</b>	<b>9,154</b>	<b>9,446</b>
Other revenue and other net loss	2,332	1,526
Unallocated head office and corporate expenses	(5,350)	(5,995)
	<u>2,332</u>	<u>1,526</u>
<b>Consolidated profit before taxation</b>	<b><u>6,136</u></b>	<b><u>4,977</u></b>
	2014 \$'000	2013 \$'000
<b>Assets</b>		
Reportable segment assets	394,812	390,344
Elimination of unrealised profit of inter-segment purchase of inventories and other assets	(1,182)	(1,319)
Elimination of unrealised profit of inter-segment purchase of fixed assets	(722)	(867)
	<u>394,812</u>	<u>390,344</u>
	<b>392,908</b>	<b>388,158</b>
Deferred tax assets	1,961	2,105
Unallocated head office and corporate assets	285	456
	<u>1,961</u>	<u>2,105</u>
<b>Consolidated total assets</b>	<b><u>395,154</u></b>	<b><u>390,719</u></b>

**(c) Geographic information**

The geographical location of customers is based on the location at which the goods were delivered. The revenue of the Group mainly derived from sales to customers in Mainland China except for sales of HK\$22,828,000 (2013: HK\$34,231,000) to overseas customers for the year ended 31 December 2014 (note 7(a)).

The geographical location of the Group's fixed assets, intangible assets and prepayment for fixed assets (the "Specified Non-current Assets") is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets. As at 31 December 2014, the Group's non-current assets were located in Mainland China and Hong Kong with carrying amount of HK\$231,427,000 (2013: HK\$229,866,000) and HK\$21,556,000 (2013: HK\$5,528,000) respectively.

**8 INVENTORIES**

	<b>The Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Raw materials	<b>5,633</b>	4,560
Work in progress	<b>11,209</b>	10,354
Finished goods	<b>1,527</b>	2,187
	<hr/>	<hr/>
	<b>18,369</b>	<b>17,101</b>
	<hr/> <hr/>	<hr/> <hr/>

An analysis of the amount of inventories recognised as an expense and included in the consolidated statement of profit or loss is as follows:

	<b>The Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying amount of inventories sold	<b>115,395</b>	112,278
Write down of inventories	<b>1,182</b>	400
Reversal of write-down of inventories	<b>(1,067)</b>	(751)
	<hr/>	<hr/>
	<b>115,510</b>	<b>111,927</b>
	<hr/> <hr/>	<hr/> <hr/>

The write-down of inventories was related to decrease in the estimated net realisable value of certain slow-moving inventories.

The reversal of write-down of inventories made in prior years was due to an increase in the net realisable value of certain finished goods with reference to the latest selling price.

## 9 TRADE AND OTHER RECEIVABLES

	<b>The Group</b>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Trade debtors and bills receivable	37,622	36,894
Less: allowance for doubtful debts	(160)	(136)
	<u>37,462</u>	<u>36,758</u>
Other prepayments	669	1,482
Deposits and other debtors	3,404	1,796
	<u>41,535</u>	<u>40,036</u>

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

### (a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables) based on the invoice date and net of allowance for doubtful debts, is as follows:

	<b>The Group</b>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Within 1 month	11,619	8,824
1 to 2 months	9,985	10,253
2 to 3 months	6,342	6,202
Over 3 months	9,516	11,479
	<u>37,462</u>	<u>36,758</u>

Trade debtors and bills receivable are in general due within 30-90 days from the date of billing.

**(b) Trade debtors and bills receivable that are not impaired**

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

	The Group	
	2014	2013
	\$'000	\$'000
Neither past due nor impaired	20,805	17,571
Less than 3 months past due	13,569	15,246
More than 3 months but less than 12 months past due	3,065	3,909
More than 12 months past due	23	32
Amount past due	16,657	19,187
	<b>37,462</b>	<b>36,758</b>

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

**10 TRADE AND OTHER PAYABLES**

	The Group	
	2014	2013
	\$'000	\$'000
Trade creditors	7,229	6,881
Payroll and staff benefits payable	9,133	8,975
Accrued expenses	4,376	3,555
Payables for purchase of fixed assets	10,272	17,417
Other taxes payable	226	1,157
Advance from a third party	8,873	8,903
Deposits received	4,437	6,360
Other payables	744	748
	<b>45,290</b>	<b>53,996</b>

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

Advance from a third party represents that interest-free advance of RMB7,000,000 (equivalent to HK\$8,873,000) received from a state-owned enterprise responsible for investment projects on behalf of Jingmen local government during 2012.



As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	<b>The Group</b>	
	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Within 1 month	<b>6,968</b>	5,740
Over 1 month but within 3 months	<b>260</b>	1,109
Over 3 months but within 6 months	<b>1</b>	32
	<u><b>7,229</b></u>	<u>6,881</u>

## 11 CAPITAL, RESERVES AND DIVIDENDS

### (a) Share capital

#### (i) *Authorised and issued share capital*

	<b>2014 and 2013</b>	
	<b>No. of shares</b>	<b>Share capital</b>
	<i>'000</i>	<i>\$'000</i>
<b>Authorised,</b>		
Ordinary shares of HK\$0.01 each	<u>2,000,000</u>	<u>20,000</u>
<b>Ordinary shares, issued and fully paid:</b>		
At 1 January and 31 December	<u>415,000</u>	<u>4,150</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Group's residual assets.

#### (ii) *Shares issued under share option scheme*

No options were exercised during the years ended 31 December 2014 and 2013.

**(b) Dividends**

Dividends payable to equity Shareholders of the Company attributable to the year

	<b>2014</b>	2013
	<b><i>\$'000</i></b>	<i>\$'000</i>
Final dividend proposed after the end of the reporting period of HK2 cents per ordinary share (2013: HK2 cents)	<b>8,300</b>	8,300

The final dividend proposed after 31 December 2014 has not been recognised as a liability as at the end of reporting period.

Dividends payable to equity Shareholders of the Company attributable to the previous financial year, approved and paid during the year.

	<b>2014</b>	2013
	<b><i>\$'000</i></b>	<i>\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year, of HK2 cents per share (2013: HK2 cents)	<b>8,300</b>	8,300

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

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.

During the year 2014, approximately 86.2% of the turnover was derived from sales in Mainland China. Other regions to which the Group sold its products include Hong Kong, Switzerland, Italy, USA, India, Belgium, Germany, South Africa and Cambodia.

### Business Review

For the year 2014, turnover of the Group slightly increased to HK\$165.36 million from HK\$160.84 million in 2013, representing a year-on-year growth of 2.8%. The Group also achieved encouraging results which laid a solid foundation for development in the future. Firstly, during the year 2014, turnover of flat knit ribs products increased from HK\$6.39 million in 2013 to HK\$13.16 million, a growth of 105.9%, which has become the new business growth point of the Group. Secondly, in 2014, the Group started cooperation with 17 new brands, among which, 4 brands were domestic brands, and 13 brands were overseas brands. As at the end of 2014, we had cooperation with 117 brands, among which, 39 brands were domestic brands, and 78 brands were overseas brands.

In addition, we have continually been strengthening the production management and cost control, and making great improvements in aspects such as personnel management, wastage reduction, production efficiency and optimization of production processes, which helped to reduce cost of production. Therefore, profit attributable to equity Shareholders in 2014 increased by 19.6% to HK\$3.66 million from HK\$3.06 million in 2013.

We constantly hold a sound fund and healthy debt to asset ratio to provide a solid foundation for sustained and rapid business development, and maintain a stable dividend policy.

## Prospects

In 2015, as affected by the continuous effect of the global financial crisis, the weak recovery of the Group's major trading countries and the slow release of the domestic apparel demands, the apparel industry in China will still face tough challenges. However, the apparel industry in the PRC is undergoing a period of upgrade and transformation and developing branding concept, which will be beneficial to increasing demands for high quality zippers.

Thus, we will proactively cope with this situation by implementing the following measures:

We will increase investment in brand construction and market development, improve product quality and develop new products to satisfy the needs of the market and continue to quickly respond to customers' demand, in order to further increase our market share. We will also place greater efforts in the market promotion of flat knit ribs products, as to satisfy the need for one-stop garment accessory purchase by the customers. Furthermore, we will also strive to product diversification, so as to support the long term development of the Group.

Other than the above, we will continually improve production and operation efficiency, facilities and techniques, as well as automation of production, as to provide better product quality, lower production costs and higher customers' satisfaction, and further improve the Group's position in high quality zippers market.

The China zipper industry will experience a period of consolidation. While those enterprises with less competitiveness will be eliminated by market forces, enterprises with stronger core competencies, higher qualities, larger economic scale and higher brand recognition would grow, leading to a higher market concentration. This will raise the barrier of entry for the industry. Therefore, the Group may consider to pursue suitable merger and acquisition opportunities.

## Turnover

The Group's turnover for the year 2014 amounted to HK\$165.36 million, representing an increase of 2.8% as compared to the year 2013, mainly due to the increased sales in flat knit ribs.

Turnover analysis by product category:

	Year ended 31 December			
	2014		2013	
	<i>HK\$ million</i>	%	<i>HK\$ million</i>	%
Finished zippers and sliders	<b>145.92</b>	<b>88.2</b>	150.02	93.2
Flat knit ribs	<b>13.16</b>	<b>8.0</b>	6.39	4.0
Premium items and Others	<b>6.28</b>	<b>3.8</b>	4.43	2.8
<b>Total turnover</b>	<b>165.36</b>	<b>100.0</b>	160.84	100.0

Turnover analysis by geographic location:

	Year ended 31 December			
	2014		2013	
	<i>HK\$ million</i>	%	<i>HK\$ million</i>	%
Mainland China	<b>142.53</b>	<b>86.2</b>	126.61	78.7
Overseas	<b>22.83</b>	<b>13.8</b>	34.23	21.3
<b>Total turnover</b>	<b>165.36</b>	<b>100.0</b>	160.84	100.0

#### *Zippers and sliders*

Revenue from sales of finished zippers and sliders decreased by approximately HK\$4,100,000 or 2.7% to HK\$145.92 million for the year 2014 (2013: HK\$150.02 million) primarily due to a decrease in sales volume. Such decrease was a result of: (i) the continuous slow-down of China's economy; and (ii) slow recovery of the global economy.

#### *Flat Knit Ribs*

Flat knit ribs increased by approximately 105.9% to HK\$13.16 million for the year 2014 (2013: HK\$6.39 million) due to more marketing promotion of flat knit ribs.

#### *Premium Items and Others*

Premium Items and Others represent items such as premium items, scrap materials, zipper components and moulds. Sales of premium and other items increased by approximately 41.8% to HK\$6.28 million for the year 2014 (2013: HK\$4.43 million), mainly due to sale of mould products increased.

#### **Cost of Sales and Gross Profit**

In 2014, the overall cost of sales for the Group amounted to approximately HK\$115.51 million (2013: HK\$111.93 million), representing an increase of approximately 3.2%. The overall gross profit of the Group increased by approximately 1.9% from HK\$48.91 million in 2013 to HK\$49.85 million in 2014. The overall gross profit margin in 2014 was 30.1% (2013: 30.4%), which was substantially the same as the overall gross profit margin in 2013.

Gross profit analysis by product category:

	Year ended 31 December			
	2014		2013	
	<i>HK\$ million</i>	%	<i>HK\$ million</i>	%
Finished zippers and sliders	48.66	97.7	48.46	99.1
Flat knit ribs	(0.34)	-0.7	(0.72)	-1.5
Premium items and Others	1.53	3.0	1.17	2.4
<b>Total gross profit</b>	<b>49.85</b>	<b>100.0</b>	<b>48.91</b>	<b>100.0</b>

#### *Finished zippers and sliders*

Gross profit for finished zippers and sliders increased by approximately 0.4% from HK\$48.46 million in 2013 to HK\$48.66 million in 2014. Gross profit margin increased from approximately 32.3% to 33.3%, which was attributable to the continuous enforcement of production management and cost control.

#### *Flat Knit Ribs*

Gross profit for flat knit ribs increased by approximately 52.8% from HK\$-0.72 million in 2013 to HK\$-0.34 million in 2014. Gross profit margin increased from approximately -11.3% to -2.6%, which was attributable to increased orders which led to a decrease in fixed manufacturing costs per unit.

#### *Premium Items and Others*

Gross profit for premium Items and other items increased by approximately 30.8% from HK\$1.17 million in 2013 to HK\$1.53 million in 2014. Gross profit margin decreased from approximately 26.4% to 24.4%, which was mainly due to the change in structure of products sold.

### **Distribution Costs**

Distribution costs mainly represent (i) staff costs relating to sales and marketing personnel; (ii) transportation costs for delivery of the Group's products to customers; and (iii) advertising and promotion expenses. In 2014, the Group's distribution costs amounted to approximately HK\$15.94 million (2013: HK\$16.92 million), accounting for approximately 9.6% of the Group's turnover (2013: 10.5%). The decrease in distribution costs was mainly due to purchase of office premise which is located in Hong Kong, which resulted in the decrease in rental income, and the control of office expenses.

## **Administrative Expenses**

Administrative expenses primarily consist of (i) salary and welfare expenses for management and administrative personnel; (ii) depreciation and amortisation; (iii) auditors' remuneration; (iv) product research and development expenses; and (v) other administrative expenses including professional fees. In 2014, the Group's administrative expenses amounted to approximately HK\$29.69 million (2013: HK\$28.54 million), which accounted for approximately 18.0% of the Group's turnover (2013: 17.7%), mainly due to further implementation of SAP project, which led to the increase in professional expenses.

## **Income Tax**

Income tax mainly represents the tax expenses incurred in relation to the operations of the Group in the PRC and Hong Kong.

## **Profitability**

In 2014, the Group's profit attributable to equity Shareholders amounted to HK\$3.66 million (2013: HK\$3.06 million), representing an increase of 19.6% as compared to 2013. The increase was primarily due to stricter production and cost management, and optimised production technique and procedure. The margin of profit attributable to equity Shareholders for the year was 2.2% (2013: 1.9%), an increase of 0.3 percentage points compared to 2013.

During the year, the Group's return on equity was 1.2% (2013: 1.0%), representing an increase of 0.2 percentage points as compared to 2013.

## **Inventories**

Inventories are one of the principal components of the Group's current assets. The value of inventories accounted for approximately 11.2% and 13.1% of the Group's total current assets as at 31 December 2013 and 2014 respectively.

Inventories increased by approximately 7.4% from HK\$17.1 million as at 31 December 2013 to HK\$18.37 million as at 31 December 2014, mainly due to the stock materials increased, which fulfilled the delivery needs of subsequent orders.

The average inventory turnover days for 2014 and 2013 are 63 days.

The write-down on inventories for the year 2014 was HK\$115,000 (2013: HK\$-351,000) due to a decrease in the net realisable value of certain finished goods with reference to the latest selling price.

## **Trade Debtors**

The Group's policy in respect of allowance for doubtful debts for 2014 was the same as that in 2013. As at 31 December 2014, the allowance for doubtful debts was HK\$160,000 (31 December 2013: HK\$136,000), accounting for 0.4% of the Group's total trade debtors (2013: 0.4%).

The Group's trade debtors (net) increased by around 1.9% from approximately HK\$36.76 million as at 31 December 2013 to HK\$37.46 million as at 31 December 2014.

The average trade debtors turnover days for 2014 and 2013 are 82 days.

### Trade Creditors

The Group's trade creditors primarily relate to purchases of raw materials from suppliers, with credit terms of 7 to 60 days from trade creditors.

The Group's trade creditors increased around 5.1% from approximately HK\$6.88 million as at 31 December 2013 to HK\$7.23 million as at 31 December 2014. The average trade creditors turnover days decreased from 69 days in 2013 to 65 days in 2014.

### Other Payables

Other payables mainly represent (i) payroll and staff benefits payable; (ii) accrued expenses; (iii) deposit received; (iv) payables for fixed assets; and (v) advance from a third party. The balance of other payables decreased by approximately 19.2% to HK\$38.06 million as at 31 December 2014 (2013: HK\$47.12 million) mainly due to the settlement of construction payment for garment accessories industrial park located at Jingmen, Hubei, PRC.

### Liquidity and Capital Resources

The following table is a summary of cash flow data for the two years ended 31 December 2014 and 2013:

	<b>Year ended 31 December</b>	
	<b>2014</b>	<b>2013</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
Net cash generated from operating activities	<b>15.83</b>	34.79
Net cash used in investing activities	<b>(67.64)</b>	(39.19)
Net cash generated from financing activities	<b>8.29</b>	4.23
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	<b>(43.52)</b>	(0.17)
Cash and cash equivalents at 1 January	<b>81.67</b>	79.38
Effect of foreign exchange rate changes	<b>(0.17)</b>	2.46
	<hr/>	<hr/>
Cash and cash equivalents at 31 December	<b>37.98</b>	81.67
	<hr/> <hr/>	<hr/> <hr/>



The Group's net cash inflow from operating activities for the year 2014 amounted to HK\$15.83 million (2013: HK\$34.79 million). As at 31 December 2014, cash and cash equivalents amounted to HK\$37.98 million, representing a net decrease of HK\$43.69 million as compared with the position as at 31 December 2013, mainly due to the effect of the increase in settlement of construction payment for garment accessories industrial park located at Jingmen, Hubei, and the increase in bank deposits with maturity period over 3 months.

As at 31 December 2014, the Group had short-term bank loans of HK\$17 million, mainly for the purchase of office premise located at Unit B on 16th Floor, Nos. 1, 1A & 1B Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong. As at 31 December 2013, the Group had no bank loans.

As at 31 December 2014, the Group had unutilised bank facilities amounting to approximately HK\$32.96 million. The debt to asset ratio, being the Group's total liabilities over its total assets, at 31 December 2014 was 15.9% (2013: 13.9%). The debt to asset ratio is considered to be healthy and suitable for the continuous development of the Group's business.

### **Net Current Assets**

As at 31 December 2014, the Group had net current assets of approximately HK\$77.89 million. The key components of current assets as at 31 December 2014 included inventories of approximately HK\$18.37 million, trade and other receivables of approximately HK\$41.54 million, deposits with banks of approximately HK\$41.16 million and cash and cash equivalents of approximately HK\$37.98 million. The key components of current liabilities included trade and other payables of approximately HK\$45.29 million and short term bank loans of HK\$17 million.

The net current assets decreased from HK\$99.15 million as at 31 December 2013 to HK\$77.89 million as at 31 December 2014 primarily due to the increase in settlement of construction payment for garment accessories industrial park of KEE Jingmen.

### **Pledge of Assets**

As at 31 December 2014, certain lease prepayments and buildings with book value of HK\$30.56 million (31 December 2013: HK\$32.41 million) of the Group were pledged to secure unutilized bank loans limit granted by a commercial bank in an amount of RMB26 million (equivalent to HK\$32.96 million) (as at 31 December 2013: RMB26 million (equivalent to HK\$33.07 million)) to the Group.

## **Non adjusting events after the reporting period**

- (i) On 3 March 2014, KEE Guangdong received a notice of responses to action from the Intermediate People’s Court (the “Foshan Intermediate Court”) of Foshan City, Guangdong Province of the PRC. Pursuant to the writ of civil proceedings filed by the claimant, the claimant, a finished zipper producer, alleges that a teeth chain design used in a finished zipper series produced by KEE Guangdong has infringed an exterior design patent owned by the claimant. Afterwards, Foshan Intermediate Court made an unfavourable civil judgement to KEE Guangdong. Since the design patent owned by the claimant was declared completely invalid by the Patent Reexamination Board of the State Intellectual Property Office of the PRC (“State Intellectual Property Office”) on the application by KEE Guangdong, the Higher People’s Court of Guangdong Province of the PRC reversed the civil judgement of the Foshan Intermediate Court and dismissed the claims by the claimant. The details are set out in the announcements of the Company dated 13 March 2014 and 27 January 2015, respectively. In March 2015, KEE Guangdong received “Notice on attending litigation of patent administrative cases from Beijing Intellectual Property Court”. The claimant sued (“Defendant”), and KEE Guangdong should attend the litigation as the third person. The claimant requested the Court to reverse the invalidation made by the Defendant. On the date of approval of financial statements, the case has not been trailed.
- (ii) It was unanimously resolved by all of the Directors (including all the independent non-executive Directors) on 3 March 2015 that in order to improve the capital usage efficiency and generate investment return from the Group’s idle funds, the Group might engage in risk related investments including investments in securities, real estate and trust products and other acts of risk-related investment which may be recongnised by the Stock Exchange. Investment in securities includes investment in domestic and overseas stocks, securities investment funds and other negotiable securities and their derivatives as well as wealth management products with stocks, interest rate or exchange rate as investment subjects and their derivatives bought from banks and other financial institutions. In order to standardise the risk-related investment management, raise the operational efficiency of funds, strengthen risk control, prevent investment risks, the Company has adopted its formulated policy on 3 March 2015 to regulate the risk-related investment of the Group. KEE (Guangdong) entered into the structured deposit agreement with Industrial Bank Co., Limited on 4 March 2015 for the subscription of the structured deposit at an amount of RMB12,000,000 (equivalent to approximately HK\$15,000,000) which was financed by the idle funds of the Group. For details, please refer to the announcement of the Company dated 4 March 2015.

## **Capital Commitments**

The capital commitments as at 31 December 2013 and 2014 not provided for in the financial statements were HK\$49.35 million and HK\$17.73 million respectively.

## **Foreign Currency Risk**

Individual companies within the Group has limited exchange rate risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. The Group did not hedge its exposure to risks arising from fluctuations in exchange rates during the year ended 31 December 2014.

## **Employees**

As at 31 December 2014, the Group had 560 full-time employees (31 December 2013: 594 full-time employees). The Group reviews remuneration and benefits of its employees annually according to the relevant market practice and individual performance of the employees. Save for the social insurance in China and the mandatory provident fund scheme in Hong Kong, the Group has not set aside or accrued any amount of money to provide for retirement or similar benefits for its employees. The staff costs incurred in the year 2014 were approximately HK\$58.39 million (2013: HK\$58.59 million).

## **The industrial park in Jingmen**

On 30 November 2012, KEE Jingmen entered into a main contractor contract with 中輝建設集團有限公司 (ZhongHui Construction Group Co., Ltd) for the construction of the garment accessories industrial park, details of which are set out in the circular of the Company dated 4 January 2013.

As at 31 December 2014, the construction of garment accessories industrial park was almost completed. The qualified written documents of fire safety on acceptance was received on 24 November 2014. The overall completion acceptance procedure is under way.

## **CORPORATE GOVERNANCE**

Good corporate governance is conducive to enhancing the Group's overall performance and accountability is essential in modern corporate administration. The Board, which includes three independent non-executive Directors out of a total of seven Directors, is responsible for setting strategic, management and financial objectives, continuously observing the principles of good corporate governance and devoting considerable effort to identifying and formalising best practices to ensure that the interests of Shareholders, including those of minority Shareholders, are protected.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code.

During the year ended 31 December 2014, the Company has complied with all the code provisions as set out in the Corporate Governance Code.

## **MODEL CODE**

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2014.

## **AUDIT COMMITTEE**

An audit committee has been established with written terms of reference in compliance with the Corporate Governance Code. The main duties of the audit committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system and relationship with external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The members of the audit committee are Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy. Mr. Lin Bin, an independent non-executive Director of the Company, is the chairman of the audit committee. For the year ended 31 December 2014, the audit committee has held three meetings to discuss the auditing, internal controls and financial reporting matters of the Company. The annual results of the Group for the year ended 31 December 2014 have been reviewed by the audit committee as well as external auditors.

## **REMUNERATION COMMITTEE**

A remuneration committee has been established with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the remuneration committee are to determine the remuneration packages of individual executive Directors and senior management, review and make recommendation to the Board on the remuneration policy and structure for all Directors and senior management, and establish transparent procedures for developing such remuneration policy to ensure that no Director or any of his associates will participate in deciding his own remuneration. The members of the remuneration committee are Mr. Xu Xipeng, Mr. Lin Bin and Mr. Tam Yuk Sang, Sammy. Mr. Tam Yuk Sang, an independent non-executive Director of the Company, is the chairman of the remuneration committee. For the year ended 31 December 2014, the remuneration committee has held three meetings.

## **NOMINATION COMMITTEE**

A nomination committee has been established with written terms of reference in compliance with the Corporate Governance Code. The principal duties of the nomination committee are to review the Board composition, make recommendations to the Board on the appointment and succession planning of Directors, and assess the independence of independent non-executive Directors. The nomination committee comprises Mr. Xu Xinan, Mr. Lin Bin and Mr. Kong Hing Ki. Mr. Kong Hing Ki, an independent non-executive Director of the Company, is the chairman of the nomination committee. For the year ended 31 December 2014, the nomination committee has held one meeting.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2014.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and to the knowledge of the Directors as at the date of this announcement, the Company maintained the prescribed public float of not less than 25% of the issued Shares as required under the Listing Rules during the year ended 31 December 2014.

## **FINAL DIVIDEND**

The Board recommends the payment of a final dividend of HK2 cents per Share (2013: HK2 cents) in respect of the year 2014 to the Shareholders.

Upon approval at the annual general meeting on Friday, 22 May 2015, the proposed final dividend will be paid on or about Monday, 15 June 2015 to Shareholders whose names appear on the register of members of the Company on Monday, 1 June 2015.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Wednesday, 20 May 2015 to Friday, 22 May 2015 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 19 May 2015.

The register of members of the Company will be closed from Friday, 29 May 2015 to Monday, 1 June 2015 during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend as stated in this announcement, all transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar at the above address not later than 4:30 p.m. on Thursday, 28 May 2015.

## **ANNUAL GENERAL MEETING**

The annual general meeting of the Company will be held in Hong Kong on Friday, 22 May 2015. Notice of the annual general meeting will be issued and disseminated to Shareholders in due course.

## PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Hong Kong Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.kee.com.cn](http://www.kee.com.cn)). The annual report for the year ended 31 December 2014 containing all the information required by Appendix 16 to the Listing Rules will be despatched to Shareholders and available on the same websites in due course.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	KEE Holdings Company Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands on 6 July 2010, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Corporate Governance Code”	Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“KEE Jingmen”	開易(荊門)服裝配件有限公司(KEE (Jingmen) Garment Accessories Limited), a limited liability company established in the PRC owned as to 80% by KEE Guangdong and 20% by 上海領峰貿易有限公司 (Shanghai Lingfeng Trading Limited)
“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 on 21 March 2005 and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange

“Main Board”	the stock market operated by the Hong Kong Stock Exchange, which excludes the Growth Enterprise Market and the options market
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“OEM”	original equipment manufacturer or manufacturing
“PRC” or “China”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company

By Order of the Board  
**KEE Holdings Company Limited**  
**Xu Xipeng**  
*Chairman*

Hong Kong, 20 March 2015

*As at the date of this 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.*