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MAN YUE TECHNOLOGY HOLDINGS LIMITED
萬裕科技集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00894)

DISCLOSEABLE TRANSACTION – ACQUISITION OF ADDITIONAL SHARE CAPITAL OF AN ASSOCIATE

The Board is pleased to announce that on 6 June 2016, the Purchaser, a wholly owned subsidiary of the Company and the Vendor entered into the Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares at a Consideration of TWD105,227,360 (approximately HKD25,012,446).

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules are more than 5% but less than 25%, the transaction contemplated under the Agreement constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

As the completion of the sale and purchase of the Sales Shares is subject to the approval of the Taiwan Investment Commission which may or may not be obtained, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

INTRODUCTION

On 6 June 2016, the Purchaser, a wholly-owned subsidiary of the Company and the Vendor entered into the Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares on the terms set out in the Agreement.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date

6 June 2016

Parties

- (1) The Purchaser; and
- (2) The Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are independent third parties not connected (within the meaning under the Listing Rules) with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates.

Assets to be acquired

The Sale Shares, representing approximately 15.74% of the entire issued share capital of the Target Company. Upon Completion of the Acquisition, the Target Company will become a non-wholly owned subsidiary of the Company.

Consideration

The consideration for the Acquisition (the “**Consideration**”) is TWD105,227,360 (approximately HKD25,012,446).

The Consideration shall be paid by the Purchaser to the Vendor in the following manner:

- (i) The Purchaser shall pay earnest money in the sum of HKD7,500,000 (“**Earnest Money**”) to the Vendor on 8 June 2016;
- (ii) The Purchaser shall pay to the Vendor a sum of TWD75,227,360 (approximately HKD17,881,474) upon receipt of the approval in respect of the Acquisition by the Taiwan Investment Commission for the transfer of the 7,522,736 shares of the Target Company;
- (iii) The Earnest Money shall be released to the Purchaser upon completion of the transfer of the 7,522,736 shares of the Target Company as set out in point (ii) above. The Purchaser shall pay TWD30,000,000 (approximately HKD7,130,972) for the transfer of the remaining 3,000,000 of the Sale Shares.

The Consideration was determined between the Vendor and the Purchaser after arm's length negotiation on normal commercial terms with reference to the prospects of the Target Company's businesses and the potential synergies between the business of the Group and that of the Target Company. The Directors consider the terms of the Agreement are fair and reasonable. The Consideration will be funded through the Group's internal resources.

Completion

The following shall take place on or before Completion:

- (i) the Purchaser shall submit to the Taiwan Investment Commission an application for approval in respect of the Acquisition within 10 days from the date of the Agreement and provide the Vendor's solicitors with documental proof of such submission;
- (ii) the completion of the Acquisition shall take place upon approval of the Taiwan Investment Commission. In the event that the approval of the Taiwan Investment Commission has not been granted within two months from the date of the shareholders' resolutions of the Target Company, such transfer shall be postponed accordingly;
- (iii) in the event that the approval of the Taiwan Investment Commission cannot be obtained, the Purchaser shall procure the Company or any of its associates to complete the Acquisition in accordance with the laws of Taiwan.

Governing laws

The Agreement shall be governed by and construed in accordance with the laws of Taiwan.

INFORMATION ABOUT THE VENDOR

The Vendor is a company incorporated in Taiwan which is listed on the Taiwan Stock Exchange (Stock code: 2327). It is a provider of passive components services which manufactures resistors, capacitors and wireless components.

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a company incorporated in Taiwan. Its principal business is trading and manufacture of electrolytic capacitors. Before the acquisition, the Target Company is held as to approximately 43.16%, 15.74% and 41.10% by the Group, the Vendor and other independent third parties and thus is accounted for as an associate of the Group.

Set out below is the consolidated financial information of the Target Company for the financial years ended December 31, 2014 and 2015, according to the audited accounts of the Target Company prepared in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards of Taiwan, respectively:

	For the year ended December 31, 2014 (TWD'000)	For the year ended December 31, 2015 (TWD'000)
Turnover	1,080,901	921,464
Net profit (before taxation)	39,335	4,449
Net profit/(loss) (after taxation)	27,192	(4,384)
Net asset value	679,904	685,325

INFORMATION ABOUT THE PURCHASER AND THE GROUP

The Purchaser is a wholly owned subsidiary of the Group established in the British Virgin Islands. The principal business of the Group is the manufacture and sale of high technology electronic components, including aluminum electrolytic capacitors, conductive polymer aluminum solid capacitor and other innovative electronic components.

REASONS FOR THE ACQUISITION

The Acquisition provides the Company to extend its geographic market. Synergies are expected as the Target Company's business is complementary to the existing business of the Group's capacitor segment.

The Directors (including the independent non-executive Directors) believe that the terms of the Acquisition are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules are more than 5% but less than 25%, the transaction contemplated under the Agreement constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

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

“Acquisition”	the acquisition of the Sale Shares from the Vendor by the Purchaser pursuant to the terms and conditions of the Agreement;
“Agreement”	the conditional agreement dated 6 June 2016 and entered into between the Vendor and the Purchaser for the sale and purchase of the Sale Shares;
“associate(s)”	has the meanings ascribed to it under the Listing Rules;
“Company”	Man Yue Technology Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 894);
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HKD”	Hong Kong Dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Purchaser”	High Merit Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company;
“Sale Shares”	10,522,736 ordinary shares of TWD10.00 each, representing approximately 15.74% of the entire issued share capital, of the Target Company;
“Share(s)”	ordinary shares of the Company with a par value of HK\$0.1 each;
“Shareholder(s)”	holder(s) of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Taiwan”	the Republic of China;
“Taiwan Investment Commission”	the Investment Commission of the Ministry of Economic Affairs of Taiwan;
“Target Company”	Luminous Town Electric Co., Ltd. a company incorporated in Taiwan with limited liability;
“TWD”	New Taiwan Dollars, the lawful currency of Taiwan; and
“Vendor”	Yageo Corporation, a company incorporated in Taiwan, which is listed on the Taiwan Stock Exchange (Stock code: 2327).

As the completion of the sale and purchase of the Sales Shares is subject to the approval of the Taiwan Investment Commission which may or may not be obtained, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By order of the Board
Man Yue Technology Holdings Limited
Kee Chor Lin
Chairman

Hong Kong, 7 June 2016

As at the date of this announcement, the executive directors of the Company are Ms. Kee Chor Lin, Mr. Chan Yu Ching, Eugene, Mr. Wong Ching Ming, Stanley and the independent non-executive directors of the Company are Dr. Li Sau Hung, Eddy, Mr. Lo Kwok Kwei, David and Mr. Mar, Selwyn.