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 2010

GROUP FINANCIAL HIGHLIGHTS

	Year ended 31 December		Increase /
	2010	2009	**(Decrease)**
			%
Key financial performance			
Turnover *(HK$ million)*	**199.22**	160.71	24.0%
Gross profit *(HK$ million)*	**80.46**	65.13	23.5%
Profit from operations *(HK$ million)*	**39.39**	46.14	(14.6)% *
Profit attributable to Shareholder *(HK$ million)*	**30.07**	37.35	(19.5)% *
Basic and diluted earnings per Share *(HK$)*	**0.10**	0.12	(16.7)% *

* Decrease in profit from operations and profit attributable to Shareholder is primarily due to (i) a gain on investments in listed equity securities of approximately HK$6.84 million recorded in 2009 while the Group ceased investing in listed equity securities in July 2009; and (ii) the professional fees and expenses incurred in connection with the listing of the Shares on 12 January 2011 of approximately HK$9.82 million recorded in 2010.

	Year ended 31 December	
	2010	2009
Profitability ratios		
Gross profit margin *(%)*	**40.4%**	40.5%
Operating profit margin *(%)*	**19.8%**	28.7%
Margin of profit attributable to Shareholder *(%)*	**15.1%**	23.2%
Return on equity *(%)*	**22.1%**	38.5%

ANNUAL RESULTS

The Board is pleased to announce the consolidated financial results of the Group for the year ended 31 December 2010, together with the comparative figures for the year ended 31 December 2009. These results have been reviewed by the Company's audit committee, comprising solely the independent non-executive Directors, one of whom chairs the committee.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2010

	Note	**2010**	2009
		HK$'000	*HK$'000*
Turnover	*2*	**199,224**	160,714
Cost of sales		**(118,765)**	(95,582)
Gross profit		**80,459**	65,132
Other revenue		**1,093**	305
Net realised and unrealised gain on investments in listed equity securities	*3*	**–**	6,841
Other net income/(loss)		**290**	(370)
Distribution costs		**(9,570)**	(7,446)
Administrative expenses		**(32,885)**	(18,323)
Profit from operations		**39,387**	46,139
Finance costs	*4(a)*	**(1,614)**	(1,885)
Profit before taxation	*4*	**37,773**	44,254
Income tax	*5*	**(7,000)**	(3,979)
Profit for the year		**30,773**	40,275
Attributable to:			
Equity shareholder of the Company		**30,071**	37,350
Non-controlling interests		**702**	2,925
Profit for the year		**30,773**	40,275
Basic and diluted earnings per share (HK$)	*6*	**0.10**	0.12

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	Note	**2010**	2009
		HK$'000	*HK$'000*
Profit for the year		**30,773**	40,275
Other comprehensive income for the year			
Exchange differences on translation of financial statements of subsidiaries		**4,597**	141
Total comprehensive income for the year		**35,370**	40,416
Attributable to:			
Equity shareholder of the Company		**34,616**	37,474
Non-controlling interests		**754**	2,942
Total comprehensive income for the year		**35,370**	40,416

CONSOLIDATED BALANCE SHEET

As at 31 December 2010

	Note	**2010**	2009
		HK$'000	*HK$'000*
Non-current assets			
Fixed assets			
– Property, plant and equipment		**98,139**	87,199
– Interest in leasehold land held for own use under operating lease		**4,285**	4,232
		102,424	91,431
Intangible assets		**4,511**	–
Long-term receivables		**–**	847
Prepayments for fixed and intangible assets		**489**	875
Deferred tax assets		**556**	944
		107,980	94,097
Current assets			
Inventories	*8*	**19,281**	15,432
Trade and other receivables	*9*	**53,349**	29,688
Amounts due from related parties		**–**	1,034
Current tax recoverable		**1,215**	2,219
Cash and cash equivalents		**15,584**	23,493
		89,429	71,866
Current liabilities			
Trade and other payables	*10*	**30,445**	24,964
Amounts due to related parties		**–**	11,051
Bank loans		**28,205**	23,850
Current tax payable		**2,920**	4,998
		61,570	64,863

	Note	**2010**	2009
		HK$'000	*HK$'000*
Net current assets		**27,859**	7,003
Total assets less current liabilities		**135,839**	101,100
Non-current liabilities			
Deferred tax liabilities		**–**	631
Net assets		**135,839**	100,469
Capital and reserves			
Share capital	*11*	**–**	1,000
Reserves		**135,839**	96,055
Total equity attributable to equity shareholder of the Company		**135,839**	97,055
Non-controlling interests		**–**	3,414
Total equity		**135,839**	100,469

NOTES

(Expressed in Hong Kong dollars unless otherwise indicated)

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The consolidated results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2010 but are extracted from those consolidated financial statements.

The Group's 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 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 HKICPA has issued two revised HKFRSs, a number of amendments to HKFRSs and two new Interpretations 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:

- HKFRS 3 (revised 2008), Business combinations
- Amendments to HKAS 27, Consolidated and separate financial statements
- Improvements to HKFRSs (2009)

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:

- As a result of the adoption of the amendments to HKAS 27, the acquisition of an additional interest in a non-wholly owned subsidiary will be accounted for as a transaction with equity shareholders (the non-controlling interests) in their capacity as owners and therefore no goodwill will be recognised as a result of such transactions. During the current period, the Group has acquired an additional 15% interest in a non-wholly owned subsidiary.
- The impact of the majority of the revisions to HKFRS 3 and other revisions to HKAS 27 has not yet had a material effect on these financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination or a disposal of a subsidiary) and there is no requirement to restate the amounts recorded in respect of previous such transactions.
- The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree's deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as minority interests) in excess of their equity interest) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current period.

- As a result of the amendment to HKAS 17, Leases, arising from the "Improvements to HKFRSs (2009)" omnibus standard, the Group has re-evaluated the classification of its interests in leasehold land as to whether, in the Group's judgement, the lease transfers significantly all the risks and rewards of ownership of the land such that the Group is in a position economically similar to that of a purchaser. The Group has concluded that the classification of such leases as operating leases continues to be appropriate and the amendment to HKAS 17 has had no material impact on the Group's consolidated financial statements.

(b) Basis of preparation of the consolidated financial statements

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.

2 TURNOVER

The principal activities of the Group are manufacture and sale of zippers and other related products such as sliders, tapes 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:

	2010	2009
	HK$'000	*HK$'000*
Metal zippers	**86,768**	63,116
Nylon zippers	**76,992**	67,559
Plastic zippers	**19,060**	16,265
Sliders	**5,580**	4,137
Premium items	**3,055**	8,001
Others	**7,769**	1,636
	199,224	160,714

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

3 NET REALISED AND UNREALISED GAIN ON INVESTMENTS IN LISTED EQUITY SECURITIES

The Group invested certain cash in equity securities listed in the PRC A share stock market in 2009 and disposed of all such listed equity securities in July 2009.

4 PROFIT BEFORE TAXATION

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

(a) Finance costs

	2010	2009
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**1,614**	1,885

(b) Staff costs

	2010	2009
	HK$'000	*HK$'000*
Salaries, wages and other benefits	**38,378**	34,400
Contributions to defined contribution retirement plans	**2,630**	2,038
	41,008	36,438

(c) Other items

	2010	2009
	HK$'000	*HK$'000*
Depreciation and amortisation		
– land lease premium	**92**	91
– other assets	**9,830**	8,097
Impairment losses		
– trade and other receivables (note 9)	**25**	276
Operating lease charges	**4,057**	3,717
Net foreign exchange loss	**163**	45
Net loss on disposal of fixed assets	**233**	171
Interest income	**(90)**	(305)
Auditors' remuneration	**932**	239
Listing expenses	**9,820**	–
Research and development costs	**857**	815
Cost of inventories	**118,765**	95,582

5 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Income tax in the consolidated income statement represents:

	2010	2009
	HK$'000	*HK$'000*
Current tax – PRC corporate income tax		
Provision for the year	**5,914**	2,948
Current tax – Hong Kong Profits Tax		
Provision for the year	**1,324**	308
Deferred tax		
Origination and reversal of temporary differences	**(238)**	723
	7,000	3,979

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

	2010	2009
	HK$'000	*HK$'000*
Profit before taxation	**37,773**	44,254
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdiction concerned (note i)	**12,009**	11,824
Non-deductible expenses	**202**	71
Effect of unused tax losses not recognised	**157**	41
Effect of previously unrecognised tax losses utilised	**–**	(2,552)
Effect of tax concessions (note ii)	**(5,368)**	(5,562)
PRC dividend withholding tax (note iii)	**–**	157
Actual tax expense	**7,000**	3,979

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

KEE Zippers is subject to Hong Kong Profits Tax at 16.5% in 2010 and 2009. 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% effective from 1 January 2008.

(ii) KEE Guangdong and KEE Zhejiang, being production-oriented FIEs with operating periods of 10 years or more, were each entitled to two-year exemption from income tax followed by three-year 50% reduction in income tax rate commencing from the first profit-making year from PRC income tax perspective ("2+3 tax holiday"). KEE Guangdong commenced its 2+3 tax holiday in 2006 and KEE Zhejiang commenced its 2+3 tax holiday in 2008.

(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%.

6 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholder of the Company for the respective years and on the assumption that 300,000,000 ordinary shares of the Company were in issue comprising 200 ordinary shares in issue as at 31 December 2010 and 299,999,800 ordinary shares issued in January 2011 pursuant to the capitalisation issue.

There were no dilutive potential ordinary shares, and therefore, diluted earnings per share are the same as the basic earnings per share.

7 SEGMENT REPORTING

The Group manages its businesses by geographical areas. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Southern China and overseas: this segment manufactures zipper products and mainly sells to customers in Southern China and overseas market. Currently its activities are mainly carried out in Guangdong province and Hong Kong.

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

(a) Segment results and segment assets

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

Segment assets include all assets with the exception of investments in financial assets and deferred tax assets.

The measure used for reporting segment profit is "adjusted profit before taxation" i.e. "turnover less cost of sales, distribution costs, administrative expenses and finance costs". Items not specifically attributed to individual segment such as gain or loss from investments in listed equity securities are excluded from the calculation of segment profit. The Group's senior executive management is provided with segment information concerning segment revenue, profit and assets. Segment liabilities are not reported to the Group's senior executive management regularly.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for 2010 and 2009 respectively is set out below:

Year ended 31 December 2010

	Southern China and overseas *HK$'000*	**Eastern China** *HK$'000*	**Total** *HK$'000*
Revenue from external customers	**127,052**	**72,172**	**199,224**
Inter-segment revenue	**22,946**	**319**	**23,265**
Reportable segment revenue	**149,998**	**72,491**	**222,489**
Reportable segment profit	**30,354**	**17,269**	**47,623**
Interest expense	**(668)**	**(946)**	**(1,614)**
Depreciation and amortisation for the year	**(6,267)**	**(3,655)**	**(9,922)**
Reportable segment assets at year end	**107,820**	**86,150**	**193,970**

Year ended 31 December 2009

	Southern China and overseas *HK$'000*	Eastern China *HK$'000*	Total *HK$'000*
Revenue from external customers	111,784	48,930	160,714
Inter-segment revenue	16,952	5,195	22,147
Reportable segment revenue	128,736	54,125	182,861
Reportable segment profit	23,015	15,730	38,745
Interest expense	(1,744)	(141)	(1,885)
Depreciation and amortisation for the year	(4,906)	(3,282)	(8,188)
Reportable segment assets at year end	90,932	77,235	168,167

	2010	2009
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**222,489**	182,861
Elimination of inter-segment revenue	**(23,265)**	(22,147)
Consolidated turnover	**199,224**	160,714

	2010	2009
	HK$'000	*HK$'000*
Profit		
Reportable segment profit	**47,623**	38,745
Elimination of unrealised profit of inter-segment purchase of inventories and fixed assets	**(465)**	(1,267)
Reportable segment profit derived from Group's external customers	**47,158**	37,478
Other revenue, net realised and unrealised gain on investments in listed equity securities and other net loss	**1,383**	6,776
Unallocated head office and corporate expenses	**(10,768)**	–
Consolidated profit before taxation	**37,773**	44,254

	2010	2009
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**193,970**	168,167
Elimination of unrealised profit of inter-segment purchase of inventories	**(711)**	(329)
Elimination of unrealised profit of inter-segment purchase of fixed assets	**(2,901)**	(2,819)
	190,358	165,019
Deferred tax assets	**556**	944
Unallocated head office and corporate assets	**6,495**	–
Consolidated assets	**197,409**	165,963

8 INVENTORIES

	2010	2009
	HK$'000	*HK$'000*
Raw materials	**5,859**	7,572
Work in progress	**12,020**	5,808
Finished goods	**1,402**	2,052
	19,281	15,432

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

	2010	2009
	HK$'000	*HK$'000*
Carrying amount of inventories sold	**118,562**	95,582
Write down of inventories	**203**	–
	118,765	95,582

9 TRADE AND OTHER RECEIVABLES

	2010	2009
	HK$'000	*HK$'000*
Trade debtors	**43,409**	24,602
Less: allowance for doubtful debts	**(106)**	(114)
	43,303	24,488
Prepaid listing expenses	**6,495**	–
Other prepayments	**1,854**	1,305
Deposits and other debtors	**1,697**	3,895
	53,349	29,688

Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis as of the balance sheet date:

	2010	2009
	HK$'000	*HK$'000*
Current	**17,783**	22,419
Less than 3 months past due	**25,126**	1,796
More than 3 months but less than 12 months past due	**394**	273
Amount past due	**25,520**	2,069
	43,303	24,488

Trade debtors are due within 30-60 days from the date of billing.

10 TRADE AND OTHER PAYABLES

	2010	2009
	HK$'000	*HK$'000*
Trade creditors	**5,452**	6,915
Payroll and staff benefits payable	**9,578**	11,077
Accrued expenses	**2,091**	1,221
Payables for fixed assets	**3,718**	3,798
Payables for listing expenses	**8,258**	–
Other taxes payable	**744**	1,290
Other payables	**604**	663
	30,445	24,964

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	2010	2009
	HK$'000	*HK$'000*
Due within 1 month or on demand	**4,911**	6,859
Due after 1 month but within 3 months	**541**	56
	5,452	6,915

11 SHARE CAPITAL

	2010	2009
	HK$'000	*HK$'000*
Authorised, issued and fully paid:		
2 ordinary shares of HK$1 each (2009: 1,000,000 ordinary shares of HK$1 each)	–	1,000

Share capital at 31 December 2010 and 2009 represents that of the Company and of KEE Zippers respectively.

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. All ordinary shares rank equally with regard to the Group's residual assets.

12 DISPOSAL OF SUBSIDIARIES

Pursuant to an equity transfer agreement dated 22 September 2010, the Group disposed of the 100% equity interest in KEE Investment, which holds the 100% equity interest of KEE Suzhou, to Nicco, at a consideration of HK$13,871,000. The consideration approximated the fair value of KEE Investment and KEE Suzhou's identifiable net assets on the date of disposal. The net assets of the subsidiaries at the date of disposal are set out below:

	2010
	HK$'000
Net assets disposal of:	
Cash and cash equivalents	207
Trade and other receivables	3,423
Amount due from KEE Zippers	13,707
Trade and other payables	(50)
Current tax payable	(2,958)
Amount due to KEE Zhejiang	(458)
	13,871
Cash consideration received	(13,871)
Gain on disposal of interests in subsidiaries	–
Net cash inflow arising on disposal, net of cash disposal:	13,664

13 NON-ADJUSTING POST BALANCE SHEET EVENTS

The shares of the Company were listed on the Main Board of the Hong Kong Stock Exchange on 12 January 2011 with a total number of 400,000,000 shares, among which 100,000,000 shares (25% of the total number of shares of the Company) were issued to the public. The gross proceeds received from the initial public offering were approximately HK$133 million. The Company subsequently over-allotted and issued 15,000,000 shares to the public on 28 January 2011 and additional gross proceeds received were approximately HK$20 million.

GROUP FINANCIAL HIGHLIGHTS

	Year ended 31 December		Increase /
	2010	2009	**(Decrease)**
			%
Key financial performance			
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Gross profit *(HK$ million)*	**80.46**	65.13	23.5%
Profit from operations *(HK$ million)*	**39.39**	46.14	(14.6)% *
Profit attributable to Shareholder *(HK$ million)*	**30.07**	37.35	(19.5)% *
Basic and diluted earnings per Share *(HK$)*	**0.10**	0.12	(16.7)% *

* Decrease in profit from operations and profit attributable to Shareholder is primarily due to (i) a gain on investments in listed equity securities of approximately HK$6.84 million recorded in 2009 while the Group ceased investing in listed equity securities in July 2009; and (ii) the professional fees and expenses incurred in connection with the listing of the Shares on 12 January 2011 of approximately HK$9.82 million recorded in 2010.

	Year ended 31 December	
	2010	2009
Profitability ratios		
Gross profit margin *(%)*	**40.4%**	40.5%
Operating profit margin *(%)*	**19.8%**	28.7%
Margin of profit attributable to Shareholder *(%)*	**15.1%**	23.2%
Return on equity *(%)*	**22.1%**	38.5%

	As at 31 December	
	2010	2009
Gearing ratio *(%) (Note)*	**20.8%**	23.7%

Note: Gearing ratio is calculated as total borrowings divided by total equity as shown in the consolidated balance sheet.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Group is a producer of finished zippers in China. The Group's customers for zippers are 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 in 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 to other zipper manufacturers and designs and supplies premium items such as toy figures, ornaments and key-rings exclusively to apparel brand owners to meet the promotional needs for their products. During the year 2010, approximately 89.5% of the turnover was derived from sales in China. Other regions to which the Group sold its products include the United States, Switzerland, Italy, South Africa, Taiwan, Indonesia and Bangladesh. In particular, the Group is a supplier of sliders to a European zipper producer who manufactures zippers for well known fashion brands.

The Group is a vertically integrated producer for zippers, except for the electroplating process which is outsourced to an independent third party. The Group believes the advantages of vertical integration that the Group benefits from include (i) lower transaction costs; (ii) higher certainty in the quality of products; (iii) improved supply chain coordination; (iv) the capture of upstream and downstream profit margins; and (v) an increase in barriers to entry for potential competitors. The Group is also capable of developing its own custom-made production machinery and modifying conventional machinery so that zippers can be produced more efficiently and with greater consistency in quality.

The Group achieved sustainable growth in the year 2010 partly due to the recovery of global economy led by countries with fast emerging consumer markets such as China. The stimulus economic policies promulgated by the PRC government generated a driving force to economic growth, which increased the disposable income of urban households in China and also the consumer demand for apparel products. As zippers are commonly used in apparel, the growth of consumer demand for apparel products had a positive impact on the Group's turnover growth. Other key factors contributing to the Group's sustainable growth in 2010 are the Group's competitive strengths which mainly include its (i) ability to maintain a close working relationship with apparel brand owners; (ii) experienced management team; (iii) vertical integration of production processes for zippers; (iv) ability to develop own custom-made production machinery; (v) ability to design and produce moulds for making sliders; (vi) stringent quality control; and (vii) corporate and brand reputation. These strengths enable the Group to increase market share and capture growth opportunities in the Group's target markets. There were 22 new apparel brand owners, comprising 10 local brands and 12 international brands, cooperated with the Group for the year ended 31 December 2010.

The gross profit margin for the year 2010 was maintained at 40.4% which is comparable to the gross profit margin of 40.5% for the year 2009. The Directors believe that any increase in the major raw material prices, which are determined by supply and demand conditions in the global and China markets, may cause impact to the Group's gross profit margin. The prices of major raw materials (such as copper and zinc alloy) increased over the year 2010 but the effect of such increases was minimised by (i) the Group's increased production efficiency by means of further automation in the production process; (ii) a better cost control on the outsourced electroplating process; and (iii) achieving the benefits of economies of scale.

Prospects

The Directors are optimistic about the outlook of the zipper industry in China primarily due to the continuous increase in the disposable income and thus purchasing power of the urban population, which has driven demand for quality apparel, sports equipment and similar products, and hence good quality zippers. Built on the Group's existing brand portfolio, the Directors intend to diversify the brand portfolio into local and international sports labels with a view to increasing the Group's market share for quality zippers for both local and international sportswear. To this end, the Group plans to (i) set up sales offices in the United States and Europe; and (ii) increase the number of experienced sales executives and design personnel. The Group has a sales and marketing team consisting of one senior sales manager, seven sales managers and 53 sales assistants, who are assigned to serve customers in three geographical regions: (i) Guangdong/Fujian region; (ii) Shanghai/Jiangsu/Zhejiang region; and (iii) Hong Kong and overseas. The Group intends to increase the number of sales executives for serving customers in each of the three regions and to recruit experienced sales managers to handle the operations of sales offices that may be set up in the United States and Europe with a view to further increasing the Group's exposure to the international market.

The Directors also aim to further strengthen the Group's position in the quality zipper market and the Group will continue to strive to achieve growth of business and ensure that the Group remains competitive through (i) targeted marketing to apparel brand owners to increase brand awareness in the market by providing regular guidance and training sessions on the use of new materials and fashion trends to sales executives and raising their awareness of the Group's service-and solution-oriented business approach to sales and marketing; (ii) expansion and diversification of finished zipper offerings in terms of design materials, workmanship, functions and usages such as finished zippers for footwear products, camping equipments, bags and upholstery furnishings; (iii) strengthening product design, research and development capabilities by increasing the number of designers and technical personnel with appropriate qualifications and sending them on overseas visits, conferences and seminars in order to enhance their international exposure to the apparel industry; and (iv) making more extensive and better use of the SAP system 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. Further to the Group's successful implementation and operation of the SAP system at Guangdong Plant in 2010, the SAP system is also being implemented at Zhejiang Plant and it is expected to start operating in April 2011.

The Shares were successfully listed on the Main Board of the Hong Kong Stock Exchange on 12 January 2011. The net proceeds received from the initial public offering, including the exercise of the over-allotment option and after deducting related expenses, were approximately HK$130 million. Such net proceeds were deposited at the Group's bank account and will be used in the manner consistent with that mentioned in the section headed "Future plans and proposed use of proceeds" of the Prospectus. In the event that the Directors decide to use such net proceeds in a manner different from that stated in the Prospectus, the Company will issue a further announcement in compliance with the Listing Rules.

Turnover

The Group's turnover for the year 2010 amounted to HK$199.22 million, representing a growth of 24.0% as compared to the year 2009 primarily as a result of an increase in sales of finished zippers. The CAGR of the Group's turnover over the four years ended 31 December 2010 is approximately 29.6%.

Turnover analysis by product category:

	Year ended 31 December			
	2010		2009	
	HK$ million	*%*	*HK$ million*	*%*
Finished zippers				
Metal zippers	**86.77**	**43.6%**	63.12	39.3%
Nylon zippers	**76.99**	**38.6%**	67.56	42.0%
Plastic zippers	**19.06**	**9.6%**	16.26	10.1%
	182.82	**91.8%**	146.94	91.4%
Sliders	**5.58**	**2.8%**	4.14	2.6%
Premium items	**3.06**	**1.5%**	8.00	5.0%
Others	**7.76**	**3.9%**	1.63	1.0%
Total turnover	**199.22**	**100.0%**	160.71	100.0%

Turnover analysis by geographic location:

	Year ended 31 December			
	2010		2009	
	HK$ million	*%*	*HK$ million*	*%*
Southern China	**106.13**	**53.3%**	97.58	60.7%
Eastern China	**72.17**	**36.2%**	48.93	30.5%
Overseas	**20.92**	**10.5%**	14.20	8.8%
Total turnover	**199.22**	**100.0%**	160.71	100.0%

Finished zippers

Revenue from sales of finished zippers increased by approximately HK$35.88 million or 24.4% on a year-on-year basis primarily due to an increase in sales volume. Such increase was as a result of (i) the growth of the apparel industry in China due to the continuous growth in purchasing power of the urban population, which increased the demand for quality zippers; (ii) the Group's success in providing tailor made products and services to the apparel brand owners; and (iii) an increase in the number of apparel brand owners designating the Group to supply finished zippers to their OEMs. There were 22 new apparel brand owners, comprising 10 local brands and 12 international brands, cooperated with the Group for the year ended 31 December 2010 as a result of the Group's successful sales and marketing strategies. The sales to the OEMs of these new apparel brand owners in 2010 amounted to approximately HK$6.63 million, which represented approximately 18.5% of the growth of revenue from sales of finished zippers for the year 2010.

Sliders

Sales of sliders increased by approximately 34.8% to HK$5.58 million for the year 2010 (2009: HK$4.14 million) due to an increase in sales orders for sliders from a European zipper producer who manufactures zippers for well known fashion brands.

Premium items

Sales of premium items (such as toy figures, ornaments, key-rings and clothing accessories) decreased by approximately 61.8% to HK$3.06 million for the year 2010 (2009: HK$8.00 million) due to a change in product mix. The sales of premium items in 2009 were mainly contributed by the sales of a series of specially designed toy figures which were launched during the second half of 2009 for meeting the promotional needs of an apparel brand owner. Such series of toy figures were not provided in 2010.

Others

Others represent items such as scrap materials, zipper components and moulds. Sales of other items increased by approximately 3.8 times to HK$7.76 million for the year 2010 (2009: HK$1.63 million) due to an increase in sales of scrap zinc alloy to third parties which was no longer recycled in the Group's production of zipper sliders.

Cost of Sales and Gross Profit

In 2010, the overall cost of sales for the Group amounted to approximately HK$118.77 million (2009: HK$95.58 million) which represented an increase of approximately 24.3%. The overall gross profit of the Group increased by approximately 23.5% from HK$65.13 million in 2009 to HK$80.46 million in 2010. The overall gross profit margin in 2010 was 40.4% (2009: 40.5%), which was comparable to 2009.

Gross profit analysis by product category:

	Year ended 31 December			
	2010		2009	
	HK$ million	*%*	*HK$ million*	*%*
Finished zippers	**76.20**	**94.7%**	58.80	90.3%
Sliders	**1.64**	**2.0%**	1.49	2.2%
Premium items	**0.49**	**0.6%**	3.82	5.9%
Others	**2.13**	**2.7%**	1.02	1.6%
Total gross profit	**80.46**	**100.0%**	65.13	100.0%

Finished zippers

Gross profit for finished zippers increased by approximately 29.6% from HK$58.80 million in 2009 to HK$76.20 million in 2010. Gross profit margin slightly increased from approximately 40.0% to 41.7%, which was attributable to an increase in the gross profit margins of nylon and plastic zippers as a result of a better cost control on the outsourced electroplating process and economies of scale.

Sliders

Gross profit for sliders increased by approximately 10.1% from HK$1.49 million in 2009 to HK$1.64 million in 2010. Gross profit margin on the other hand decreased from approximately 36.0% to 29.4%, which was primarily due to an increase in costs of production to enhance the quality of sliders sold to a European zipper producer by not recycling scrap zinc alloy.

Premium items

Gross profit for premium items decreased by approximately 87.2% from HK$3.82 million in 2009 to HK$0.49 million in 2010. Gross profit margin decreased from approximately 47.8% to 16.0%, which was primarily attributable to (i) market competition which drove down selling prices; and (ii) the change in product mix. The sales of premium items in 2009 were mainly contributed by the sales of a series of specially designed toy figures which had a relatively higher gross profit margin than those of the premium items sold in 2010.

Others

Gross profit for other items increased by approximately 1.1 times from HK$1.02 million in 2009 to HK$2.13 million in 2010. Gross profit margin on the other hand decreased from approximately 62.6% to 27.4%, which was because the sales of other items in 2010 mainly represented the sales of scrap zinc alloy to third parties which had a relatively lower gross profit margin than that of zipper components and moulds.

Distribution Costs

Distribution costs mainly represent (i) staff costs relating to sales and marketing personnel; (ii) transportation costs for delivery of the Group's products to customers; and (iii) advertising and promotion expenses. In 2010, the Group's distribution costs amounted to approximately HK$9.57 million (2009: HK$7.45 million), accounting for approximately 4.8% of the Group's turnover (2009: 4.6%). The increase in distribution costs was mainly due to (i) an increase in transportation costs for product delivery as a result of the Group's turnover growth; (ii) an increase in the number of sales executives in order to expand the Group's market share; and (iii) the expenses incurred for the Group's participations in the overseas sales exhibitions.

Administrative Expenses

Administrative expenses primarily consist of (i) salary and welfare expenses for management and administrative personnel; (ii) depreciation and amortisation; (iii) rental expenses for the Group's Guangdong Plant and office in Hong Kong; (iv) auditors' remuneration; and (v) other administrative expenses including professional fees. In 2010, the Group's administrative expenses amounted to approximately HK$32.89 million (2009: HK$18.32 million), which accounted for approximately 16.5% of the Group's turnover (2009: 11.4%). The increase in administrative expenses was mainly due to (i) the professional fees and other expenses of approximately HK$9.82 million incurred in connection with the listing of the Shares in January 2011; (ii) an increase in the number of senior staff in order to cope with the Group's business growth; and (iii) an increase in the audit fee for the Group.

Finance Costs

Finance costs represent interest expenses on the Group's bank borrowings.

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 2010, the Group's profit attributable to Shareholder amounted to HK$30.07 million (2009: HK$37.35 million), representing a decrease of 19.5% as compared to 2009. The decrease was mainly due to (i) a gain on investments in listed equity securities of approximately HK$6.84 million recorded in 2009 while the Group ceased investing in listed equity securities in July 2009; and (ii) an increase in the Group's administration expenses of HK$14.56 million primarily as a result of the professional fees and other expenses incurred in connection with the listing of the Shares in January 2011. Margin of profit attributable to Shareholder for the year was 15.1% (2009: 23.2%), representing a decrease of 8.1 percentage points as compared to 2009.

During the year, the Group's return on equity was 22.1% (2009: 38.5%), representing a decrease of 16.4 percentage points as compared to 2009. The Group's relatively lower return on equity recorded was a result of a decrease in the Group's profit attributable to Shareholder due to the aforesaid two main reasons.

Inventories

Inventories are one of the principal components of the Group's current assets. The value of inventories accounted for approximately 21.5% and 21.6% of the Group's total current assets as at 31 December 2009 and 2010 respectively.

The inventories increased by approximately 25.0% from HK$15.43 million as at 31 December 2009 to HK$19.28 million as at 31 December 2010 due to increased production, which is in line with the increase in the Group's turnover in 2010.

The decrease in average inventory turnover days from 61 days in 2009 to 54 days in 2010 was primarily due to the Group's improved inventory control as a result of the use of SAP system in Guangdong Plant.

The write-down on inventories for the year 2010 was only HK$203,000 (2009: nil) because the Group usually procures the majority of raw materials and commences production after having confirmed sales orders with customers and the Group's raw materials are not generally susceptible to obsolescence by passage of time.

Trade Debtors

The Group's policy in respect of allowance for doubtful debts for 2010 was the same as that in 2009. As at 31 December 2010, the allowance for doubtful debts was HK$106,000 (31 December 2009: HK$114,000), accounting for 0.2% of the Group's total trade debtors (2009: 0.5%).

The Group's trade debtors (net) increased by around 76.8% from approximately HK$24.49 million as at 31 December 2009 to HK$43.30 million as at 31 December 2010 mainly due to (i) the sales growth; and (ii) the seasonality that that the peak season started at least one month later in 2010 as compared to 2009 due to a later Chinese New Year.

The increase in average trade debtors turnover days from 49 days in 2009 to 62 days in 2010 was primarily due to the delay in peak season which caused more sales recorded in the fourth quarter of 2010 as compared to the same quarter of 2009.

Trade Creditors

The Group's trade creditors primarily relate to the costs of outsourced electroplating and purchases of raw materials from suppliers, with credit terms of 7 to 45 days from trade creditors.

The Group's trade creditors decreased by around 21.2% from approximately HK$6.92 million as at 31 December 2009 to HK$5.45 million as at 31 December 2010. The average trade creditors turnover days decreased from 45 days in 2009 to 36 days in 2010.

Other Payables

Other payables mainly represent (i) payroll and staff benefits payable; (ii) accrued expenses for utilities; and (iii) payables for listing expenses. The balance of other payables increased by approximately 38.4% to HK$24.99 million as at 31 December 2010 (2009: HK$18.05 million) mainly due to an increase in the number of staff as a result of the Group's business growth and the expenses incurred in connection with the listing of the Shares.

Amount due to Related Parties

The amounts due to related parties as at 31 December 2009 represented the funds provided by the Controlling Shareholders (which were unsecured, interest free and had no fixed terms of repayment) to finance the operations of the Group in previous years. The balance as at 31 December 2009 was fully settled in the year 2010.

Liquidity and Capital Resources

The following table is a summary of cash flow data for the two years ended 31 December 2010:

	Year ended 31 December	
	2010	2009
	HK$ million	*HK$ million*
Net cash generated from operating activities	**24.11**	34.14
Net cash (used in)/generated from investing activities	**(6.97)**	4.61
Net cash used in financing activities	**(25.66)**	(34.63)
Net (decrease)/increase in cash	**(8.52)**	4.12
Cash and cash equivalents at 1 January	**23.49**	19.35
Effect of foreign exchange rate changes	**0.61**	0.02
Cash and cash equivalents at 31 December	**15.58**	23.49

The Group's net cash inflow from operating activities for the year 2010 amounted to HK$24.11 million (2009: HK$34.14 million). As at 31 December 2010, cash and cash equivalents amounted to HK$15.58 million, representing a net decrease of HK$7.91 million as compared with the position as at 31 December 2009. The decrease was mainly due to (i) an increase in trade and other receivables; and (ii) the professional fees and expenses paid in connection with the listing of the Shares in January 2011.

As at 31 December 2010, the Group's short-term bank loans, in aggregate, amounted to approximately HK$28.21 million, representing an increase of approximately HK$4.36 million over approximately HK$23.85 million as at 31 December 2009. All the bank loans were due within one year and secured by the Group's interest in leasehold land held for own use under operating lease and buildings. The Group's short-term bank loans included Renminbi denominated loans of approximately RMB14 million at 5.31% per annum and approximately RMB10 million at 5.469% per annum.

As at 31 December 2010, the Group did not have any unused bank facilities. During the year 2010, the Group did not hedge its exposure to interest rate risks. The gearing ratio, which was calculated by dividing total bank borrowings over total equity, decreased from approximately 23.7% as at 31 December 2009 to 20.8% as at 31 December 2010.

Net Current Assets

As at 31 December 2010, the Group had net current assets of approximately HK$27.86 million. The key components of current assets as at 31 December 2010 included inventories of approximately HK$19.28 million, trade and other receivables of approximately HK$53.35 million and cash and cash equivalents of approximately HK$15.58 million. The key components of current liabilities included trade and other payables of approximately HK$30.45 million and bank loans of approximately HK$28.21 million.

The net current assets increased from HK$7.00 million as at 31 December 2009 to HK$27.86 million as at 31 December 2010 primarily due to the increases in inventories and trade debtors of approximately HK$3.85 million and HK$18.82 million respectively as a result of the increase in turnover for the year 2010.

Pledge of Assets

As at 31 December 2010, buildings with net book value of HK$30.61 million (31 December 2009: HK$31.07 million) and leasehold land with net book value of HK$4.28 million (31 December 2009: HK$4.23 million) of the Group were pledged to secure certain bank loans of the Group.

Contingent Liabilities

As at 31 December 2010, the Group did not have any material contingent liabilities.

Capital Commitments

Capital commitments mainly represent the Group's commitments in relation to the machinery for the Guangdong Plant and the SAP system for Zhejiang Plant. The capital commitments as at 31 December 2009 and 2010 not provided for in the financial statements were HK$3.74 million and HK$2.01 million respectively.

Foreign Currency Risk

Individual companies within the Group has limited foreign currency risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. However, as the principal subsidiaries, KEE Guangdong, KEE Zhejiang and UNA, mainly carried out transactions in Renminbi and the reporting currency of the Group is HK$, therefore any appreciation or depreciation of HK$ against Renminbi will affect the Group's financial position and be reflected in the exchange reserve. The Group did not hedge its exposure to risks arising from fluctuations in exchange rates during the year 2010.

Employees

As at 31 December 2010, the Group had 923 full-time employees (31 December 2009: 843 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 2010 were approximately HK$41.01 million (2009: HK$36.44 million).

Use of Net Proceeds Received from the Initial Public Offering

In January 2011, net proceeds received from the initial public offering, including the exercise of the over-allotment option and after deducting related expenses, were approximately HK$130 million. Such net proceeds were deposited at the Group's bank account and will be used in the manner consistent with that mentioned in the section headed "Future plans and proposed use of proceeds" of the Prospectus.

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 and continuously observes the principles of good corporate governance and devotes considerable effort to identifying and formalising best practice to ensure the interests of Shareholders, including those of minority Shareholders, are protected.

The Company has adopted the code provisions contained in the Corporate Governance Code set out in Appendix 14 to the Listing Rules. The Company has complied with the Corporate Governance Code since the listing of the Shares on 12 January 2011.

MODEL CODE

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all Directors of the Company, all Directors confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding any Directors' securities transactions since the listing of the Shares on 12 January 2011.

AUDIT COMMITTEE

An audit committee has been established with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the audit committee are to review and approve the Group's financial reporting process and internal control system, and to assist the Board in providing an independent view of the effectiveness of financial reporting process. The members of the audit committee are Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy. Mr. Lin Bin is the chairman of the audit committee. The audit committee has held two meetings to discuss the auditing, internal controls and financial reporting matters of the Company, including the review of the annual results of the Group for the year ended 31 December 2010.

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 review and determine the terms and structure of the remuneration packages, bonuses and other compensation payable to the Directors and senior management. The members of the remuneration committee are Mr. Xu Xipeng, Mr. Lin Bin and Mr. Tam Yuk Sang, Sammy. Mr. Xu Xipeng is the chairman of the remuneration committee.

NOMINATION COMMITTEE

A nomination committee has been established with written terms of reference in compliance with the Corporate Governance Code. The primary functions of the nomination committee are to make recommendations to the Board regarding candidates to fill vacancies on the Board and in senior management. The nomination committee comprises Mr. Xu Xinan, Mr. Lin Bin and Mr. Kong Hing Ki. Mr. Xu Xinan is the chairman of the nomination committee.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities since the listing of the Shares on 12 January 2011.

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 has maintained the prescribed public float of not less than 25% of the issued Shares as required under the Listing Rules since the listing of the Shares on 12 January 2011.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend in respect of the year 2010 to the Shareholders.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 25 May 2011 to Friday, 27 May 2011 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming annual general meeting of the Company, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 24 May 2011.

ANNUAL GENERAL MEETING

The annual general meeting of the Company will be held in Hong Kong on Friday, 27 May 2011. 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 2010 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
"CAGR"	compound annual growth rate
"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
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and, in the context of the Company, means Nicco, Mr. Xu Xipeng and Mr. Xu Xinan
"Corporate Governance Code"	code on corporate governance practices as set out in Appendix 14 to the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries

"Guangdong Plant"	the Group's production base in Foshan City of Guangdong Province
"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 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
"KEE Investment"	KEE International Investment Co., Limited(開易國際投資有限公司), a limited liability company incorporated in Hong Kong on 24 February 2003, wholly owned by Nicco and ceased to be a member of the Group on 22 September 2010
"KEE Suzhou"	開易拉鏈(蘇州)有限公司(Easyzip (Suzhou) Co., Limited), a limited liability company established in the PRC on 8 October 2003 and wholly owned by KEE Investment
"KEE Zhejiang"	開易(浙江)服裝配件有限公司(KEE (Zhejiang) Garment Accessories Limited), a limited liability company established in the PRC on 9 September 2005 and an indirect wholly-owned subsidiary of the Company
"KEE Zippers"	KEE Zippers Corporation Limited(開易拉鏈有限公司), a limited liability company incorporated in Hong Kong on 1 March 2002 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 of the Listing Rules
"Nicco"	Nicco Worldwide Inc., a limited liability company incorporated in the British Virgin Islands on 3 May 2004, being 47.305% owned by Mr. Xu Xipeng, 47.305% owned by Mr. Xu Xinan, 4.89% owned by Mr. Guo Zhenyi and 0.5% owned by Mr. Chow Hoi Kwang, Albert as at the date of this announcement, and a Controlling Shareholder

"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
"Prospectus"	the Company's prospectus dated 31 December 2010
"RMB"	Renminbi, the lawful currency of the PRC
"SAP system"	an enterprise resources planning system development by SAP AG of Germany and its affiliated companies
"Share(s)"	share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"UNA"	佛山市優納服裝配件有限公司(Foshan City UNA Garment Accessories Co., Limited), a limited liability company established in the PRC on 10 June 2009 and an indirect wholly-owned subsidiary of the Company
"Zhejiang Plant"	the Group's production base in Jiaxing City of Zhejiang Province

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

Hong Kong, 16 March 2011

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