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萬 裕 國 際 集 團 有 限 公 司 \*

**MAN YUE INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 894)**

**PLACING OF EXISTING SHARES AND SUBSCRIPTION FOR  
NEW SHARES UNDER GENERAL MANDATE**

The Vendor, the Chairman and an executive Director, is the beneficial owner of 23,955,667 Shares and is interested in about 53.36% shareholding (including the deemed interest in options) in the Company under the SFO.

The Vendor will sell 23,630,000 Shares (representing about 5.26% of the Company's total issued share capital as at the date of this announcement) at a price of HK\$2.03 per Share and will subscribe for 23,630,000 new Shares at the same price.

The Placing Shares will be placed by the Placing Agent to the Investor who is a third party independent of and not connected with any of the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries, or any of the associates of any of them (as defined in the Listing Rules) or any party or parties acting in concert with any of them.

If the Placing and the Subscription go ahead, the net proceeds to the Company of the Subscription will be approximately HK\$46.4 million and will be used to provide general working capital for the Company's business expansion when identified.

The Vendor is currently interested in approximately 53.28% of the existing issued share capital of the Company. The Placing will reduce the interest of the Vendor in the Company to approximately 48.02% of the existing issued share capital of the Company. The Subscription will then increase the Vendor's interest in the Company to about 50.61% of the enlarged issued capital of the Company.

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 9 March 2007. Application has been made for the resumption of trading in Shares on the Stock Exchange from 9:30 a.m. on 12 March 2007.

**PLACING LETTER DATED 8 MARCH 2007**

On 8 March 2007, the Vendor and the Placing Agent entered into a placing letter pursuant to which the Vendor agreed to sell and the Placing Agent agreed to procure the Investor to purchase the Placing Shares.

**Vendor:**

Mr. Chan Ho Sing, the Chairman and an executive Director.

As at the date of this announcement, the Vendor is the beneficial owner of 23,955,667 Shares and is interested in about 53.36% shareholding (including the deemed interest in options) in the Company under the SFO.

**Number of Shares to be placed:**

23,630,000 existing ordinary shares of HK\$0.10 each, representing about 5.26% of the Company's existing issued share capital of 448,881,302 Shares.

**Placing agent:*****UOB Kay Hian (Hong Kong) Limited***

The Placing Agent is a third party independent of and not connected with any of the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries, or any of the associates of any of them (as defined in the Listing Rules) or any party or parties acting in concert with any of them.

The Placing Agent will be entitled to receive a placing agent commission of 2.75% on the gross proceeds of the Placing to be paid by the Company. The Directors consider that the rate of the commission is fair and reasonable.

**Investor:*****Credit Suisse (Hong Kong) Limited***

The Investor is a company incorporated in Hong Kong and is a third party independent of and not connected with any of the directors, chief executive, substantial shareholders of the Company or any of its subsidiaries, or any of the associates of any of them (as defined in the Listing Rules) or any party or parties acting in concert with any of them.

**Price:**

HK\$2.03 per Share, representing a discount of approximately 9.78% to the closing price of HK\$2.25 per Share as quoted on the Stock Exchange on 8 March 2007, and a discount of approximately 8.14% to the average closing price of HK\$2.21 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 8 March 2007.

**Rights:**

The Placing Shares will be sold free of any third party rights.

The Placing Shares will be sold together with all dividends and distributions declared, made or paid after completion of the Placing.

**Conditions of the Placing:**

The Placing is conditional upon (i) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares; (ii) the obtaining of the approval of the Bermuda Monetary Authority on the Subscription; and (iii) the entering into of a placing and underwriting agreement between the Vendor and the Placing Agent in relation to the Placing.

**Completion:**

Completion of the Placing will take place within 2 business days after fulfilment of all the conditions precedent, which is expected to be on or before 20 March 2007.

## SUBSCRIPTION LETTER DATED 8 MARCH 2007

### Subscriber:

The Vendor

### Number of new Shares subscribed for:

23,630,000 new ordinary shares of HK\$0.10 each.

This represents approximately 5.26% of the Company's existing issued share capital, and 5% of its issued share capital as enlarged by the Subscription.

### Price:

HK\$2.03 per Share, same as the Placing Price.

The Company will pay the costs and expenses of the Subscription, and will repay to the Vendor his costs and expenses of the Placing. The net price to the Company of each Subscription Share is about HK\$1.96.

The Directors are of the view that the price per Share is fair and reasonable.

### Shareholding structure of the Company before and after the Placing and Subscription:

The following table sets out the shareholding structure of the Company prior to and upon completion of the Placing and the Subscription:

Name of shareholder	Existing shareholding		Shareholding after the Placing		Shareholding after the Subscription	
	No. of shares	%	No. of shares	%	No. of shares	%
The Vendor ( <i>Note</i> )	239,145,334	(53.28)	215,515,334	(48.02)	239,145,334	(50.61)
Mr. Ko Pak On	2,066,666	(0.46)	2,066,666	(0.46)	2,066,666	(0.44)
The Investor	—		23,630,000	(5.26)	23,630,000	(5.00)
Other public shareholders	207,669,302	(46.26)	207,669,302	(46.26)	207,669,302	(43.95)
	<u>448,881,302</u>		<u>448,881,302</u>		<u>472,511,302</u>	

*Note:* This includes the Vendor's deemed interests under the SFO.

### Mandate to issue the Subscription Shares:

The Subscription Shares will be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 26 May 2006. The general mandate has not been utilized since the date of grant.

### Ranking:

The Subscription Shares, when fully paid, will rank *pari passu* in all respects with the existing issued Shares.

### Conditions of the Subscription:

The Subscription is conditional upon (i) the completion of the Placing; (ii) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares; and (iii) the obtaining of the approval of the Bermuda Monetary Authority on the Subscription.

The Company will apply to the Listing Committee for listing of and permission to deal in the Subscription Shares.

### **Completion:**

Completion of the Placing and the Subscription will take place simultaneously, which is expected to be on or before 20 March 2007.

Under Rule 14A.31(3)(d) of the Listing Rules, the Subscription must be completed within 14 days after the date of the Placing Letter, that is, on or before 22 March 2007.

If completion of the Subscription is not taken place within 14 days after the date of the Placing Letter, it will be a connected transaction and the Company is required to comply with all the requirements in relation to connected transaction under the Listing Rules.

### **REASONS OF THE TRANSACTIONS**

If the Placing and the Subscription go ahead, the gross and net proceeds to the Company of the Subscription will be approximately HK\$47.97 million and HK\$46.4 million respectively.

The transaction will enlarge the equity base of the Company and provide general working capital for the Company's business expansion when identified.

### **INFORMATION FOR SHAREHOLDERS**

The Company has not conducted any equity fund raising exercise in the past twelve-month period immediately before the date of this announcement.

At the request of the Company, trading in Shares on the Stock Exchange has been suspended from 9:30 a.m. on 9 March 2007. Application has been made for the resumption of trading in Shares on the Stock Exchange from 9:30 a.m. on 12 March 2007.

### **TERM USED IN THIS ANNOUNCEMENT**

“Company”	Man Yue International Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Investor”	Credit Suisse (Hong Kong) Limited, a company incorporated in Hong Kong
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of 23,630,000 Shares beneficially owned by the Vendor pursuant to the Placing Letter
“Placing Agent”	UOB Kay Hian (Hong Kong) Limited, a company incorporated in Hong Kong
“Placing Letter”	a placing letter between the Vendor and the Placing Agent dated 8 March 2007 in relation to the Placing
“Placing Price”	HK\$2.03 per Placing Share

“Placing Shares”	a total of 23,630,000 Shares beneficially owned by the Vendor and to be placed under the Placing
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription for the Subscription Shares pursuant to the subscription letter dated 8 March 2007
“Subscription Shares”	new Shares equivalent to the number of the Placing Shares to be subscribed by the Vendor
“Vendor”	Mr. Chan Ho Sing, the Chairman and an executive Director
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

On behalf of the Board  
**Man Yue International Holdings Limited**  
**Chan Ho Sing**  
*Chairman*

Hong Kong, 9 March 2007

*As at the date of this announcement, the executive Directors are Mr. Chan Ho Sing and Mr. Ko Pak On whilst the independent non-executive Directors are Mr. Li Sau Hung Eddy, Mr. Lo Kwok Kwei David and Mr. Mar Selwyn.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in the announcement, the omission of which make any statement in this announcement misleading.*

\* *For identification purpose only*

Please also refer to the published version of this announcement in The Standard.