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Mitsumaru East Kit (Holdings) Limited **三丸東傑（控股）有限公司**

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2358)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTIES

The Directors announce that Crown Grace, a wholly owned subsidiary of the Company, entered into the Provisional Agreement on 5 August 2008 with the Purchaser in relation to the disposal of the Properties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons and is not a connected person of the Company.

The Provisional Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules as certain applicable percentage ratios exceed 5% but less than 25%.

A circular setting out details of the Provisional Agreement and the Disposal will be sent to the Shareholders as soon as practicable.

THE PROVISIONAL AGREEMENT

Date: 5 August 2008

Parties:

Vendor: Crown Grace Limited, a wholly-owned subsidiary of the Company

Purchaser: Asia Linkage Limited, a company incorporated in Hong Kong, or its nominees.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties

independent of the Company and its connected persons and are not connected persons of the Company.

Information on the Properties

The Properties comprises non-residential units situated at Kwai Chung, Hong Kong.

Consideration

The Consideration of the Disposal is HK\$27,000,000 which is payable in cash in the following manner:-

- (i) HK\$500,000, being the initial deposit, has been paid by the Purchaser to Crown Grace upon signing of the Provisional Agreement;
- (ii) HK\$2,200,000, being the further deposit, shall be paid by the Purchaser to Crown Grace upon signing of the formal sale and purchase agreement in respect of the Properties on or before 26 August 2008;
- (iii) HK\$24,300,000, being the balance of the Consideration, shall be paid by the Purchaser to Crown Grace's solicitors upon Completion.

The Consideration was agreed between the parties based on arm's length negotiations.

Completion

Pursuant to the terms of the Provisional Agreement, subject to the approval of the Company, Completion of the Disposal shall take place at or before 20 October 2008.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that the Consideration for the Disposal has substantially reflected the long term investment potential of the Properties and the Disposal therefore provides an opportunity for the Group to realise its investment in the Properties. Furthermore, having taken into account that the Disposal will result in an audited loss of approximately HK\$2.4 million to the Group, the Disposal would help to improve the current position of the Group's working capital.

The Board also considers that the terms of the Provisional Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Provisional Agreement is in the interests of the Company and the Shareholders as a whole.

INTENDED USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE DISPOSAL

The net book values of the Properties were HK\$29,397,724 as at 31 December 2007. The difference between the Consideration of HK\$27,000,000 and the said net book values of HK\$29,397,724 gives rise to an unaudited loss of approximately HK\$2,397,724 (before expenses

and tax) which will be recorded in the accounting year ending 31 December 2008. The Disposal is expected to generate net cash proceeds, which will be applied as general working capital of the Group.

INFORMATION ON THE PARTIES

The Company is the holding company of the Group which is principally engaged in the design, development and sale of TV chassis, materials requisition and assembling.

The principal activity of Crown Grace is investment/ property holding.

The principal activity of the Purchaser is property holding.

GENERAL

The Provisional Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

A circular setting out details of the Provisional Agreement and the Disposal will be despatched to the Shareholders as soon as practicable.

SUSPENSION OF TRADING

At the direction of the Stock Exchange, trading in the shares of the Company was suspended from 9:30 a.m. on 14 February 2008 and will remain suspended until further notice.

DEFINITIONS

“Board”	the board of Directors
“Company”	Mitsumaru East Kit (Holdings) Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration in the sum of HK\$27,000,000 payable by the Purchaser
“Crown Grace”	Crown Grace Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“Disposal”	the sale of the Properties to the Purchaser pursuant to the Provisional Agreement

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKFRS”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“Properties”	Unit 01-03, 05-13 & 15-20 (with private water-closet wc 0606-0609) on 6/F, Regent Centre Tower B, No. 70 Ta Chuen Ping Street, Kwai Chung, Hong Kong
“Purchaser”	Asia Linkage Limited, a company incorporated in Hong Kong or its nominees
“Provisional Agreement”	the provisional sale and purchase agreement dated 5 August 2008 and entered into between Crown Grace and the Purchaser for the sale and purchase of the Properties
“Shares”	shares of the Company
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Mitsumaru East Kit (Holdings) Limited

Cheng Sik Kong
Company Secretary

Hong Kong, 27 August 2008

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Zhang Shuyang

Mr. Tung Chi Wai, Terrence

Mr. Leung Koon Sing

Independent Non-executive Director:

Mr. Mu Xiangming