KEE Holdings Company Limited
開易控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2011)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

GROUP FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2013	2012	**Increase** %
Key financial performance			
Turnover *(HK$ million)*	**160.84**	157.37	**2.2**
Gross profit *(HK$ million)*	**48.91**	43.62	**12.1**
Profit from operations *(HK$ million)*	**4.98**	3.69	**35.0**
Profit attributable to Shareholders *(HK$ million)*	**3.06**	1.06	**188.7**
Basic and diluted earnings per Share *(HK$)*	**0.007**	0.003	**133.3**
Total dividends per Share *(HK cents)*	**2**	2	
Profitability ratios			
Gross profit margin	**30.4%**	27.7%	
Operating profit margin	**3.1%**	2.3%	
Margin of profit attributable to Shareholders	**1.9%**	0.7%	
Return on equity	**1.0%**	0.3%	

DIVIDEND

The Board recommends the payment of a final dividend of HK2 cents per Share (2012: HK2 cents) in respect of the year 2013 to the Shareholders.

Upon approval at the annual general meeting on Friday, 23 May 2014, the proposed final dividend will be paid on or about Monday, 16 June 2014 to Shareholders whose names appear on the register of members of the Company on Tuesday, 3 June 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 December 2013
(Expressed in Hong Kong dollars)

	Note	**2013** **$'000**	2012 $'000
Turnover	2	**160,841**	157,373
Cost of sales		**(111,927)**	(113,755)
Gross profit		**48,914**	43,618
Other revenue	3	**2,804**	3,629
Other net losses		**(1,278)**	(1,600)
Distribution costs		**(16,921)**	(13,630)
Administrative expenses		**(28,542)**	(28,330)
Profit before taxation	4	**4,977**	3,687
Income tax	5	**(2,064)**	(2,859)
Profit for the year		**2,913**	828
Attributable to:			
Equity shareholders of the Company		**3,061**	1,055
Non-controlling interests		**(148)**	(227)
Profit for the year		**2,913**	828
Basic and diluted earnings per share ($)	6	**0.007**	0.003

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2013
(Expressed in Hong Kong dollars)

	Note	**2013** **$'000**	2012 $'000
Profit for the year		**2,913**	828
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		**10,001**	59
Total comprehensive income for the year		**12,914**	887
Attributable to:			
Equity shareholders of the Company		**12,503**	1,020
Non-controlling interests		**411**	(133)
Total comprehensive income for the year		**12,914**	887

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2013

(Expressed in Hong Kong dollars)

	Note	**2013**	2012
		$'000	*$'000*
Non-current assets			
Fixed assets			
– Property, plant and equipment		**189,179**	122,651
– Lease prepayments		**33,878**	33,543
		223,057	156,194
Intangible assets		**6,018**	6,668
Prepayments for fixed assets		**6,319**	212
Deferred tax assets		**2,105**	2,015
		237,499	165,089
Current assets			
Inventories	*8*	**17,101**	16,464
Trade and other receivables	*9*	**40,036**	48,169
Current tax recoverable		**204**	1,354
Deposits with banks		**14,213**	42,320
Cash and cash equivalents		**81,666**	79,383
		153,220	187,690
Current liabilities			
Trade and other payables	*10*	**53,996**	33,494
Current tax payable		**78**	2,494
		54,074	35,988
Net current assets		**99,146**	151,702
Total assets less current liabilities		**336,645**	316,791

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2013

(Expressed in Hong Kong dollars)

	Note	**2013**	2012
		$'000	*$'000*
Non-current liabilities			
Deferred tax liabilities		**398**	1,111
Net assets		**336,247**	315,680
Capital and reserves	*11*		
Share capital		**4,150**	4,150
Reserves		**307,262**	299,636
Total equity attributable to equity shareholders of the Company		**311,412**	303,786
Non-controlling interests		**24,835**	11,894
Total equity		**336,247**	315,680

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("The Hong Kong Stock Exchange"). A summary of the significant accounting policies adopted by the Group is set out below.

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

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2013 comprise KEE Holdings Company Limited ("the Company") and its subsidiaries (together referred to as "the Group").

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

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

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

(c) Changes in accounting policies

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

- Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*

- HKFRS 10, *Consolidated financial statements*

- HKFRS 12, *Disclosure of interests in other entities*

- Amendments to HKFRS 7, *Disclosures – Offsetting financial assets and financial liabilities*

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

The developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The amendments to HKAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly.

In addition, the Group has chosen to use the new titles "statement of profit or loss" and "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12 *Consolidation – Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

HKFRS 12, Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. To the extent that the disclosure requirements are applicable to the Group, the Group has provided those disclosures in the annual report of 2013.

(c) Changes in accounting policies (continued)

Amendments to HKFRS 7 – Disclosures – Offsetting financial assets and financial liabilities

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32, *Financial instruments: Presentation* and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The adoption of the amendments does not have an impact on these financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of HKFRS 7 during the periods presented.

2 TURNOVER

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

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

	2013	2012
	$'000	*$'000*
Metal zippers	**66,753**	73,738
Nylon zippers	**54,443**	49,103
Plastic zippers	**22,041**	21,064
Sliders	**6,787**	7,073
Flat knit ribs	**6,389**	1,414
Premium items and others	**4,428**	4,981
	160,841	157,373

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

3 OTHER REVENUE

	2013	2012
	$'000	*$'000*
Government grants	**425**	707
Interest income	**2,379**	2,922
	2,804	3,629

During 2013, the Group was awarded unconditional government grants of HK$425,000 (2012: HK$707,000) as recognition of the Group's contribution to the development of the local economy.

4 PROFIT BEFORE TAXATION

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

(a) Staff costs*

	2013	2012
	$'000	*$'000*
Salaries, wages and other benefits	**49,920**	50,794
Contributions to defined contribution retirement plans	**5,248**	3,978
Equity-settled share-based payment expenses	**3,423**	875
	58,591	55,647

(b) Other items

	2013	2012
	$'000	*$'000*
Depreciation and amortisation*		
– lease prepayments	**705**	339
– property, plant and equipment	**13,779**	12,620
– intangible assets	**846**	830
	15,330	13,789
Auditors' remuneration		
– audit services	**1,111**	1,057
– tax services	**64**	28
– other services	**352**	639
	1,527	1,724
Impairment losses charged/(written back) on trade and other receivables	**37**	(151)
Operating lease charges: minimum lease payments		
– hire of plant and machinery*	**4,647**	4,426
– hire of other assets (including property rentals)	**1,156**	455
	5,803	4,881
Net foreign exchange loss	**447**	186
Net loss on disposal of fixed assets	**1,019**	686
Interest income	**(2,379)**	(2,922)
Research and development expenses on new products	**2,220**	1,638
Cost of inventories*	**111,927**	113,755

* Cost of inventories includes HK$52,379,000 (2012: HK$47,464,000) relating to staff costs, depreciation and amortisation expenses and operating lease charges, which amounts are also included in the respective total amounts disclosed separately above or in note 4(a) for each of these types of expenses.

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	2013	2012
	$'000	*$'000*
Current tax – PRC corporate income tax		
Provision for the year	**3,350**	1,465
Over-provision in respect of prior years	**(1,278)**	–
	2,072	1,465
Current tax – Hong Kong Profits Tax		
Provision for the year	**795**	764
Deferred tax		
Origination and reversal of temporary differences	**(803)**	887
Effect on deferred tax balances resulting from change in tax rate	**–**	(257)
	(803)	630
	2,064	2,859

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

	2013	2012
	$'000	*$'000*
Profit before taxation	**4,977**	3,687
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdiction concerned (note i)	**2,683**	1,059
Effect of non-deductible expenses	**543**	1,352
Effect of non-taxable income	**–**	(4)
Effect of unused tax losses not recognised	**76**	498
Effect of tax concessions (note ii)	**(221)**	(962)
Effect on deferred tax balances at 1 January resulting from a change in tax rate	**–**	(257)
PRC dividend withholding tax (note iii)	**93**	1,111
Over-provision in prior years	**(1,278)**	–
Others	**168**	62
Actual tax expense	**2,064**	2,859

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

KEE Zippers Corporation Limited ("KEE Zippers") is subject to Hong Kong Profits Tax at 16.5% in 2013 and 2012. The payments of dividends by Hong Kong companies are not subject to any Hong Kong withholding tax.

The PRC statutory income tax rate applicable to the Company's subsidiaries is 25% in 2013 and 2012.

(ii) KEE (Zhejiang) Garment Accessories Limited ("KEE Zhejiang") was entitled to a preferential tax rate of 12.5% in 2012. As the policy expired, its applicable tax rate has resumed to 25% since 2013.

KEE (Guangdong) Garment Accessories Limited ("KEE Guangdong") was qualified as a High and New Technology Enterprise ("HNTE") in 2010, which entitled to enjoy a preferential income tax rate of 15% from the year 2010 to 2012 according to relevant regulations in the PRC Corporate Income Tax Law. KEE Guangdong submitted the application to renew its HNTE qualification on 27 August 2013. The formal approval of related application was yet to be obtained from the related authorities as at 31 December 2013. The management considers that the preferential treatment can be successfully renewed and KEE Guangdong will continue to enjoy a preferential income tax rate of 15% for another three years starting from the financial year commenced on 1 January 2013.

(iii) Pursuant to the Corporate Income Tax Law of the PRC and its relevant regulations, PRC-resident enterprises are levied withholding income tax at 10% on dividends to their non-PRC-resident corporate investors for earnings accumulated beginning on 1 January 2008. Undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. Under the Sino-Hong Kong Double Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident which is the "beneficial owner" and holds 25% or more of the equity interest of a PRC-resident enterprise is entitled to a reduced withholding tax rate of 5%. As at 31 December 2013, deferred tax liability recognised in this regard was HK$398,000 (2012: HK$1,111,000).

6 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$3,061,000 (2012: HK$1,055,000) and the weighted average of 415,000,000 ordinary shares (2012: 415,000,000) in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK$3,061,000 (2012: HK$1,055,000) and the weighted average number of ordinary shares of 415,000,000 shares (2012: 415,023,000).

As at 31 December 2012, the weighted average number of ordinary shares of 415,023,000 shares was resulted from dilution of 23,000 shares under the effect of deemed issue of shares under the Company's share option scheme during 2012. The effect of the Company's share options was anti-dilutive for the year ended 31 December 2013.

7 SEGMENT REPORTING

The Group manages its businesses by geographical areas. At the commencement of the 2013 financial year, the Group reorganised the structure of reportable segments by separating the reportable segment of "overseas" from the original reportable segments of "Southern China and overseas". The comparative amounts in segment reporting have been adjusted accordingly.

The Group has presented the following four reportable segments in a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker ("CODM") for the purposes of resource allocation and performance assessment. No operating segments have been aggregated to form the following reportable segments.

- Southern China: this segment manufactures zipper products and mainly sells to customers in Southern China. Its activities are mainly carried out in Guangdong province.

- Eastern China: this segment manufactures zipper products and mainly sells to customers in Eastern China. Its activities are mainly carried out in Zhejiang province.

- Central China: this segment manufactures zipper products and mainly sells to customers in Central China. Its activities are mainly carried out in Hubei province.

- Overseas: this segment purchases zipper products from segment of Southern China and Eastern China and sells to overseas customers. Its activities are mainly carried out in Hong Kong.

(a) Segment results and segment assets

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

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

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

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

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2013 and 2012 respectively is set out below:

(a) **Segment results and segment assets (continued)**

Year ended 31 December 2013

	Southern China *$'000*	**Eastern China** *$'000*	**Central China** *$'000*	**Overseas** *$'000*	**Total** *$'000*
Revenue from external customers	**69,795**	**56,815**	**–**	**34,231**	**160,841**
Inter-segment revenue	**35,378**	**6,604**	**–**	**130**	**42,112**
Reportable segment revenue	**105,173**	**63,419**	**–**	**34,361**	**202,953**
Reportable segment profit/(loss)	**805**	**6,965**	**(1,844)**	**3,062**	**8,988**
Interest income from bank deposits	**765**	**477**	**1,137**	**–**	**2,379**
Depreciation and amortisation for the year	**(9,414)**	**(5,282)**	**(620)**	**(14)**	**(15,330)**
Reportable segment assets at year end	**132,516**	**102,771**	**143,455**	**11,602**	**390,344**
Additions to non-current segment assets during the year	**14,015**	**232**	**63,406**	**5,497**	**83,150**

Year ended 31 December 2012

	Southern China *$'000*	Eastern China *$'000*	Central China *$'000*	Overseas *$'000*	Total *$'000*
Revenue from external customers	66,801	60,122	–	30,450	157,373
Inter-segment revenue	13,710	7,591	–	–	21,301
Reportable segment revenue	80,511	67,713	–	30,450	178,674
Reportable segment (loss)/profit	(1,714)	7,844	(1,521)	2,816	7,425
Interest income from bank deposits	2,079	675	168	–	2,922
Depreciation and amortisation for the year	(8,253)	(5,182)	(339)	(15)	(13,789)
Reportable segment assets at year end	152,230	123,192	71,393	6,251	353,066
Additions to non-current segment assets during the year	16,956	1,429	19,575	139	38,099

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

	2013	2012
	$'000	*$'000*
Revenue		
Reportable segment revenue	**202,953**	178,674
Elimination of inter-segment revenue	**(42,112)**	(21,301)
Consolidated turnover (note 2)	**160,841**	157,373

	2013	2012
	$'000	*$'000*
Profit		
Reportable segment profit	**8,988**	7,425
Elimination of unrealised profit of inter-segment purchase of inventories and fixed assets	**458**	398
Reportable segment profit derived from the Group's external customers	**9,446**	7,823
Other revenue and other net loss	**1,526**	2,029
Unallocated head office and corporate expenses	**(5,995)**	(6,165)
Consolidated profit before taxation	**4,977**	3,687

	2013	2012
	$'000	*$'000*
Assets		
Reportable segment assets	**390,344**	353,066
Elimination of unrealised profit of inter-segment purchase of inventories	**(1,319)**	(1,632)
Elimination of unrealised profit of inter-segment purchase of fixed assets	**(866)**	(1,011)
	388,159	350,423
Deferred tax assets	**2,105**	2,015
Unallocated head office and corporate assets	**455**	341
Consolidated total assets	**390,719**	352,779

(c) Geographic information

The geographical location of customers is based on the location at which the goods were delivered. The revenue of the Group mainly derived from sales to customers in Mainland China except for sales of HK$34,231,000 (2012: HK$30,450,000) to overseas customers for the year ended 31 December 2013 (note 7 (a)).

The geographical location of the Group's fixed assets, intangible assets and prepayment for fixed assets (the "Specified Non-current Assets") is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets. As at 31 December 2013, the Group's non-current assets were located in Mainland China and Hong Kong with carrying amount of HK$229,866,000 (2012: HK$ 162,909,000) and HK$5,528,000 (2012: HK$165,000) respectively.

8 INVENTORIES

	The Group	
	2013	2012
	$'000	*$'000*
Raw materials	**4,560**	3,918
Work in progress	**10,354**	10,426
Finished goods	**2,187**	2,120
	17,101	16,464

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

	The Group	
	2013	2012
	$'000	*$'000*
Carrying amount of inventories sold	**112,278**	112,853
Write down of inventories	**400**	902
Reversal of write-down of inventories	**(751)**	–
	111,927	113,755

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

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

9 TRADE AND OTHER RECEIVABLES

	The Group	
	2013	2012
	$'000	*$'000*
Trade debtors	**36,894**	35,366
Less: allowance for doubtful debts	**(136)**	(164)
	36,758	35,202
Other prepayments	**1,482**	2,832
Advance to a third party	**–**	8,571
Deposits and other debtors	**1,796**	1,564
	40,036	48,169

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

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors based on the invoice date and net of allowance for doubtful debts, is as follows:

	The Group	
	2013	2012
	$'000	*$'000*
Within 1 month	**8,824**	11,624
1 to 2 months	**10,253**	12,192
2 to 3 months	**6,202**	4,762
Over 3 months	**11,479**	6,624
	36,758	35,202

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

(b) Trade debtors that are not impaired

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

	The Group	
	2013	2012
	$'000	*$'000*
Neither past due nor impaired	**17,571**	18,202
Less than 3 months past due	**15,246**	15,985
More than 3 months but less than 12 months past due	**3,909**	988
More than 12 months past due	**32**	27
Amount past due	**19,187**	17,000
	36,758	35,202

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

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

10 TRADE AND OTHER PAYABLES

	The Group	
	2013	2012
	$'000	*$'000*
Trade creditors	**6,881**	7,506
Payroll and staff benefits payable	**8,975**	7,433
Accrued expenses	**3,555**	3,454
Payables for fixed assets	**17,417**	4,823
Other taxes payable	**1,157**	954
Advance from a third party	**8,903**	8,633
Deposit received	**6,360**	–
Other payables	**748**	691
	53,996	33,494

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

Advance from a third party represents that interest-free advance of RMB7,000,000 (equivalent to HK$8,903,000) received from a state-owned enterprise responsible for investment projects on behalf of Jingmen local government during 2012.

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

	The Group	
	2013	2012
	$'000	*$'000*
Within 1 month	**5,740**	5,772
Over 1 month but within 3 months	**1,109**	1,337
Over 3 months but within 6 months	**32**	351
Over 6 months but within 1 year	**–**	46
	6,881	7,506

11 CAPITAL, RESERVES AND DIVIDENDS

(a) Share capital

(i) Authorised and issued share capital

	2013		2012	
	No. of shares '000	***Share capital $'000***	*No. of shares '000*	*Share capital $'000*
Authorised,				
Ordinary shares of HK$0.01 each	**2,000,000**	**20,000**	2,000,000	20,000
Ordinary shares, issued and fully paid:				
At 1 January and 31 December	**415,000**	**4,150**	415,000	4,150

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

(ii) Shares issued under share option scheme

No options were exercised during the years ended 31 December 2013 and 2012.

(b) Dividends

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

	2013	2012
	$'000	*$'000*
Final dividend proposed after the end of the reporting period of HK2 cents per ordinary share (2012: HK2 cents)	**8,300**	8,300

The final dividend proposed after 31 December 2013 has not been recognised as a liability as at the end of reporting period.

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

	2013	2012
	$'000	*$'000*
Final dividend in respect of the previous financial year, approved and paid during the year, of HK2 cents per share (2012: HK1.25 cents)	**8,300**	5,188

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group is principally engaged in manufacturing finished zippers in China. The Group's customers for zippers are primarily OEMs who manufacture apparel products for (i) apparel brands in China; and (ii) some well known international apparel labels. The Group maintains a close working relationship with apparel brand owners on the design of zippers to be applied on the apparel products. The apparel brand owners usually decide on the zipper supplier for their OEMs and place orders with such OEMs who in turn source zippers from the Group.

The Group also supplies sliders, components of zippers (including continuous zipper chains and stops) and moulds and designs and supplies premium items exclusively to apparel brand owners to meet the promotional needs for their products.

In addition, the Group also supplies flat knit ribs to customers to gradually satisfy the one-stop procurement demand for apparel components and accessories.

During the year 2013, approximately 78.7% of the turnover was derived from sales in China. Other regions to which the Group sold its products include Switzerland, Korea, Belgium, USA, India, Thailand, Vietnam, South Africa, Malaysia and Cambodia. In particular, the Group is a supplier of sliders to a European zipper producer who manufactures zippers for well known fashion brands.

Business Review

For the year 2013, the turnover of the Group increased from approximately HK$157.37 million in 2012 to HK$160.84 million, representing year-on-year increase of approximately 2.2%, which was mainly due to the increased sales in flat knit ribs. We also recorded satisfactory results in respect of overseas sales channels expansion and market development etc. Compared to 2012, turnover from overseas markets of approximately HK$34.23 million, representing 21.3% of the Group's turnover, increased by approximately HK$3.78 million. In 2013, we successfully commenced cooperation with 19 new brand owners, 5 being domestic brands and 14 being international brands. As at the end of 2013, we cooperated with 108 brand owners, out of which 41 are domestic brands and 67 are international brands.

In addition, we have continually been strengthening the management of production operations and making great improvements in aspects such as personnel management, wastage reduction, production automation and optimization of production processes, which helped to reduce cost of production.

As a result, the gross profit margin for the year 2013 increased to 30.4% from 27.7% for the year 2012. For the same reasons, the profit attributable to Shareholders increased by approximately 188.7% from HK$1.06 million in 2012 to HK$3.06 million in 2013.

We constantly hold a sound capital and asset structure to provide a solid foundation for sustained and rapid business development and maintain a stable dividend policy.

Prospects

In 2014, we anticipate the apparel industry will experience a period of transformation in China. Rapid stock turnover and quick response on demand will become a trend in apparel industry. Besides, apparel companies in China redevelops branding concept. Thus, more fierce competition, as well as more opportunities is anticipated in zippers industry, and the zippers companies with better cooperation with customers, in aspect of quick response and quality products, will quickly grow and lead to a higher market share.

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

We will continue to place efforts in sales channels expansion, market development and expansion of product range. At the same time, we will continue to quickly respond to customers' demand and develop new products to satisfy the needs of our customers and market in order to further increase our market share.

We intend to gradually become a comprehensive supplier of finished zippers and other garment accessories by offering to customers one-stop garment accessory services so as to diversify product structure and expand our share in the apparel material market.

The subsidiary KEE Jingmen is scheduled to commence operation in the middle of 2014, which will increase our capability in zippers, flat knit ribs and other garment accessories. We intend to reallocate and integrate production resources to reduce costs such as salaries and energy consumption. We will also rationalise manufacturing location according to distribution of customers to reduce logistics costs and meet customers' expectations of quick response.

In addition, we will reorganise and optimize the whole production system in order to continue to improve production and operational efficiency and modify our techniques to enhance automation of production for better product quality, lower production cost and higher satisfaction of customers.

In addition, the Group aims at further strengthening its position in the quality zipper market and achieving continuous growth of business. The Group will ensure it will remain competitive through (i) enhancing marketing which targets apparel brand owners in order to quickly respond to customers' demand; (ii) widening distribution channels and enlarging distribution agency business; (iii) expansion and diversification of finished zipper offerings in terms of design materials, workmanship, functions and usages; (iv) strengthening product design, research and development capabilities based on customers' preference and market demand; (v) improving production facilities to increase automation and shorten production time; and (vi) making more extensive and better use of the SAP system and other automation systems which enables the Company's subsidiaries and functional departments to better communicate with one another, better control purchases and inventory levels, and better monitor deliveries.

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

Turnover

The Group's turnover for the year 2013 amounted to HK$160.84 million, representing an increase of 2.2% as compared to the year 2012, mainly due to the increased sales in flat knit ribs.

Turnover analysis by product category:

	Year ended 31 December			
	2013		2012	
	HK$ million	**%**	*HK$ million*	%
Finished zippers				
Metal zippers	**66.75**	**41.5**	73.74	46.9
Nylon zippers	**54.44**	**33.8**	49.10	31.2
Plastic zippers	**22.04**	**13.7**	21.06	13.4
	143.23	**89.0**	143.90	91.5
Sliders	**6.79**	**4.2**	7.07	4.5
Flat knit ribs	**6.39**	**4.0**	1.42	0.1
Premium items and Others	**4.43**	**2.8**	4.98	3.9
Total turnover	**160.84**	**100.0**	157.37	100.0

Turnover analysis by geographic location:

	Year ended 31 December			
	2013		2012	
	HK$ million	**%**	*HK$ million*	%
Southern China	**69.80**	**43.4**	66.80	42.4
Eastern China	**56.81**	**35.3**	60.12	38.2
Overseas	**34.23**	**21.3**	30.45	19.4
Total turnover	**160.84**	**100.0**	157.37	100.0

Finished zippers

Revenue from sales of finished zippers decreased by approximately HK$670,000 or 0.5% to HK$143.23 million for the year 2013 (2012: HK$143.9 million) primarily due to a decrease in sales volume. Such decrease was a result of: (i) the continuous slow-down of China's economy; and (ii) the de-stocking policy adopted by the apparel industry in China continuously.

Sliders

Sales of sliders decreased by approximately 4.0% to HK$6.79 million for the year 2013 (2012: HK$7.07 million) due to a decrease in sales orders for sliders from a European zipper producer who manufactures zippers for well known fashion brands.

Flat Knit Ribs

Flat knit ribs increased by approximately 350.0% to HK$6.39 million for the year 2013 (2012: HK$1.42 million) due to more marketing activities and promotion of flat knit ribs.

Premium Items and Others

Premium Items and Others represent items such as premium items, scrap materials, zipper components and moulds. Sales of other items decreased by approximately 11.0% to HK$4.43 million for the year 2013 (2012: HK$4.98 million) due to a decrease in sales of scrap materials as a result of the improvement in production management and materials utilization.

Cost of Sales and Gross Profit

In 2013, the overall cost of sales for the Group amounted to approximately HK$111.93 million (2012: HK$113.76 million), representing a decrease of approximately 1.6%. The overall gross profit of the Group increased by approximately 12.1% from HK$43.62 million in 2012 to HK$48.91 million in 2013. The overall gross profit margin in 2013 was 30.4% (2012: 27.7%), which was mainly attributable to stricter production and cost management and optimized production technique and procedure control.

Gross profit analysis by product category:

	Year ended 31 December			
	2013		2012	
	HK$ million	***%***	*HK$ million*	*%*
Finished zippers	**46.63**	**95.3**	40.17	92.1
Sliders	**1.83**	**3.7**	1.93	4.4
Flat knit ribs	**(0.72)**	**(1.4)**	(0.35)	(0.8)
Premium items and others	**1.17**	**2.4**	1.87	4.3
Total gross profit	**48.91**	**100.0**	43.62	100.0

Finished zippers

Gross profit for finished zippers increased by approximately 16.1% from HK$40.17 million in 2012 to HK$46.63 million in 2013. Gross profit margin increased from approximately 27.9% to 32.6%, which was attributable to stricter production and cost management and optimized production technique and procedure control.

Sliders

Gross profit for sliders decreased by approximately 5.2% from HK$1.93 million in 2012 to HK$1.83 million in 2013. Gross profit margin, on the other hand, decreased from approximately 27.3% to 27.0%.

Flat Knit Ribs

Gross profit for flat knit ribs decreased by approximately 105.7% from HK$-350,000 in 2012 to HK$-720,000 in 2013. Gross profit margin increased from approximately -24.6% to -11.3%, which was attributable to increased orders which led to an decrease in fixed manufacturing costs per unit.

Premium Items and Others

Gross profit for premium items and other items decreased by approximately 37.4% from HK$1.87 million in 2012 to HK$1.17 million in 2013. Gross profit margin decreased from approximately 37.6% to 26.4%, which was mainly due to the change in the structure of sales of scrap materials to third parties.

Distribution Costs

Distribution costs mainly represent (i) staff costs relating to sales and marketing personnel; (ii) transportation costs for delivery of the products to customers; and (iii) advertising and promotion expenses. In 2013, the Group's distribution costs amounted to approximately HK$16.92 million (2012: HK$13.63 million), accounting for approximately 10.5% of the Group's turnover (2012: 8.7%). The increase in distribution costs was mainly due to salary increase of experienced and qualified sales staff and larger marketing cost and transportation cost.

Administrative Expenses

Administrative expenses primarily consist of (i) salary and welfare expenses for management and administrative personnel; (ii) depreciation and amortisation; (iii) auditors' remuneration; (iv) product research and development expenses; and (v) other administrative expenses including professional fees. In 2013, the Group's administrative expenses amounted to approximately HK$28.54 million (2012: HK$28.33 million), which accounted for approximately 17.7% of the Group's turnover (2012: 18.0%).

Income Tax

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

Profitability

In 2013, the Group's profit attributable to Shareholders amounted to HK$3.06 million (2012: HK$1.06 million), representing a increase of 188.7% as compared to 2012. The increase was primarily due to stricter production and cost management and optimized production technique and procedure. The margin of profit attributable to Shareholders for the year was 1.9% (2012: 0.7%), an increase of 1.2 percentage points compared to 2012.

During the year, the Group's return on equity was 1.0% (2012: 0.3%), representing an increase of 0.7 percentage points as compared to 2012.

Inventories

Inventories are one of the principal components of the Group's current assets. The value of inventories accounted for approximately 8.8% and 11.2% of the Group's total current assets as at 31 December 2012 and 2013 respectively.

Inventories increased by approximately 3.9% from HK$16.46 million as at 31 December 2012 to HK$17.1 million as at 31 December 2013 as orders increased in the middle and late December, resulting in higher inventory figure as at 31 December 2013.

The decrease in average inventory turnover days from 70 days in 2012 to 63 days in 2013 was primarily due to better business inventory management.

The write-down on inventories for the year 2013 was HK$-351,000 (2012: HK$902,000) due to an increase in the net realisable value of certain finished goods with reference to the latest selling price.

Trade Debtors

The Group's policy in respect of allowance for doubtful debts for 2013 was the same as that in 2012. As at 31 December 2013, the allowance for doubtful debts was HK$136,000 (31 December 2012: HK$164,000), accounting for 0.4% of the Group's total trade debtors (2012: 0.5%). The decrease in the allowance for doubtful debts in 2013 was primarily due to better credit management on receivables.

The Group's trade debtors (net) increased by around 4.4% from approximately HK$35.20 million as at 31 December 2012 to HK$36.76 million as at 31 December 2013 mainly due to the delayed payment by certain customers, which has been repaid in January 2014.

The decrease in average trade debtors turnover days from 84 days in 2012 to 82 days in 2013 was primarily due to better credit management and repayment collection.

Trade Creditors

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

The Group's trade creditors decreased around 8.4% from approximately HK$7.51 million as at 31 December 2012 to HK$6.88 million as at 31 December 2013. The average trade creditors turnover days remained unchanged as compared to 2012, i.e. 69 days.

Other Payables

Other payables mainly represent (i) payroll and staff benefits payable; (ii) accrued expenses; (iii) deposit received; (iv) payables for fixed assets; and (v) advance from a third party. The balance of other payables increased by approximately 81.3% to HK$47.12 million as at 31 December 2013 (2012: HK$25.99 million) due to the payables and the general contractor's deposit for construction project in Jingmen, Hubei, PRC.

Liquidity and Capital Resources

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

	Year ended 31 December	
	2013	2012
	HK$ million	*HK$ million*
Net cash generated from operating activities	**34.79**	23.83
Net cash used in investing activities	**(39.19)**	(28.42)
Net cash generated from financing activities	**4.23**	7.05
Net (decrease)/increase in cash and cash equivalents	**(0.17)**	2.46
Cash and cash equivalents at 1 January	**79.38**	76.93
Effect of foreign exchange rate changes	**2.46**	(0.01)
Cash and cash equivalents at 31 December	**81.67**	79.38

The Group's net cash inflow from operating activities for the year 2013 amounted to HK$34.79 million (2012: HK$23.83 million). As at 31 December 2013, cash and cash equivalents amounted to HK$81.67 million, representing a net increase of HK$2.29 million as compared with the position as at 31 December 2012.

As at 31 December 2013 and 31 December 2012, the Group had no bank loans.

As at 31 December 2013, the Group had unutilised bank facilities amounting to approximately HK$33.07 million. During the year 2013, the Group did not hedge its exposure to interest rate risks. The gearing ratio, which was calculated by dividing total bank borrowings by total equity, was 0% as at 31 December 2013 and 31 December 2012.

Net Current Assets

As at 31 December 2013, the Group had net current assets of approximately HK$99.15 million. The key components of current assets as at 31 December 2013 included inventories of approximately HK$17.1 million, trade and other receivables of approximately HK$40.04 million, deposits with banks of approximately HK$14.21 million and cash and cash equivalents of approximately HK$81.67 million. The key components of current liabilities included trade and other payables of approximately HK$54 million.

The net current assets decreased from HK$151.7 million as at 31 December 2012 to HK$99.15 million as at 31 December 2013 primarily due to the increase in trade and other payables of approximately HK$20.5 million and an decrease in deposit with banks of approximately of HK$28.11 million.

Pledge of Assets

As at 31 December 2013, buildings with net book value of HK$27.99 million (31 December 2012: HK$28.85 million) and lease prepayments with net book value of HK$4.42 million (31 December 2012: HK$4.29 million) of the Group were pledged to secure unutilised bank facilities of approximately HK$33.07 million of the Group.

Non adjusting events after the reporting period

On 3 March 2014, KEE Guangdong received a notice of responses to action from the Intermediate People's Court of Foshan City, Guangdong Province of the People's Republic of China. The details are set out in the announcement of the Company dated 13 March 2014.

The Board disagrees with the claim by the claimant. KEE Guangdong is currently seeking legal advice on the civil proceedings. In the meantime, KEE Guangdong has temporarily suspended the use of the design and used an alternative one for development of new zipper products. The Board is of the view that the claim as demanded by the claimant is beyond reasonable ground and the amount of the claim will be insignificant to the business of the Group even if in case our defense is unsuccessful. Moreover, there is an alternative teeth chain design readily available for the production of finished zippers, the Board is of view that the civil proceedings will not have any material adverse impact on the financial or business position of the Group as a whole.

Capital Commitments

The capital commitments as at 31 December 2012 and 2013 not provided for in the financial statements were HK$74.04 million and HK$49.35 million respectively.

Foreign Currency Risk

The Group is exposed to currency risk primarily through sales and bank deposits and which give rise to receivables and cash balances that are mainly denominated in United States Dollars ("US$") under KEE Zippers and KEE Guangdong.

As HK$ are pegged to US$, the Group considers the risk of movements in exchange rates between US$ and HK$ to be insignificant.

Employees

As at 31 December 2013, the Group had 594 full-time employees (31 December 2012: 695 full-time employees). The Group reviews remuneration and benefits of its employees annually according to the relevant market practice and individual performance of the employees. Save for the social insurance in China and the mandatory provident fund scheme in Hong Kong, the Group has not set aside or accrued any amount of money to provide for retirement or similar benefits for its employees. The staff costs incurred in the year 2013 were approximately HK$58.59 million (2012: HK$55.65 million).

The Industrial Park in Jingmen

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

As at 31 December 2013, approximately 86% construction of garment accessories industrial park was completed. It is expected that the completion of the project would be delayed primarily due to unstable weather. It is now anticipated that the industrial park will be available for use in mid 2014.

KEE Jingmen intended that the garment accessories industrial park will produce flat knit ribs, zippers, and other garment accessories as well as integrate the garment accessories business of the Group. After the completion of the construction, it is expected to provide to the Group an additional annual manufacturing capacity of approximately 40 million pieces of finished zippers and approximately 80 million pieces of sliders, which will help the Group to reach its goal by raising its market share, as well as strengthening the competitiveness of the Group.

Office Premises in Hong Kong

On 15 November 2013, KEE Zippers entered into a provisional agreement for sale and purchase with the vendor (an independent third party) in relation to the acquisition of the premises located at Unit B on 16th Floor, Nos. 1, 1A & 1B Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong. The acquisition allows the Group an opportunity to cope with its future expansion of the business and achieve considerable rental saving. The details are set out in the announcement of the Company dated 15 November 2013.

KEE Zippers has fully paid the acquisition consideration in cash pursuant to the agreement. Completion of such acquisition took place in late January 2014. The office premises in Hong Kong is planned to be in operation at the end of March 2014.

CORPORATE GOVERNANCE

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

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

During the year ended 31 December 2013, the Company has complied with all the Code Provisions set out in the Corporate Governance Code.

MODEL CODE

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2013.

AUDIT COMMITTEE

An audit committee has been established with written terms of reference in compliance with the Corporate Governance Code. The main duties of the audit committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system and relationship with external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The members of the audit committee are Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy. Mr. Lin Bin, an independent non-executive Director of the Company, is the chairman of the audit committee. For the year ended 31 December 2013, the audit committee has held three meetings to discuss the auditing, internal controls and financial reporting matters of the Company. It has also reviewed the annual results of the Group for the year ended 31 December 2013.

REMUNERATION COMMITTEE

A remuneration committee has been established with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the remuneration committee are to determine the remuneration packages of individual executive Directors and senior management, review and make recommendation to the Board on the remuneration policy and structure for all Directors and senior management, and establish transparent procedures for developing such remuneration policy to ensure that no Director or any of his associates will participate in deciding his own remuneration. The members of the remuneration committee are Mr. Xu Xipeng, Mr. Lin Bin and Mr. Tam Yuk Sang, Sammy. Mr. Tam Yuk Sang, an independent non-executive Director of the Company, is the chairman of the remuneration committee. For the year ended 31 December 2013, the remuneration committee has held two meetings.

NOMINATION COMMITTEE

A nomination committee has been established with written terms of reference in compliance with the Corporate Governance Code. The principal duties of the nomination committee are to review the Board composition, make recommendations to the Board on the appointment and succession planning of directors, and assess the independence of independent non-executive Directors. The nomination committee comprises Mr. Xu Xinan, Mr. Lin Bin and Mr. Kong Hing Ki. Mr. Kong Hing Ki, an independent non-executive Director of the Company, is the chairman of the nomination committee. For the year ended 31 December 2013, the nomination committee has held one meeting.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2013.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors as at the date of this announcement, the Company maintained the prescribed public float of not less than 25% of the issued Shares as required under the Listing Rules during the year ended 31 December 2013.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK2 cents per Share (2012: HK2 cents) in respect of the year 2013 to the Shareholders.

Upon approval at the annual general meeting on Friday, 23 May 2014, the proposed final dividend will be paid on or about Monday, 16 June 2014 to Shareholders whose names appear on the register of members of the Company on Tuesday, 3 June 2014.

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 31 March 2014, the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited (the "Branch Share Registrar"), will change its address from 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 21 May 2014 to Friday, 23 May 2014 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 20 May 2014.

The register of members of the Company will be closed from Friday, 30 May 2014 to Tuesday, 3 June 2014 during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend as stated in this announcement, all transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar at the above address not later than 4:30 p.m. on Thursday, 29 May 2014.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held in Hong Kong on Friday, 23 May 2014. Notice of the annual general meeting will be issued and disseminated to Shareholders in due course.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.kee.com.cn). The annual report for the year ended 31 December 2013 containing all the information required by Appendix 16 to the Listing Rules will be despatched to Shareholders and available on the same websites in due course.

DEFINITIONS

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

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

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

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

Hong Kong, 21 March 2014

As at the date of this announcement, the executive Directors are Mr. Xu Xipeng, Mr. Xu Xinan and Mr. Chow Hoi Kwang, Albert; the non-executive Director is Mr. Yang Shaolin; and the independent non-executive Directors are Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy.