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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)**

**SUPPLEMENTAL ANNOUNCEMENT**  
**IN RELATION TO THE ANNUAL REPORT OF THE COMPANY**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

Reference is made to the annual report (the “**Annual Report**”) of Mitsumaru East Kit (Holdings) Limited (the “**Company**”) for the year ended 31 December 2013 published on the websites of The Stock Exchange Hong Kong Limited (the “**Stock Exchange**”) and the Company on 28 April 2014. Unless otherwise defined, capitalised terms used in this announcement have the same meanings as defined in the Annual Report.

In addition to the information provided in the Annual Report, the Company would like to further inform the Shareholders and potential investors of the Company the following information:

**1. Fund Raising activities – Open Offer**

On 21 August 2013, the Company entered into an underwriting agreement to raise approximately HK\$240 million, before expenses, by way of open offer of 2,400,000,000 Shares at the offer price of HK\$0.10 per offer share on the basis of six (6) offer shares for every (1) existing Share (“**Open Offer**”). The Directors consider that the Open Offer will enlarge the capital base and strengthen the financial position of the Company so as to facilitate the Group’s long term development. The gross proceeds and net proceeds from the Open Offer are estimated to be approximately HK\$240 million and HK\$233 million respectively. The Company intends to use the net proceeds from the Open Offer as to (i) approximately HK\$133.35 million for the acquisition consideration of 100% equity interest of Soyea Jiu Rong (“**Acquisition**”).

**Consideration**”); and (ii) the remaining HK\$99.65 million as general working capital of the Group. Should the Acquisition Consideration be settled before the completion of the Open Offer by internal resources of the Group and/or bank or other borrowings, the net proceeds from the open offer will be used for replenishment/repayment of such internal resources of the Group and/or bank or other borrowings. The Open Offer was completed on 27 December 2013, related fee and expenses of approximately HK\$9.68 million arose from the Open Offer was recognised in the share premium account of the Company. The net proceeds of the Open Offer was approximately HK\$230.32 million, represented a net price of HK\$0.096 per offer share had been applied in accordance with the specific use described in the circular in relation to the Open Offer. Of these net proceeds, around HK\$205.22 million has been used for repayment of other borrowings (including the short term loan for Acquisition Consideration), and the remaining balance of approximately HK\$25.10 million which was intended to be applied as general working capital remained unutilized as at 31 December 2013.

## **2. Impairment assessment of goodwill and intangible assets on the acquisition of 100% equity interest of Soyea Jiu Rong**

The Company completed the acquisition of 100% equity interests of Soyea Jiu Rong on 19 December 2013. According to a professional valuation report issued by Asset Appraisal Limited, an independent firm of professionally qualified valuers, the fair value of the identifiable assets and liabilities of Soyea Jiu Rong was approximately RMB98,694,000 (equivalent or approximately HK\$123,179,000) as at 31 December 2013, and hence intangible assets and goodwill of approximately HK\$8,344,000 and HK\$11,800,000 was recognised respectively.

Intangible asset represented customers’ relationship which was expected to generate revenues and profit to the TV Business. The intangible asset has been assessed to have weighted average useful lives of five years. The Group carried out reviews of the recoverable amount of its intangible assets in 2013. The Group’s intangible assets are used in the Group’s TV Business cash generating unit. The recoverable amount of the relevant assets has been determined based on a value in use calculation using cash flow projections (“**Income Approach**”) based on the financial budgets approved by the management covering a 5 year period using an estimated growth rate of 3%. The Group used the Income Approach valuation method to assess impairment on intangible assets because it was the most relevant valuation approach that presented worth of future economic benefits to be derived. Key assumptions used by the management in the value in use calculations of the cash cash-generating unit include budgeted gross profit margin. The pre-tax discount rate used for estimating the value in use is 15.27%. No impairment loss on intangible assets has been recognized for the year ended 31 December 2013 as a result of the impairment test.

The amount of goodwill is allocated to the cash-generating unit within the TV Business segment. Goodwill is tested for impairment by the management by estimating the recoverable amount of this cash-generating unit based on value in use calculation. The Group used the Income Approach valuation method to assess impairment on goodwill because it was the most relevant valuation approach that presented worth of future economic benefits to be derived. As at 31 December 2013, the value in use calculation uses cash flow projections based on the financial budgets approved by the management covering a 5 year period using an estimated growth rate of 3%. Key assumptions used by the management in the value in use calculation of the cash-generating unit include budgeted gross profit margin. The pre-tax discount rate used for estimating the value in use is 15.27%. The assumptions have been determined based on past performance and management's expectations in respect of the TV Business market in the PRC. The management is not currently aware of any other probable changes that would necessitate changes in its key estimates. No impairment loss on goodwill has been recognized for the year ended 31 December 2013 as a result of the impairment test.

The above clarification does not affect other information contained in the Annual Report and, save as disclosed in this announcement, the remaining contents of the Annual Report remain unchanged.

By Order of the Board  
**Mitsumaru East Kit (Holdings) Limited**  
**Siu Chi Ming**  
*Executive Director*

Hong Kong, 11 July 2014

*As at the date of this announcement, Mr. Siu Chi Ming, Mr. Tang Chin Wan and Ms. Wang Liping are the Executive Directors; Ms. Au Shui Ming, Mr. Tsang Ho Ka, Eugene and Mr. Wu Yinong are the Independent Non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, their opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any such statements in this announcement misleading.*