
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Man Yue International Holdings Limited**, you should at once hand this circular to the purchaser or the transferee or the bank, stockbroker or other registered dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, 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 circular.



萬 裕 國 際 集 團 有 限 公 司 *

MAN YUE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(stock code: 894)

DISCLOSEABLE TRANSACTION — DISPOSAL OF PROPERTY

A letter from the Board of Directors is set out on pages 3 to 5 of this circular.

* *For identification purpose only*

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Appendix — General Information of the Group	6

DEFINITIONS

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

“Agreement”	the provisional agreement for sale and purchase dated 14 May 2008 entered into between the Vendor and the Purchaser for the sale and purchase of the Property;
“Board”	the board of Directors;
“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”	the directors of the Company (including independent non-executive directors of the Company);
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Third Parties”	entities and their ultimate beneficial owner(s) which are third parties independent of and not connected with the Company and any connected persons (as defined in the Listing Rules) of the Company;
“Latest Practicable Date”	30 May 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining relevant information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Purchaser”	New Era Group (China) Limited;
“Property”	Twenty Sixth Floor, King Kong Commercial Center, No. 9 Des Voeux Road West, Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Valuer”	BMI Appraisals Limited, an independent valuer appointed by the Company;

DEFINITIONS

“Vendor”	Man Yue Electronics Company Limited, an indirect wholly-owned subsidiary of the Company; and
“%”	per cent.

LETTER FROM THE BOARD



萬 裕 國 際 集 團 有 限 公 司 *

MAN YUE INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(stock code: 894)

Executive Directors:

Mr. Chan Ho Sing (*Chairman*)

Mr. Ko Pak On

Mr. Chan Yu Ching, Eugene

Mr. Tso Yan Wing, Alan

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-Executive Directors:

Dr. Li Sau Hung, Eddy

Mr. Lo Kwok Kwei, David

Mr. Mar, Selwyn

Head Office and

Principal Place of Business:

16th Floor

Yiko Industrial Building

10 Ka Yip Street

Chai Wan

Hong Kong

3 June 2008

*To the Shareholders and for information only
to the Warrantholders and the Optionholders*

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION — DISPOSAL OF PROPERTY

INTRODUCTION

On 16 May 2008, the Board announced that the Vendor entered into the Agreement on 14 May 2008 under which the Vendor agreed to sale and the Purchaser agreed to purchase the Property at a cash consideration of HK\$43,152,000.

The disposal under the Agreement constituted a discloseable transaction of the Company pursuant to Rule 14.06(2) of the Listing Rules. The purpose of this circular is to give you further details of the disposal under the Agreement in accordance with the requirements of the Listing Rules.

* *For identification purpose only*

LETTER FROM THE BOARD

PROVISIONAL AGREEMENT FOR SALE AND PURCHASE DATED 14 MAY 2008

Parties:

Vendor: Man Yue Electronics Company Limited, an indirect wholly-owned subsidiary of the Company

Purchaser: New Era Group (China) Limited. To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Property to be disposed of:

The property to be disposed of under the Agreement is situated at Twenty Sixth Floor, King Kong Commercial Center, No. 9 Des Voeux Road West, Hong Kong.

The Property is currently vacant and vacant possession of the Property will be delivered to the Purchaser on completion.

The Valuer has assessed the value of the Property as being HK\$35,400,000 as at 31 December 2007.

Consideration:

HK\$43,152,000 in cash.

The consideration was arrived at after arm's length negotiations and with reference to the above valuation of the Property by the Valuer. The valuation was carried out by the Valuer on an open market value basis. As at the Latest Practicable Date, the net book value of the Property is approximately HK\$35,400,000. Accordingly, a gain of approximately HK\$7,752,000 will be accrued to the Company as a result of the disposal of the Property.

The directors of the Company (including the independent non-executive directors) consider that the terms for the disposal of the Property under the Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Payment terms:

The consideration of HK\$43,152,000 shall be paid by the Purchaser in the following manner:

- (a) an initial deposit of HK\$2,157,600 has been paid on the date of the Agreement;
- (b) a further deposit of HK\$2,157,600 had been paid upon signing of the formal sale and purchase agreement; and
- (c) the balance of HK\$38,836,800 shall be paid on completion.

LETTER FROM THE BOARD

Use of proceeds:

The proceeds arising from the disposal of the Property will be used as to approximately 50% to reduce the Company's debts and as to approximately 50% to provide general working capital requirements of the Group.

REASONS FOR THE DISPOSAL

As explained in the 2007 annual report of the Company, the Company intended to dispose of the Property in order to improve the Group's overall gearing ratio and to provide additional finances to fund some of the Group's on going expansion plans. The entering into of the Agreement for the disposal of the Property is in line with the plan of the Company.

FINANCIAL EFFECT OF THE DISPOSAL

The value of the Property recorded in the audited accounts of the Group as at 31 December 2007 was approximately HK\$35,400,000. It is estimated that gain of HK\$7,752,000 (before tax and incidental selling expenses) will be resulted from the Disposal. Following the Disposal, the non-current assets of the Group will decrease by approximately HK\$35,400,000, representing the carrying value of the Property disposed. The current assets of the Group will increase upon receipt of the net proceeds from the disposal. Non-current liabilities will decrease upon the realization of deferred tax liabilities related to the revaluation gain of the Property.

INFORMATION ABOUT THE GROUP AND THE PURCHASER

The principal activities of the Group consist of the manufacturing and trading of electronic components; the trading of raw materials and the trading of equity investments.

The Purchaser has verbally confirmed to the Company that it is principally engaged in the information technology business. However, the Company is not in a position to verify the same. The Group has not involved in any previous transaction with the Purchaser or any of its associates.

GENERAL

Since the consideration ratio (as defined in the Listing Rules) is greater than 5% but less than 25%, the entering into of the Agreement constituted a discloseable transaction for the Company according to Rule 14.06(2) of the Listing Rules.

Your attention is also drawn to the general information as set out in the Appendix to this circular.

By Order of the Board
Man Yue International Holdings Limited
Chan Ho Sing
Chairman

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries and that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DISCLOSURE OF INTERESTS

Interests of Directors in the shares, underlying shares and debenture

As at the Latest Practicable Date, the interests and short positions of the Directors in the share, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the “Model Code”) in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long positions in ordinary shares and underlying shares of the Company

Number of shares and underlying shares held, capacity and nature of interest							
Name of Director	Notes	Capacity	Nature of interest	Interests in shares	Interest in underlying shares (options)	Interest in underlying shares (warrant)	Approximate percentage of the Company's issued share capital
Chan Ho Sing	(a)	Founder of discretionary trust	Family	209,689,667	—	20,968,966	48.25%
Chan Ho Sing	(b)	Interest of spouse	Family	5,900,000	—	570,000	1.35%
Chan Ho Sing		Beneficial owner	Personal	30,315,667	—	2,395,566	6.84%
Ko Pak On		Beneficial owner	Personal	2,066,666	1,000,000	206,666	0.68%
Chan Yu Ching, Eugene		Beneficial owner	Personal	4,716,666	—	451,666	1.08%
Tso Yan Wing, Alan		Beneficial owner	Personal	100,000	700,000	30,000	0.17%

Notes:

- (a) These shares and warrants are owned by Man Yue Holdings Inc., a company incorporated in the Bahamas, the entire issued share capital of which is ultimately beneficially owned by the family trust of Chan Ho Sing.
- (b) The interest of spouse represents ordinary shares and warrants held by Kee Chor Lin, the spouse of Chan Ho Sing.

In addition to the above, Mr Chan Ho Sing has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Company solely for the purpose of complying with the minimum company membership requirements. Each of Mr. Chan Ho Sing and Mr. Chan Yu Ching, Eugene is the director of Man Yue Holdings Inc., the controlling Shareholder.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code in the Listing Rules to be notified to the Company and the Stock Exchange.

Interests of substantial shareholders and other persons in the share capital of the Company

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than Directors or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Long positions in ordinary shares and underlying shares of the Company

Name	Notes	Capacity and nature of interest	Number of ordinary shares held	Interest in underlying shares (warrants)	Approximate percentage of the Company's issued share capital
Man Yue Holdings Inc. ("MYHI")	1&3	Beneficial interest	209,689,667	20,968,966	48.25%
Mico Global Inc. ("MGI")	1&3	Corporate/Interest of controlled corporation	209,689,667	20,968,966	48.25%
RBTT Trust Corporation	2&3	Trust/Trustee of discretionary trust	209,689,667	20,968,966	48.25%
Kee Chor Lin	4	Family/Interest of spouse/Beneficial interest	245,905,334	23,934,532	56.44%
DJE Investment S.A. ("DJE")	5&7	Investment Manager	42,600,000	—	8.91%
Dr. Jens Ehrhardt Kapital AG ("DJE AG")	5, 6&7	Investment Manager	42,600,000	—	8.91%
Dr. Jens Alfred Karl Ehrhardt ("Dr. Ehrhardt")	7	Investment Manager	42,600,000	—	8.91%
Martin Currie (Holdings) Limited		Interest of controlled corporation	28,815,000	—	6.03%

Notes:

1. MGI holds a 100% direct interest in MYHI and is accordingly deemed to have interests in shares and warrants interested by or deemed to be interested by MYHI.
2. RBTT Trust Corporation as trustee of the family trust of Chan Ho Sing, holds a 100% direct interest in MGI and is accordingly deemed to have interest in shares and warrants interested by or deemed to be interested by MGI.
3. The interests of MYHI, MGI and RBTT Trust Corporation are in respect of the same 209,689,667 and 20,968,966 underlying shares and duplicated each other.
4. 5,900,000 shares and 570,000 warrants are the beneficial interest of Kee Chor Lin. The remaining interests are held by MYHI and Chan Ho Sing, spouse of Kee Chor Lin.
5. DJE AG holds 81% interest in DJE and is accordingly deemed to have interests in shares interested by or deemed to be interested by DJE.
6. Dr. Ehrhardt holds a 68.5% interest in DJE AG and is accordingly deemed to have interests in shares and warrants interested by or deemed to be interested by DJE AG.
7. The interests of DJE, DJE AG and Dr. Ehrhardt are in respect of the same 42,600,000 underlying shares and duplicated each other.

Save as disclosed above, as at the Latest Practicable Date, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Interests in other members of the Group

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any person (other than a Director or chief executive of the Company) who was interested, directly or indirectly, in 10% or more of the issued shares of any subsidiary of the Company or any options in respect of such capital.

Service contracts

Mr. Ko Pak On has entered into a service contract with the Company for a fixed term of two years commencing on 1 January 2007 and the contract will expire on 31 December 2008.

Save as disclosed above, none of the Directors has entered into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

Competing business

None of the Directors or any of their respective associates (as defined in the Listing Rules) has any interest in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

LITIGATION

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

GENERAL

- (a) The company secretary and qualified accountant of the Company is Mr. Tso Yan Wing, Alan. He is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and a member of the Certified General Accountants in Canada.
- (b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda, and the principal place of business is situated at 16th Floor, Yiko Industrial Building, 10 Ka Yip Street, Chai Wan, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong.