

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**萬裕國際集團有限公司\***

**MAN YUE INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 894)**

## **BONUS ISSUE OF WARRANTS**

The Directors propose a conditional Bonus Warrant Issue to the Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one (1) Warrant for every ten (10) Shares held on the Record Date.

Each Warrant will entitle the holder thereof to subscribe in cash for one Share at an initial subscription price of HK\$2.25, subject to adjustment, at any time during the period which is expected to commence on Wednesday, 6 June 2007 and end on Friday, 5 June 2009 (both days inclusive).

A circular containing further details of the Bonus Warrant Issue will be sent to the Shareholders as soon as possible.

### **BONUS WARRANT ISSUE**

The Directors propose, subject to the satisfaction of the condition below, to make the Bonus Warrant Issue to its Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one (1) Warrant for every ten (10) Shares held.

### **SUBSCRIPTION PRICE AND SUBSCRIPTION PERIOD**

The Warrants will be issued in registered form and each Warrant will entitle the holder thereof to subscribe in cash for one Share at an initial subscription price of HK\$2.25, subject to adjustment, at any time during the period which is expected to commence on Wednesday, 6 June 2007 and end on Friday, 5 June 2009 (both days inclusive).

The subscription price represents a discount of approximately 9.27% to the closing price of HK\$2.48 per Share as quoted on the Stock Exchange on 18 April 2007, a discount of approximately 4.58% to the average closing price of HK\$2.358 per Share as quoted on the Stock Exchange for the past 5 trading days and a discount of approximately 4.98% to the average closing price of HK\$2.368 per Share as quoted on the Stock Exchange for the past 10 trading days up to, and including 18 April 2007.

### **SHARES TO BE ISSUED UPON EXERCISE OF THE WARRANTS**

On the basis of 472,561,302 Shares in issue as at the date of this announcement, and assuming no further Shares will be issued or repurchased by the Company on or before the Record Date, 47,256,130 Warrants would be issued pursuant to the Bonus Warrant Issue. Full exercise of the subscription rights attaching to the 47,256,130 Warrants at the initial subscription price of HK\$2.25 per Share would result in the issue of a total of 47,256,130 new Shares, representing approximately 10% of the issued ordinary share capital of the Company as at the date of this announcement, approximately 9.09% of the issued ordinary share capital of the Company as at the date of this announcement as enlarged by the issue of such new Shares and approximately 11.0% of the issued ordinary share capital of the Company as at the date of granting of the General Mandate, and the receipt by the Company of subscription moneys totalling approximately HK\$106.33 million before expenses of approximately HK\$300,000.

Assuming full exercise of the 5,500,000 Share Options outstanding as at the date of this announcement and the allotment and issue of Shares pursuant to such exercise with effect from any date falling prior to the Record Date, a further 550,000 Warrants would be issued pursuant to the Bonus Warrant Issue. On the basis of an issued ordinary share capital of 478,061,302 Shares following the exercise of the outstanding Share Options in the manner aforesaid, full exercise of the subscription rights attaching to the 47,806,130 Warrants at the initial subscription price of HK\$2.25 per Share would result in the issue of a total of 47,806,130 new Shares, representing approximately 10% of such issued ordinary share capital of the Company and approximately 9.09% of the issued ordinary share capital of the Company as enlarged by the exercise of subscription rights attaching to the 47,806,130 Warrants, and the receipt by the Company of subscription moneys totalling HK\$107.56 million before expenses of approximately HK\$350,000.

Upon the placing of 23,630,000 new Shares by the Company in March 2007, approximately 27.5% of the General Mandate has already been utilized. Assuming full exercise of the subscription rights attaching to the 47,806,130 Warrants, an aggregate of approximately 83.2% of the General Mandate will have been utilized.

Save for the above outstanding 5,500,000 Share Options, the Company does not have any other outstanding convertible securities, warrants, derivatives, conversion rights or subscription rights as at the date of this announcement.

### **FRACTIONAL ENTITLEMENTS**

Fractional entitlements to the Warrants (if any) will not be issued to the Shareholders but will be aggregated and sold for the benefit of the Company. The net proceeds of sale will be retained for the benefit of the Company.

### **OVERSEAS SHAREHOLDERS**

As at the date of this announcement, the Company has one Overseas Shareholder in Bahamas. The Directors are in the process of making enquiry pursuant to Rule 13.36(2)(a) of the Listing Rules with legal advisers of the place in which such Overseas Shareholder is residing on the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange of the relevant place. If the Directors are of the view that, after such enquiry, the exclusion of such Overseas Shareholder is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Warrants will not be granted to such Overseas Shareholder. The Company will make such appropriate disclosures as soon as practicable.

In view of the foregoing, Warrants which would otherwise be issued to such Overseas Shareholder under the Bonus Warrant Issue will be sold in the market as soon as possible if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to such Overseas Shareholder. Remittances thereof will be posted to it, at its own risk, unless the amount falling to be distributed to such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

### **CONDITION TO THE BONUS WARRANT ISSUE**

The Bonus Warrant Issue will be conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants.

### **REASONS FOR THE BONUS WARRANT ISSUE**

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and trading of electronic components, the trading of electrical products, raw materials and production machinery.

The Directors believe that the Bonus Warrant Issue will provide Shareholders with an opportunity to participate in the growth of the Company. The Bonus Warrant Issue will also strengthen the equity base of the Company and increase the Company's working capital if and when the subscription rights attaching to the Warrants are exercised.

The Company intends to apply any subscription moneys received as and when Subscription Rights are exercised towards the general working capital of the Group or for such other purposes as the Directors deem necessary, taking into consideration the requirements of the Company prevailing at the relevant time.

### **EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD**

On 8 March 2007, Mr. Chan Ho Sing ("Mr. Chan"), the chairman and an executive director of the Company and UOB Kay Hian (Hong Kong) Limited (the "Placing Agent") entered into a placing letter pursuant to which Mr. Chan agreed to sell and the Placing Agent agreed to procure Credit Suisse (Hong Kong) Limited to purchase a total of 23,630,000 Shares beneficially owned by Mr. Chan at a price of HK\$2.03 (the "Placing") per Share (the "Placing Price"). Pursuant to a top-up subscription agreement dated 16 March 2007 entered into between the Company and Mr. Chan, Mr. Chan also agreed to subscribe for 23,630,000 new Shares at the Placing Price (the "Subscription"). Completion of the Placing and the Subscription has taken place simultaneously on 20 March 2007.

The Placing Price represented 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 five trading days ended on and including 8 March 2007. The Company intended to use the proceeds of the top-up placing as general working capital for the Company's business expansion when identified. As at the date of this announcement, HK\$46.4 millions has been used for general working capital.

Details of the top-up placing are disclosed in the announcement of the Company dated 9 March 2007.

Save for the aforesaid, the Company did not raise any other funds by issue of equity securities during the 12 months immediately preceding the date of this announcement.

### **LISTING**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrants and the new Shares falling to be issued upon exercise of the Subscription Rights.

The new Shares falling to be issued upon exercise of the Subscription Rights will rank pari passu in all respect with the then existing issued Shares.

## **CERTIFICATES FOR THE WARRANTS AND BOARD LOT**

Subject to the satisfaction of the condition to the Bonus Warrant Issue, it is expected that certificates for the Warrants will be posted on or before Monday, 4 June 2007 at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company.

Dealings in the Warrants are expected to commence on the Stock Exchange on Wednesday, 6 June 2006. The Warrants are expected to be traded on the Stock Exchange in board lots of 20,000 Warrants carrying rights to subscribe for 20,000 Shares at HK\$45,000 at the initial subscription price of HK\$2.25 per Share (subject to adjustment).

## **ADJUSTMENTS IN RELATION TO THE EXERCISE PRICE OF SHARE OPTIONS**

Pursuant to the Share Option Scheme, the Company has as at the date of this announcement granted outstanding Share Options to subscribe for up to an aggregate of 5,500,000 Shares at the exercise price of HK\$1.6 per Share. The issue of the Warrants will not result in any adjustment to the exercise price of the Share Options or the number of Shares to be issued under the Share Options.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 17 May 2007 to Wednesday, 23 May 2007 (both days inclusive) in order to establish entitlements of Shareholders to the Bonus Warrant Issue. The last day for dealing in Shares cum entitlements to the Bonus Warrant Issue will be Monday, 14 May 2007. In order to qualify for the Bonus Warrant Issue, all outstanding transfers of Shares should be lodged with the branch share registrar of the Company in Hong Kong, Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 16 May 2007.

## **GENERAL**

As the Warrants will be issued by the Directors under the authority of the General Mandate, Shareholders' approval to the Bonus Warrant Issue is not required. The maximum number of Shares which can be allotted and issued by the Company under the General Mandate is 85,811,631. The Company has utilized part of its General Mandate by issuing 23,630,000 Shares to Mr. Chan under the top-up placing transaction as disclosed in the announcement of the Company dated 9 March, 2007 since the date it was granted. The Bonus Warrant Issue complies with the relevant provisions of Chapter 15 of the Listing Rules. A circular containing further details of the Bonus Warrant Issue will be despatched to the Shareholders as soon as practicable.

## **EXPECTED TIMETABLE**

The expected timetable for implementing the Bonus Warrant Issue is set forth below:

Last day of dealings in Shares cum entitlements to the Warrants	Monday, 14 May 2007
First day of dealings in Shares ex-entitlements to the Warrants	Tuesday, 15 May 2007
Latest time for lodging forms of transfer to ensure entitlement to the Warrants	4:00 p.m. on Wednesday, 16 May 2007
Register of members closes	Thursday, 17 May 2007 to Wednesday, 23 May 2007
Record Date	Wednesday, 23 May 2007
Register of members reopens	Friday, 25 May, 2007
Warrant certificates posted	Monday, 4 June 2007
Dealings in the Warrants expected to commence	Wednesday, 6 June 2007

## **DEFINITIONS**

“Bonus Warrant Issue”	bonus issue of Warrants by the Company to all Shareholders whose names appear on the register of members of the Company on the Record Date, on the basis of one Warrant for every ten existing Shares held on the Record Date
“Company”	Man Yue International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 26 May, 2006 by way of ordinary resolution

“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company at the close of business on the Record Date is/are outside Hong Kong
“Record Date”	the record date for the purpose of ascertaining the entitlements of Shareholders to the Bonus Warrant Issue
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Options”	the share options to subscribe for Share(s) granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted on 26 May, 2006
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Rights”	the subscription right(s) attaching to the Warrant(s)
“Warrant(s)”	warrant(s) to be issued by the Company, in unit(s) of HK\$2.25 of subscription rights, to subscribe for new Shares at the initial subscription price of HK\$2.25 per new Share, subject to adjustment, at any time from Wednesday, 6 June 2007 up to and including Friday, 5 June 2009 (both dates inclusive)

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

Hong Kong, 18 April 2007

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

*The Directors 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.