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If you have sold or transferred all your shares in KEE Holdings Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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KEE

KEE HOLDINGS COMPANY LIMITED

開易控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

**MAJOR TRANSACTION IN RELATION TO
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN
NEO OCEAN VENTURES LIMITED**

5 September 2017

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Appendix I — Financial Information of the Group	I-1
Appendix II — General Information	II-1

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which the licensed banks in Hong Kong are generally open for business throughout their normal business hours
“BVI”	British Virgin Islands
“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 Stock Exchange
“Completion”	completion of the Disposal, which took place on 24 August 2017
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$100,000,000 payable by the Purchaser to the Company for the sale and purchase of the Sale Share and the Sale Loan under the Disposal Agreement
“Debt Security Assignment”	assignment of the Sale Loan by way of security executed by the Purchaser in favour of the Company upon completion as security for, among others, the Purchaser’s payment obligations for the balance of the Consideration under the Disposal Agreement
“Deposit”	a sum of HK\$20,000,000 being the deposit and part payment of the Consideration having been made by the Purchaser to the Company within three Business Days after signing of the Disposal Agreement for the purchase of the Sale Share and the Sale Loan
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share and the Sale Loan by the Company to the Purchaser pursuant to the terms of the Disposal Agreement
“Disposal Agreement”	the conditional sale and purchase agreement dated 18 July 2017 and entered into between the Purchaser and the Company in relation to the Disposal

DEFINITIONS

“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale and purchase or sale and leaseback arrangement whatsoever nature and includes any agreement for any of the same
“Fullgoal SPC”	Fullgoal China Access RQFII Fund SPC, a segregated portfolio company incorporated under the laws of the Cayman Islands with limited liability
“Glory Emperor”	Glory Emperor Trading Limited, a company incorporated in the BVI with limited liability and the holder of 326,089,600 Shares, representing approximately 70.16% of the issued share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Latest Practicable Date”	31 August 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling one month after the date of the Disposal Agreement, or such later date as the Company and the Purchaser may agree in writing
“Mr. Wang”	Mr. Wang Yonghong
“PRC”	the People’s Republic of China, excluding (except where the context requires) Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Grandcheer Limited, a company incorporated in Hong Kong with limited liability

DEFINITIONS

“Sale Loan”	the shareholder’s loan owed by the Target Company to the Company at Completion and all obligations, liabilities and debts owed or incurred by the Target Company to the Company on Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion. As at the Latest Practicable Date, the Sale Loan amounted to approximately HK\$138,680,000
“Sale Share”	one ordinary share of US\$1.00 in the share capital of the Target Company owned by the Company, representing the entire issued share capital of the Target Company
“Segregated Portfolio”	Fullgoal Strategic Growth Fund Segregated Portfolio, a segregated portfolio created by Fullgoal SPC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Charge”	the share charge executed by the Purchaser in favour of the Company upon Completion whereby the Purchaser has charged the Sale Share to the Company as security for, among others, the Purchaser’s payment obligations for the balance of the Consideration under the Disposal Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Neo Ocean Ventures Limited, a company incorporated in the BVI with limited liability
“Target Group”	the Target Company and its subsidiaries
“Written Shareholder’s Approval”	the written shareholder’s approval dated 3 August 2017 of the Disposal, the Disposal Agreement and the transactions contemplated thereunder given by Glory Emperor

DEFINITIONS

“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, the shares of which are quoted on the Shenzhen Stock Exchange (Stock code: 000979.SZ). As at the Latest Practicable Date, Zhonghong indirectly owned 326,089,600 Shares, representing approximately 70.16% of the issued share capital of the Company
“Zhonghong Zhuoye”	中弘卓業集團有限公司 (Zhonghong Zhuoye Group Limited [#]), a company established under the laws of the PRC with limited liability, which is wholly-owned by Mr. Wang and owns 26.55% of the equity interest in Zhonghong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America

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



KEE HOLDINGS COMPANY LIMITED

開易控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

Executive Directors:

Mr. Wu David Hang
Ms. Feng Xiaoying

Independent non-executive Directors:

Mr. Yau Pak Yue
Mr. Lu Nim Joel
Mr. Leung Ka Tin

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Central
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5 September 2017

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO
DISPOSAL OF THE ENTIRE EQUITY INTEREST IN
NEO OCEAN VENTURES LIMITED**

INTRODUCTION

Reference is made to the announcements of the Company dated 18 July 2017 and 24 August 2017 in relation to, among other things, the Disposal.

On 18 July 2017 (after trading hours), the Company as the vendor and the Purchaser as the purchaser entered into the Disposal Agreement, pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to purchase the Sale Share, representing the entire issued share capital of the Target Company, and the Sale Loan, at the aggregate Consideration of HK\$100,000,000. Completion had taken place on 24 August 2017.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal Agreement; and (ii) other information as required under the Listing Rules.

LETTER FROM THE BOARD

THE DISPOSAL AGREEMENT

Date: 18 July 2017 (after trading hours)

Parties: (1) the Company, as vendor; and
(2) Grandcheer Limited, as purchaser.

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner, Mr. Qin Ming, are Independent Third Parties. Mr. Qin Ming was introduced to the Company by Mr. Wang. He is a merchant. In 2008, Tianjin Lizhi Property Company Limited[#] (天津麗智置業有限公司) (“**Tianjin Lizhi**”) acquired 58 residential units from a wholly-owned subsidiary of Zhonghong Zhuoye. Tianjin Lizhi was subsequently acquired by Mr. Qin Ming and thereafter Mr. Wang became acquainted with Mr. Qin Ming. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, there is no current or prior relationship, arrangements, transactions, agreements, understanding between (i) the Purchaser and its ultimate beneficial owner and related party(ies); and (ii) the Company and its connected persons.

Subject matter

Pursuant to the Disposal Agreement, the Company shall sell as beneficial owner and the Purchaser shall purchase the Sale Share and the Sale Loan. The Sale Share, representing the entire issued share capital of the Target Company, free from all Encumbrances together with all rights now and hereafter attaching thereto including but not limited to all dividends to be paid, declared or made in respect thereof at any time on or after Completion. The Sale Loan, representing the loan owed by the Target Company to the Company at Completion, will be sold free from all Encumbrances together with all rights attaching thereto as at the Completion Date.

The Purchaser shall not be obliged to purchase any of the Sale Share and the Sale Loan unless the sale and purchase of the Sale Share and the Sale Loan are completed simultaneously.

As at the Latest Practicable Date, the Sale Loan amounted to approximately HK\$138,680,000.

Consideration

The aggregate Consideration for the sale and purchase of the Sale Share and Sale Loan shall be HK\$100,000,000.

LETTER FROM THE BOARD

The Consideration shall be payable by the Purchaser to the Company in the following manner:

- (a) HK\$20,000,000, being the Deposit and part payment of the Consideration, have been paid by the Purchaser to the Company in cash within three Business Days after signing of the Disposal Agreement;
- (b) HK\$30,000,000, being the second installment had been paid by the Purchaser to the Company at Completion; and
- (c) HK\$50,000,000 being the balance of the Consideration shall be paid by the Purchaser to the Company in cash within one year from the date of Completion.

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser on normal commercial terms by taking into account (i) the net liability of the Target Group of approximately HK\$53,662,000 as at 30 June 2017; (ii) the reasons for the Disposal as discussed in the paragraph headed "Reasons for the Disposal" in this letter from the Board; and (iii) the outstanding amount of the Sale Loan of approximately HK\$138,680,000 as at the date of the Disposal Agreement.

Having considered the above factors, the Board considers that the Consideration, which was arrived at after arm's length negotiations, is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Security for the balance of the Consideration

As security for the payment of the balance of the Consideration, the Purchaser has executed the Share Charge and the Debt Security Assignment upon Completion in favour of the Company, which shall be released upon full settlement of the Consideration.

Conditions precedent

Completion is conditional upon and subject to the following conditions:

- (1) the Purchaser having completed the due diligence review on the assets, liabilities, operations and affairs of the Target Group;
- (2) all necessary consents, licences and approvals required to be obtained on the part of the Company in respect of the sale and purchase of the Sale Share and the Sale Loan having been obtained;
- (3) all necessary consents, licences and approvals required to be obtained on the part of the Purchaser in respect of the sale and purchase of the Sale Share and the Sale Loan having been obtained;
- (4) the Shareholder(s) approving the Disposal Agreement and the transactions contemplated thereunder in compliance with the requirements of the Listing Rules by passing the requisite resolution(s) at a general meeting or by way of written Shareholder's approval;

LETTER FROM THE BOARD

- (5) there being no matters, facts or circumstances which constitute or will constitute breach of the warranties given by the Company contained in the Disposal Agreement; and
- (6) there being no matters, facts or circumstances which constitute or will constitute breach of the warranties given by the Purchaser contained in the Disposal Agreement.

The Company shall use its best endeavours to procure the fulfillment of the conditions set out in (1), (2), (4) and (5) above. The Purchaser shall use its best endeavours to procure the fulfillment of the conditions set out in (3) and (6) above. The Company may in its absolute discretion at any time waive the condition set out in (6) above. The Purchaser may in their absolute discretion at any time waive the conditions set out in (1) and (5) above. None of the conditions set out in (2), (3) and (4) above are capable of being waived.

As at the Latest Practicable Date, all of the conditions above had been satisfied. The Company and the Purchaser had no intention to and did not waive any of the above waivable conditions prior to Completion. The Directors consider that the waiver of any waivable conditions set out above would not affect the substance of the Disposal.

If the conditions set out above have not been satisfied (or as the case may be, waived) on or before the Long Stop Date, the Disposal Agreement shall cease and determine and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms thereof, and the Company shall refund the Deposit to the Purchaser without interest within ten Business Days.

Completion

Pursuant to the Disposal Agreement, Completion shall take place within three Business Days after the fulfillment or waiver (as the case may be) of the conditions precedent set out in the Disposal Agreement or such other date as the Company and the Purchaser may agree in writing.

Upon Completion which took place on 24 August 2017, the Target Group ceased to be subsidiaries of the Company.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in the BVI with limited liability, which is principally engaged in investment holding. The Target company indirectly owns the entire equity interest in 天津活力營銷顧問有限公司 (Tianjin Vitality Marketing Consultancy Company Limited*) and 天津金惠天金有限公司 (Tianjin Jinhui Tianjin Company Limited*) (“**Tianjin Jinhui**”), both are companies established in the PRC and are principally engaged in enterprise sales planning, enterprise image planning, business information consultation, conference services, exhibition display services, real estate information consultation and real estate agency. Tianjin Jinhui directly owns the entire equity interest in 北京栩金易信息諮詢

LETTER FROM THE BOARD

有限公司 (Beijing Xujinyi Information Consultancy Company Limited*), a company established in the PRC with limited liability which has not commenced operation as at the date of the Disposal Agreement and as at the Latest Practicable Date.

Set out below is a summary of the key financial data of the Target Group for the period ended from 23 February 2016 (the date on which the Company acquired the Target Company as a shelf company) to 31 December 2016 and for the six months ended 30 June 2017 which were prepared in accordance with the generally accepted accounting principles in Hong Kong:

	For the period from 23 February 2016 to 31 December 2016 (unaudited) HK\$'000	For the six months ended 30 June 2017 (unaudited) HK\$'000
Revenue	7,630	81,432
Net loss before tax	(7,886)	(40,729)
Net loss after tax	(7,886)	(40,730)

As at 30 June 2017, the unaudited consolidated net liability of the Target Group based on the unaudited financial statements of the Target Group prepared in accordance with the generally accepted accounting principles in Hong Kong was approximately HK\$53,662,000.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Group ceased to have any interests in the Target Group, and the financial results of the Target Group would no longer be consolidated in the financial statements of the Group. Based on the preliminary assessment on the unaudited consolidated financial information of the Target Group, it is expected that upon completion of the Disposal, the total assets of the Group will decrease by approximately HK\$174.8 million, the total liabilities of the Group will decrease by approximately HK\$194.1 million, the net assets of the Group will also be increased by HK\$19.3 million based on the estimated gain on the Disposal and the amount of the exchange reserve to be transferred. Since the Target Group is loss making, it is expected that the earnings of the Group will improve after completion of the Disposal.

GAIN OR LOSS ATTRIBUTABLE TO THE DISPOSAL

Based on the preliminary assessment on the unaudited consolidated financial information of the Target Group, the Group will record a potential gain of approximately HK\$14.2 million as a result of the Disposal which is calculated based on (i) the Consideration in the amount of HK\$100,000,000; (ii) the Sale Loan in the amount of HK\$138,680,000; (iii) the net liability of the Target Group in the amount of HK\$57,944,000 upon pro forma results as at completion of the Disposal and (iv) the exchange reserve of approximately HK\$5.1 million upon result as at

LETTER FROM THE BOARD

completion of the Disposal in relation to the Target Group to be transferred to profit and loss upon Completion. The actual gain or loss as a result of the Disposal to be recorded by the Group is subject to audit and actual result of the Company.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 6 July 2010 and the Shares of which have been listed on the Main Board of the Stock Exchange since January 2011. The Group (except for the Target Group) is principally engaged in design, manufacture and sale of finished zippers and other garment accessories, while Target Group is principally engaged in real estate agency services in the PRC.

The performance of the Target Group has not been satisfactory since it commenced the business in 2016. The scale of the property agency services was fundamentally hindered after the government of the PRC has imposed home purchase restrictions on the residential real estate market in various cities in the PRC which recorded significant increase in home prices. Thus, the Company first contemplated the Disposal in the second quarter 2017. The operating expenses incurred by the Target Group primarily consist of the staff cost for management, administrative and the marketing personnel, together with the advertising and promotion expenses. The scale of property agency services provided by the Target Group was not sufficient to cover the related operating costs and therefore led to a loss of the Target Group for the six months ended 30 June 2017. Further, the proceeds from the Disposal can further strengthen the cash position of the Group and will allow the Group to reallocate its resources for working capital and financing the investment opportunities as may be identified from time to time. The Group will no longer engage in real estate agency business after Completion. The Company will continue the existing zippers and other garment accessories business upon Completion and will prudently look for other potential investment opportunities.

Accordingly, the Directors are of the view that the terms of the Disposal Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company had no agreement, arrangement, understanding, intention or negotiation (concluded or otherwise) to dispose of or terminate or scale down any part of the remaining business of the Group or to inject any other new business to the Group.

The Board intends to use (i) approximately HK\$35,000,000 for further subscription of the Participating Shares in the Segregated Portfolio, details of which is set out in the announcement of the Company dated 21 August 2017 (the “**Subscription**”); (ii) approximately HK\$35,000,000 for future investment opportunities as may be identified from time to time; and (iii) approximately HK\$30,000,000 for working capital of the Group. As at the Latest Practicable Date, save for the Subscription, the Group had not identified any other investment opportunities.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 25% but are below 75%, the Disposal constitutes a major transaction of the Company and is subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders have a material interest in the Disposal Agreement and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting if a general meeting were to be convened for the approval of the Disposal Agreement and the transactions contemplated thereunder.

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval of the Disposal Agreement and the transactions contemplated thereunder may be given by way of written Shareholders' approval in lieu of holding a general meeting if (1) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Disposal Agreement and the transactions contemplated thereunder; and (2) the written shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company giving the right to attend and vote at that general meeting to approve the Disposal Agreement and the transactions contemplated thereunder.

On 3 August 2017, the Company received the Written Shareholder's Approval from Glory Emperor, being a Shareholder holding an aggregate of 326,089,600 Shares, representing approximately 70.16% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, the Written Shareholder's Approval has been accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules.

RECOMMENDATION

The Board considers that the terms of the Disposal Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

By Order of the Board
KEE Holdings Company Limited
Wu David Hang
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the three years ended 31 December 2014, 2015 and 2016 can be found in the annual reports of the Company for the years ended 31 December 2014, 2015 and 2016 respectively.

The above-mentioned financial information has been published on both website of the Stock Exchange at www.hkex.com.hk and the Company's website at www.kee.com.cn/.

2. INDEBTEDNESS

At the close of business on 31 July 2017, being the latest practicable date for the purpose of the indebtedness statement prior to the printing of this circular apart from intra-group liabilities, the Group did not have any other outstanding borrowings, or any mortgages, charges, debentures, loan capital, bank overdrafts or loans, liabilities under acceptance (other than normal trade bills) or other similar indebtedness, hire purchase or finance lease obligations or any guarantees or other material contingent liabilities.

3. WORKING CAPITAL

After taking into account the financial resources available to the Group, including the proceeds from the Disposal and from the share subscriptions, the internally generated funds and the available banking facilities, the Directors, after due and careful enquiry, are of the opinion that the Group will have sufficient working capital for its present requirements for at least the next 12 months from the date of this circular, in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

As disclosed in the announcement of the Company dated 2 August 2017, the Group is expected to record a net loss for the six months ended 30 June 2017 as compared to the profit in the corresponding period in 2016.

The Directors confirm that save as disclosed above, there was no material adverse change in the financial or trading position or outlook of the Group since 31 December 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Company is an investment holding company whose subsidiaries are principally engaged in the business of (i) design, manufacture and sale of finished zippers and other garment accessories and (ii) real estate agency services in China.

The Disposal gives a good opportunity for the Company to realize its loss-making investment and reallocate its resources. For the Group's zipper business, given the slowdown in economic growth and impacts of structural adjustments, the textile and clothing industry in China thus encountered unprecedented challenges as well as development opportunities. The

Group will continue to be responsive to clients and markets via optimizing resources allocation and enhancing operational efficiency to meet the needs of clients and markets for higher customer satisfaction and larger market share of quality zipper products. In addition, the Group will continue to look for suitable investment opportunities, with a view to further expanding the Group's source of revenue, enhancing the Group's profit and maximising the Shareholders' return.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) where were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the the Model Code for Securities Transactions by Directors of Listed Companies.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long positions in the Shares and underlying shares of the Company

Name of Shareholder	Capacity	Number of issued Shares	Approximate percentage of interest
Glory Emperor Trading Limited	Beneficial owner	326,089,600	70.16%
Li Zhen Hong Kong Trading Co., Limited (<i>Note 1</i>)	Interest in controlled corporation	326,089,600	70.16%

Name of Shareholder	Capacity	Number of issued Shares	Approximate percentage of interest
上海永文投資有限公司(Shanghai Yongwen Investment Company Limited*) (“ Shanghai Yongwen ”) (Note 2)	Interest in controlled corporation	326,089,600	70.16%
北京中弘弘毅投資有限公司(Beijing Zhonghong Hongyi Investment Company Limited*) (“ Beijing Zhonghong Hongyi ”) (Note 3)	Interest in controlled corporation	326,089,600	70.16%
中弘控股股份有限公司(Zhonghong Holding Co., Limited*) (“ Zhonghong ”) (Note 4)	Interest in controlled corporation	326,089,600	70.16%
中弘卓業集團有限公司(Zhonghong Zhuoye Group Company Limited*) (“ Zhonghong Zhuoye ”) (Note 5)	Interest in controlled corporation	326,089,600	70.16%
Mr. Wang Yong Hong (Note 6)	Interest in controlled corporation	326,089,600	70.16%
Keen Concept Enterprise Corp. (“ Keen Concept ”) (Note 7)	Person having a security interest in shares	326,089,600	70.16%
China Oriental Yunfan Credit Fund L.P (“ China Oriental Yunfan ”) (Note 8)	Interest in controlled corporation	326,089,600	70.16%
CNCO Capital International (“ CNCO Capital ”) (Note 9)	Interest in controlled corporation	326,089,600	70.16%
Arren Holdings Corporation Limited (“ Arren Holdings ”) (Note 10)	Interest in controlled corporation	326,089,600	70.16%

Name of Shareholder	Capacity	Number of issued Shares	Approximate percentage of interest
Champ Link Holdings Inc. (“ Champ Link ”) (Note 11)	Interest in controlled corporation	326,089,600	70.16%
CNIC Corporation Limited (“ CNIC Corporation ”) (Note 10)	Interest in controlled corporation	326,089,600	70.16%
China Orient Asset Management (International) Holding Limited (“ China Orient ”) (Note 12)	Interest in controlled corporation	326,089,600	70.16%
Wise Leader Assets Ltd. (“ Wise Leader ”) (Note 13)	Interest in controlled corporation	326,089,600	70.16%
Dong Yin Development (Holdings) Limited (“ Dong Yin ”) (Note 12&13)	Interest in controlled corporation	326,089,600	70.16%
China Orient Asset Management Co., Limited (“ COAM ”) (Note 14)	Interest in controlled corporation	326,089,600	70.16%
Farco Holdings Limited (Note 15)	Beneficial owner	35,260,000	7.59%
Dong Yu (Note 15)	Interest in controlled corporation	35,260,000	7.59%
CM SPC (Note 16)	Beneficial holder	30,000,000	6.90%
CM Capital Management (Cayman) Limited (“ CM Capital ”) (Note 17)	Interest in controlled entity	30,000,000	6.90%
CM Asset Management Holdings Limited (“ CM Asset Management ”) (Note 18)	Interest in controlled entity	30,000,000	6.90%

Name of Shareholder	Capacity	Number of issued Shares	Approximate percentage of interest
China Minsheng Financial Holding Corporation Limited (“China Minsheng”) (Note 19)	Interest in controlled entity	30,000,000	6.90%
CMI Financial Holding Company Limited (“CMI”) (Note 20)	Interest in controlled entity	30,000,000	6.90%
Minsheng (Shanghai) Assets Management Company Limited (“Minsheng SH”) (Note 21)	Interest in controlled entity	30,000,000	6.90%

Notes:

1. Li Zhen wholly owns Glory Emperor.
2. Shanghai Yongwen wholly owns Li Zhen.
3. Beijing Zhonghong Hongyi wholly owns Shanghai Yongwen.
4. Zhonghong wholly owns Beijing Zhonghong Hongyi.
5. Zhonghong Zhuoye holds approximately 26.55% interest in Zhonghong.
6. Mr. Wang Yong Hong wholly owns Zhonghong Zhuoye.
7. Keen Concept is wholly owned by China Oriental YunFan.
8. China Oriental Yunfan is 98%-owned by CNCO Capital.
9. CNCO Capital is 51%-owned by Champ Links and 49%-owned by Arren Holdings.
10. Arren Holdings is wholly owned by CNIC Corporation.
11. Champ Link is wholly owned by China Orient.
12. China Orient is 50%-owned by Wise Leader and 50%-owned by Dong Yin.
13. Wise Leader is wholly owned by Dong Yin.
14. Dong Yin is wholly owned by COAM.
15. Farco Holdings Limited is wholly owned by Dong Yu.
16. CM SPC is wholly owned by CM Capital.
17. CM Capital is wholly owned by CM Asset Management.

18. CM Asset Management is wholly owned by China Minsheng.
19. China Minsheng is 49.84%-owned by CMI.
20. CMI is wholly owned by Minsheng SH.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective close associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. INTERESTS IN CONTRACTS, ASSETS AND ARRANGEMENT OF SIGNIFICANCE

None of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 December 2016, the date to which the latest published audited financial statements of the Group were made up.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business carried on or intended to be carried on by the Group) have been entered into by members of the Group within the two years immediately preceding the date of the Disposal Agreement and up to the Latest Practicable Date which are or may be material:

- (a) the disposal agreement dated 19 August 2015 (as amended and supplemented by the extension letter dated 27 November 2015) and entered into between the Company and Nicco Worldwide Inc. (“**Nicco**”), pursuant to which the Company agreed to sell and Nicco agreed to purchase 15% of the issued share capital of KEE International (BVI) Limited (“**KEE BVI**”) at a total consideration of HK\$24,627,172;
- (b) the disposal agreement dated 19 August 2015 (as amended and supplemented by the extension letter dated 27 November 2015) and entered into between KEE Zippers Corporation Limited (“**KEE Zippers**”), an indirect non-wholly owned subsidiary of the Company, and Classic Winner Limited (“**Classic Winner**”), pursuant to which KEE Zippers agreed to sell and Classic Winner agreed to purchase the Office B on the 16th Floor of YHC Tower, No. 1, Sheung Yuet Road, Kowloon, Hong Kong (the “**HK Property**”) for a total consideration of HK\$24,800,000;
- (c) the disposal agreement dated 19 August 2015 (as amended and supplemented by the extension letter dated 27 November 2015) and entered into between the Company and 佛山市南海今和明投資有限公司(Foshan City Nanhai Jinheming Investment Company Limited*) (“**Nanhai Jinheming**”), pursuant to which (i) the Company agreed to procure 開易(廣東)服裝配件有限公司 (KEE (Guangdong) Garment Accessories Limited*) (“**KEE Guangdong**”) to sell and Nanhai Jinheming agreed to purchase 80% registered and paid up capital of 開易(荊門)服裝配件有限公司 (KEE (Jingmen) Garment Accessories Limited*); and (ii) the Company agreed to procure 開易(浙江)服裝配件有限公司 (KEE (Zhejiang) Garment Accessories Limited*) (“**KEE Zhejiang**”), a non-wholly owned subsidiary of the Company, to sell and Nanhai Jinheming agreed to purchase the 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) (the “**Land**”) and the seven blocks of buildings and the facilities including greening, the laying of pipes, networks roads located at the Land (the “**PRC Building**”, which together with the Land, the “**PRC Properties**”) for a consideration of RMB87,417,730 and RMB37,000,000 respectively;
- (d) the letter of agreement dated 18 December 2015 and entered into between KEE Zippers and Classic Winner, pursuant to which KEE Zippers and Classic Winner agreed that the rent to be payable by KEE Zippers throughout the extended term of the HK Lease Agreement (as defined below) shall be determined according to the prevailing open market rent under the valuation report to be prepared by an independent professional valuer to be engaged by KEE Zippers or its holding company;

- (e) the lease renewal agreement dated 28 December 2015 and entered into between Mr. Xu Xipeng and Mr. Xu Xinan as lessors and KEE Guangdong as lessee in relation to the renewal of the lease for the production base in Foshan City of Guangdong Province for a further term of three years from 1 January 2016 to 31 December 2018 at a monthly rent of RMB310,000;
- (f) the lease agreement dated 13 January 2016 and entered into between Classic Winner as lessor and KEE Zippers as lessee in relation to the lease of the HK Property for an initial period of one year at a nominal rent of HK\$1 for the initial period;
- (g) the lease agreement dated 13 January 2016 and entered into between Nanhai Jinheming as lessor and KEE Zhejiang as lessee in relation to the lease of the PRC Properties for an initial period of one year with rent free for the whole initial period;
- (h) the shareholders' agreement dated 13 January 2016 and entered into amongst the Company, Nicco and KEE BVI which 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;
- (i) the lease agreement dated 16 January 2017 and entered into between Nanhai Jinheming as lessor and KEE Zhejiang as lessee in relation to the lease of the PRC Properties for a term of three years commencing from 16 January 2017;
- (j) the lease renewal agreement dated 16 January 2017 and entered into between Classic Winner as lessor and KEE Zippers as lessee in relation to the lease of the HK Property for a term of three years commencing from 16 January 2017;
- (k) the subscription agreement entered into between the Company and Fullgoal SPC dated 17 July 2017, pursuant to which the Company has agreed to subscribe for non-voting, participating and redeemable Class G shares in the share capital of Fullgoal SPC (the "**Participating Shares**") in the Segregated Portfolio, at a total consideration of HK\$55,000,000;
- (l) the subscription agreement entered into between the Company and Fullgoal SPC dated 21 August 2017, pursuant to which the Company has agreed to subscribe for the Participating Shares in the Segregated Portfolio at a total consideration of HK\$45,000,000; and
- (m) the Disposal Agreement.

9. MISCELLANEOUS

- (a) The registered office of the Company is located at 3rd Floor, Queensgate House, 113 South Church Street, P. O. Box 10240, Grand Cayman KY1-1002, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Suite 510, Chater House, 8 Connaught Road, Central, Hong Kong.

- (b) The secretary of the Company is Mr. Chu Kin Ming, is a fellow member of The Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (c) The Hong Kong share registrar is Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection from 10:00 a.m. to 12:30 p.m. and from 2:30 p.m. to 5:00 p.m. on any weekday other than Saturday, Sunday and public holidays at the principal place of business of the Company in Hong Kong at Suite 510, Chater House, 8 Connaught Road, Central, Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for each of the three years ended 31 December 2014, 2015 and 2016;
- (c) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (d) this circular; and
- (e) the Written Shareholder's Approval.