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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 PURSUANT TO RULE 13.17 AND RULE 13.18 OF THE LISTING RULES**

The Board announces that on 30 July 2010 the Company entered into the Loan Agreement with Kingston pursuant to which Kingston agreed to provide a loan of HK\$15,000,000 to the Company. The Loan Agreement imposes an obligation on the Company, among other things, to deliver the Z-Idea Share Charge and the Personal Guarantee from Mr. Zhang as securities for the Loan, and to procure Z-Idea to maintain a minimum shareholding in the Company in respect of the Charged Shares.

This announcement is made in compliance with Rule 13.17 of the Listing Rules as Z-Idea, which is the controlling shareholder of the Company, has pledged its interest in the Charged Shares on 30 July 2010 pursuant to the Z-Idea Share Charge and in compliance with Rule 13.18 of the Listing Rules as the Loan Agreement contains specific performance obligations on Z-Idea, being the controlling shareholder of the Company.

The Board announces that on 30 July 2010 the Company entered into the Loan Agreement with Kingston pursuant to which Kingston agreed to provide a loan of HK\$15,000,000 to the Company, which will be used by the Company for general working capital purposes. Set out below is a summary of the principal terms of the Loan Agreement.

#### **THE LOAN AGREEMENT**

***Date:***

30 July 2010

***Parties:***

- (1) Kingston, as the lender; and
- (2) Company, as the borrower.

***Loan Amount:***

HK\$15,000,000, which has been fully drawn on 2 August 2010.

***Repayment and Interest:***

The principal amount of the Loan and unpaid interest shall be repayable on or before 2 February 2011. The Loan is subject to an interest rate of 12% per annum, and may be prepaid without prepayment penalty.

***Securities:***

The Loan shall become available to the Company when Kingston has received, among other things, the Z-Idea Share Charge and the Personal Guarantee as securities for the Loan.

***Specific Performance Obligations:***

The Company shall undertake and procure Z-Idea to ensure that the Charged Shares shall not at any time be less than 56% of the total issued share capital of the Company, and Z-Idea to refrain from exercising any voting rights or such other action to approve or agree to any new issue of Shares or such other activity which would have the effect of diluting the Charged Shares without the prior consent of Kingston, failing which the Loan shall immediately become due and payable and the Company shall immediately repay all outstanding principal and interest under the Loan.

**LISTING RULES IMPLICATIONS**

Z-Idea is a controlling shareholder of the Company and Mr. Zhang was a director of the Company within the preceding 12 months, and hence are connected persons of the Company.

The Z-Idea Share Charge and the Personal Guarantee constitute financial assistance provided by connected persons to the Company. As the Z-Idea Share Charge and the Personal Guarantee are for the benefit of the Company on normal commercial terms where no security over the assets of the Company is granted in respect of the financial assistance, such financial assistance is exempt from the reporting, announcement and independent's shareholders' approval requirements under Rule 14A.65(4) of the Listing Rules.

This announcement is made in compliance with Rule 13.17 of the Listing Rules as Z-Idea, which is the controlling shareholder of the Company, has pledged its interest in the Charged Shares on 30 July 2010 pursuant to the Z-Idea Share Charge and in compliance with Rule 13.18 of the Listing Rules as the Loan Agreement contains specific performance obligations on Z-Idea, being the controlling shareholder of the Company.

**GENERAL**

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
“Charged Shares”	224,000,000 Shares beneficially owned by Z-Idea, representing 56% of the issued share capital of the Company
“Company”	Mitsumaru East Kit (Holdings) Limited, a company incorporated in Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (Stock Code: 2358)
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Kingston”	Kingston Finance Limited, a company incorporated in Hong Kong with limited liabilities
“Loan”	the loan of HK\$15,000,000
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 30 July 2010 and made between Kingston and the Company in respect of the Loan
“Mr. Zhang”	Mr. Zhang Shuyang who was a director of the Company within the preceding 12 months
“Personal Guarantee”	the personal guarantee dated 30 July 2010 and provided by Mr. Zhang to guarantee the Company’s liabilities up to HK\$15,000,000 as security for the Loan
“Shares”	shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Z-Idea”	Z-Idea Company Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly and beneficially owned by Mr. Zhang
“Z-Idea Share Charge”	the share charge dated 30 July 2010 and provided by Z-Idea over the Charged Shares in favour of Kingston as security for the Loan
“%”	per cent

By Order of the Board  
**Mitsumaru East Kit (Holdings) Limited**  
**Cheng Sik Kong**  
Company Secretary

Hong Kong, 2 August 2010

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

**Executive Director:**

Mr. Leung Koon Sing

**Independent Non-executive Directors:**

Mr. Kwong Ping Man

Mr. Mu Xiangming

Mr. Martin He