

THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in KEE Holdings Company Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser or the licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms of the Offer contained herein.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.

CHINA SUN CORPORATION

(incorporated in the British Virgin Islands with limited liability)

CENTRAL EAGLE LIMITED

(incorporated in the British Virgin Islands with limited liability)

GOLDEN DIAMOND INC.

(incorporated in the British Virgin Islands with limited liability)



KEE HOLDINGS COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2011)

**COMPOSITE DOCUMENT RELATING TO
MANDATORY UNCONDITIONAL CASH OFFER BY
LEGO SECURITIES LIMITED
FOR AND ON BEHALF OF CHINA SUN CORPORATION, CENTRAL EAGLE
LIMITED AND GOLDEN DIAMOND INC.
TO ACQUIRE ALL THE ISSUED SHARES IN THE CAPITAL OF
KEE HOLDINGS COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
CHINA SUN CORPORATION, CENTRAL EAGLE LIMITED AND
GOLDEN DIAMOND INC. AND PARTIES ACTING IN CONCERT
WITH EACH OF THEM)**

Financial Adviser to the Joint Offerors



Independent Financial Adviser to the Independent Board Committee



Unless the context otherwise requires, capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from Lego Securities containing, among other things, details of the terms of the Offer is set out on pages 8 to 19 of this Composite Document. A letter from the Board is set out on pages 20 to 26 of this Composite Document. A letter from the Independent Board Committee containing its advice on the Offer to the Independent Shareholders is set out on pages 27 to 28 of this Composite Document. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out on pages 29 to 55 of this Composite Document.

The procedures for acceptance and settlement of the Offer and other related information are set out on pages I-1 to I-8 in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptances of the Offer should be received by the Registrar by not later than 4:00 p.m. (Hong Kong time) on Friday, 20 September 2019 or such later time and/or the date as the Joint Offerors may decide and announce in accordance with the requirements under the Takeovers Code.

Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form(s) of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the paragraph headed "7. Overseas Shareholders" of Appendix I to this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder wishing to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities, regulatory and/or legal requirements. Each Overseas Shareholder is advised to seek professional advice on deciding whether or not to accept the Offer.

The Composite Document will remain on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.kee.com.cn> as long as the Offer remains open.

30 August 2019

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all time and date references contained in this Composite Document refer to Hong Kong time and dates.

Event	Time & Date
Despatch date of this Composite Document and the Form of Acceptance (<i>Note 1</i>).....	30 August 2019
Offer opens for acceptance.....	30 August 2019
Closing Date of the Offer (<i>Note 2</i>)	20 September 2019
Latest time and date for acceptance of Offer (<i>Note 2</i>)	4:00 p.m. on 20 September 2019
Announcement of the results of the Offer posted on the website of the Stock Exchange	Not later than 7:00 p.m. on 20 September 2019
Latest date for posting of remittances for the amounts under the Offer in respect of valid acceptances received under the Offer (<i>Notes 3 and 4</i>).....	2 October 2019

Note 1: The Offer, which is unconditional in all respects, is made on the date of posting of this Composite Document, and are capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Joint Offerors revise the Offer in accordance with the Takeovers Code. Acceptance of the Offer shall be irrevocable and shall not be capable of being withdrawn, except in the circumstances set out in the paragraph headed “6. Right of Withdrawal” in Appendix I to this Composite Document.

Note 2: In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time for acceptance of the Offer is 4:00 p.m. on 20 September 2019, unless the Joint Offerors revise or extend the Offer in accordance with the Takeovers Code. An announcement will be jointly issued by the Company and the Joint Offerors through the website of the Stock Exchange no later than 7:00 p.m. on 20 September 2019 as to whether the Offer has been revised, extended or expired. In the event that the Joint Offerors decide to revise or extend the Offer and the announcement does not specify the next closing date, at least 14 days’ notice by way of an announcement will be given before the Offer is closed to those Shareholders who have not accepted the Offer.

Note 3: Remittances in respect of the cash consideration (after deducting the seller’s ad valorem stamp duty in respect of acceptances of the Offer) payable for the Offer Shares tendered under the Offer will be despatched to accepting Independent Shareholders by ordinary post at their own risk as soon as possible, but in any event within seven Business Days following of the date of receipt by the Registrar of all the relevant documents of title required to render such acceptance by such Shareholders under the Offer complete and valid.

Note 4: If there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force on the Closing Date and (i) not cancelled in time for trading on the Stock Exchange to resume in the afternoon, the time and date of the close of the Offer will be postponed to 4:00 p.m. on the next Business Day which does not have either of those warnings in force in Hong Kong or such other day as the

EXPECTED TIMETABLE

Executive may approve; or (ii) cancelled in time for trading on the Stock Exchange to resume in the afternoon, the time and date of the close of the Offer will remain on the same day, i.e. 4:00 p.m. on the Closing Date.

Save as mentioned above, if the latest time for the acceptance of the Offer does not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Joint Offerors and the Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

DEFINITIONS

In this Composite Document, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meanings. Also, where terms are defined and used in only one section of this Composite Document, these defined terms are not included in the table below:

“acting in concert”	has the same meaning ascribed to it in the Takeovers Code;
“associate”	has the same meaning ascribed to it in the Takeovers Code;
“Board”	means the board of Directors;
“Business Day(s)”	means a day on which the Stock Exchange is open for the transaction of business;
“CCASS”	means the Central Clearing and Settlement System established and operated by HKSCC;
“Closing Date”	means Friday, 20 September 2019, being the closing date of the Offer which is 21 days following the date on which this Composite Document is posted (or if the Offer is extended, any subsequent closing date as may be determined by the Joint Offerors and jointly announced by the Joint Offerors and the Company in accordance with the Takeovers Code);
“Central Eagle”	means Central Eagle Limited, a company incorporated in the British Virgin Islands with limited liability which is owned as to 90% and 10% by Mr. Zhuang and Mr. Wu, respectively;
“China Sun”	means China Sun Corporation, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Qiu;
“Company”	means KEE Holdings Company Limited (Stock Code: 2011), an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange;
“Completion”	means completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the SPA, which took place on 2 July 2019;

DEFINITIONS

“Composite Document”	means this composite offer and response document dated 30 August 2019 jointly issued by the Joint Offerors and the Company in accordance with the Takeovers Code containing, among other things, details of the Offer, the recommendation from the Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer;
“connected persons”	has the meaning ascribed to it in the Listing Rules;
“controlling shareholder(s)”	has the meaning ascribed to it in the Listing Rules;
“Director(s)”	means the director(s) of the Company;
“Executive”	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
“Form of Acceptance”	means the form of acceptance and transfer in respect of the Offer accompanying this Composite Document;
“GE Finance Documents”	means the GE Investment Agreement, the GE Share Charge and certain corporate and personal guarantees executed in favour of Noble Wisdom;
“GE Investment Agreement”	means an investment agreement dated 28 August 2017 entered into between Glory Emperor (as issuer) and Noble Wisdom (as subscriber) in relation to the subscription of 13,500,000 Class A preferred shares and the 66,500,000 Class B preferred shares of Glory Emperor (which do not carry any voting rights);
“GE Share Charge”	means the share charge entered into by Glory Emperor (as chargor) over, among others, the Sale Shares, in favour of Noble Wisdom (as chargee) dated 1 September 2017 as security for the GE Investment Agreement;
“Glory Emperor”	means Glory Emperor Trading Limited, a company incorporated in the British Virgin Islands which was interested in 326,089,600 Shares (representing approximately 70.16% of the issued share capital of the Company) immediately before Completion;

DEFINITIONS

“Golden Diamond”	means Golden Diamond Inc., a company incorporated in the British Virgin Islands with limited liability which is owned as to 60%, 25% and 15% by Ms. Lin, Mr. Mak and Ms. Pan, respectively;
“Group”	means the Company and its subsidiaries from time to time;
“HKSCC”	means Hong Kong Securities Clearing Company Limited;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Huarong Overseas”	means China Huarong Overseas Investment Holdings Co., Limited, a company incorporated in Hong Kong with limited liability which is indirectly owned as to 51% by China Huarong Asset Management Co., Ltd. (Stock Code: 2799);
“Huarong Overseas Concert Group”	means Huarong Overseas or any party acting in concert with it and/or their respective nominees (if any) and/or representatives (if any);
“Independent Board Committee” or “IBC”	means the independent committee of the Board comprising of all the independent non-executive Directors established for the purpose of advising the Independent Shareholders as to the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer;
“Independent Financial Adviser” or “Opus Capital”	means Opus Capital Limited, a corporation licensed to carry out Type 1 (deal in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee for the purpose of advising the Independent Board Committee in respect of the terms of the Offer and as to acceptance of the Offer;
“Independent Shareholders”	means all Shareholders other than the Joint Offerors and parties acting in concert with them, the Noble Wisdom Concert Group and the Huarong Overseas Concert Group;
“Joint Announcement”	means the joint announcement issued by the Joint Offerors and the Company dated 10 July 2019 in relation to, among other things, the Offer pursuant to Rule 3.5 of the Takeovers Code;
“Joint Offeror(s)”	means China Sun, Central Eagle and Golden Diamond;

DEFINITIONS

“Last Trading Day”	means 28 June 2019, being the last trading day of the Shares on the Stock Exchange prior to the suspension of trading in the Shares pending the release of the Joint Announcement;
“Latest Practicable Date”	means 27 August 2019, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained in this Composite Document;
“Lego Corporate Finance”	means Lego Corporate Finance Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Joint Offerors in respect of the Offer;
“Lego Securities”	means Lego Securities Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Offer for and on behalf of the Joint Offerors;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Mak”	means Mr. Mak Yung Pan Andrew (麥融斌);
“Mr. Qiu”	means Mr. Qiu Chuanzhi (邱傳智);
“Mr. Wu”	means Mr. Wu Jingming (吳景明);
“Mr. Zhuang”	means Mr. Zhuang Weidong (莊衛東);
“Ms. Lin”	means Ms. Lin Ping (林萍);
“Ms. Pan”	means Ms. Pan Lu (潘璐);
“Noble Wisdom”	means Noble Wisdom Ever Limited, a company incorporated under the laws of the British Virgin Islands with limited liability which is a directly wholly-owned subsidiary of Huarong Overseas;
“Noble Wisdom Concert Group”	means Noble Wisdom or any party acting in concert with it and/or their respective nominees (if any) and/or representatives (if any);

DEFINITIONS

- “NW Facility” means the term loan facility in the maximum aggregate principal amount of HK\$546,852,259.20 granted by Noble Wisdom (as lender) to the Joint Offerors (as borrowers) in accordance with the terms of the NW Facility Agreement for financing the consideration of the Sale Shares;
- “NW Facility Agreement” means the facility agreement dated 2 July 2019 entered into between Noble Wisdom (as lender), the Joint Offerors (as borrowers), Qiannanzhou (as corporate guarantor) and Ms. Lin, Mr. Zhuang and Mr. Qiu (as personal guarantors) for granting the NW Facility;
- “NW PRC Share Charges” means the share charges entered into by each of Mr. Zeng Yuanliang (曾淵良), Ms. Pan and Mr. Zeng Yuanle (曾源樂) (as chargors) in favour of Noble Wisdom (as chargee) whereby the aforementioned parties have charged all the shares of Qiannanzhou as security for the NW Facility;
- “NW Security Documents” means the NW Share Charges and the NW PRC Share Charges;
- “NW Share Charge” means the share charges entered into by each of the Joint Offerors (as chargors) in favour of Noble Wisdom (as chargee) dated 2 July 2019 whereby the Joint Offerors have charged, amongst others, the Sale Shares and the Shares to be acquired by the Joint Offerors pursuant to the Offer and deposited or held in the custodian accounts maintained with Lego Securities from time to time as security for the NW Facility;
- “Offer” means the mandatory unconditional cash offer made by Lego Securities for and on behalf of the Joint Offerors to acquire all the Offer Shares in accordance with the Takeovers Code;
- “Offer Facility” means the term loan facility in the maximum aggregate principal amount of HK\$240,000,000 granted by Huarong Overseas (as lender) to the Joint Offerors (as borrowers) in accordance with the terms of the Offer Facility Agreement for financing the consideration of the Offer;
- “Offer Facility Agreement” means the facility agreement dated 2 July 2019 entered into between Huarong Overseas (as lender) and the Joint Offerors (as borrowers) for granting the Offer Facility;

DEFINITIONS

“Offer Period”	has the meaning given to it in the Takeovers Code, being the period commencing on 10 July 2019 and ending on the Closing Date;
“Offer Price”	the price at which the Offer is made for an Offer Share being HK\$1.677 per Offer Share;
“Offer Share(s)”	means all the issued Share(s) (other than those Shares already beneficially owned or agreed to be acquired by the Joint Offerors and parties acting in concert with each of them);
“Overseas Shareholder(s)”	means Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong;
“PRC”	means the People’s Republic of China which, for the purpose of this Composite Document, excludes Hong Kong, Macao Special Administrative Region of the PRC and Taiwan;
“Qiannanzhou”	means Qiannanzhou Qianshan Resources Development Company Limited* (黔南州黔山資源開發有限責任公司), a company incorporated in the PRC with limited liability;
“Registrar”	means Tricor Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong located at Level 54, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong;
“Relevant Period”	means the period from 10 January 2019, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date;
“Sale Shares”	means an aggregate of 326,089,600 Shares acquired by the Joint Offerors from Glory Emperor pursuant to the SPA;
“SFC”	means the Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	means the ordinary share(s) of HK\$0.01 each in the capital of the Company;
“Shareholder(s)”	means holder(s) of the Share(s);

DEFINITIONS

“SPA”	means the sale and purchase agreement dated 2 July 2019 entered into among Glory Emperor as seller, the Joint Offerors as purchasers and Noble Wisdom as warrantor in relation to the sale and purchase of the Sale Shares;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	mean the Code on Takeovers and Mergers;
“Trading Day”	means a day when the Stock Exchange is open for trading in Hong Kong;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	means Renminbi, the lawful currency of the PRC
“US\$”	means United States dollars, the lawful currency of the United States of America
“sq.m.”	square metre; and
“%”	per cent.

* *For identification purposes only*

LETTER FROM LEGO SECURITIES



Room 301
3/F, China Building
29 Queen's Road Central
Central, Hong Kong

To: The Independent Shareholders;

30 August 2019

Dear Sirs/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
LEGO SECURITIES LIMITED
FOR AND ON BEHALF OF CHINA SUN CORPORATION,
CENTRAL EAGLE LIMITED AND GOLDEN DIAMOND INC.
TO ACQUIRE ALL THE ISSUED SHARES IN THE CAPITAL OF
KEE HOLDINGS COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY
CHINA SUN CORPORATION, CENTRAL EAGLE LIMITED,
GOLDEN DIAMOND INC. AND PARTIES
ACTING IN CONCERT WITH EACH OF THEM)**

(I) INTRODUCTION

Reference is made to the Joint Announcement jointly published by the Joint Offerors and the Company on 10 July 2019 in relation to, among other matters, the Offer pursuant to Rule 3.5 of the Takeovers Code.

As disclosed in the Joint Announcement, the Company was informed by Glory Emperor that on 2 July 2019, Glory Emperor agreed to sell and the Joint Offerors agreed to purchase the Sale Shares, being 326,089,600 Shares representing approximately 70.16% of the total issued share capital of the Company as at the Latest Practicable Date at the aggregate consideration of HK\$546,852,259.20 (equivalent to HK\$1.677 per Sale Share) which was arrived at between the Joint Offerors and Glory Emperor after arm's length negotiations. The Sale Shares were acquired by each of China Sun, Central Eagle and Golden Diamond as to 134,072,019 Shares, 124,304,440 Shares, 67,713,141 Shares representing approximately 28.84%, 26.74% and 14.57% of the total issued share capital of the Company as at the Latest Practicable Date. The consideration payable by each of China Sun, Central Eagle and Golden Diamond in respect of the Sale Shares acquired by them was HK\$224,838,775.86, HK\$208,458,545.88 and HK\$113,554,937.46 respectively. The SPA was not subject to any conditions and Completion took place immediately upon the signing of the SPA on 2 July 2019.

LETTER FROM LEGO SECURITIES

NW Facility Agreement

The entire consideration for the Sale Shares payable under the SPA was financed solely by Noble Wisdom through the NW Facility, which was entered into by the Joint Offerors under a single agreement. Mr. Qiu, Mr. Zhuang and Ms. Lin, the controlling shareholders of each of the Joint Offerors, have pursuant to the NW Facility Agreement agreed to act as guarantors of the obligation of the Joint Offerors. Each of China Sun, Central Eagle and Golden Diamond was entitled to under the NW Facility Agreement and had drawn down a loan on Completion in the principal amounts of HK\$224,838,775.86, HK\$208,458,545.88 and HK\$113,554,937.46, respectively which was in pro-rata to the number of Sale Shares acquired by them under the SPA.

Under the NW Facility Agreement, the Joint Offerors are required to repay in aggregate, a principal amount of not less than HK\$100,000,000 together with accrued interest to Noble Wisdom on or before the last day of a six month period following the initial drawdown date (i.e. 2 July 2019) in cash; provided that as between China Sun, Central Eagle and Golden Diamond (but not against Noble Wisdom for the avoidance of doubt), China Sun, Central Eagle and Golden Diamond shall repay such aggregate principal amount of HK\$100,000,000 pro-rata to the amount of the loans drawn down by them under the NW Facility respectively unless otherwise agreed in writing between China Sun, Central Eagle and Golden Diamond. Any balance remaining under the NW Facility is required to be repaid on the first anniversary of the initial drawdown date (unless otherwise extended).

Each of the Joint Offerors and Noble Wisdom are entitled to prepay or request prepayment of any outstanding loans in the form of Shares provided that it would not result in (a) the Joint Offerors holding less than 51% of the Shares or result in the violation of the public float requirements under the Listing Rules; (b) Noble Wisdom acquiring more than 102,256,880 Shares (whether through a single or a series of prepayment by way of Shares) representing 22.0% of the total issued share capital of the Company as at the Latest Practicable Date; and (c) unless agreed in writing by the Joint Offerors, the aggregate number of Shares transferred by them to Noble Wisdom be in excess of their proportional shareholdings in the Company based on the number of Shares acquired by them under the SPA. Any prepayment in the form of Shares is to be calculated on the basis of HK\$1.677 per Share, is required to be in compliance with the Takeovers Code and the relevant notices in respect of such prepayment by the Shares can only be served after the completion of the Offer. The Joint Offerors are also entitled to prepay the outstanding loans in cash, subject to the terms of the NW Facility. For the avoidance of doubt, prepayment stands for repayment of loans that takes place before maturity and repayment in the form of Shares is only allowed in case of prepayment.

As additional security for the granting of the NW Facility, each of the Joint Offerors, amongst others had entered into the NW Security Documents, which includes, among others, the NW Share Charges granted by each of the Joint Offerors over the Sale Shares in favour of Noble Wisdom and the NW PRC Share Charges. Although the Sale Shares are subject to the NW Share Charges, the voting rights of the Sale Shares remain vested in the Joint Offerors.

LETTER FROM LEGO SECURITIES

Background to the sale and purchase of the Sale Shares

On 28 August 2017, Glory Emperor as issuer and Noble Wisdom as subscriber, among others, had entered into the GE Investment Agreement, whereby Noble Wisdom had subscribed for certain preferred shares of Glory Emperor for an aggregate consideration of HK\$800,000,000.

Pursuant to the GE Investment Agreement, Glory Emperor was required to pay to Noble Wisdom a preferred fixed dividend based on the subscription price of each of the outstanding preferred shares (or an amount equivalent to the outstanding preferred fixed dividend) at the beginning of each successive 6 months period commencing from the issue date of the preferred shares. The first payment was due and duly paid on 28 August 2017.

To secure the obligations of Glory Emperor under the GE Investment Agreement, Glory Emperor and Noble Wisdom had on 1 September 2017 entered into the GE Share Charge, whereby Glory Emperor as the legal and beneficial owner of the Sale Shares had charged, among others, the Sale Shares in favour of Noble Wisdom by way of a first legal mortgage subject to the terms and conditions contained therein.

The second instalment of the preferred fixed dividend was originally due on 28 February 2018. In breach of the provisions of the GE Investment Agreement, Glory Emperor had failed to pay the second instalment of the preferred fixed dividend (as defined in the GE Investment Agreement) on the due date, and Noble Wisdom had on 1 March 2018 duly served a demand notice upon Glory Emperor demanding payment of the same. Pursuant to a written request issued by Glory Emperor, Noble Wisdom had extended the payment date for the second instalment of the preferred fixed dividend from 28 February 2018 to 28 May 2018, however payment was not satisfied at the extended deadline and the sum remains outstanding as at the date of the SPA.

On 28 August 2018, Noble Wisdom had duly issued a redemption notice pursuant to the amended memorandum and articles of Glory Emperor, requesting redemption of the preferred shares at the redemption price of HK\$920,000,000 within 3 business days from the receipt of the said redemption notice. Glory Emperor had failed to redeem the preferred shares on or before 31 August 2018 pursuant to the said redemption notice or at all. As a result, Glory Emperor as the legal and beneficial owner of the Sale Shares had agreed to sell the Sale Shares pursuant to the terms and conditions of the SPA, whereby the entire consideration of which shall be used to settle in part the outstanding amounts due and owing to Noble Wisdom by Glory Emperor.

Immediately upon Completion and as at the Latest Practicable Date, the Joint Offerors and parties acting in concert with each of them are in aggregate interested in a total of 326,089,600 Shares, representing approximately 70.16% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, the Joint Offerors are required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Joint Offerors and the parties acting in concert with each of them).

LETTER FROM LEGO SECURITIES

This letter forms part of this Composite Document and sets out, among other things, details of the Offer, information on the Joint Offerors and their intention in relation to the Group. Further details on the terms and the procedures for acceptance of the Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

The Independent Shareholders are strongly advised to carefully consider the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and the appendices as set out in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

(II) THE OFFER

Principal terms of the Offer

Lego Securities, for and on behalf of the Joint Offerors, hereby makes the Offer in compliance with the Takeovers Code on the following terms:

For each Offer Share HK\$1.677 in cash

The Offer Price of HK\$1.677 per Offer Share is equal to the per Sale Share consideration under the SPA which was arrived at after arm’s length negotiation between the parties to the SPA.

The Offer Shares tendered for acceptance under the Offer shall be allocated between the Joint Offerors in accordance with the proportion of the Sale Shares acquired by each of China Sun, Central Eagle and Golden Diamond under the SPA being 28.84%, 26.74% and 14.57% respectively. Such allocation shall take place immediately upon the Registrar receiving the relevant acceptances for the Offer and each of the Joint Offerors shall be liable for the cash consideration payable in respect of the number of Offer Shares allocated to it only.

The Offer is unconditional in all aspects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

Comparison of value

The Offer Price of HK\$1.677 per Offer Share represents:

- (i) a premium of approximately 24.2% over the closing price of HK\$1.35 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 33.9% over the average closing price of approximately HK\$1.252 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to and including the Last Trading Day;

LETTER FROM LEGO SECURITIES

- (iii) a premium of approximately 35.4% over the average closing price of approximately HK\$1.239 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 39.4% over the average closing price of approximately HK\$1.203 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 0.4% over the closing price of HK\$1.670 per Share quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a premium of approximately 194.2% over the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.570 per Share as at 31 December 2018, the date to which the latest audited consolidated financial results of the Company were made up.

Highest and lowest Share prices

During the six-month period preceding the commencement date of the Offer Period (i.e. 10 July 2019) and up to and including the Latest Practicable Date:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.68 on 16 July 2019, 29 July 2019, 31 July 2019, 2 August 2019, 7 August 2019 and 9 August 2019; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.58 on 14 February 2019 and 15 February 2019.

Value of the Offer

Based on the Offer Price of HK\$1.677 per Offer Share and the 464,804,000 Shares in issue as at the Latest Practicable Date, of which 326,089,600 Shares are already owned by the Joint Offerors and parties acting in concert with each of them as at the Latest Practicable Date, 138,714,400 Shares will be subject to the Offer (assuming there is no change to the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer), and based on the Offer Price per Offer Share and on the basis of full acceptance of the Offer, the value of the Offer is HK\$232,624,048.80.

Confirmation of financial resources available for the Offer

The Joint Offerors intend to finance the entire consideration payable under the Offer through the Offer Facility granted by Huarong Overseas under the Offer Facility Agreement.

LETTER FROM LEGO SECURITIES

Lego Corporate Finance, being the financial adviser to the Joint Offerors, is satisfied that sufficient financial resources are available to the Joint Offerors to satisfy the total consideration payable by the Joint Offerors upon full acceptance of the Offer.

The Joint Offerors confirm that payment of interest on, repayment of or security for any liability (contingent or otherwise) in relation to the Offer Facility referred to above will not depend to any significant extent on the business of the Company.

Compulsory acquisition

The Joint Offerors do not intend to avail themselves of any powers of compulsory acquisition of any Shares outstanding after the Closing Date.

Effect of accepting the Offer

Acceptance of the Offer by any Independent Shareholder will constitute a warranty by such person that all Offer Shares to be sold by such person under the Offer are fully paid and free from all encumbrances whatsoever together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date of the Composite Document. Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong stamp duty

Sellers' Hong Kong ad valorem stamp duty payable by the Independent Shareholders on acceptances of the Offer calculated at a rate of 0.1% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable by the Joint Offerors to such person on acceptance of the Offer. The Joint Offerors will arrange for payment of the sellers' ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Joint Offerors, parties acting in concert with each of them, the Company, Lego Securities, Lego Corporate Finance and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

LETTER FROM LEGO SECURITIES

Payment

Settlement of the consideration in cash in respect of the acceptances of the Offer will be made as soon as possible, but in any event within seven Business Days following the date on which the duly completed acceptances of the Offer are received. Relevant documents evidencing title must be received by the Joint Offerors (or their respective agents acting on behalf of them) to render each such acceptance complete and valid pursuant to the Takeovers Code.

Overseas Shareholders

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

The attention of Independent Shareholders with registered addresses outside Hong Kong is also drawn to the paragraph headed “7. Overseas Shareholders” in Appendix I to this Composite Document.

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Joint Offerors that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

(III) INFORMATION OF THE JOINT OFFERORS

Information on China Sun

China Sun was incorporated in the British Virgin Islands with limited liability as an investment holding company. As at the Latest Practicable Date, China Sun is wholly-owned by Mr. Qiu.

Information on Mr. Qiu

Mr. Qiu is the president of Shenzhen City Hetai Real Estate Group Company Limited* (深圳市合泰地產集團有限公司) (“**Hetai**”), a company incorporated in the PRC with limited liability which is principally engaged in property development in Shenzhen and has been at his current position since 2009. His brother owns approximately 95% of the registered capital of Hetai. The most recent projects developed by Hetai include Tongtai Times Center* (同泰時代中心) which is located in the commercial center of

LETTER FROM LEGO SECURITIES

Bao'an District and is a mixed-use development comprising of a hotel, shopping mall, office buildings and serviced apartments with a total gross floor area of more than 210,000 sq.m..

Information on Central Eagle

Central Eagle was incorporated in the British Virgin Islands with limited liability as an investment holding company. As at the Latest Practicable Date, Central Eagle is owned as to 90.0% and 10.0% by Mr. Zhuang and Mr. Wu, respectively.

Information on Mr. Zhuang

Mr. Zhuang is a director of Shenzhen Maple Real Estate Development Company Limited* (深圳楓葉房地產有限公司) (“**Shenzhen Maple**”), a company incorporated in the PRC with limited liability and has been at his current position since 2013. Prior to Mr. Zhuang's current role with Shenzhen Maple, he was also a general manager of Shenzhen Weishida Supply Chain Services Company Limited* (深圳市威士達供應鏈服務有限公司), a company incorporated in the PRC with limited liability and is principally engaged in the provision of supply chain services to its customers.

Information on Mr. Wu

Mr. Wu is an executive director and the legal representative of Shenzhen Maple and has been at his current positions since 2013. Mr. Wu owns 100.0% of the share capital of Maple International Group Company Limited (楓葉國際集團有限公司) (“**Maple International**”), a company incorporated in the British Virgin Islands with limited liability. Maple International indirectly wholly-owns 100.0% of the registered capital of Shenzhen Maple. Maple International is a holding company and its subsidiaries also engage in, amongst others, property development and investment.

Information on Golden Diamond

Golden Diamond was incorporated in the British Virgin Islands with limited liability and is an investment holding company. As at the Latest Practicable Date, Golden Diamond is owned as to 60.0%, 25.0% and 15.0% by Ms. Lin, Mr. Mak and Ms. Pan, respectively.

Information on Ms. Lin

Ms. Lin joined Shenzhen Zhuoyong Industrial Development Company Limited* (深圳市卓永實業發展有限公司) (“**Shenzhen Zhuoyong**”) as its director and general manager in 1995, a company incorporated in the PRC with limited liability, which is principally engaged in real estate development and investment. As at the Latest Practicable Date, the registered capital of Shenzhen Zhuoyong is RMB10,000,000.

LETTER FROM LEGO SECURITIES

Information on Mr. Mak

Mr. Mak is the chief marketing officer of Rockpool Capital Limited (“**Rockpool**”) which he joined in 2017. Rockpool is an integrated asset management company holding licenses to engage in SFC types 1 (dealing in securities), 4 (advising on securities) and 9 (asset management) regulated activities. Before joining Rockpool, Mr. Mak had spent approximately 5 years at J.P. Morgan and was previously with Standard Chartered Bank (HK) Ltd. for approximately 1 year. He is also currently employed as a director of Apex Insurance (Holdings) Limited and has been at his current position since 2016, being primarily responsible for overall management and investment strategy.

Information on Ms. Pan

Ms. Pan is a shareholder of Qiannanzhou, a company incorporated in the PRC which is principally engaged in the mining industry, owning as to 30.0% of its registered capital. As at the Latest Practicable Date, the registered capital of Qiannanzhou is RMB5,000,000. Qiannanzhou is a guarantor for the NW Facility pursuant to the NW Facility Agreement.

(IV) INTENTIONS OF THE JOINT OFFERORS IN RELATION TO THE GROUP

Following the close of the Offer, it is the intention of the Joint Offerors that the Company will continue to focus on the development of its existing businesses, namely design, manufacture and sale of finished zippers and other garment accessories etc., in the PRC. The Joint Offerors do not intend to introduce any major changes to the existing operations and business of the Group upon and after the close of the Offer.

Nevertheless, the Joint Offerors will conduct a detailed review on the existing principal businesses and operations, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group’s long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Joint Offerors may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth.

As at the Latest Practicable Date, no investment or business opportunity has been identified nor has any significant discussions taken place amongst the Joint Offerors as to potential investments or business opportunities relating to the Group. Further, none of the Joint Offerors have entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group. Accordingly, as at the Latest Practicable Date, the Joint Offerors have no intention to acquire any business or assets, further they do not have any intention to dispose of the existing business of the Group.

The Joint Offerors have no intention to discontinue the employment of any employees of the Group (save for change in the composition of the Board) or dispose of or re-deploy the fixed assets of the Group other than in the ordinary course of business.

LETTER FROM LEGO SECURITIES

Proposed change to the Board composition of the Company

As at the Latest Practicable Date, the Board comprises of Mr. Wu David Hang and Mr. Yau Chi Chiu as executive Directors and Mr. Yau Pak Yue, Mr. Lu Nim Joel and Mr. Leung Ka Tin as the independent non-executive Directors.

It is intended that all existing Directors are to remain at their current positions and as at the Latest Practicable Date, the Joint Offerors do not have any intention to nominate new Directors to the Board, but they may do so in the future. Further, no significant discussions as to potential candidates for nomination to the Board as Directors or changes to the Board composition have occurred amongst the Joint Offerors.

If the Joint Offerors in the future wish to nominate new Directors to the Board, it shall be with the effect from the earliest time permitted under the Takeovers Code. Further announcement(s) will also be made by the Company in compliance with the requirements of the Listing Rules as and when there are changes in the composition of the Board.

Public float and maintaining the listing status of the Company

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

The Joint Offerors intend for the Company to remain listed on the Stock Exchange. The directors of each of the Joint Offerors have undertaken and the new directors to be appointed to the Board (if any) will undertake jointly and severally to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Company and the Joint Offerors will issue a separate announcement as and when necessary in this regard.

(V) ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding further terms and conditions of the Offer, the procedures for acceptance and settlement and the acceptance period as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

LETTER FROM LEGO SECURITIES

(VI) DEALING DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the respective associates of the Company (as defined in the Takeovers Code, including among others, Shareholders having interests of 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) and of the Joint Offerors are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

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

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.

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

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

(VII) GENERAL

This Composite Document has been prepared for the purposes of complying the laws of Hong Kong, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

To ensure equality of treatment of all Independent Shareholders, those Independent Shareholders who hold the Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

Attention of the Overseas Shareholders is drawn to paragraph headed “7. Overseas Shareholders” of Appendix I to this Composite Document.

LETTER FROM LEGO SECURITIES

All documents and remittances to be sent to the Independent Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company, or, in the case of joint Independent Shareholders, to such Independent Shareholder whose name appears first in the register of members of the Company, unless otherwise specified in the accompanying Form of Acceptance completed, returned and received by the Registrar. None of the Joint Offerors and parties acting in concert with each of them, the Company, Lego Securities, Lego Corporate Finance, the Independent Financial Adviser, the Registrar nor any of their respective directors, officers, professional advisers, associates, agents or any other parties involved in the Offer accepts any liabilities for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

(VIII) ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document which form part of this Composite Document. You are reminded to carefully read the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and other information about the Group, which are set out in this Composite Document before deciding whether or not to accept the Offer.

In consider what action to take in connection with the Offer, you should consider your own tax or financial position and if you are in any doubt, you should consult your professional advisers.

Yours faithfully,
For and on behalf of
Lego Securities Limited
Kelvin Li
Director



KEE HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

Executive Director:

Wu David Hang (*Chairman*)
Yau Chi Chiu

Independent Non-executive Directors:

Yau Pak Yue
Lu Nim Joel
Leung Ka Tin

Registered Office:

4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Principal Place of Business in Hong Kong:

Suite 510, Chater House
8 Connaught Road Central
Hong Kong

30 August 2019

To the Independent Shareholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
LEGO SECURITIES LIMITED
FOR AND ON BEHALF OF CHINA SUN CORPORATION,
CENTRAL EAGLE LIMITED AND GOLDEN DIAMOND INC.
TO ACQUIRE ALL ISSUED SHARES IN THE CAPITAL OF
KEE HOLDINGS COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY CHINA SUN CORPORATION,
CENTRAL EAGLE LIMITED AND GOLDEN DIAMOND INC.
AND PARTIES ACTING IN CONCERT WITH EACH OF THEM)**

INTRODUCTION

References are made to the Joint Announcement jointly published by the Joint Offerors and the Company on 10 July 2019 in relation to, among other matters, the Offer pursuant to Rule 3.5 of the Takeovers Code. Terms used in this letter have the same meanings as defined in this Composite Document unless the context otherwise requires.

LETTER FROM THE BOARD

As mentioned in the Joint Announcement, the Company was informed by Glory Emperor that on 2 July 2019, Glory Emperor as seller, the Joint Offerors as purchasers and Noble Wisdom as warrantor entered into the SPA, pursuant to which Glory Emperor agreed to sell and the Joint Offerors agreed to purchase the Sale Shares, being 326,089,600 Shares representing approximately 70.16% of the total issued share capital of the Company as at the Latest Practicable Date at the aggregate consideration of HK\$546,852,259.20 or HK\$1.677 per Sale Share which was agreed between the Joint Offerors and Glory Emperor after arm's length negotiations.

The aggregate consideration for the Sale Shares is HK\$546,852,259.20 (being HK\$1.677 per Sale Share) and was settled in cash by the Joint Offerors on Completion in the following manner:

- (a) as to HK\$224,838,775.86 by China Sun in respect of 134,072,019 Shares;
- (b) as to HK\$208,458,545.88 by Central Eagle in respect of 124,304,440 Shares; and
- (c) as to HK\$113,554,937.46 by Golden Diamond in respect of 67,713,141 Shares.

The entire consideration for the Sale Shares payable under the SPA was financed solely by Noble Wisdom through the NW Facility, which was entered into by the Joint Offerors under a single agreement. Mr. Qiu, Mr. Zhuang and Ms. Lin, the controlling shareholders of each of the Joint Offerors, have pursuant to the NW Facility Agreement agreed to act as guarantors of the obligation of the Joint Offerors. Each of China Sun, Central Eagle and Golden Diamond was entitled to under the NW Facility Agreement and had drawn down a loan on Completion in the principal amounts of HK\$224,838,775.86, HK\$208,458,545.88 and HK\$113,554,937.46 respectively.

The Completion is not subject to any conditions and took place immediately upon the signing of the SPA on 2 July 2019. Immediately before Completion, Noble Wisdom had pursuant to a deed of discharge released the GE Share Charge.

Immediately following Completion and as at the Latest practicable Date, the Joint Offerors and parties acting in concert with each of them are in aggregate interested in a total of 326,089,600 Shares, representing approximately 70.16% of the total issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Joint Offerors are required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Joint Offerors and the parties acting in concert with each of them). Lego Securities is, on behalf of the Joint Offerors, making the Offer in compliance with the Takeovers Code on the terms set out in this Composite Document.

Details of the Offer are set out in the "Letter from Lego Securities", Appendix I to this Composite Document and the Form of Acceptance.

LETTER FROM THE BOARD

This letter forms part of this Composite Document, together with the Form of Acceptance, which, among other matters, provides you with information relating to the Group and the Joint Offerors, the Offer (including the expected timetable and terms of the Offer), the letter from the Board, the letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer and the letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rules 2.1 and 2.8 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Yau Pak Yue, Mr. Lu Nim Joel and Mr. Leung Ka Tin, has been established by the Board to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer.

In accordance with Rule 2.1 of the Takeovers Code, as disclosed in the announcement of the Company dated 17 July 2019, Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the terms of the Offer is fair and reasonable and as to acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee. The letter from the Independent Financial Adviser addressed to the Independent Board Committee is set out on pages 29 to 55 of this Composite Document.

You are advised to read the “Letter from the Independent Board Committee” addressed to the Independent Shareholders and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.

THE OFFER

As disclosed in the “Letter from Lego Securities”, Lego Securities is, on behalf of the Joint Offerors, making the Offer in compliance with the Takeovers Code on the following terms:

For each Offer Share HK\$1.677 in cash

As at the Latest Practicable Date, the Company has 464,804,000 Shares in issue. The Company does not have any outstanding options, warrants, derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

LETTER FROM THE BOARD

The Offer Price of HK\$1.677 per Offer Share is equal to the per Sale Share consideration under the SPA which was arrived at after arm's length negotiation between the parties to the SPA.

The Offer Shares tendered for acceptance under the Offer shall be allocated between the Joint Offerors in accordance with the proportion of the Sale Shares acquired by each of China Sun, Central Eagle and Golden Diamond under the SPA being 28.84%, 26.74% and 14.57% respectively. Such allocation shall take place immediately upon the Registrar receiving the relevant acceptances for the Offer and each of the Joint Offerors shall be liable for the cash consideration payable in respect of the number of Offer Shares allocated to it only.

The Offer is unconditional in all aspects and will not be conditional upon acceptances being received in respect of a minimum number of Shares or other conditions. The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, options, claims, encumbrances, adverse interests, pre-emptive rights and all third party rights of any nature together with all rights attached thereto as at the date on which the Offer is made or subsequently becoming attached to them, including the right to receive all dividends and other distributions recommended or declared, if any, paid or made on or after the date on which the Offer is made, being the date of this Composite Document.

Further details of the Offer

Further details of the Offer including, among other things, its extension to the Overseas Shareholders, information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period are set out in the "Letter from Lego Securities", Appendix I to this Composite Document and the Form of Acceptance.

INFORMATION OF THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are currently listed on the Stock Exchange (stock code: 2011). The Group is principally engaged in the design, manufacture and sale of finished zippers and other garment accessories etc., in the PRC.

Your attention is drawn to Appendices II and III to this Composite Document which contain further financial information and general information of the Group.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structures of the Company (i) immediately before the Completion; and (ii) immediately after the Completion and as at the Latest Practicable Date:

Shareholders	Immediately before the Completion		Immediately after the Completion and as at the Latest Practicable Date	
	<i>Number of Shares</i>	<i>Approximately %</i>	<i>Number of Shares</i>	<i>Approximately %</i>
<i>The Joint Offerors and parties acting in concert with each of them (Note 1)</i>				
China Sun	—	—	134,072,019	28.84
Central Eagle	—	—	124,304,440	26.74
Golden Diamond	—	—	67,713,141	14.57
Sub-total	—	—	326,089,600	70.16
Glory Emperor	326,089,600	70.16	—	—
<i>Public Shareholders</i>				
Farco Holdings Limited (Note 2)	39,130,000	8.42	39,130,000	8.42
CM SPC (Note 3)	30,000,000	6.45	30,000,000	6.45
Other public Shareholders	69,584,000	14.97	69,584,000	14.97
Total:	464,804,000	100.00	464,804,000	100.00

Notes:

1. Noble Wisdom is the lender to the Joint Offerors under the NW Facility Agreement and a warrantor under the SPA, as such is presumed as a party acting in concert with the Joint Offerors.
2. Farco Holdings Limited is wholly owned by Mr. Qi Wei, who is deemed to be interested in 39,130,000 Shares held by Farco Holdings Limited under the SFO.
3. CM SPC is wholly owned by CM Capital Management (Cayman) Limited, which is in turn wholly owned by CM Asset Management Holdings Limited. CM Asset Management Holdings Limited is wholly owned by China Minsheng Financial Holding Corporation Limited, which is owned as to 49.84% by CMI Financial Holding Company Limited. CMI Financial Holding Company Limited is wholly owned by Minsheng (Shanghai) Assets Management Company Limited, which is wholly owned by China Minsheng Investment Corporation Limited.
4. Certain amounts and percentages above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

LETTER FROM THE BOARD

INFORMATION ON THE JOINT OFFERORS

Please refer to the section headed “Information of the Joint Offerors” in the “Letter from Lego Securities” for information on the Joint Offerors.

INTENTION OF THE JOINT OFFERORS ON THE GROUP AND THE PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

Please refer to the sections headed “Intention of the Joint Offerors in relation to the Group” and “Proposed change to the Board composition of the Company” in the “Letter from Lego Securities” for detailed information on the Joint Offerors’ intention on the business and management of the Group, including but not limited to the proposed change to the Board composition of the Company. The Board is aware of the intention of the Joint Offerors in respect of the Group and is willing to render reasonable co-operation with the Joint Offerors which is in the interests of the Company and the Shareholders as a whole.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

The Board noted from the “Letter from Lego Securities” that the Joint Offerors intend the Company to remain listed on the Stock Exchange after the close of the Offer. The Board noted that the directors of each of the Joint Offerors have undertaken and the new directors appointed to the Board (if any) will undertake jointly and severally to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” on pages 27 to 28 of this Composite Document, which sets out its recommendations to the Independent Shareholders in relation to the Offer; and (ii) the “Letter from the Independent Financial Adviser” on pages 29 to 55 of this Composite Document, which sets out its advice to the Independent Board Committee in respect of the Offer and, in particular, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

You are also advised to read this Composite Document together with the accompanying Form of Acceptance in respect of the acceptance and settlement procedures of the Offer. Your attention is drawn to the additional information contained in the appendices to this Composite Document.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

Yours faithfully,
By order of the Board
KEE Holdings Company Limited
Wu David Hang
Chairman



KEE HOLDINGS COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

30 August 2019

To the Independent Shareholders,

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
LEGO SECURITIES LIMITED FOR AND ON BEHALF OF
CHINA SUN CORPORATION, CENTRAL EAGLE LIMITED
AND GOLDEN DIAMOND INC.
TO ACQUIRE ALL ISSUED SHARES IN THE CAPITAL OF
KEE HOLDINGS COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY CHINA SUN CORPORATION,
CENTRAL EAGLE LIMITED AND GOLDEN DIAMOND INC.
AND PARTIES ACTING IN CONCERT WITH EACH OF THEM)**

We refer to the Composite Document dated 30 August 2019 issued jointly by the Joint Offerors and the Company of which this letter forms part. Unless the context requires otherwise, terms used in this letter shall have the same meaning as those defined in the Composite Document.

We have been appointed to form the Independent Board Committee to consider the terms of the Offer and to make a recommendation to the Independent Shareholders as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and as to the acceptance of the Offer.

Opus Capital has been appointed as the independent financial adviser to advise us in this respect. Details of its advice and the principal factors and reasons taken into consideration in arriving at its advice and recommendations are set out in the “Letter from the Independent Financial Adviser” on pages 29 to 55 of the Composite Document.

We also wish to draw your attention to the “Letter from Lego Securities”, the “Letter from the Board” and the additional information set out in the appendices to the Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We, being the members of the Independent Board Committee, have declared that, as disclosed in Appendix III to the Composite Document, we are independent and do not have any conflict of interest in respect of the Offer or any direct or indirect interest in the Offer and are therefore able to consider the terms of the Offer and to make recommendations to the Independent Shareholders.

RECOMMENDATIONS

Having considered the terms of the Offer, taking into account the information contained in the Composite Document and the advice from Opus Capital, in particular the factors, reasons and recommendations as set out in the “Letter from the Independent Financial Adviser”, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and accordingly recommend the Independent Shareholders to accept the Offer.

Independent Shareholders are reminded to closely monitor the market price and liquidity of the Shares during the Offer Period, and consider selling their Shares in the open market, where possible, instead of accepting the Offer, if the net proceeds from such sales exceed the net amount receivable under the Offer.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that their decision to realise or to hold their investment in the Company depends on their own individual circumstances and investment objectives. If in any doubt, the Independent Shareholders should consult their own professional advisers for professional advice.

Yours faithfully,

For and on behalf of

**Independent Board Committee of
KEE Holdings Company Limited**

Mr. Yau Pak Yue

*Independent non-executive
Director*

Mr. Lu Nim Joel

*Independent non-executive
Director*

Mr. Leung Ka Tin

*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Opus Capital, the Independent Financial Adviser to the Independent Board Committee in respect of the Offer which has been prepared for the purpose of inclusion in this Composite Document.



18th Floor, Fung House
19–20 Connaught Road Central
Central, Hong Kong

30 August 2019

To: The Independent Board Committee of KEE Holdings Company Limited

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY LEGO SECURITIES LIMITED
FOR AND ON BEHALF OF CHINA SUN CORPORATION, CENTRAL EAGLE
LIMITED AND GOLDEN DIAMOND INC.
TO ACQUIRE ALL THE ISSUED SHARES IN THE CAPITAL OF
KEE HOLDINGS COMPANY LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED
BY CHINA SUN CORPORATION, CENTRAL EAGLE LIMITED
AND GOLDEN DIAMOND INC.
AND PARTIES ACTING IN CONCERT WITH EACH OF THEM)**

INTRODUCTION

We refer to our appointment by the Company to advise the Independent Board Committee in connection with the Offer. Details of the Offer are set out in the Composite Document dated 30 August 2019, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

As stated in the “Letter from Lego Securities”, the Company was informed by Glory Emperor that on 2 July 2019, Glory Emperor agreed to sell and the Joint Offerors agreed to purchase the Sale Shares, being 326,089,600 Shares representing approximately 70.16% of the total issued share capital of the Company as at the Latest Practicable Date at the aggregate consideration of HK\$546,852,259.20 (equivalent to HK\$1.677 per Sale Share) which was arrived at between the Joint Offerors and Glory Emperor after arm’s length negotiations. The Sale Shares were acquired by each of China Sun, Central Eagle and Golden Diamond as to 134,072,019 Shares, 124,304,440 Shares, 67,713,141 Shares representing approximately 28.84%, 26.74% and 14.57% of the total issued share capital of the Company as at the Latest Practicable Date. The consideration payable by each of China Sun, Central Eagle and Golden Diamond in respect of the Sale Shares acquired by them was HK\$224,838,775.86, HK\$208,458,545.88 and HK\$113,554,937.46 respectively. The SPA was not subject to any conditions and Completion took place immediately upon the signing of the SPA on 2 July 2019.

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As at the Latest Practicable Date, the Company had 464,804,000 Shares in issue. The Company does not have any outstanding options, warrants, derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Immediately prior to Completion, the Joint Offerors and the parties acting in concert with each of them did not hold, own, control or have the right of direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately upon Completion and as at the Latest Practicable Date, the Joint Offerors and parties acting in concert with each of them are in aggregate interested in a total of 326,089,600 Shares, representing approximately 70.16% of the total issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, the Joint Offerors are required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Joint Offerors and the parties acting in concert with each of them).

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Yau Pak Yue, Mr. Lu Nim Joel and Mr. Leung Ka Tin, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Our appointment as the Independent Financial Adviser to advise the Independent Board Committee has been approved by the Independent Board Committee.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any significant connection, financial or otherwise, with the Company, Glory Emperor, the Joint Offerors or any of their respective connected persons, or any party acting, or presumed to be acting, in concert with any of them, which would create or likely to create the perception of a conflict of interest or reasonably likely to affect the objectivity of our advice. During the past two years, apart from normal independent financial advisory fees payable to us in connection with this appointment, no arrangements exist whereby we had received or will receive any fees or benefits from the Company, Glory Emperor, the Joint Offerors or any of their respective connected persons, or any party acting, or presumed to be acting, in concert with any of them that could reasonably be regarded as relevant to our independence. We therefore consider ourselves suitable to give independent advice to the Independent Board Committee in respect of the Offer pursuant to Rule 2.6 of the Takeovers Code and Rule 13.84 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee, we have reviewed, amongst other things:

- (i) the Joint Announcement;
- (ii) the Company's annual reports for the years ended 31 December (“FY”) 2016 (the “**2016 Annual Report**”), 2017 (the “**2017 Annual Report**”) and 2018 (the “**2018 Annual Report**”);
- (iii) the Company's interim results announcement for six months ended 30 June 2019 (the “**2019 Interim Results**”); and
- (iv) other information as set out in the Composite Document.

We have also discussed with and reviewed the information provided to us by the Company, the Directors and the management of the Group (collectively, the “**Management**”) regarding the business and outlook of the Group.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Composite Document and the information and representations made to us by the Management. We have assumed that all information and representations contained or referred to in the Composite Document and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date pursuant to Rule 9.1 of the Takeovers Code. We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Composite Document were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any such statement contained in the Composite Document misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Composite Document, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

This letter is issued to the Independent Board Committee solely in connection with the Offer, and except for its inclusion in the Composite Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

PRINCIPAL TERMS OF THE OFFER

Lego Securities is, on behalf of the Joint Offerors, making the Offer in compliance with the Takeovers Code on the following terms as set out in the Composite Document.

1. The Offer

For each Offer Share HK\$1.677 in cash

The Offer Price of HK\$1.677 per Offer Share is equal to the per Sale Share consideration under the SPA which was arrived at after arm's length negotiation between the parties to the SPA.

The Offer Shares tendered for acceptance under the Offer shall be allocated between the Joint Offerors in accordance with the proportion of the Sale Shares acquired by each of China Sun, Central Eagle and Golden Diamond under the SPA being 28.84%, 26.74% and 14.57% respectively. Such allocation shall take place immediately upon the Registrar receiving the relevant acceptances for the Offer and each of the Joint Offerors shall be liable for the cash consideration payable in respect of the number of Offer Shares allocated to it only.

The Offer is unconditional in all aspects when it is made and will not be conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, except as permitted under the Takeovers Code.

2. Value of the Offer

Based on the Offer Price of HK\$1.677 per Offer Share and the 464,804,000 Shares in issue as at the Latest Practicable Date, of which 326,089,600 Shares are already owned by the Joint Offerors and parties acting in concert with each of them as at the Latest Practicable Date, 138,714,400 Shares will be subject to the Offer (assuming there is no change to the issued share capital of the Company from the Latest Practicable Date up to the close of the Offer). On the basis of full acceptance of the Offer, the value of the Offer is HK\$232,624,048.80.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the terms of the Offer, we have considered the following principal factors and reasons:

1. Business, financial performance and prospects of the Group

A. Business of the Group

The Company was incorporated in the Cayman Islands with limited liability and the Shares have been listed on the Main Board since 12 January 2011. The Group is principally engaged in the design, manufacture and sale of finished zippers and other garment accessories in China. The Company operates its business through two segments: (i) the PRC segment is engaged in the manufacture and sale of zippers for customers in the PRC; and (ii) the overseas segment is engaged in the purchase of zipper products from the PRC segment and sale to overseas customers.

The customers in zippers business are primarily original equipment manufacturers who manufacture apparel products for: (i) apparel brands in China; and (ii) some well-known international apparel labels. The Group also maintains a close working relationship with apparel brand owners on the design of zippers to be applied on the apparel products.

B. Financial information of the Group

Set forth below is a summary of: (i) the audited consolidated financial information of the Group for FY2017 and FY2018; (ii) the unaudited consolidated financial information of the Group for six months ended 30 June 2019 (“1H2019”) and 30 June 2018 (“1H2018”); and (iii) the restated unaudited consolidated financial information of the Group for FY2016, as extracted from the 2019 Interim Results, the 2018 Annual Report and the 2017 Annual Report:

Table 1: Financial information of the Group

	Unaudited		Audited		Unaudited
	1H2019	1H2018	FY2018	FY2017	FY2016
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
					(Restated)
					(Note)
Total revenue	117,469	111,556	197,532	184,732	145,568
Gross profit	38,957	41,207	63,919	57,704	42,071
Profit/(loss) before tax	8,812	19,908	(28,872)	(8,333)	39,549
Profit/(loss) from continuing operations	6,346	15,819	(29,946)	(13,762)	31,125
(Loss) from discontinued operation	—	—	—	(31,808)	(7,888)
Profit/(loss) attributable to the Shareholders	4,913	13,137	(33,177)	(45,127)	21,940
Gross profit margin	33.2%	36.9%	32.4%	31.2%	24.0%
Net profit/(loss) margin	4.2%	11.8%	(16.8%)	(24.4%)	15.1%

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	As at 30		As at 31 December	
	June		Audited	
	Unaudited	Audited	Audited	Unaudited
	2019	2018	2017	2016
	(HK\$'000)	(HK\$'000)	(HK\$'000)	(HK\$'000)
Non-current assets	148,998	83,397	168,051	63,448
Current assets	262,281	247,057	212,129	342,312
Current liabilities	67,530	41,396	42,153	86,347
Net current assets	194,751	205,661	169,976	255,965
Non-current liabilities	47,363	1,124	1,124	1,124
Net asset value (the “NAV”) attributable to the Shareholders	271,385	264,730	314,083	298,523

Sources: 2019 Interim Results, 2018 Annual Report and 2017 Annual Report

Note:

The Group has decided to cease the real estate agency services and completed the disposal of this business on 24 August 2017. The financial information of this operating segment in FY2017 was presented as discontinued operation. The comparative amounts of the financial information of this operating segment in respect of FY2016 were also restated to be presented as discontinued operation accordingly.

The Company disposed the entire equity interest of Neo Ocean Ventures Limited (the “**Neo Ocean Disposal**”), a wholly owned subsidiary of the Group and the parent company of all subsidiaries in the real estate agency service business segment within the Group (the “**Neo Ocean Group**”), as well as the shareholder’s loan from the Company, at an aggregate consideration of HK\$100 million during FY2017. Following completion of the Neo Ocean Disposal, the real estate agency service business was re-classified as discontinued operation. In comparison, the Group’s zipper business was classified as continuing operations.

(i) FY2016

In FY2016, the Group recorded total revenue of approximately HK\$145.6 million, representing a decrease of approximately HK\$13.4 million or 8.4% compared to total revenue of approximately HK\$159.0 million recorded in FY2015, mainly due to the decreased sale in finished zippers and flat knit ribs.

In FY2016, the Group recorded profit attributable to the Shareholders of approximately HK\$21.9 million, representing an increase of approximately HK\$17.7 million or 321.4% compared to that of approximately HK\$4.2 million recorded in FY2015. The increment was mainly attributable to: (i) a gain on disposal of 80% equity interest of KEE (Jingmen) Garment Accessories Limited (“**Kee Jingmen**”), totalling approximately HK\$17.8 million; and (ii) a gain on disposal of leasehold land and properties, plants and equipment located in the PRC and Hong Kong to related parties of approximately HK\$17.6 million (together the “**2016 Disposals**”).

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If the extraordinary gain, which was one-off in nature, of approximately HK\$35.4 million from the 2016 Disposals is disregarded, the Management advised that the Group would have recorded a net loss from continuing operations for FY2016 of approximately HK\$4.3 million, representing a decrease of approximately HK\$7.5 million or 134.4% compared to the net profit for FY2015, which was derived solely from zipper business. The decrease was mainly attributable to an increase in administrative expenses during FY2016 of approximately HK\$8.4 million or 24.6% due to one-off non-recurring legal and professional expenses incurred in relation to a series of corporate actions undertaken in FY2016 by the Company as well as an impairment loss on idle equipment totalling HK\$4.5 million.

The total assets of the Group increased by approximately HK\$36.9 million or 10.0% from approximately HK\$368.9 million as at 31 December 2015 to approximately HK\$405.8 million as at 31 December 2016. The increase was mainly attributable to:

- (i) the increase in cash and cash equivalent of approximately HK\$100.6 million, mainly attributable to approximately HK\$90.3 million received from the disposal of KEE Jingmen and approximately HK\$71.8 million received from disposal of property, plant and equipment and leasehold land to related parties in 2016;
- (ii) the increase of approximately HK\$103.7 million in trade and other receivables. During FY2016, the Group, through Tianjin Jinhui Tianjin Company Limited (“**Tianjin Jinhui**”), a subsidiary of the Company, signed advertisement agency agreements on behalf of a client, namely Hainan Xinjia Tourism Development Company Limited (the “**Property Developer**”). Certain of these expenses amounting to approximately HK\$48.0 million were paid to the relevant advertisement agents on behalf of the Property Developer by Tianjin Jinhui. This amount was recorded as other receivables in the Group’s consolidated financial statements for FY2016. The remaining outstanding advertisement expenses payable on behalf of the Property Developer and receivable from the Property Developer amounted to approximately HK\$44.6 million for FY2016. Collectively, the receivable amount by Tianjin Jinhui was approximately HK\$92.6 million; and
- (iii) the decrease in property, plant and equipment by approximately HK\$138.5 million and the decrease in interest in leasehold land held for own use under operating leases by approximately HK\$30.5 million due to the 2016 Disposals.

Total liabilities increased by approximately HK\$31.6 million or 56.5% from approximately HK\$55.9 million as at 31 December 2015 to approximately HK\$87.5 million as at 31 December 2016. The increase was mainly due to the

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outstanding advertising expenses of approximately HK\$44.6 million remained payable to the advertising agents on behalf of the Property Developer as mentioned above. In view of the above, the NAV attributable to the Shareholders increased by approximately HK\$7.7 million or 2.6% as compared to the NAV attributable to the Shareholders as at 31 December 2015.

(ii) FY2017

In FY2017, the Group recorded total revenue of approximately HK\$184.7 million, representing an increase of approximately HK\$39.1 million or 26.9% compared to total revenue of approximately HK\$145.6 million recorded in FY2016. The increase was mainly attributable to the increase in the sale of finished zippers and sliders. The rise was primarily due to: (i) the stable growth in the development of the garment industry in the PRC as a result of the rising international demands as well as growth in the domestic economy in FY2017; and (ii) the effective incentive measures, enhanced efforts in market development and improvement of customer services by the marketing team of the Company.

In FY2017, the financial performance of the Group made a turn for the worse where it recorded a loss attributable to the Shareholders of approximately HK\$45.1 million as compared to a profit attributable to Shareholders of approximately HK\$21.9 million in FY2016. The significant decline was mainly attributable to the increase in distribution costs, administrative expenses and a deteriorating loss position from the discontinued operation.

The total assets of the Group decreased by approximately HK\$25.6 million or 6.3% from approximately HK\$405.8 million as at 31 December 2016 to approximately HK\$380.2 million as at 31 December 2017. The decrease was mainly attributable to the significant drop in other receivables by approximately HK\$48.1 million, representing a decrease of approximately 48.3% from approximately HK\$99.3 million as at 31 December 2016, comprised of the net effect of:

- (a) the balance of the sale consideration totalling HK\$50.0 million receivable from the Neo Ocean Disposal as at 31 December 2017;
- (b) the decrease in salary expenses paid by Tianjin Jinhui, a subsidiary of the Company, on behalf of its related party, namely Beijing Zhonghong Network Marketing Consultant Co., Ltd., which was recorded as nil as at 31 December 2017 as compared to approximately HK\$2.9 million as at 31 December 2016; and
- (c) the decrease in advertisement expenses paid on behalf of the Property Developer by Tianjin Jinhui, which was recorded as nil as at 31 December 2017 as compared to approximately HK\$92.6 million as at 31 December 2016.

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As the Neo Ocean Group was disposed on 24 August 2017, and Tianjin Jinhui was a company within the Neo Ocean Group, Tianjin Jinhui also ceased to be a subsidiary of the Company as at 31 December 2017.

Pursuant to the sale and purchase agreement of the Neo Ocean Disposal, the balance of the consideration of the Neo Ocean Disposal totalling HK\$50.0 million (the “**Balance Consideration**”) was repayable by the purchaser (the “**Neo Ocean Purchaser**”) within one year from the completion date of the Neo Ocean Disposal on 24 August 2017. In addition, upon completion of the Neo Ocean Disposal, the shares of Neo Ocean together with the shareholders’ loan advanced by the Group to Neo Ocean, being the subject matter of the Neo Ocean Disposal, were pledged to the Company by the Neo Ocean Purchaser as security for the Neo Ocean Purchaser’s obligation to pay the balance of the purchase consideration.

The total liabilities of the Group also decreased by approximately HK\$44.2 million or 50.5% from approximately HK\$87.5 million as at 31 December 2016 to approximately HK\$43.3 million as at 31 December 2017. The drop in liabilities was mainly attributable to the decrease in the balance of other payables by approximately HK\$42.8 million or 59.4%, from approximately HK\$72.0 million as at 31 December 2016 to approximately HK\$29.2 million as at 31 December 2017. The decline was the result of the reduction in advertising expenses payable in the book of the Neo Ocean Group on behalf of the Property Developer when the Neo Ocean Group was subsequently disposed of in FY2017.

In view of the above, the NAV attributable to the Shareholders increased by approximately HK\$15.6 million or 5.2% from approximately HK\$298.5 million as at 31 December 2016 to approximately HK\$314.1 million as at 31 December 2017.

(iii) FY2018

In FY2018, the Group recorded total revenue of approximately HK\$197.5 million, representing an increase of approximately HK\$12.8 million or 6.9% compared to total revenue of approximately HK\$184.7 million recorded in FY2017. Such increase was mainly attributable to the continued increase in sale of finished zippers and sliders, which further improved by approximately HK\$12.9 million or 7.2% to approximately HK\$193.0 million in FY2018. The revenue increase was the result of the active promotion efforts of the Group, strengthened marketing and product innovation, the escalation of responsiveness to customer needs and the enhancement of customer service level.

The Group recorded a smaller loss attributable to the Shareholders of approximately HK\$33.2 million in FY2018, as compared to approximately HK\$45.1 million in loss attributable to the Shareholders in FY2017,

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representing an improvement of approximately HK\$11.9 million or 26.4%. The slight improvement was primarily due to the Neo Ocean Disposal, a significant loss-making real estate agency business in FY2017.

The total assets of the Group registered a decline by approximately HK\$49.7 million or 13.1%, from approximately HK\$380.2 million as at 31 December 2017 to approximately HK\$330.5 million as at 31 December 2018. This was mainly due to the significant decrease in balance of other receivables by approximately HK\$49.9 million, representing a decrease in 97.3% from approximately HK\$51.3 million as at 31 December 2017. The reduction in the balance of other receivables was mainly attributable to the impairment loss recognised on HK\$45.0 million of the Balance Consideration as the Neo Ocean Purchaser failed to settle the balance sum on the due date pursuant to the sale and purchase agreement. Accordingly, the NAV attributable to the Shareholders reduced by approximately HK\$49.4 million or 15.7% from approximately HK\$314.1 million as at 31 December 2017 to approximately HK\$264.7 million as at 31 December 2018.

The Directors have begun verbal and written negotiations on the settlement of the Balance Consideration with the Neo Ocean Purchaser since the payment due date of the Balance Consideration that resulted in the payment of HK\$5.0 million of the Balance Consideration to the Company in December 2018. In view of: (i) the Neo Ocean Purchaser was in financial difficulty and was unable to settle the remaining HK\$45.0 million of the Balance Consideration; and (ii) it failed to comply with the ultimatum under the second demand letter issued by the Company's lawyers in March 2019, the Company made an announcement on 21 June 2019 stating that it has commenced legal proceedings in the Court of First Instance of the High Court of Hong Kong against the Neo Ocean Purchaser for the sum of HK\$45.0 million together with interest and costs (the "**Legal Proceeding**"), after taking into account of various factors.

(iv) 1H2019

In 1H2019, the Group recorded total revenue of approximately HK\$117.5 million, representing an increase of approximately HK\$5.9 million or 5.3% compared to total revenue of approximately HK\$111.6 million recorded in 1H2018. This was mainly due to the favourable results achieved from exploration of business opportunity among existing customers based on new product development of the Group.

In 1H2019, the Group recorded profit attributable to the Shareholders of approximately HK\$4.9 million, representing a decrease of approximately HK\$8.2 million or 62.6% compared to that of approximately HK\$13.1 million in 1H2018. The decrease was mainly attributable to: (i) an increase in cost of sales of approximately HK\$8.2 million or 11.6% in 1H2019 as compared to 1H2018 that resulted in the gross profit margin to decline from 36.9% to 33.2%; and (ii) an increase in administrative expenses of approximately HK\$5.0 million

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or 23.6% in 1H2019 as compared to 1H2018 due to the establishment of a new production plant in Jingmen, the PRC in September 2018, with its operation commenced in April 2019.

The total assets of the Group increased by approximately HK\$80.8 million or 24.4% from approximately HK\$330.5 million as at 31 December 2018 to approximately HK\$411.3 million as at 30 June 2019. The increase was mainly attributable to:

- (i) the increase in net position of the trade debtors and bills receivables (net of allowance for doubtful debts) to approximately HK\$75.5 million as at 30 June 2019 from approximately HK\$39.6 million as at 31 December 2018. This was the result of an increase in sales of finished zippers that occurred at the end of the second quarter of 2019 as compared to the last quarter of 2018, since the demand for finished zippers in the PRC market was generally at its peak due to seasonality that normally occurred in the second quarter of the year; and
- (ii) the increase of non-current assets to approximately HK\$149.0 million as at 30 June 2019 from approximately HK\$83.4 million as at 31 December 2018. The increment was mainly attributable to the recognition of the Company's right-of-use assets recorded in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") 16, a new accounting standard relating to recognition of lease assets, which was effective for reporting periods beginning on or after 1 January 2019.

Total liabilities increased by approximately HK\$72.4 million or 170.4% from approximately HK\$42.5 million as at 31 December 2018 to approximately HK\$114.9 million as at 30 June 2019. The increase was mainly due to the rise in non-current liabilities to approximately HK\$47.4 million as at 30 June 2019 from approximately HK\$1.1 million as at 31 December 2018. Such surge in non-current liabilities in 1H2019 was mainly attributable to the lease liabilities recorded in accordance with the similar HKFRS 16 as mentioned above, a new accounting standard that relates to recognition of lease liabilities, which was effective for reporting periods beginning on or after 1 January 2019.

In view of the above, the NAV attributable to the Shareholders as at 30 June 2019 increased by approximately HK\$6.7 million or 2.5% as compared to 31 December 2018.

Analysis

We note that the Group has been consistently loss-making since FY2016 (without taking into account of the extraordinary disposal gains, which was one-off in nature, in FY2016) and decreasing net profits in 1H2019 compared to 1H2018. There is also uncertainty surrounding the Legal Proceeding which the Group is expected to incur legal costs to pursue the action.

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Those Independent Shareholders who wish to retain some or all of the Shares should consider the past financial performance of the Group and the business prospects of the Group as detailed in the paragraph headed “C. Business prospects of the Group” below, or otherwise are reminded to closely monitor the development of the Group and the publications of the Company (including the Composite Document) in this regard.

C. Business prospects of the Group

As stated in the “Letter from Lego Securities”, following the close of the Offer, it is the intention of the Joint Offerors that the Company will continue to focus on the development of its existing businesses, namely design, manufacture and sale of finished zippers and other garment accessories etc., in the PRC. The Joint Offerors do not intend to introduce any major changes to the existing operations and business of the Group upon and after the close of the Offer.

As discussed in the FY2018 Annual Report, demand in textile and apparel industry of the PRC experienced slow growth in the recent years with weak rebound, while retail market continued to be stable. The Management advised that the manufacturing industry continued to face significant challenges in 2018 while the continuing China-United States of America (the “US”) trade dispute added pressure and casted uncertainty to the already difficult environment in China. Industry demand is expected to continue to grow at a low rate for the rest of 2019. From the 2019年第一季度我國拉鍊進出口情況概述 (the 2019 Q1 PRC Export Zipper Report*) published by 中國拉鍊行業協會 (China Zipper Association*), a PRC sub-organisation of 中國五金製品協會 (China National Hardware Association*), given the gross domestic product growth of the PRC is expected to slow down in 2019, domestic demand for garment products might potentially be affected, subsequently affecting the demand for zipper products in the PRC. As disclosed by 中華人民共和國國家統計局 (National Bureau of Statistics of China*), an agency under the PRC State Council in charge of statistics and economic accounting in the PRC, garment production from major suppliers in the PRC decreased its production by 0.38% from January to May 2019 compared to the same corresponding period last year. The data indicated that the production and export of the garment industry in the PRC remained at a stable level.

The US administration under President Donald Trump has recently announced significant changes in the trade policies of the US starting from 10 May 2019, including increasing tariffs on US\$200 billion worth of certain goods imported from the PRC into the US from the previous rate of 10% to 25%. According to the data released by 中華人民共和國海關總署 (the PRC General Administration of Customs*), the aggregate export of finished clothing and clothing accessories decreased by 5.5% in January to May 2019 compared to the performance from the same period in 2018. As confirmed by the Management, finished zippers for their US customers will be subject to the said tariffs. Nevertheless, the Management advised that the tariff hike will not affect the Company materially due to the fact that approximately 92.0% and approximately 86.9% of the Company’s revenue in FY2018

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and FY2017 respectively was generated from the PRC market. In comparison, less than 1% of the Company's revenue in FY2018 and FY2017 was generated from the US market. However, given the impact of the tariff hike could potentially be translucent to the global economy and the deterioration of trade relationship between the PRC and the US, there may be a potential adverse impact on the Group's business in general.

As stated in the FY2018 Annual Report, due to the increasing maturity and individualisation of customers as well as the flat spread of information, the textile and garment industry of the PRC has been constantly enhancing its brand and quality awareness, and gradually returning from the commodity era to the product era. This represents a valuable opportunity for development of high-quality finished zipper market. According to the 2018年中國服裝行業經濟運行分析 (the "CNGA Report") published by the Chinese National Garment Association ("CNGA"), a nationwide organisation of the PRC's garment industry founded in 1991, the internet has become a primary shopping channel for the PRC consumers, which created new opportunities for retail shops. According to 中華人民共和國國家統計局 (National Bureau of Statistics of China*), the aggregate sale of wear goods in 2018 increased by 22% compared to 2017. During FY2018, the Group commenced cooperation with 10 new brands, of which 4 brands were domestic brands and 6 brands were overseas brands.

In summary, although there are opportunities in the industry due to the change of consumer behaviour, given the slowdown of economic growth and potential negative impact from the tariff hike imposed by the US administration, we are of the opinion that the future performance of the Group remains uncertain.

2. Principal terms of the Offer

The Offer Price of HK\$1.677 represents:

- (a) a premium of approximately 24.2% over the closing price of HK\$1.35 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 33.9% over the average closing price of approximately HK\$1.252 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 5 consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a premium of approximately 35.4% over the average closing price of approximately HK\$1.239 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 39.4% over the average closing price of approximately HK\$1.203 per Share based on the daily closing prices as quoted on the Stock Exchange for the last 30 consecutive trading days immediately prior to and including the Last Trading Day;

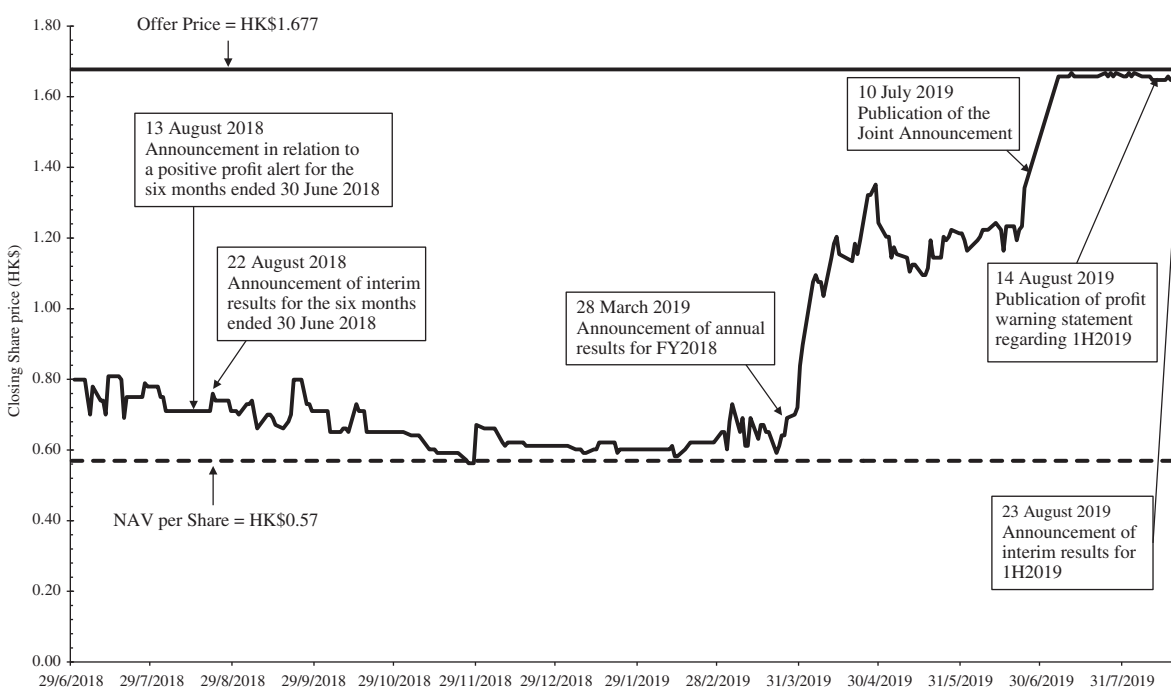
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- (e) a premium of approximately 0.4% over the closing price of HK\$1.670 per Share quoted on the Stock Exchange on the Latest Practicable Date;
- (f) a premium of approximately 194.2% over the audited consolidated NAV attributable to the owners of the Company of approximately HK\$0.570 per Share as at 31 December 2018, being the date to which the latest audited consolidated financial results of the Company were made up; and
- (g) a premium of approximately 187.2% over the unaudited consolidated NAV attributable to the owners of the Company of approximately HK\$0.584 per Share as at 30 June 2019, being the date to which the latest unaudited consolidated financial results of the Company were made up.

A. *Historical price performance of the Shares*

Set out below is the chart showing the daily closing price of the Shares as quoted on the Stock Exchange during the period commencing from 29 June 2018, being the twelve-month period prior to the Last Trading Day, up to and including the Latest Practicable Date (the “**Review Period**”):

Chart 1: Share price performance during the Review Period



Source: the Stock Exchange

Notes:

1. Trading in the Shares was suspended on 2 July 2019 and resumed on 11 July 2019 due to the publication of the Joint Announcement.

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2. NAV per Share refers to the NAV attributable to the Shareholders per Share of approximately HK\$0.57 as at 31 December 2018.

As illustrated in the chart above, during the Review Period, the closing price of the Shares ranged from the lowest closing price of HK\$0.56 per Share as recorded on 27, 28 and 29 November 2018 to the highest closing price of HK\$1.68 per Share as recorded on 16 July 2019, with an average price of approximately HK\$0.80 per Share. The Offer Price is higher than the closing price as at the Last Trading Day, and represents premiums of approximately 24.2%, 0.4% and 194.4% over the closing Share price on the Last Trading Day, the closing Share price as at the Latest Practicable Date and the NAV per Share as at 31 December 2018, respectively.

During the period commencing from 29 June 2018 to 28 February 2019 (the “**First Review Period**”), the closing price of the Shares demonstrated a gradual downward trend by falling from HK\$0.80 per Share on 29 June 2018 and reached a bottom of HK\$0.56 per Share on 27, 28, and 29 November 2018. We have reviewed the Share price movement during this First Review Period and noted the following notable events: (i) the release of an inside information announcement on 13 August 2018 in relation to a positive profit alert for the six months ended 30 June 2018; and (ii) the release of the interim results for the six months ended 30 June 2018 on 22 August 2018, which reported a profit for the reporting period. Despite the positive results from the announcements, the Management is not aware of any particular reason for the gradual downward trend of the Share price during the First Review Period. We also noted that the Hang Seng Index (“**HSI**”) declined by approximately 1.1% from 28,955 to 28,633 during the First Review Period.

During the period commencing from 1 March 2019 onwards and up to and including 2 May 2019 (the “**Second Review Period**”), the closing price of the Shares demonstrated a significant upward trend and attained the high point in the period of HK\$1.36 per Share on 2 May 2019. We enquired with the Management on the surge in Share price but the Management is not aware of any particular reason for the sharp increase in Share price during the period. We note that the Share price might have been affected by the increase of the HSI during this period, in which the HSI surged by 3.9% from 28,812 to 29,944.

During 3 May 2019 to the Last Trading Day (the “**Pre-announcement Period**”), the closing price of the Shares first experienced a downward trend between 2 May 2019 to 20 May 2019, but subsequently the closing price surged to a high point of HK\$1.35 on the Last Trading Day. The Management is also not aware of any particular reason for the sharp increase in Share price during the period. Furthermore, we also note that the HSI declined by approximately 7.6% from 30,082 to 27,788 between 3 May 2019 to 20 May 2019, and subsequently surged by approximately 3.2% from 27,657 to 28,542 between 21 May 2019 to the Last Trading Day.

At the request of the Company, trading in the Shares was suspended on 2 July 2019 and the Joint Announcement was published on 10 July 2019. Upon the resumption of trading in the Shares, the Share price had been trading at or around

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the Offer Price since the publication of the Joint Announcement until the Latest Practicable Date. The closing price of the Shares surged by approximately 23.7% to HK\$1.67 per Share on 11 July 2019 (being the first trading day after the publication of the Joint Announcement, the “**First Trading Day**”) as compared to HK\$1.35 per Share on the Last Trading Day. The closing price of the Shares reached the highest point to HK\$1.68 per Share on 16, 29, 31 July 2019 and 2, 7 and 9 August 2019 respectively. As at the Latest Practicable Date, the closing price of the Shares was HK\$1.670, which is at a premium of approximately 0.4% over the Offer Price.

The average Share price during First Review Period, Second Review Period and the Pre-announcement Period is approximately HK\$0.67, HK\$0.87 and HK\$1.24 respectively. The Offer Price of HK\$1.677 represents a premium of approximately 150.3%, 92.8% and 35.2% over the average Share price during the First Review Period, Second Review Period and Pre-announcement Period respectively. Based on the above, the Offer Price represents a premium over the Share price throughout the Review Period.

Independent Shareholders should note that the information set out above is not an indicator of the future performance of the Shares and that the Share prices may increase or decrease from its closing price after the Latest Practicable Date.

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B. Historical trading volume of the Shares

The following table sets out the trading volume of the Shares during the Review Period:

Table 2: Trading volume of the Shares during the Review Period

	Total trading volume <i>(No. of Shares)</i>	No. of trading days	Average daily trading volume	Average daily trading volume to the total number of Shares in issue <i>(Approximate %)</i> <i>(Note 1)</i>	Average daily trading volume to the number of Shares held by public Shareholders <i>(Approximate %)</i> <i>(Note 2)</i>
2018					
June (from 29 June 2018)	0	1	0	—	—
July	1,306,000	21	62,190	0.013%	0.045%
August	948,000	23	41,217	0.009%	0.030%
September	3,122,000	19	164,316	0.035%	0.118%
October	728,000	21	34,667	0.007%	0.025%
November	706,000	22	32,091	0.007%	0.023%
December	122,000	19	6,421	0.001%	0.005%
2019					
January	240,000	22	10,909	0.002%	0.008%
February	3,678,000	17	216,353	0.047%	0.156%
March	17,184,000	21	818,286	0.176%	0.590%
April	17,362,000	19	913,789	0.197%	0.659%
May	3,822,000	21	182,000	0.039%	0.131%
June	4,254,000	19	223,895	0.048%	0.161%
July	44,096,000	15	2,939,733	0.632%	2.119%
August (up to the Latest Practicable Date)	9,022,000	19	474,842	0.102%	0.342%

Source: the Stock Exchange

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Notes:

1. The calculation is based on the average daily trading volume of the Shares divided by the total Shares in issue in the relevant period.
2. The calculation is based on the average daily trading volume of the Shares divided by the number of Shares held by public Shareholders in the relevant period.
3. Trading in the Shares was suspended on 2 July 2019 and resumed on 11 July 2019 due to the publication of the Joint Announcement.

As illustrated in the table above, the average daily trading volume for the respective month/period during the Review Period ranged from approximately nil Shares to 2,939,733 Shares, representing: (i) nil to approximately 0.632% of the total number of issued Shares; and (ii) nil to approximately 2.119% of the number of Shares held by public Shareholders.

The average daily trading volume for the First Review Period, Second Review Period and Pre-announcement Period of the Review Period was approximately 64,240 Shares, 886,038 Shares and 202,948 Shares respectively, which was approximately 0.014%, 0.191% and 0.044% of the total number of Shares in issue. The average daily trading volume from the First Trading Day to the Latest Practicable Date was approximately 1,562,294 Shares, which was approximately 0.330% of the total number of Shares in issue. Overall, the trading volume was relatively thin in general throughout the Review Period.

We note that on the First Trading Day, the trading volume of the Shares increased to approximately 12,824,000 Shares. We believe such increase in trading volume of the Shares was likely to be the result of the market reaction to the Joint Announcement. Although the trading volume of the Shares was active on the First Trading Day, the average daily trading volume reduced to approximately 2,939,733 Shares in July 2019 and 474,842 Shares in August 2019 (up to the Latest Practicable Date), representing: approximately 0.632% and 0.102% respectively of the total number of issued Shares.

Given the generally thin trading liquidity of the Shares during the Review Period, it is uncertain whether there would be sufficient liquidity in the trading of the Shares for the Independent Shareholders to dispose of a significant number of the Shares in the open market without depressing the Shares price. We therefore consider that the Offer provides the Independent Shareholders, particularly those who hold a large number of Shares, with an assured exit to dispose of part or all of their Shares at the Offer Price if they wish to.

C. Comparison with other comparable companies

In assessing the fairness and reasonableness of the Offer Price, we attempted to compare the Offer Price against the market valuation of other comparable companies using commonly use valuation multiples including price-to-earnings ratio (“**P/E ratio**”) and price-to-book ratio (“**P/B ratio**”). As the Group was loss making in FY2018, the P/E ratio analysis would not be feasible. We consider that P/B Ratio which compares the market capitalisation of a company against its NAV is a commonly used benchmark in comparing the valuations of different companies engaged in the same industry, and it is also appropriate for assessing a company engaged in the garment industry since the business mainly involves zipper in the inventory, trade receivables and payables, meaning that NAV would reflect the underlying value of the Company. We have shortlisted comparable companies (the “**Industry Comparables**”) with the following selection criteria as at the Latest Practicable Date:

- (i) listed on the Main Board;
- (ii) engaged in the manufacturing or trading of garment or clothing accessories;
- (iii) with over 50% of its latest reported annual revenue generated from the manufacturing or trading of garment or clothing accessories;
- (iv) is profit making; and
- (v) market capitalisation between HK\$500 million to HK\$1,500 million in view that the implied market capitalisation (calculated based on the Offer Price) as at the Latest Practicable Date of the Company is approximately HK\$779 million.

Based on the above selection criteria, set out below are 14 Industry Comparables together with the relevant P/B ratios, the information of which we consider, to the best our knowledge and ability, to be an exhaustive, appropriate and representative sample for the purpose of arriving at a meaningful comparison to the Offer Price.

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Table 3: Details of the Industry Comparables

No	Company (stock code)	Company description	Market capitalisation (HK\$'million) (Note 1)	NAV attributable to shareholders (HK\$'million) (Note 2)	P/B ratio (x)
1	Glorious Sun Enterprises Ltd (393)	The company is engaged in the retailing of apparel.	1,329.65	2,501.65	0.53
2	Eagle Nice (Intl) Holdings Ltd (2368)	The company is engaged in the manufacture and trading of sportswear and garments.	1,223.60	1,304.08	0.94
3	YGM Trading Ltd (375)	The company is engaged in garment, trademark, printing and property businesses.	1,144.46	682.31	1.68
4	Cabbeen Fashion Ltd (2030)	The company is engaged in the wholesaling, consignment and retailing of branded menswear and related accessories in the PRC.	1,089.81	1,319.41 (Note 4)	0.83
5	Luen Thai Holdings Ltd (311)	The company is engaged in apparel businesses.	723.88	1,587.02 (Note 5)	0.46
6	Embry Holdings Ltd (1388)	The company is engaged in the manufacture and sale of lingerie for women.	709.66	2,369.67	0.30
7	China Ting Group Holdings Ltd (3398)	The company is engaged in the manufacture and sale of garments.	661.44	2,584.90	0.26
8	Bonny International Holding Ltd (1906)	The company is engaged in the manufacturing and sale of brassieres, functional sportswear, panties and thermal underwear.	672.00	187.12 (Note 4)	3.59
9	YangtzeKiang Garment Ltd (294)	The company is engaged in garment and property businesses.	620.24	1,216.65	0.51

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No	Company (stock code)	Company description	Market capitalisation (HK\$'million) (Note 1)	NAV attributable to shareholders (HK\$'million) (Note 2)	P/B ratio (x)
10	Win Hanverky Holdings Ltd (3322)	The company is engaged in the manufacture and sale of garment products, including sportswear, golf and high-end fashion apparel and related accessories.	610.09	2,151.76	0.28
11	China Outfitters Holdings Ltd (1146)	The company is engaged in the design, manufacture, marketing and sale of apparel products and accessories.	558.16	2,000.63 (Note 4)	0.28
12	Crocodile Garments Ltd (122)	The company is engaged in garment businesses.	587.48	1,833.96	0.32
13	Season Pacific Holdings Ltd (1709)	The company is engaged in the trading of garment and accessories for private labels and international brands.	528.55	170.82	3.09
14	High Fashion International Ltd (608)	The company is engaged in the manufacture of garments.	519.55	2,524.36	0.21
	Maximum				3.59
	Minimum				0.21
	Average				0.95
	Median				0.49
	The Company (2011)		779.5 (Note 3)	264.73	2.94

Sources: Bloomberg and the Stock Exchange

Notes:

1. The market capitalisations as at the Latest Practicable Date.
2. The NAV attributable to shareholders were extracted from the respective latest published interim reports or annual reports of the Industry Comparables.
3. The implied market capitalisation of the Company under the Offer is calculated by multiplying the Offer Price with the number of issued Shares of 464,804,000 Shares as at the Latest Practicable Date.

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4. The figure is translated from RMB to HK\$ using an exchange rate of HK\$1.00/RMB0.91.
5. The figure is translated from US\$ to HK\$ using an exchange rate of HK\$7.78/US\$1.00.

As shown in the table above, the P/B ratios of the Industry Comparables range from approximately 0.21 times to approximately 3.59 times, with the average and median P/B ratios of approximately 0.95 times and 0.49 times respectively.

The implied P/B ratio of the Company under the Offer of approximately 2.94 times is within the range of the P/B ratios of Industry Comparable. In addition, the implied P/B ratio of the Company under the Offer is also significantly above the average and the median of P/B ratios of the Industry Comparables. As such, we consider that the Offer Price to be fair and reasonable so far as the Independent Shareholders are concerned.

3. Information of the Joint Offerors and the intention of the Joint Offerors in relation to the Group

A. Information on the Joint Offerors

As stated in the “Letter from Lego Securities” contained in the Composite Document:

Information on China Sun

China Sun was incorporated in the British Virgin Islands with limited liability as an investment holding company. As at the Latest Practicable Date, China Sun is wholly-owned by Mr. Qiu.

Mr. Qiu is the president of 深圳市合泰地產集團有限公司 (Shenzhen City Hetai Real Estate Group Company Limited*) (“**Hetai**”), a company incorporated in the PRC with limited liability which is principally engaged in property development in Shenzhen and has been at his current position since 2009. His brother owns approximately 95% of the registered capital of Hetai. The most recent projects developed by Hetai include 同泰時代中心 (Tongtai Times Center*) which is located in the commercial center of Bao’an District and is a mixed-use development comprising of a hotel, shopping mall, office buildings and serviced apartments with a total gross floor area of more than 210,000 sq.m..

Information on Central Eagle

Central Eagle was incorporated in the British Virgin Islands with limited liability as an investment holding company. As at the Latest Practicable Date, Central Eagle is owned as to 90.0% and 10.0% by Mr. Zhuang and Mr. Wu, respectively.

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Mr. Zhuang is a director of 深圳楓葉房地產有限公司 (Shenzhen Maple Real Estate Development Company Limited*) (“**Shenzhen Maple**”), a company incorporated in the PRC with limited liability and has been at his current position since 2013. Prior to Mr. Zhuang’s current role with Shenzhen Maple, he was also a general manager of 深圳市威士達供應鏈服務有限公司 (Shenzhen Weishida Supply Chain Services Company Limited*), a company incorporated in the PRC with limited liability and is principally engaged in the provision of supply chain services to its customers.

Mr. Wu is an executive director and the legal representative of Shenzhen Maple and has been at his current positions since 2013. Mr. Wu owns 100.0% of the share capital of 楓葉國際集團有限公司 (Maple International Group Company Limited*) (“**Maple International**”), a company incorporated in the British Virgin Islands with limited liability. Maple International indirectly wholly-owns 100.0% of the registered capital of Shenzhen Maple. Maple International is a holding company and its subsidiaries also engage in, amongst others, property development and investment.

Information on Golden Diamond

Golden Diamond was incorporated in the British Virgin Islands with limited liability and is an investment holding company. As at the Latest Practicable Date, Golden Diamond is owned as to 60.0%, 25.0% and 15.0% by Ms. Lin, Mr. Mak and Ms. Pan, respectively.

Ms. Lin joined 深圳市卓永實業發展有限公司 (Shenzhen Zhuoyong Industrial Development Company Limited*) (“**Shenzhen Zhuoyong**”) as its director and general manager in 1995, a company incorporated in the PRC with limited liability, which is principally engaged in real estate development and investment. As at the Latest Practicable Date, the registered capital of Shenzhen Zhuoyong is RMB10,000,000.

Mr. Mak is the chief marketing officer of Rockpool Capital Limited (“**Rockpool**”) which he joined in 2017. Rockpool is an integrated asset management company holding licenses to engage in SFC types 1 (dealing in securities), 4 (advising on securities) and 9 (asset management) regulated activities. Before joining Rockpool, Mr. Mak had spent approximately 5 years at J.P. Morgan and was previously with Standard Chartered Bank (HK) Ltd. for approximately 1 year. He is also currently employed as a director of Apex Insurance (Holdings) Limited and has been at his current position since 2016, being primarily responsible for overall management and investment strategy.

Ms. Pan is a shareholder of Qiannanzhou, a company incorporated in the PRC which is principally engaged in the mining industry, owning as to 30.0% of its registered capital. As at the Latest Practicable Date, the registered capital of Qiannanzhou is RMB5,000,000. Qiannanzhou is a guarantor for the NW Facility pursuant to the NW Facility Agreement.

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B. Intentions of the Joint Offerors in relation to the Group

As stated in the section headed “Intentions of the Joint Offerors in relation to the Group” in the “Letter from Lego Securities” contained in the Composite Document, the Board is currently made up of five Directors, comprising two executive Directors and three independent non-executive Directors. As at the Latest Practicable Date, it is intended that all existing Directors are to remain at their current positions. Further, the Joint Offerors do not have any intention as at the Latest Practicable Date to nominate new Directors to the Board but may do so in the future. No significant discussions as to potential candidates for nomination to the Board as Directors or changes to the Board composition have occurred amongst the Joint Offerors as at the Last Practicable Date.

If the Joint Offerors in the future wish to nominate new Directors to the Board, it shall be with the effect from the earliest time permitted under the Takeovers Code. Further announcement(s) will also be made by the Company in compliance with the requirements of the Listing Rules as and when there are changes in the composition of the Board.

Following the close of the Offer, it is the intention of the Joint Offerors that the Company will continue to focus on the development of its existing businesses, namely design, manufacture and sale of finished zippers and other garment accessories etc., in the PRC. The Joint Offerors do not intend to introduce any major changes to the existing operations and business of the Group upon and after the close of the Offer.

Nevertheless, the Joint Offerors will conduct a detailed review on the existing principal businesses and operations, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group’s long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Joint Offerors may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth.

As at the Latest Practicable Date, no investment or business opportunity has been identified nor has any significant discussions taken place amongst the Joint Offerors as to potential investments or business opportunities relating to the Group. Further, none of the Joint Offerors have entered into any agreement, arrangement, understanding or negotiation in relations to the injection of any assets or business into the Group. Accordingly, as at the Latest Practicable Date, the Joint Offerors have no intention to acquire any business or assets, further they do not have any intention to dispose of the existing business of the Group.

The Joint Offerors have no intention to discontinue the employment of any employees of the Group (save for change in the composition of the Board) or dispose of or re-deploy the fixed assets of the Group other than in the ordinary course of business.

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We note that majority of the shareholders of the Joint Offerors hold directorships in companies and are well experienced in corporate and business management. We further note that one of the shareholders of the Joint Offerors, being Mr. Zhuang, possesses relevant working experience in a supply chain company in the apparel industry. Given that all existing Directors are to remain at their current positions, we are of the view that the Joint Offerors will be able to continue to rely on the experiences of the existing Directors for its business going forward after the Completion.

C. Maintaining the listing status of the Company

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

The Joint Offerors intend for the Company to remain listed on the Stock Exchange. The directors of each of the Joint Offerors have undertaken and the new directors to be appointed to the Board (if any) will undertake jointly and severally to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Company and the Joint Offerors will issue a separate announcement as and when necessary in this regard.

RECOMMENDATION

In view of the above and having considered in particular that:

- (i) the Group's loss-making performance due to one-off impairment losses in FY2018, loss from continuing operations in FY2017 and FY2018 and the decrease in net profits in 1H2019 compared to 1H2018 as discussed in the paragraph headed "B. Financial information of the Group" under the section headed "1. Business, financial performance and prospects of the Group" above;
- (ii) there are likely uncertainties in the future performance of the Group as discussed in the paragraph headed "C. Business prospects of the Group" under the section headed "1. Business, financial performance and prospects of the Group" above;
- (iii) the Offer Price is higher than the closing price of the Shares as at the Last Trading Day, and represents premiums of approximately 24.2%, 0.4% and 194.4% over the closing Share price on the Last Trading Day, the closing Share price as at the Latest Practicable Date and the NAV per Share as at 31 December 2018, respectively;

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- (iv) the Offer Price represents a significant premium throughout the Review Period and the Shares had only been trading at or around the Offer Price after the publication of the Joint Announcement until the Latest Practicable Date;
- (v) the implied P/B ratio of the Company under the Offer of approximately 2.94 times falls within range of the P/B ratios of the Industry Comparables; and
- (vi) the trading volume of Shares was low during the Review Period. It is uncertain as to whether there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of the Shares in the open market without depressing the Share price,

we consider that the terms of the Offer to be fair and reasonable so far as the Independent Shareholders are concerned. On such basis, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer. In view of the volatility of the general market conditions, those Independent Shareholders who intend to accept the Offer are strongly reminded to closely monitor the market price and the liquidity of the Shares during the Offer Period and should consider selling their Shares in the open market, instead of accepting the Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net proceeds receivable under the Offer after having regard to the market price and the liquidity of the Shares.

For those Independent Shareholders who maintain an optimistic view and are confident in the future prospects and Share price performance of the Group, given the background and future intention of the Joint Offerors as detailed in the “Letter from Lego Securities” contained in the Composite Document, they may consider to retain their Shares in full or in part. We would like to remind the Independent Shareholders that if they consider retaining their Shares or tendering less than all their Shares under the Offer, they should carefully consider the potential difficulties they may encounter in disposing of their investments in the Shares after the close of the Offer in view of the historical low liquidity of the Shares and there is no guarantee that the prevailing level of the Share price will sustain during and after the Offer Period.

We have not considered the tax and regulatory implications of the Independent Shareholders of their acceptances or non-acceptances of the Offer since these are particular to their own individual circumstances. In particular, the Independent Shareholders who are residents outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions with regard to the Offer and, if in doubt, should consult their own professional advisers.

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Lastly, as different Independent Shareholders would have different investment criteria, objectives and/or circumstances, we would recommend any Independent Shareholders who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
Opus Capital Limited
Koh Kwai Yim
Executive Director

Ms. Koh Kwai Yim is the Executive Director of Opus Capital and is licensed under the SFO as a Responsible Officer to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. Ms. Koh has over 17 years of corporate finance experience in Asia and has participated in and completed various financial advisory and independent financial advisory transactions.

* *For illustrative purpose only.*

1. PROCEDURES FOR ACCEPTANCE

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions forms part of the terms of the relevant Offer.

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong marked "KEE Holdings Company Limited — General Offer" on the envelope as soon as possible but in any event so as to reach the Registrar by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Joint Offerors may determine and announce in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, and with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar by no later than 4:00 p.m. on the Closing Date; or
 - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar by no later than 4:00 p.m. on the Closing Date; or
 - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by

HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Joint Offerors and/or Lego Securities and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms of the Offer, as if it was/they were delivered to the Registrar with Form of Acceptance.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed, signed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Shares, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given should be provided to the Registrar. The Joint Offerors shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Joint Offerors.

- (e) Acceptance of the Offer will be treated as valid only if the completed and signed Form of Acceptance is received by the Registrar by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Joint Offerors may determine and announce in accordance with the Takeovers Code and the Registrar has recorded that the Form of Acceptance and any relevant documents as required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if that/those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.

If the Form of Acceptance is executed by a person other than the registered Independent Shareholder, appropriate documentary evidence of authority (for example, grant of probate or certified of a power of attorney) to the satisfaction of the Registrar must be produced.

- (f) Seller's ad valorem stamp duty payable by the Shareholders who accept the Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Joint Offerors in respect of the relevant acceptances of the Offer, whichever is the higher, will be deducted from the amount payable by the Joint Offerors to the relevant Shareholders on the acceptance of the Offer. The Joint Offerors will arrange for payment of the seller's ad valorem stamp duty on behalf of the Shareholders who accept the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.
- (g) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares will be given.

2. SETTLEMENT UNDER THE OFFER

Provided that a valid Form of Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order and in all respects and have been received by the Registrar by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Joint Offerors may determine and announce in accordance with the Takeovers Code, a cheque for the amount representing the cash consideration due to each of the Independent Shareholders who accept the Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by it/him/her under the Offer will be despatched to such Independent Shareholder by ordinary post at its/his/her own risk as soon as possible but in any event within seven (7) Business Days after the date on which all the relevant documents which render such acceptance complete and valid are received by the Registrar in accordance with the Takeovers Code.

Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be implemented in full in accordance with its terms of the Offer (save with respect of the payment of the seller's ad valorem stamp duty in respect of the Offer) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Joint Offerors may otherwise be, or claim to be, entitled against such Independent Shareholder.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offer has previously been revised or extended with the consent of the Executive, to be valid, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date. The Offer is unconditional.
- (b) If the Offer is extended, the Joint Offerors will issue an announcement in relation to any extension of the Offer, which announcement will state either the next closing date or, a statement that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer before the Offer is closed. If, in the course of the Offer, the Joint Offerors revise the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. A revised Offer must be kept open for at least fourteen (14) days following the date on which the revised Offer document is posted.
- (c) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offer as so extended.

- (d) Any acceptance of the relevant revised Offer shall be irrevocable unless and until the Independent Shareholders who accept the Offer become entitled to withdraw their acceptance under the paragraph headed “6. Right of Withdrawal” below and duly do so.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

5. ANNOUNCEMENTS

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Joint Offerors must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision and extension of the Offer. The Joint Offerors must publish an announcement in accordance with the Takeovers Code on the Stock Exchange’s website by 7:00 p.m. on the Closing Date stating the results of the Offer and whether the Offer has been revised, extended or expired. The announcement will state the following:
- (i) the total number of Offer Shares for which acceptances of the Offer have been received;
 - (ii) the total number of Shares held, controlled or directed by the Joint Offerors and parties acting in concert with each of them before the Offer Period; and
 - (iii) the total number of Shares acquired or agreed to be acquired during the Offer Period by the Joint Offerors and parties acting in concert with each of them.

The announcement must also include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Joint Offerors or any person acting in concert with each of them has borrowed or lent (save for any borrowed Shares which have been either on lent or sold) and specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number of Shares represented by acceptances as of the Closing Date, only valid acceptances that are completed and in good order, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

- (c) As required under the Takeovers Code, all announcements in relation to the Offer which the Executive and the Stock Exchange have confirmed that they have no further comments, will be made in accordance with the requirements of the Takeovers Code and the Listing Rules, where appropriate.

6. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in paragraph (b) below.
- (b) If the Joint Offerors are unable to comply with the requirements set out in the paragraph headed “5. Announcements” above, the Executive may require that the Independent Shareholders who have tendered acceptances of the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met. In such case, if the Independent Shareholder(s) withdraw(s) the acceptance, the Joint Offerors shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Form of Acceptance to the Independent Shareholder(s).

7. OVERSEAS SHAREHOLDERS

The making of the Offer to the Overseas Shareholders may be affected by the laws of the relevant jurisdictions. The Overseas Shareholders should observe any applicable legal or regulatory requirements. The Overseas Shareholders should obtain appropriate legal advice regarding the implications of the Offer in the relevant jurisdictions with a view to observing any applicable legal or regulatory requirements. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including but not limited to the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or regulatory or legal requirements. The Overseas Shareholders will also be fully responsible for the payment of any transfer or other taxes and duties by the accepting Overseas Shareholders payable in respect of all relevant jurisdictions. Acceptance of the Offer by the Overseas Shareholders will constitute a representation and warranty by such person that the local laws and requirements have been complied with and such person is permitted under all applicable laws to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

8. TAX IMPLICATIONS

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance of the Offer. It is emphasised that none of the Joint Offerors and parties acting in concert with each of them, the

Company and its ultimate beneficial owners and parties acting in concert with any of them, Lego Securities, Lego Corporate Finance, the Independent Financial Adviser, the Registrar or any of their respective directors or professional advisers or any other parties involved in the Offer or any of their respective agents is in a position to advise the Independent Shareholders on their individual tax implications nor accepts responsibility for any taxation effects on, or liabilities of, any person or persons as a result of their acceptance of the Offer.

9. GENERAL

- (i) All communications, notices, Form of Acceptance, share certificates, transfer receipts, other documents of title and/or any satisfactory indemnity or indemnities required in respect thereof and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Joint Offerors, Lego Securities, Lego Corporate Finance, the Independent Financial Adviser and any of their respective agents nor the Registrar or other parties involved in the Offer accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (ii) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer.
- (iii) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (iv) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (v) Due execution of the Form of Acceptance will constitute an authority to the Joint Offerors, Lego Securities, or such person or persons as the Joint Offerors may direct, to complete and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Joint Offerors or such person or persons as it may direct the Shares in respect of which such person or persons has accepted the Offer.
- (vi) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror that the Shares are sold to the Offeror free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attached to them as at the Latest Practicable Date or subsequently becoming attached to them, including the right to the receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer are made, being the date of despatch of this Composite Document. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

- (vii) Reference to the Offer in this Composite Document and in the Form of Acceptance shall include any extension or revision thereof.
- (viii) In making their decision, the Independent Shareholders must rely on their own examination of the Joint Offerors, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Company, the Joint Offerors and parties acting in concert with each of them, Lego Securities, Lego Corporate Finance, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.
- (ix) Unless otherwise expressly stated in this Composite Document and/or the Form of Acceptance, no person other than the Joint Offerors and the accepting Independent Shareholders may enforce any terms of the Offer that will arise out of complete and valid acceptances under the Contracts (Rights of Third Parties) Ordinance, Chapter 623 of the Laws of Hong Kong.
- (x) The English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.

1. FINANCIAL INFORMATION

Set out below is a summary of (i) the audited consolidated financial results of the Group for the three years ended 31 December 2016, 2017 and 2018 as extracted from the audited consolidated financial statements of the Group as set forth in the annual reports of the Company for the three years ended 31 December 2016, 2017 and 2018; and (ii) the unaudited consolidated financial results of the Group for the six months ended 30 June 2019 as extracted from the unaudited condensed consolidated financial statements of the Group as set forth in the announcement of interim results of the Company for the six months ended 30 June 2019:

	For the six months ended 30 June 2019 HK\$'000	For the year ended 31 December 2018 HK\$'000	For the year ended 31 December 2017 HK\$'000	For the year ended 31 December 2016 HK\$'000 (restated) (Note)	For the year ended 31 December 2016 HK\$'000
Continuing operations					
Revenue	117,469	197,532	184,732	145,568	153,198
Cost of sales	<u>(78,512)</u>	<u>(133,613)</u>	<u>(127,028)</u>	<u>(103,497)</u>	<u>(111,490)</u>
Gross profit	38,957	63,919	57,704	42,071	41,708
Other revenue and gains/(losses), net	5,543	18,770	(10,592)	7,339	7,552
Distribution costs	(7,368)	(15,417)	(15,197)	(10,989)	(10,989)
Administrative expenses	(26,503)	(50,639)	(40,425)	(33,293)	(41,029)
Reversal/(impairment losses) of impairment losses on					
— trade receivables and bills receivable	192	(505)	177	(1,034)	(1,034)
— other receivable	—	(45,000)	—	—	—
Gain on disposal of a subsidiary	—	—	—	17,837	17,837
Gain on disposal of property, plant and equipment and leasehold land to related parties	—	—	—	17,609	17,609
Finance costs	<u>(2,009)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Profit/(loss) before taxation	8,812	(28,872)	(8,333)	39,540	31,654
Income tax	<u>(2,466)</u>	<u>(1,074)</u>	<u>(5,429)</u>	<u>(8,415)</u>	<u>(8,417)</u>
Profit/(loss) from continuing operations	6,346	(29,946)	(13,762)	31,125	23,237
Loss from discontinued operation	<u>—</u>	<u>—</u>	<u>(31,808)</u>	<u>(7,888)</u>	<u>—</u>
Profit/(loss) for the year	<u>6,346</u>	<u>(29,946)</u>	<u>(45,570)</u>	<u>23,237</u>	<u>23,237</u>
Attributable to:					
Equity shareholders of the Company	4,913	(33,177)	(45,127)	21,940	21,940
Non-controlling interests	<u>1,433</u>	<u>3,231</u>	<u>(443)</u>	<u>1,297</u>	<u>1,297</u>
Profit/(loss) for the year	<u>6,346</u>	<u>(29,946)</u>	<u>(45,570)</u>	<u>23,237</u>	<u>23,237</u>

	For the six months ended 30 June 2019 HK\$'000	For the year ended 31 December 2018 HK\$'000	For the year ended 31 December 2017 HK\$'000	For the year ended 31 December 2016 HK\$'000 (restated) (Note)	For the year ended 31 December 2016 HK\$'000
Profit/(loss) per share from continuing operations attributable to the equity shareholders of the Company (HK cents)					
Basic	1.1	(7.1)	(3.0)	6.9	5.1
Diluted	<u>1.1</u>	<u>(7.1)</u>	<u>(3.0)</u>	<u>6.9</u>	<u>5.0</u>
Profit/(loss) per share attributable to the equity shareholders of the Company (HK cents)					
Basic	1.1	(7.1)	(10.0)	5.1	5.1
Diluted	<u>1.1</u>	<u>(7.1)</u>	<u>(10.0)</u>	<u>5.0</u>	<u>5.0</u>
Other comprehensive income for the year					
Items that may be reclassified subsequently to profit or loss:					
— Exchange differences on translation of the financial statements of subsidiaries in the Mainland China	2,106	(19,023)	28,450	(21,778)	(29,924)
— Fair value gain on available-for-sales investment	—	—	3,480	—	—
— Other comprehensive income arising from discontinued operation	—	—	3,064	(8,146)	—
	<u>2,106</u>	<u>(19,023)</u>	<u>34,994</u>	<u>(29,924)</u>	<u>(29,924)</u>
Total comprehensive income for the year	<u>8,452</u>	<u>(48,969)</u>	<u>(10,576)</u>	<u>(6,687)</u>	<u>(6,687)</u>
Attributable to:					
Equity shareholders of the Company	6,655	(49,353)	(13,630)	(4,717)	(4,717)
Non-controlling interests	<u>1,797</u>	<u>384</u>	<u>3,054</u>	<u>(1,970)</u>	<u>(1,970)</u>
Total comprehensive income for the year	<u>8,452</u>	<u>(48,969)</u>	<u>(10,576)</u>	<u>(6,687)</u>	<u>(6,687)</u>

	For the six months ended 30 June 2019 HK\$'000	For the year ended 31 December 2018 HK\$'000	For the year ended 31 December 2017 HK\$'000	For the year ended 31 December 2016 HK\$'000 (restated) (Note)	For the year ended 31 December 2016 HK\$'000
Attributable to:					
Continuing operations	8,452	(48,969)	18,168	9,347	(6,687)
Discontinued operation	—	—	(28,744)	(16,034)	—
Total comprehensive income for the year	<u>8,452</u>	<u>(48,969)</u>	<u>(10,576)</u>	<u>(6,687)</u>	<u>(6,687)</u>
Dividends	—	—	—	—	—
Dividends per share (<i>HK cents</i>)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

Note: During the year 2017, the Group has decided to cease the real estate agency services and completed the disposal of this business on 24 August 2017. The financial information of this operating segment for year ended 31 December 2017 was presented as discontinued operation. The comparative amounts of the financial information of this operating segment in respect of the year ended 31 December 2016 were also restated to be presented as discontinued operation accordingly.

Save as disclosed above, there are no other items of any income or expense which are material.

The auditors of the Company for the year ended 31 December 2016 were KPMG and the auditor of the Company for the two years ended 31 December 2018 was BDO Limited. Their opinions on the consolidated financial statements of the Group for each of the three years ended 31 December 2018 were unqualified.

2. AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended 31 December 2018 are contained in the annual report of the Company for the year ended 31 December 2018 (the “2018 Annual Report”) (available from the hyperlink: <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0426/ltn20190426039.pdf>); which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.kee.com.cn>).

(a) Consolidated statement of financial position as at 31 December 2018

Please refer to pages 64 to 65 of the 2018 Annual Report.

(b) Consolidated statement of cash flows for the year ended 31 December 2018

Please refer to pages 67 to 68 of the 2018 Annual Report.

(c) Other consolidated financial statements for the year ended 31 December 2018

- (i) *Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018*

Please refer to pages 62 to 63 of the 2018 Annual Report.

- (ii) *Consolidated statement of changes in equity for the year ended 31 December 2018.*

Please refer to page 66 of the 2018 Annual Report.

(d) Significant accounting policies and notes to the audited consolidated financial statements for the three years ended 31 December 2016, 2017 and 2018 and the unaudited condensed consolidated financial statements for the six months ended 30 June 2019

- (i) *For the six months ended 30 June 2019*

Please refer to pages 6 to 16 of the announcement of interim results of the Company for the six months ended 30 June 2019 (available from the hyperlink: <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0823/ltn20190823691.pdf>).

- (ii) *For the year ended 31 December 2018*

Please refer to pages 69 to 135 of the 2018 Annual Report.

- (iii) *For the year ended 31 December 2017*

Please refer to pages 71 to 131 of the annual report of the Company for the year ended 31 December 2017 (available from the hyperlink: <https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0427/ltn20180427974.pdf>).

- (iv) *For the year ended 31 December 2016*

Please refer to pages 97 to 174 of the annual report of the Company for the year ended 31 December 2016 (available from the hyperlink: <https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0413/ltn20170413642.pdf>).

3. INDEBTEDNESS

As at the close of business on 30 June 2019 being the latest practicable date for the purpose of ascertaining information contained in this statement of indebtedness prior to the printing of this Composite Document, the details of the Group's indebtedness are as follows:

Borrowings

As at the close of business on 30 June 2019, the Group had amounts due to a fellow subsidiary, an intermediate holding company and immediate holding company of approximately HK\$152,000, approximately HK\$902,000 and approximately HK\$8,000 respectively. The amounts are unsecured, interest free and repayable on demand.

Commitments

As at the close of business on 30 June 2019, the Group had capital commitment of approximately HK\$3,392,000 in respect of acquisition of property, plant and equipment.

Pledge of assets

As at the close of business on 30 June 2019, the Group had no pledge of assets.

Lease liabilities

As at the close of business on 30 June 2019, the Group had lease liabilities of approximately HK\$62,844,000 measured in accordance with Hong Kong Financial Reporting Standard 16 “Leases” which are effective from 1 January 2019.

Saved as aforesaid, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not, at the close of business on 30 June 2019, have any outstanding loan capital, bank overdrafts, charges or debentures, mortgages, term loans, debt securities or any other similar indebtedness or any finance lease commitments, hire purchase commitments, liabilities under acceptance (other than normal trade bills), acceptable credits or any guarantees or other material contingent liabilities.

4. MATERIAL CHANGE

Save and except as disclosed below, there has been no material change in the financial and trading position or outlook of the Group since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date:

- (1) as announced by the Company on 21 June 2019, Grandcheer Limited (“**Grandcheer**”), being the purchaser of the entire equity interest (the “**Neo Ocean Share**”) in Neo Ocean Ventures Limited (“**Neo Ocean**”) (a then wholly-owned subsidiary of the Company) and the shareholders’ loan then owed by Neo Ocean to the Company (the “**Sale Loan**”), has not yet settled the balance of the consideration for the acquisition in the amount of HK\$45 million as at 21 June 2019. The Company has decided not to appoint receivers to enforce the security created over the Neo Ocean Share and the Sale Loan having considered the adverse business change of Neo Ocean and the costs for the appointment of receivers. The Company, has instead commenced legal proceedings in the Court of First Instance of the High Court of Hong Kong against Grandcheer for the sum of HK\$45 million together with interest and costs;
- (2) as disclosed in the interim results of the Company for the six months ended 30 June 2019, the Group recorded a profit after tax for the six months ended 30 June 2019 amounting to approximately HK\$6.3 million;

- (3) the net position of the trade debtors and bills receivable had increased to approximately HK\$78.6 million as at 30 June 2019 from approximately HK\$40.9 million as at 31 December 2018, which was mainly attributable to increase in sales of finished zippers, which mainly occurred at the end of the second quarter of 2019 as compared to the last quarter of 2018, as the demand of finished zippers in the China market was generally at its peak due to seasonality that normally occurred in the second quarter of the year;
- (4) the cash and cash equivalent had decreased to approximately HK\$44.3 million as at 30 June 2019 from approximately HK\$78.6 million as at 31 December 2018, which was mainly attributable to a combined effect of increase in trade and bills receivables as at 30 June 2019 as aforementioned. The trade and bills receivables are in general due within 30–90 days from the date of billing. The cash and cash equivalent subsequently increased to approximately HK\$87.0 million as at the Latest Practicable Date as a result of the proceeds received amounting to HK\$55.0 million in August 2019, arising from a partial redemption made by the Company of its share in the Fullgoal Strategic Growth Fund Segregated Portfolio; and
- (5) the non-current liabilities had increased to approximately HK\$47.4 million as at 30 June 2019 from approximately HK\$1.1 million as at 31 December 2018, which was mainly attributable to the lease liabilities recorded in response to the new accounting standard leases (Hong Kong Financial Reporting Standards 16) relating to recognition of lease assets or liabilities, which was effective for reporting periods beginning on or after 1 January 2019.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Joint Offerors and parties acting in concert with each of them), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the directors of each of the Joint Offerors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at 31 December 2018 (being the end of the last financial year of the Company) and the Latest Practicable Date were as follows:

<i>Authorised share capital:</i>	<i>HK\$</i>
<u>2,000,000,000</u> Ordinary Shares	<u>20,000,000</u>
<i>Issued and fully paid share capital:</i>	
<u>464,804,000</u> Ordinary Shares	<u>4,648,040</u>

Since 31 December 2018 (being the date to which the Company's latest published audited accounts were prepared) and up to the Latest Practicable Date, no new Shares had been issued by the Company.

All of the Shares currently in issue are fully paid up and rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting and capital.

The Company did not have any outstanding options, derivatives, warrants or other convertible securities or rights affecting the Shares as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS

(a) Directors and chief executive's interests and short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations

As at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had any interests or short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which, pursuant to Section 352 of the SFO, have been entered in the register referred to

therein, or have been, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules, notified to the Company and the Stock Exchange and as required to be disclosed under the Takeovers Code.

(b) Substantial shareholders' and other persons' interests and short positions in the Shares and underlying Shares of the Company

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of the Company:

Name of Shareholder	Nature of Interest	Number of Shares (Note 1)	Appropriate percentage or attributable percentage of shareholding (%)
China Sun (Note 2)	Beneficial owner	134,072,019 (L)	28.84
Mr. Qiu (Note 2)	Interest of controlled corporation	134,072,019 (L)	28.84
Central Eagle (Note 3)	Beneficial owner	124,304,440 (L)	26.74
Mr. Zhuang (Note 3)	Interest of controlled corporation	124,304,440 (L)	26.74
Golden Diamond (Note 4)	Beneficial owner	67,713,141 (L)	14.57
Ms. Lin (Note 4)	Interest of controlled corporation	67,713,141 (L)	14.57
Noble Wisdom (Note 5)	Security interest	326,089,600 (L)	70.16
Huarong Overseas Investment Holdings Co., Ltd (" Huarong Overseas ") (Note 6)	Interest of controlled corporation	326,089,600 (L)	70.16
華融華僑資產管理股份有限公司 Huarong Overseas Chinese Assets Management Corporation Limited* (" Huarong Overseas Chinese ") (Note 7)	Interest of controlled corporation	326,089,600 (L)	70.16

Name of Shareholder	Nature of Interest	Number of Shares (Note 1)	Appropriate percentage or attributable percentage of shareholding (%)
華融致遠投資管理有限責任公司 Huarong Zhiyuan Investment Management Company Limited* (“ Huarong Zhiyuan ”) (Note 8)	Interest of controlled corporation	326,089,600 (L)	70.16
China Huarong Asset Management Co., Ltd (“ China Huarong Asset Management ”) (Note 9)	Interest of controlled corporation	326,089,600 (L)	70.16
Ministry of Finance of People’s Republic of China (Note 9)	Interest of controlled corporation	326,089,600 (L)	70.16
廣東錦峰集團有限公司 Guangdong Jinfeng Group Company Limited* (“ Guangdong Jinfeng ”) (Note 10)	Interest of controlled corporation	326,089,600 (L)	70.16
Hong Kong Kam Fung Group Company Limited (“ Hong Kong Kam Fung ”) (Note 11)	Interest of controlled corporation	326,089,600 (L)	70.16
Sun Siu Kit (Note 11)	Interest of controlled corporation	326,089,600 (L)	70.16
Farco Holdings Limited (Note 12)	Beneficial owner	39,130,000 (L)	8.42
Ms. Qi Wei (Note 12)	Interest of controlled corporation	39,130,000 (L)	8.42
CM SPC (Note 13)	Beneficial owner	30,000,000 (L)	6.45
CM Capital Management (Cayman) Limited (Note 13)	Interest of controlled corporation	30,000,000 (L)	6.45
CM Asset Management Holdings Limited (Note 13)	Interest of controlled corporation	30,000,000 (L)	6.45
China Minsheng Financial Holding Corporation Limited (Note 13)	Interest of controlled corporation	30,000,000 (L)	6.45

Name of Shareholder	Nature of Interest	Number of Shares (Note 1)	Appropriate percentage or attributable percentage of shareholding (%)
CMI Financial Holding Company Limited (Note 13)	Interest of controlled corporation	30,000,000 (L)	6.45
Minsheng (Shanghai) Assets Management Company Limited (Note 13)	Interest of controlled corporation	30,000,000 (L)	6.45
China Minsheng Investment Corporation Limited (Note 13)	Interest of controlled corporation	30,000,000 (L)	6.45

Notes:

- The letters “L” and “S” denote a long position and a short position respectively in the Shares.
- China Sun is wholly owned by Mr. Qiu.
- Central Eagle is owned as to 90% by Mr. Zhuang and 10% by Mr. Wu.
- Golden Diamond is owned as to 60% by Ms. Lin, 25% by Mr. Mak and 15% by Ms. Pan.
- Noble Wisdom is the lender to the Joint Offerors under the NW Facility Agreement and the chargee under NW Share Charge. Noble Wisdom is also a warrantor under the SPA, and as such it is presumed to be a party acting in concert with the Joint Offerors. Noble Wisdom is wholly owned by Huarong Overseas.
- Huarong Overseas is wholly owned by Huarong Overseas Chinese.
- Huarong Overseas Chinese is 51%-owned by Huarong Zhiyuan and 40%-owned by Guangdong Jinfeng.
- Huarong Zhiyuan is wholly owned by China Huarong Asset Management.
- China Huarong Asset Management is 67.76%-owned by the Ministry of Finance of People’s Republic of China.
- Guangdong Jinfeng is wholly owned by Hong Kong Kam Fung.
- Hong Kong Kam Fung is 99%-owned by Sun Siu Kit.
- Farco Holdings Limited is wholly owned by Ms. Qi Wei.
- CM SPC is wholly owned by CM Capital Management (Cayman) Limited, which is in turn wholly owned by CM Asset Management Holdings Limited. CM Asset Management Holdings Limited is wholly owned by China Minsheng Financial Holding Corporation Limited, which is

owned as to 49.84% by CMI Financial Holding Company Limited. CMI Financial Holding Company Limited is wholly owned by Minsheng (Shanghai) Assets Management Company Limited, which is wholly owned by China Minsheng Investment Corporation Limited.

Save as disclosed above, as at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and, so far as is known to the Directors, the Directors were not aware of any other persons (not being a Director or chief executive of the Company) had interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of the Company.

4. SHAREHOLDINGS AND DEALINGS IN THE JOINT OFFERORS

As at the Latest Practicable Date, none of the Company nor any of its Directors have any interest in the relevant securities (as defined in note 4 to Rule 22 of the Takeovers Code) (the “**Relevant Securities**”) of each of the Joint Offerors, and no such person (including the Company) had dealt in the Relevant Securities of each of the Joint Offerors during the Relevant Period.

5. SHAREHOLDINGS AND DEALINGS IN SECURITIES OF THE COMPANY

None of the Directors held any shares, convertible securities, warrants, options or other derivatives of the Company, and none of the Directors have dealt for value in any Share or any convertible securities, warrants, option or derivatives issued by the Company during the Relevant Period.

As at the Latest Practicable Date,

- (a) no Share or any convertible securities, warrants, option or derivatives issued by the Company was owned or controlled by a subsidiary of the Company or by a pension fund (if any) of any member of the Group or by a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code or by the Independent Financial Adviser or any of its associates (as defined in the Takeovers Code), and no such person had dealt for value in the Shares or any convertible securities, warrants, options or derivatives issued by the Company during the Relevant Period;
- (b) no Shares or any convertible securities, warrants, option or derivatives issued by the Company was managed on a discretionary basis by fund managers connected with the Company, and no such person had dealt for value in the Shares or any convertible securities, warrants, options or derivatives issued by the Company during the Relevant Period;

- (c) no person has an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code, and no such person had dealt for value in the Shares or any convertible securities, warrants, options or derivatives issued by the Company during the Relevant Period;
- (d) none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer; and
- (e) none of the Company or any of its Directors has borrowed or lent any Shares or other securities of the Company carrying voting rights or convertible securities, warrants, options or derivatives issued by the Company.

6. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

As at the Latest Practicable Date,

- (a) no benefit (other than statutory compensation) had been or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (b) there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer; and
- (c) each of the Joint Offerors had not entered into any material contract in which any Director has a material personal interest.

7. SERVICE CONTRACTS OF DIRECTORS

The Company has entered into employment contracts, service agreement and letters of appointment with its executive Director and independent non-executive Directors respectively, details of which are set out below:

	Position	Form of contract	Date of the service agreement/letter of appointment	Expiry date of the service agreement/letter of appointment	Fixed annual remuneration (HK\$)
Mr. Wu David Hang	Executive Director and chief executive officer	Employment Contract	20 December 2016	No expiry date	1,872,000
Mr. Yau Chi Chiu	Executive Director, chief financial officer and company secretary	Employment contract and service agreement	12 April 2018	11 April 2021	1,950,000
Mr. Yau Pak Yue	Independent non-executive Director	Letter of appointment	28 July 2017	27 July 2020	144,000
Mr. Lu Nim Joel	Independent non-executive Director	Letter of appointment	4 August 2017	3 August 2020	144,000
Mr. Leung Ka Tin	Independent non-executive Director	Letter of appointment	17 February 2017	16 February 2020	144,000

Note: There are no variable remuneration payable under each of the employment contracts, the service agreement and the letters of appointment as mentioned above.

Mr. Wu David Hang's employment contract may be terminated by giving one month's notice in writing or payment of one month's salary in lieu of notice by the Company or Mr. Wu David Hang to the other party.

Mr. Yau Chi Chiu's service agreement for his directorship may be terminated by serving not less than two months' notice in writing by the Company or Mr. Yau Chi Chiu to the other party. His employment contract for his positions as chief financial officer and company secretary may be terminated by giving one month's notice in writing or payment of two month's salary in lieu of notice by the Company or Mr. Yau Chi Chiu to the other party.

Each of the letters of appointment above may be terminated at any time by serving at least three months' notice in writing either by the Company or the relevant Director to the other party.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries or associated companies which:

- (i) (including both continuous and fixed term contracts) has been entered into or amended within six months before the commencement of the Offer Period;

- (ii) is continuous contract with a notice period of 12 months or more; and
- (iii) is a fixed term contract with more than 12 months to run irrespective of the notice period.

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 commencement of the Offer Period and up to the Latest Practicable Date which are or may be material:

- (a) the subscription agreement entered into between the Company and Fullgoal China Access RQFII Fund SPC (“**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 Fullgoal Strategic Growth Fund Segregated Portfolio, a segregated portfolio created by Fullgoal SPC (the “**Segregated Portfolio**”), at a total consideration of HK\$55,000,000;
- (b) the conditional sale and purchase agreement dated 18 July 2017 and entered into between the Company as vendor and Grandcheer as purchaser (the “**Neo Ocean SPA**”) in relation to the disposal (the “**Neo Ocean Disposal**”) of the entire issued share capital of Neo Ocean and the shareholder’s loan owed by Neo Ocean to the Company at completion at the aggregate consideration of HK\$100,000,000;
- (c) 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;
- (d) the tenancy agreement dated 24 August 2018 and entered into between 開易(荊門)服裝配件有限公司 (KEE (Jingmen) Clothing Accessories Limited*) and 開易(廣東)服裝配件有限公司 (KEE (Guangdong) Clothing Accessories Limited*) (“**KEE Guangdong**”), an indirect 85%-owned subsidiary of the Company in relation to the lease of the buildings on the land located at 中國荊門市龍井大道以東、福耀二路以北土地 (east of Longjing Avenue, Jingmen and north of Fuyao 2nd Road, the PRC*) for a term of three years commencing from 1 September 2018 at a monthly rent of RMB400,000; and
- (e) the lease renewal agreement dated 31 December 2018 and entered into between Mr. Xu Xipeng and Mr. Xu Xinan as lessors and KEE Guangdong as lessee to renew the lease agreement for the production base in Foshan City of Guangdong Province of KEE Guangdong for a further term of two years from 1 January 2019 to 31 December 2020 at a monthly rent of RMB360,000.

9. LITIGATION

The Company as vendor and Grandcheer as purchaser entered into the Neo Ocean SPA in relation to the Neo Ocean Disposal. The balance of the consideration in the amount of HK\$50,000,000 (the “**Balance**”) shall be paid by Grandcheer to the Company within one year from the date of completion, i.e. 23 August 2018. Grandcheer paid part of the Balance in the amount of HK\$5,000,000 in December 2018 but failed to pay the remaining amount of the Balance (i.e. HK\$45,000,000) to the Company as at the Latest Practicable Date. As such, on 21 June 2019, the Company commenced legal proceedings in the Court of First Instance of the High Court of Hong Kong against Grandcheer for the sum of HK\$45,000,000 together with interest and costs.

As at the Latest Practicable Date, save as disclosed above, 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.

10. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert whose letter, opinion or advice is contained or referred to in this Composite Document:

Name	Qualification
Opus Capital	a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Opus Capital has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its letter and references to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, Opus Capital did not have any interests, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, Opus Capital did not have any shareholding in the Company or any of its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

11. MISCELLANEOUS

- (a) The registered office of the Company is at 4th Floor, Harbour Place 103 South Church Street P.O. Box 10240 Grand Cayman KY1-1002 Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is at Suite 510, Chater House, 8 Connaught Road Central, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this Composite Offer Document shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) at the principal office of the Company at Suite 510, Chater House, 8 Connaught Road Central, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. (on any weekdays, except public holidays); (ii) on the website of the SFC (<http://www.sfc.hk>); and (iii) on the website of the Company (<http://www.kee.com.cn>) from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the three years ended 31 December 2016, 2017 and 2018;
- (c) the letter from the Board, the text of which is set out on pages 20 to 26 of this Composite Document;
- (d) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 27 to 28 of this Composite Document;
- (e) the letter from the Independent Financial Adviser to the Independent Board Committee, the text of which is set out on pages 29 to 55 of this Composite Document;
- (f) the employment contracts, service agreement and letters of appointment, referred to under the paragraph headed "7. Service Contracts of Directors" in this Appendix III;
- (g) the written consent referred to under the paragraph headed "10. Qualification and consent of expert" in this Appendix III; and
- (h) the material contracts referred to under the paragraph headed "8. Material contracts" in this Appendix III.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of giving information with regard to the Offer, the Joint Offerors and the Group.

The respective directors of the Joint Offerors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Group and Glory Emperor), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than that expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

2. MARKET PRICES

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date:	Closing price per Share HK\$
31 January 2019	0.60
28 February 2019	0.62
29 March 2019	0.69
30 April 2019	1.33
31 May 2019	1.23
28 June 2019 (being the Last Trading Date) (<i>Note</i>)	1.35
31 July 2019	1.68
27 August 2019 (being the Latest Practicable Date)	1.67

Note:

Trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 2 July 2019 to 10 July 2019 pending the release of the Joint Announcement.

During the Relevant Period, the highest closing price of the Shares quoted on the Stock Exchange was HK\$1.68 per Share on 16 July 2019, 29 July 2019, 31 July 2019, 2 August 2019, 7 August 2019 and 9 August 2019 and the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.58 per Share on 14 February 2019 and 15 February 2019.

3. DISCLOSURE OF INTERESTS IN SHARES

As at the Latest Practicable Date, details of interests in the Shares, underlying Shares, debentures or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company held or controlled by the Joint Offerors and parties acting in concert with each of them were as follows:

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of interest in the Company's share capital
China Sun (<i>Note 1</i>)	Beneficial owner	134,072,019	28.84%
Mr. Qiu	Interest of controlled corporated	134,072,019	28.84%
Central Eagle (<i>Note 2</i>)	Beneficial owner	124,304,440	26.74%
Mr. Zhuang	Interest of controlled corporated	124,304,440	26.74%
Golden Diamond (<i>Note 3</i>)	Beneficial owner	67,713,141	14.57%
Ms. Lin	Interest of controlled corporated	67,713,141	14.57%
Noble Wisdom (<i>Note 4</i>)	Security interest	326,089,600	70.16%

Notes:

- (1) China Sun is wholly-owned by Mr. Qiu, who is deemed to be interested in 134,072,019 Shares held by China Sun under the SFO.
- (2) Central Eagle is owned as to 90% and 10% by Mr. Zhuang and Mr. Wu, respectively.
- (3) Golden Diamond is owned as to 60%, 25% and 15% by Ms. Lin, Mr. Mak and Ms. Pan, respectively.
- (4) Noble Wisdom is the lender to the Joint Offerors under the NW Facility Agreement and the chargee under the NW Share Change. Noble Wisdom is also a warrantor under the SPA, as such is presumed as a party acting in concert with the Joint Offerors.

Save as disclosed above, (i) as at the Latest Practicable Date, none of the Joint Offerors and parties acting in concert with each of them owned or controlled any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and (ii) none of the Joint Offerors, Noble Wisdom and parties acting in concert with each of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.

4. DEALING AND INTERESTS IN THE COMPANY'S SECURITIES AND OTHER ARRANGEMENTS

As at the Latest Practicable Date:

- (a) save for the Sale Shares held by the Joint Offerors, none of the Joint Offerors and parties acting in concert with each of them holds, owns or has control or direction over any voting rights or rights over any Shares, convertible securities, warrants, options or derivatives of the Company and nor did they hold, own or have control over any voting rights or rights over any Shares, convertible securities, warrants, options or derivatives of the Company during the Relevant Period;
- (b) there is no outstanding derivative in respect of securities in the Company which is owned, controlled or directed by, or has been entered into by the Joint Offerors, their ultimate beneficial owners and/or any person acting in concert with any of them;
- (c) none of the Joint Offerors and parties acting in concert with each of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (d) save for the NW Facility granted by Noble Wisdom and the NW Share Charges, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Joint Offerors or the Shares which might be material to the Offer;
- (e) there are no conditions to which the Offer is subject;
- (f) there is no agreement or arrangement to which the Joint Offerors and/or parties acting in concert with them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (g) none of the Joint Offerors and/or parties acting in concert with each of them has received any irrevocable commitment(s) to accept or reject the Offer;
- (h) save for the SPA, there is no understanding, arrangement or agreement between the Joint Offerors and parties acting in concert with each of them on one hand and Glory Emperor and parties acting in concert with it or any other Shareholders on the other hand as regard to the Sale Shares;
- (i) there is no understanding, arrangement or agreement which would constitute a special deal under Rule 25 of the Takeovers Code between the Joint Offerors and parties acting in concert with each of them on the one hand and Glory Emperor and parties acting in concert with it or any other Shareholders on the other hand;
- (j) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder and (2)(a) the Joint Offerors and parties acting in concert with each of them or (b) the Company, its subsidiaries or associated companies;

- (k) save for (a) the total consideration for the Sale Shares; (b) the interest payable by the Joint Offerors (as borrowers) to Noble Wisdom (as lender) pursuant to the NW Facility Agreement; and (c) the interest payable by the Joint Offerors (as borrowers) to Huarong Overseas (as lender) pursuant to the Offer Facility Agreement, no other consideration, compensation or benefit in whatever form is paid or to be paid by the Joint Offerors or any parties acting in concert with each of them to any of (i) Glory Emperor; and/or (ii) the Noble Wisdom Concert Group; and/or (iii) the Huarong Overseas Concert Group in connection with the sale and purchase of the Sale Shares;
- (l) no Shares, options, derivatives, warrants or other securities convertible into Shares was managed on a discretionary basis by any fund managers connected with the Joint Offerors or any persons acting in concert with each of them, and no such person had dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the Relevant Period;
- (m) there was no arrangement whereby benefit (other than statutory compensation) was or will be given to any Directors as compensation for loss of office or otherwise in connection with the Offer;
- (n) save for the NW Facility granted by Noble Wisdom and the NW Share Charge, there was no arrangement of the kind referred to in the third paragraph to Note 8 to Rule 22 of the Takeovers Code which exists between the Joint Offerors or any persons acting in concert with them, and any other person; and
- (o) there was no agreement, arrangement or understanding (including any compensation arrangement) exist between the Joint Offerors or any persons acting in concert with each of them and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or was dependent upon the Offer.

Save for the Sale Shares under the SPA and Shares dealt under the NW Share Charge and the GE Share Charge, none of the Joint Offerors or parties acting in concert with each of them has dealt for value nor owned any Share or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.

5. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinions or advice which is contained or referred to in this Composite Document:

Name	Qualification
Lego Corporate Finance Limited	a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Lego Securities Limited	a corporation licensed by the SFC to carry out Type 1 (dealing in securities) regulated activity under the SFO

Each of the above experts has given and has not withdrawn their written consents to the issue of this Composite Document with the inclusion of the text of its letter or report and/or references to its name in the form and context in which they are respectively included.

6. MISCELLANEOUS

As at the Latest Practicable Date:

- (a) the principal members of the Joint Offeror's concert group are the Joint Offerors, Noble Wisdom and Huarong Overseas;
- (b) the registered office of China Sun is at Mandar House, 3rd Floor, Johnson's Ghut, Tortola, British Virgin Islands;
- (c) the registered office of Central Eagle is at Mandar House, 3rd Floor, Johnson's Ghut, Tortola, British Virgin Islands;
- (d) the registered office of Golden Diamond is at Mandar House, 3rd Floor, Johnson's Ghut, Tortola, British Virgin Islands;
- (e) the registered office of Noble Wisdom is at Craigmuir Chambers, Road Town, Tortola, VG1110, British Virgin Islands;
- (f) the registered office of Huarong Overseas is at 27/F, AIA Central, 1 Connaught Road Central, Hong Kong;
- (g) the registered address of Lego Securities is at Room 301, 3/F, China Building, 29 Queen's Road Central, Hong Kong;
- (h) the registered address of Lego Corporate Finance is at Room 1601, 16/F, China Building, 29 Queen's Road Central, Hong Kong;
- (i) the sole director of China Sun is Mr. Qiu;
- (j) the directors of Central Eagle are Mr. Zhuang and Mr. Wu;
- (k) the directors of Golden Diamond are Ms. Lin, Mr. Mak and Ms. Pan;
- (l) China Sun is a company incorporated in the British Virgin Islands with limited liability on 12 October 2018;
- (m) Central Eagle is a company incorporated in the British Virgin Islands with limited liability on 12 October 2018;
- (n) Golden Diamond is a company incorporated in the British Virgin Islands with limited liability on 8 March 2019; and

- (o) the English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) at the principal office of the Company at Suite 510, Chater House, 8 Connaught Road Central, Hong Kong during normal business hours from 9:30 a.m. to 5:30 p.m. (on any weekdays, except public holidays); (ii) on the website of the SFC (<http://www.sfc.hk>); and (iii) on the website of the Company (<http://www.kee.com.cn>) from the date of this Composite Document up to and including the Closing Date:

- (a) this Composite Document;
- (b) the memorandum and articles of association of each of the Joint Offerors;
- (c) the letter from Lego Securities, the text of which is set out on pages 8 to 19 of this Composite Document;
- (d) the NW Facility Agreement;
- (e) the NW PRC Share Charges;
- (f) the NW Share Charges;
- (g) the Offer Facility Agreement; and
- (h) the written consents referred to under the paragraph headed “5. Experts and Consents” in this Appendix IV.