
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 to be taken, you should consult a licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Mitsumaru East Kit (Holdings) Limited (the “Company”), you should at once hand this circular accompanying with the form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

MAJOR DISPOSAL

A notice convening the extraordinary general meeting of the Company to be held at Suite 5005–6, 50/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 28 December 2011 at 10:00 a.m. is set out on pages 28 to 30 of this circular. Whether or not you are able to attend the meeting in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Rooms 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the accompanying form of proxy will not preclude you from attending and voting at the meeting should you so wish.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Appendix I — Financial information	13
Appendix II — Property Valuation Report	15
Appendix III — General Information	20
Notice of EGM	28

DEFINITIONS

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

“Announcements”	the joint announcements of the Company and China Water Affairs Group Limited dated 1 December 2010, 7 March 2011, 30 June 2011 and 7 December 2011
“Board”	board of Directors
“Company”	Mitsumaru East Kit (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“connected person”	has the meaning ascribed to it in the Listing Rules
“Deed of Assignment and Waiver”	the deed of assignment and waiver to be entered into among (i) the Company; (ii) the Purchaser; (iii) Dragon Gain; (iv) Wuhu; (v) EKC; (vi) EKS; (vii) MHDL and (viii) MHKL upon Completion
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the entire issued share capital of Dragon Gain as stipulated in the S&P Agreement
“Disposal Group”	Dragon Gain and Wuhu
“Dragon Gain”	Dragon Gain Resources Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“EGM”	an extraordinary general meeting to be held at Suite 5005-6, 50/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 28 December 2011 at 10:00 a.m. by the Company to consider and approve the S&P Agreement and the transactions contemplated thereunder
“EKC”	East Kit Electronic (China) Co., Ltd., a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“EKS”	East Kit Electronic (Shanghai) Co., Ltd., a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Latest Practicable Date”	7 December 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Loan”	a loan in the aggregate principal amount of up to HK\$100,000,000 advanced by New Prime under a loan agreement dated 1 December 2010 (as supplemented by a supplemental loan agreement dated 7 March 2011 and a second supplemental loan agreement dated 6 December 2011) entered into between the Company and New Prime
“MHDL”	Mitsumaru (Holdings) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“MHKL”	Mitsumaru (H.K.) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“New Prime”	New Prime Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of China Water Affairs Group Limited
“PRC”	the People’s Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region of the PRC
“Purchaser”	Shinning Jade Limited, a company incorporated in the British Virgin Islands with limited liability
“S&P Agreement”	the conditional sale and purchase agreement dated 17 November 2011 between the Company and the Purchaser in relation to the sale and purchase of the Sale Share
“Sale Share”	one share of HK\$0.01 of Dragon Gain, being the entire issued share capital of Dragon Gain
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the 1,000,000,000 new Shares by New Prime under the subscription agreement dated 1 December 2010 (as supplemented by a supplemental subscription agreement dated 7 March 2011 and a second supplement subscription agreement dated 6 December 2011)
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“Wuhu”	Mitsumaru Electrical (Wuhu) Co., Ltd., a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Reminbi, the lawful currency of the PRC
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

For the purpose of this circular, all amounts in RMB are translated into HK\$ at an exchange rate of RMB1: HK\$1.2.



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)

Executive Directors:

Mr. Leung Koon Sing
Mr. Tang Chin Wan

Independent Non-executive Directors:

Mr. Kwong Ping Man
Mr. Martin He
Mr. Mu Xiangming

Registered Office:

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Hutchins Drive
P.O. Box 2681
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Cayman Islands

*Head Office and Principal Place
of Business:*

Suite 5005–5006, 50/F Central Plaza
18 Harbour Road
Wanchai
Hong Kong

8 December 2011

To the Shareholders,

Dear Sir or Madam,

MAJOR DISPOSAL

On 17 November 2011, the Board announced that the the Company as vendor and the Purchaser entered into the S&P Agreement on 17 November 2011, pursuant to which the Company has agreed to sell and the Purchaser has agreed to purchase the Sale Share, being the entire issued share capital of Dragon Gain (a wholly-owned subsidiary of the Company and the main asset of which is the entire interest in Wuhu (an indirect wholly-owned subsidiary of the Company)), for a cash consideration of HK\$17,000,000.

Pursuant to the S&P Agreement, the Company, the Purchaser, Dragon Gain, Wuhu, EKC (an indirect wholly-owned subsidiary of the Company), EKS (an indirect wholly-owned subsidiary of the Company), MHDL (an indirect wholly-owned subsidiary of the Company) and MHKL (an indirect wholly-owned subsidiary of the Company) will at Completion enter into the Deed of Assignment and Waiver for the assignment and waiver of debts among the parties thereto.

LETTER FROM THE BOARD

Reference is made to the Announcements. In light of the Subscription, the Disposal is considered a frustrating action under Rule 4 of the Takeovers Code and is subject to Shareholders' approval.

As certain applicable percentage ratio for the Disposal under the Listing Rules is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Rule 14.08 of the Listing Rules and is subject to announcement, reporting and Shareholders' approval requirements under the Listing Rules.

The purpose of this circular is to give you further details of the Disposal and a notice of the EGM at which a resolution will be proposed to consider and, if thought fit, approve the S&P Agreement, the Deed of Assignment and Waiver and the transactions contemplated thereunder.

THE S&P AGREEMENT DATED 17 NOVEMBER 2011

Parties

Vendor: the Company

Purchaser: the Purchaser, an investment holding company

To the best of the Directors's knowledge, information and belief, after having made all reasonable enquiry, the Purchaser and its ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons. The Company understands that the beneficial owner(s) of the Purchaser has investment in integrated circuit (IC) manufacturing business and were acquainted with the Company through introduction by the plant manager of Wuhu. The Company has no prior business relationship with the Purchaser and its beneficial owner(s).

Assets to be disposed

Sale Share: 1 share of HK\$0.01 each of Dragon Gain, being the entire issued share capital of Dragon Gain

The consideration for the Sale Share

The consideration for the Sale Share of HK\$17,000,000 shall be payable by the Purchaser to the Company (or as it may direct) in cash in the following manner:

- (i) HK\$500,000 as refundable deposit to be paid upon signing of the S&P Agreement; and
- (ii) the balance of HK\$16,500,000 to be paid upon Completion.

The HK\$500,000 deposit shall be refunded to the Purchaser if the conditions to Completion have not been fulfilled on or before 31 December 2011 or such other date as the parties to the S&P Agreement may agree.

LETTER FROM THE BOARD

The consideration for the Sale Share was arrived at after arm's length negotiations between the Company and the Purchaser and represents a premium of approximately 19.3 times over the unaudited consolidated net asset value of the Disposal Group of approximately HK\$881,000 as at 30 September 2011.

The Directors (including the independent non-executive Directors) consider that the terms of the S&P Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Condition and Completion

Completion shall be conditional upon and is subject to:

- (i) the Shareholders approving the S&P Agreement and the transactions contemplated thereunder in compliance with the Listing Rules; and
- (ii) all necessary waiver, consent, approval, licence, authorization, permission, order and exemption (if required) from the SFC, the Stock Exchange, other regulatory authorities or other third parties which are necessary in connection with the S&P Agreement and the transactions contemplated thereunder.

In respect of condition (ii) above, other than clearance by the SFC of the Company's announcement dated 17 November 2011 and clearance by the Stock Exchange of this circular, the Company does not consider there to be any other consent or approval required from the SFC, the Stock Exchange or other regulatory authorities. Neither party may waive the above conditions. If any of the above conditions has not been fulfilled on or before 31 December 2011 (or such later date as the Vendor and the Purchaser may agree), the S&P Agreement will terminate and the Vendor shall return all deposits paid thereunder and neither party shall have any further claim against the other save for any antecedent breach.

Subject to fulfillment of all conditions, Completion is expected to take place on 31 December 2011 (or such other date the parties to the S&P Agreement may agree).

THE DEED OF ASSIGNMENT AND WAIVER

Pursuant to the S&P Agreement, the Company, the Purchaser, Dragon Gain, Wuhu, EKC, EKS, MHDL and MHKL will at Completion enter into the Deed of Assignment and Waiver for the assignment and waiver of debts among the parties thereto and the details of which are set out below:

As at the date of the S&P Agreement,

- (i) EKC is indebted to Wuhu in the amount of RMB6,017,514.51 (the "Wuhu AR");
- (ii) EKS is indebted to Wuhu in the amount of RMB424,639 (the "EKS AP");
- (iii) Wuhu is indebted to MHKL in the amount of RMB2,716,874.35 (the "MHKL AR");

LETTER FROM THE BOARD

- (iv) Wuhu is indebted to the Company in the amount of RMB5,300,000 (the “Company AR”);
- (v) Dragon Gain is indebted to MHDL and MHKL in the aggregate amount of HK\$10,254,000 (the “Dragon Gain AP”).

Assignments

Subject to Completion, pursuant to the Deed of Assignment and Waiver:

- (a) In consideration of the sum equivalent to the MHKL AR paid by MHKL by way of full set off against the MHKL AR, Wuhu as legal and beneficial owner shall agree to assign absolutely to MHKL from the date of the Deed of Assignment and Waiver all its rights, title and interest in part of the Wuhu AR to the extent equivalent to the MHKL AR only free from encumbrances. As a result, the balance of the Wuhu AR will be reduced to RMB3,300,640.16 (“Wuhu AR Balance”) immediately after the assignment.
- (b) In consideration of the sum of the EKS AP and the Wuhu AR Balance paid by the Company by way of partial set off against the Company AR, Wuhu as legal and beneficial owner shall assign absolutely to the Company from the date of the Deed of Assignment and Waiver all its rights, title and interest in the EKS AP and the Wuhu AR Balance free from encumbrances. As a result, the balance of the Company AR will be reduced to RMB1,574,720.84 (approximately HK\$1,890,000) (“Company AR Balance”).
- (c) In consideration of the sum of HK\$1.00, the Company, as legal and beneficial owner shall assign absolutely to the Purchaser from the date of the Deed of Assignment and Waiver all its rights, title and interest in the Company AR Balance free from encumbrances. As a result, Wuhu will be indebted to the Purchaser in the amount of the Company AR Balance and the Purchaser will be entitled at any time and from time to time to require repayment of all or part of the same.

As a result of the above assignments, Wuhu will be indebted to the Purchaser in the amount of the Company AR Balance and the Purchaser will be entitled at any time and from time to time to require repayment of all or part of the same.

Waiver

Subject to Completion, MHDL and MHKL shall irrevocably and unconditionally waive the Dragon Gain AP of HK\$10,254,000 and MHDL and MHKL shall have no claim whatsoever against Dragon Gain for the Dragon Gain AP waived under the Deed of Assignment and Waiver.

LETTER FROM THE BOARD

INFORMATION ON THE DISPOSAL GROUP

Dragon Gain is a company incorporated in the British Virgin Islands on 10 February 2004 with an authorised share capital of HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each, of which 1 ordinary share has been issued. As at the Latest Practicable Date, the one share issued by Dragon Gain has been charged in favour of New Prime as security for the Loan as disclosed in the Announcements. New Prime has conditionally agreed (subject to conditions to the S&P Agreement being fulfilled) to release such charge immediately before Completion. Dragon Gain is wholly-owned by the Company. Dragon Gain is an investment holding company and its main asset is the entire interest in Wuhu.

Wuhu is a company incorporated in the PRC on 20 October 1998 with registered capital of US\$1.3 million. Wuhu is principally engaged in the manufacturing and sale of self-produced television sets, screen and other electronic and electric parts. In particular, the business of assembling of CRT TV sets is carried out under Wuhu. Wuhu also owns the land and buildings of an industrial compound situated at No.48 Yijiang Road Central, Wuhu city, Anhui Province, the PRC (the “Property”). The market value of the Property was RMB14,000,000 (approximately HK\$16,800,000) as at 30 September 2011 valued by an independent valuer. The property valuation report of the Property is set out in Appendix II to this circular.

Set out below is the summary of unaudited consolidated financial information of the Disposal Group for the two years ended 31 December 2010 and the nine months ended 30 September 2011:

	For the year ended 31 December 2009	For the year ended 31 December 2010	For the nine months ended 30 September 2011
<i>(HK\$'000)</i>			
Turnover	21,363,000	31,542,000	13,066,000
Profit/(Loss) before tax	1,813,000	(3,966,000)	(3,665,000)
Profit/(Loss) after tax	1,893,000	(3,852,000)	(3,665,000)
Net asset attributable to its shareholders	6,877,000	3,856,000	881,000

FINANCIAL AND TRADING PROSPECTS

As mentioned in the 2010 annual report of the Company, the Group recorded HK\$124,100,000 in sales, HK\$50,400,000 in operating loss and HK\$49,700,000 in loss attributable to owners of the Company. The decrease in sales for the year ended 31 December 2010 was mainly attributable to tight working capital thereby hindering revenue growth.

Nonetheless, the Group adopted a proactive approach to respond to the challenges. In order to reduce reliance on LCD panel suppliers and integrate the upstream and downstream production, the Group has setup a “Backlight Technology Research Joint Laboratory” with Shanghai Research Center of Engineering and Technology for Solid-

LETTER FROM THE BOARD

State Lighting and obtained 10 patents relating to LED backlight TV technology. Furthermore, the Group, jointly with the help of a local High-Tech firm, has the capacity to assemble LCD panels which enables the Group to have a better position in contracts and price negotiation. Other components, such as backlight module, light guide plate and optical films were also developed by the Group. All the aforesaid technological developments enhance the Group to launch new products such as the All-in-one TV and iPod TV with a view to regaining our market share and sustaining our operation.

As mentioned in the 2011 interim report of the Company, subsequent to the granting of the HK\$100 million loan from New Prime in December 2010, the working capital position of the Group has been substantially improved. The injection of new cash is very imperative in growing the Group's business and expediting the business transformation. For the six months ended 30 June 2011, the Group recorded sales of about HK\$125 million soaring 107% based on a year on year basis. The Company anticipates this trend will continue and the Group's level of operations will soon be satisfactory. The net loss of the Group, thanks to the scaling up of the operation, was significantly reduced from about HK\$22 million to HK\$9 million compared with the corresponding period of 2010 demonstrating the continuing operation improvement. The gross margin recorded a significant improvement from -0.8% to 2.7% and the trend is expected to continue with the increasing contribution from higher margin products such as iPod TVs, display walls as well as the All-in-One super thin LED back-light TVs. Aggregate trade payables posted a decrease of HK\$36 million due to the enhancement of the working capital position. Total trade payables under litigation were also considerably reduced from approximately HK\$28.4 million to HK\$15.6 million during the review period. Overall the operation has been developing in a healthy direction and has a promising business prospect driven by the Group's strong product development and production capacity.

In terms of TV business, the Group will focus on the sales and development of higher end products such as iPod TV and All-in-One LED back-light LCD TVs. The Group's main production facilities are in Shanghai, which are in the business of design of chassis of colour TVs, assembling of colour TVs and trading of related components. Based on the unaudited management accounts of the Group, sales amounted to approximately HK\$89.8 million were derived from the Shanghai facilities which accounted for approximately 71.8% of the total sales of the Group for the six months ended 30 June 2011. Leveraging the Group's existing network and long term relationships in the TV sector, the Group is scaling up the trading business in the Southern part of China. The Group recorded trading sales of HK\$30.7 million in Hong Kong and Shenzhen for the six months ended 30 June 2011, representing 25% of the total sales and an increase of 30% year on year. On the other hand, as the CRT industry is expected to experience continued recession and it is anticipated that the CRT TVs will be gradually replaced by LCD TVs in the next few years. As such, the Group's production facilities in Wuhu have been gradually scaled down. Based on the unaudited management accounts of the Group, Wuhu recorded turnover of assembling of CRT TVs of HK\$4.6 million for the six months ended 30 June 2011, representing only approximately 3.7% of the Group's total sales in that six months period. The Disposal is expected to reduce losses of the Company and will assist the Group to deploy more resources in its profitable businesses. Based on the above, the Directors consider that the Group has and will continue to have sufficient level of operations after Completion. The Group is also exploring into the development of the electric water meter business.

LETTER FROM THE BOARD

Reference is made to the joint announcement of the Company and China Water Affairs Group Limited dated 7 December 2011. On 6 December 2011, the Company and New Prime entered into (i) the second supplemental loan agreement pursuant to which (amongst others) the repayment date of the Loan has been extended to 31 December 2012 or the date of termination of the subscription agreement, whichever is later; (ii) the second supplemental subscription agreement pursuant to which (amongst others) the long stop date shall be extended to 30 June 2012, failing which New Prime shall have the right at its own discretion to extend the long stop date to a date not later than 31 December 2012 (or any other date as may be agreed between the parties thereto). On 6 December 2011, the Company and the Possible Underwriters (as defined in the Announcements) entered into the non-legally binding third supplemental letter of intent pursuant to which the letter of intent may be terminated if any of the relevant conditions are not satisfied or waived (as the case may be) or by mutual written consent of the parties to the letter of intent, on or before 30 June 2012.

REASON FOR THE DISPOSAL AND USE OF PROCEEDS

The Group is principally engaged in the design of the chassis of TVs and assembling of TV sets, assembling of CRT TV sets and trading of related components. The business of the design and assembly of the chassis of TVs and TV sets and the trading of related components are carried out in the PRC and Hong Kong.

As mentioned in the interim report of the Company for the six months ended 30 June 2011, on 30 August 2011, the Group entered into a share transfer agreement with an independent third party to dispose of its entire 38.5% equity interest in Cyber Opto-Electronical Technology Co., Ltd. for a cash consideration of approximately RMB3,000,000 with an estimated gain before expenses of approximately HK\$1,670,000 and the Group was in process of negotiation with an independent third party to make the Disposal as the Disposal Group has been incurring significant losses in the past years. The management therefore believes that the Disposal will enable the Group to deploy resources in other business with better prospects.

In order to expand the Group's trading business, the Group has set up a joint venture company, namely China Mega Development Limited ("China Mega") through Mitsumaru East Kit (Group) Limited, a direct wholly-owned subsidiary of the Company, in Hong Kong with registered and paid up capital of HK\$100,000 and capital commitment of not more than HK\$12,000,000. China Mega is currently owned as to 75% by Mitsumaru East Kit (Group) Limited and 25% by Unique Mark Holdings Limited. To the best of the Directors's knowledge, information and belief, after having made all reasonable enquiry, Unique Mark Holdings Limited and its ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons. China Mega is proposed to be principally engaged in trading; OEM and ODM business of various kinds of TV CKD (Complete Knock Down) and SKD (Semi Knock Down) products. In addition, the Group is in negotiations with an independent third party to acquire a controlling interest in a PRC company which is principally engaged in manufacturing of electrical water meters. It is expected that the proposed acquisition if and when it proceeds may constitute a disclosable transaction of the Company under the Listing Rules.

LETTER FROM THE BOARD

In view of an unaudited gain before taxation of approximately HK\$6,787,000 arising from the Disposal, the Directors consider that the Disposal represents a good opportunity for the Company to strengthen its cash position. The Directors (including the independent non-executive Directors) consider that the S&P Agreement are on normal commercial terms and the terms of the S&P Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole. Upon completion of the Disposal, the net proceeds amounting to approximately HK\$16,020,000 will be applied towards China Mega's general working capital requirements, the possible equity investment in water-meter manufacturing plan and the Group's general working capital requirements. The Directors consider that the Group's cash resources after Completion will enable it to capture suitable investment opportunities should they arise.

FINANCIAL EFFECTS OF THE DISPOSAL

Based on the calculation of the consideration of HK\$17,000,000 for the Disposal less (i) the unaudited consolidated net asset value of the Disposal Group as at 30 September 2011 of approximately HK\$881,000; (ii) the assignment of the Company AR Balance of approximately HK\$1,890,000 by the Company to the Purchaser; (iii) the waiver of the Dragon Gain AP of approximately HK\$10,254,000 by MHDL and MHKL; and (iv) the related expenses of approximately HK\$980,000 and the addition of the write back of the exchange reserve of approximately HK\$3,793,000, it is expected that, upon Completion, an unaudited gain before taxation of approximately HK\$6,787,000 will be recognised from the Disposal.

Upon Completion, Dragon Gain and Wuhu will cease to be subsidiaries of the Company. Their profit and loss and the assets and liabilities will no longer be consolidated into the Group's consolidated financial statements.

Turnover

According to the annual report of the Company for the year ended 31 December 2010, the turnover of the Group for the year ended 31 December 2010 was approximately HK\$124 million. Based on the unaudited financial information of the Disposal Group for the year ended 31 December 2010, the turnover of the Disposal Group was approximately HK\$32 million. The turnover of the Group is expected to decrease after the Disposal.

Earnings

According to the annual report of the Company for the year ended 31 December 2010, the loss of the Disposal Group for the year ended 31 December 2010 was approximately HK\$3.9 million. The Group expects to recognise a gain from the Disposal of approximately HK\$6.8 million. However, the actual gain on the Disposal may differ as the amount will be calculated based on the carrying value of the Disposal Group on Completion. In addition, in view of the loss-making position of the Disposal Group, it is expected that the earnings of the Group after the Disposal would improve.

LETTER FROM THE BOARD

Assets and liabilities

According to the annual report of the Company for the year ended 31 December 2010, the audited net liabilities of the Group as at 31 December 2010 was approximately HK\$119.5 million. Upon Completion, Dragon Gain will cease to be a subsidiary of the Company and its assets and liabilities will be deconsolidated from the Group's future financial statements. Accordingly, both total assets and total liabilities of the Group would decrease as a result of the Disposal.

EGM

A notice convening the extraordinary general meeting of the Company to be held at Suite 5005-6, 50/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 28 December 2011 at 10:00 a.m. is set out on pages 28 to 30 of this circular. Whether or not you are able to attend the meeting in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar and transfer office, Computer Hong Kong Investor Services Limited at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the accompanying form of proxy will not preclude you from attending and voting at the meeting should you so wish.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiry, none of the Shareholders has a material interest in the S&P Agreement and the Deed of Assignment and Waiver and is required to abstain from voting on the resolution to approve the S&P Agreement and the Deed of Assignment and Waiver and the transactions contemplated thereunder.

RECOMMENDATION

The Board considers that the terms of the S&P Agreement and the Deed of Assignment and Waiver are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution as set out in the notice of the EGM.

GENERAL

At the direction of the Stock Exchange, trading in the Shares was suspended from 9:30 a.m. on 14 February 2008 and will remain suspended until further notice. Until satisfaction of all the resumption conditions set by the Stock Exchange, trading in the Shares will continue to be suspended.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this circular.

By Order of the Board of
Mitsumaru East Kit (Holdings) Limited
Leung Koon Sing
Executive Director

1. INDEBTEDNESS

As at the close of business on 31 October 2011, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding bank and other borrowings of approximately HK\$188 million, which comprised of:

1. A loan of principal and interest of HK\$100,000,000 and HK\$1,830,000 respectively, as pursuant to an agreement dated 1 December 2010 entered into between the Company and New Prime.

Pursuant to a subscription agreement entered into between the Company and New Prime, the loan will be applied to settle consideration to be paid by New Prime for subscription of 1,000,000,000 new Shares of the Company, upon fulfillment of certain conditions including the resumption of trading of the Company's Shares.

Pursuant to a debenture dated 1 December 2010, all assets of the Company and the Group are pledged to New Prime by way of a fixed and floating charge;

2. PRC bank loans of approximately HK\$30,544,000, secured by the Group's buildings, investment property and prepaid land lease premiums situated in the PRC with an aggregate carrying value of approximately HK\$62 million as at 31 October 2011. These loans carry interest at a fixed rate of 5.76% per annum with accrued interest payable at 31 October 2011 of approximately HK\$497,000;
3. Promissory notes of approximately HK\$35,000,000 entered into by the Group with three independent third parties in July and August 2010 whereby the Group promised to pay to these independent third parties at a fixed interest rate of 2% per annum with accrued interest payable of approximately HK\$250,000;
4. HK\$15,000,000 loan extended from a third party, Kingston Finance Limited, which is secured by a charge over 224,000,000 Shares beneficially owned by Mr. Zhang Shu Yang ("Mr. Zhang"), the controlling beneficial shareholder, and a personal guarantee given by Mr. Zhang. The loan is repayable on 28 September 2012 with interest charged at a rate of 8% per annum;
5. An unsecured loan of principal and interest from a third party individual in the PRC amounting to approximately HK\$3,600,000 and HK\$646,000 respectively, which carries interest at a fixed rate of 1% per annum;
6. An unsecured and non-interest bearing loan from Mr. Zhang of approximately HK\$72,000 which is repayable on 31 December 2012; and
7. Accrued interest of approximately HK\$226,000 on other loans from certain independent third parties and a subsidiary of China Water Affairs Group Limited with loan principals fully repaid before 31 October 2011.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, at the close of business on 31 October 2011, the Group did not have any loan capital outstanding, issued or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptances credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

2. WORKING CAPITAL

After taking into account the internally generated funds and available facilities of the Group, the Directors are of the opinion that the Group will have sufficient working capital to satisfy its requirement at least 12 months from the date of publication of this circular.

The following is the text of a letter, summary of value and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 30 September 2011 of the Property held by Wuhu.



Asset Appraisal Limited
資產評估顧問有限公司

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8 December 2011

The Board of Directors
Mitsumaru East Kit (Holdings) Limited
Suite 5005–5006, 50th Floor
Central Plaza
18 Harbour Road
Wanchai Hong Kong

Dear Sirs,

Re: Valuation of land and buildings of an industrial compound situated at No. 48 Yijiang Road Central, Wuhu City, Anhui Province, the People's Republic of China (the "PRC")

In accordance with the instructions from **Mitsumaru East Kit (Holdings) Limited** (the "Company") to value the captioned property interests (the "Property") held by Dragon Gain Resources Limited or its subsidiaries (hereinafter together referred to as the "Disposal Group"), we confirm that we have inspected the Property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 30 September 2011 (the "date of valuation").

BASIS OF VALUATION

Our valuation of the Property represents the market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

TITLESHIP

We have been provided with copies of legal documents regarding the Property. However, we have not verified ownership of the Property and the existence of any encumbrances that would affect its ownership.

We have also relied upon the legal opinion (the “PRC Legal Opinion”) provided by the PRC legal advisers, namely Auhui Yinjia Law Firm (安徽銀佳律師事務所), to the Company on the relevant laws and regulations in the PRC, on the nature of the owner’s property rights in the Property. Its material content has been summarized in the valuation certificate attached herewith.

VALUATION METHODOLOGY

The Property has been valued by the comparison method where comparison based on price information of comparable properties. Comparable properties of similar size, character and location are analysed and carefully selected of each property in order to arrive at a fair comparison of capital values.

ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Property on the market without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Property.

As the Property is held by the owner by means of long term Land Use Rights granted by the Government, we have assumed that the owner has free and uninterrupted rights to use the Property for the whole of the unexpired term of the land use rights.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

LIMITING CONDITIONS

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, tenancy and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the floor areas in respect of the Property but have assumed that the floor areas shown on the title certificates and official site or floor plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

We have inspected the exterior and, where possible, the interior of the buildings and structures of the Property. However, no structural survey has been made for them. In the course of our inspection, we did not note any apparent defects. We are not, however, able to

report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the Property, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors effective from 1st January 2005.

All monetary sums stated in this report are in Renminbi (RMB).

Our valuation certificate is attached herewith.

Yours faithfully,
For and on behalf of
Asset Appraisal Limited
Tse Wai Leung
MFin BSc MRICS MHKIS RPS(GP)
Director

Tse Wai Leung is a member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a Registered Professional Surveyor in General Practice and a qualified real estate appraiser in the PRC. He is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.

VALUATION CERTIFICATE

Property interests held and occupied by the Disposal Group

Property	Description and tenure	Particulars of occupancy	Market Value in Existing State as at 30 September 2011 <i>RMB</i>
Land and buildings of an industrial compound situated at No. 48 Yijiang Road Central Wuhu City Anhui Province the PRC.	<p>The property comprises a parcel of industrial land with a site area of 13,333.3 square metres on which a 3-storey (partially 6-storey) industrial building completed in about 1996.</p> <p>The registered gross floor area of the property is 11,185.36 square metres.</p> <p>The land use rights in the land on which the Building is erected have been granted for a term of 50 years commencing on 17 February 2004.</p>	The property is owner-occupied	14,000,000 100% interest of the Property held by the Disposal Group: 14,000,000

Notes:

1. As revealed from a Building and Land Ownership Certificate (Ref: Fang Di Quan Wu Jing Hu Qu Zi Di No. 2003082168 (房地權蕪鏡湖區字第2003082168號) dated 2 January 2004, the subject building with a registered gross floor area of 11,185.36 square metres is held by Mitsumaru Electrical (Wuhu) Co. Ltd (三丸電氣(蕪湖)有限公司), an indirect wholly-owned subsidiary of the Company.
2. As revealed from a Land Use Right Certificate (Ref: Wu Guo Yong (2004) Di No. 050) dated 18 February 2004, the land use rights in the land parcel of the Property with a registered site area of 13,333.3 square metres are held by Mitsumaru Electrical (Wuhu) Co. Ltd., an indirect wholly-owned subsidiary of the Company, for a term of 50 years from 17 February 2004 for industrial use.
3. In accordance with the information provided by the Group, the status of title and grant of major approvals and licences are as follows:

Land Use Right Certificate	:	Yes
Building and Land Ownership Certificate	:	Yes
4. We have been provided with a legal opinion regarding the Property by the Company's PRC legal advisers, which contains, inter alia, the followings:
 - i. Mitsumaru Electrical (Wuhu) Co. Ltd. obtained the Land Use Rights Certificate (Ref: Wu Guo Yong (2004) Di No. 050 (蕪國用(2004)第050號)) of the property from the Municipal Government of Wuhu on 18 February 2004. As stated in the Land Use Rights Certificate, the land use rights of the subject land parcel (Plan No. 68-88-4-4) with an area of 13,333.30 square metres have been granted for a term of 50 years commencing on 17 February 2004 for industrial uses;
 - ii. Mitsumaru Electrical (Wuhu) Co. Ltd. obtained the Building and Land Ownership Certificate (Ref: Fang Di Quan Wu Jing Hu Qu Zi Di No. 2003082168 (房地權蕪鏡湖區字第2003082168號) of the property from the Buildings and Land Administration Bureau of Wuhu on 2 January 2004. As

stated in the Building and Land Ownership Certificate, the property (lot no. 68.00-89.50-3-3) which is located at No. 48 Yijiang Road Central is of reinforced concrete construction with a gross floor area of 11,185.36 square metres and has been designated for industrial use;

- iii. As remarked in the aforesaid Building and Land Ownership Certificate, the subject building was mortgaged to Wuhu Commercial Bank Jinghu Branch on 23 December 2005 and Bank of Communications Co. Ltd. Wuhu Branch on 22 January 2007. As at the Valuation Date, the two mortgages have been fully discharged;
- iv. As remarked in the aforesaid Land Use Rights Certificate, the land use rights of the property were mortgaged to Wuhu Commercial Bank Jinghu Branch on 28 December 2005 and Bank of Communications Co. Ltd. Wuhu Branch. As at the Valuation Date, the two mortgages have been fully discharged;
- v. Save for the mortgages as stated in footnotes (ii) and (iii) above, no other mortgage is registered in the Land Use Rights Certificate and the Buildings and Land Ownership Certificate of the property;
- vi. Based on enquiry with the Land Resources Administration Bureau of Wuhu City (蕪湖市國土資源局) and Wuhu City Home and Urban Construction Committee (蕪湖市住房和城鄉建設委員會), no situation causing seizure of the property was existing as at the date of the PRC legal opinion; and
- vii. The land use rights and building ownership rights of the property are owned by Mitsumaru Electrical (Wuhu) Co. Ltd.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in the compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interests of Directors

As at the Latest Practicable Date, none of the Directors and chief executive had or was deemed to have any interest in the shares, underlying shares and debentures of the Company or 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 Issuers in the Listing Rules, to be notified to the Company and the Stock Exchange.

Interests in contract or arrangement

None of the Directors had any material interests in contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group taken as a whole.

Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2010, being the date to which the latest published audited consolidated financial statements of the Group were made up.

Service contracts

As at the Latest Practicable Date, there was no existing or proposed service contract between any member of the Group and any Director or proposed Director (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensations)).

Competing business

As at the Latest Practicable Date, none of the Directors or any of their respective associates had any interest in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

3. LITIGATION

Save as disclosed below, 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:

In respect of claims against EKS

- (a) A claim was made by 昆山康龍電子科技有限公司 against EKS in 2009 for outstanding payment of goods supplied in the sum of RMB337,015.24. On 14 October 2009, judgment was made by the relevant court against EKS ruling that EKS shall pay 昆山康龍電子科技有限公司 a sum of RMB337,015.24, which is yet to be settled by EKS.
- (b) A claim was made by 友尚電子(上海)有限公司 against EKS in 2009 for outstanding payment of goods supplied in the sum of RMB818,980.41. On 16 January 2010, judgment was made by the relevant court against EKS ruling that EKS shall pay 友尚電子(上海)有限公司 a sum of RMB818,980.41, which is yet to be settled by EKS.
- (c) A claim was made by 上海普林電路板有限公司 against EKS in 2010 for outstanding payment of goods supplied in the sum of RMB3,228,009.79. On 17 June 2010, an arbitration award was made by the relevant court and EKS was required to pay 上海普林電路板有限公司 a sum of RMB2,779,284.66, which is yet to be settled by EKS.
- (d) A claim was made by 鄂州華工高理電子有限公司 against EKS in 2011 for outstanding payment of goods supplied in the sum of RMB42,201.50.

In respect of claims against EKC

- (e) A claim was made by 無錫市科虹標牌有限公司 against EKC in 2009 for outstanding payment of goods supplied in the sum of RMB104,581.34. On 21 December 2009, judgment was made by the relevant court against EKC ruling that EKC shall pay 無錫市科虹標牌有限公司 a sum of RMB102,280.34, which is yet to be settled by EKC.
- (f) A claim was made by 蕪湖新迪科技有限公司 against EKC in 2009 for outstanding payment of goods supplied in the sum of RMB234,912.80. On 19 July 2010, judgment was made by the relevant court against EKC ruling that EKC shall pay 蕪湖新迪科技有限公司 a sum of RMB234,912.80, which is yet to be settled by EKC.

- (g) A claim was made by 常州豪杰電器有限公司 against EKC in 2009 for outstanding payment of goods supplied in the sum of RMB2,402,209.13. On 20 July 2010, judgment was made by the relevant court against EKC ruling that EKC shall pay 常州豪杰電器有限公司 a sum of RMB2,402,209.13, which is yet to be settled by EKC.
- (h) A claim was made by 常州市宏球電子有限公司 against EKC in 2010 for outstanding payment of goods supplied in the sum of RMB418,330. On 17 August 2010, an arbitration award was made by the relevant court and EKC was required to pay 常州市宏球電子有限公司 a sum of RMB400,000, which is yet to be settled by EKC.
- (i) A claim was made by 常熟銀羊電子有限公司 against EKC in 2010 for outstanding payment of goods supplied in the sum of RMB434,252.67. On 25 January 2011, an arbitration award was made by the relevant court and EKC was required to pay 常熟銀羊電子有限公司 a sum of RMB216,987.40, which is yet to be settled by EKC.
- (j) A claim was made by 廈門哈隆電子有限公司 against EKC in 2010 for outstanding payment of goods supplied in the sum of RMB402,697.56.
- (k) A claim was made by 鄂州華工高理電子有限公司 against EKC in 2011 for outstanding payment of goods supplied in the sum of RMB332,471.78.
- (l) A claim was made by 馬鞍山市京鵬電子元件有限公司 against EKC in 2011 for outstanding payment of goods supplied in the sum of RMB435,002.18.
- (m) A claim was made by 萊州市廣利印刷板有限公司 against EKC in 2011 for outstanding payment of goods supplied in the sum of RMB399,863.64.
- (n) A claim was made by 麗睿聲科技(南京)有限公司 against EKC in 2011 for outstanding payment of goods supplied in the sum of RMB141,259.45.
- (o) A claim was made by 南京鑫蓋錫科技有限公司 against EKC in 2011 for outstanding payment of goods supplied in the sum of RMB419,340.
- (p) A claim was made by 上海雲坤經貿有限公司 against EKC in 2011 for outstanding payment of goods supplied in the sum of RMB472,810.95.

4. EXPERT AND CONSENT

The qualification of the expert who has given opinion in this circular is as follows:

Name	Qualification
Asset Appraisal Limited (“Asset Appraisal”)	Property valuer

As at the Latest Practicable Date, Asset Appraisal has no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and has no direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2010, being the date to which the latest published audited consolidated financial statements of the Group were made up.

Asset Appraisal has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and/or references to its name, in the form and context in which they respectively appear.

5. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) a promissory note dated 14 July 2010 issued by the Company in favour of Mr. Lam Kwong Tim Spencer (“Mr. Lam”) in the principal sum of HK\$5,000,000 (“Mr. Lam’s Loan”) which is repayable on 13 July 2011 with interest at the rate of 2% per annum;
- (b) the loan agreement dated 30 July 2010 entered into between the Company as the borrower and Kingston Finance Limited as the lender pursuant to which Kingston Finance Limited agreed to provide a loan of HK\$15,000,000 to the Company;
- (c) a promissory note dated 2 August 2010 issued by the Company in favour of 初曉曄 in the principal sum of HK\$10,000,000 which is repayable on 2 August 2011 with interest at the rate of 2% per annum;
- (d) a promissory note dated 3 August 2010 issued by the Company in favour of Newlight Investments Limited (“Newlight Investments”) in the principal sum of HK\$20,000,000 (“Newlight Loan”) which is repayable on 2 August 2011 with interest at the rate of 2% per annum;
- (e) the letter of intent dated 28 October 2010 entered into among (1) the Company, (2) Wealth Investment Development Limited, Kingston Securities Limited (collectively, the “Possible Underwriters”) and (3) Premier One Investments Limited in relation to possible underwriting obligations under an open offer to be conducted by the Company, which has been superseded by the Letter of Intent (as defined below);
- (f) the loan agreement dated 1 December 2010 (“Loan Agreement”) entered into between the Company as borrower and New Prime as lender in relation to a loan in the aggregate principal amount of up to HK\$100,000,000 in cash advanced by New Prime to the Company;

- (g) the debenture dated 1 December 2010 entered into between the Company as borrower and New Prime as lender pursuant to which the Company, as the legal and beneficial owner, charges to New Prime, as a continuing security for the payment and discharge in full of the Loan, both present and future by way of first fixed charge of all the assets of the Company from time to time and by way of first floating charge, the undertaking and all the property, assets and rights of the Company, whatsoever and wheresoever if and insofar as not otherwise effectively charged by way of first fixed charge as mentioned above;
- (h) the subscription agreement dated 1 December 2010 (“Subscription Agreement”) entered into between the Company as the issuer and New Prime as the subscriber in relation to the subscription of 1,000,000,000 new Shares at the subscription price of HK\$0.10 per subscription share (subject to adjustments provision under the Subscription Agreement);
- (i) the non-legally binding letter of intent dated 1 December 2010 (“Letter of Intent”) entered into between the Possible Underwriters and the Company in relation to the underwriting obligations in respect of 1,500,000,000 Shares to be allotted and issued under an open offer (“Offer Shares”) on the basis of 15 Offer Shares for every four Shares held by the qualifying Shareholders (“Open Offer”) subject to signing of the underwriting agreement;
- (j) the underwriting letter dated 1 December 2010 entered into between the Company as the issuer and New Prime as the underwriter pursuant to which New Prime unconditionally and irrevocably undertakes to act as the underwriter for the whole amount of the Open Offer in cash in the event that the Possible Underwriters fail to enter into the underwriting agreement with the Company in relation to the Open Offer prior to or upon the Subscription Agreement becoming unconditional;
- (k) the assignment over accounts dated 1 December 2010 (“Assignment Over Accounts”) entered into between the Company as assignor and New Prime as lender in relation to the assignment of the balance from time to time standing to the credit of an account maintained with DBS Bank (Hong Kong) Limited (“Account”) and the Company’s right and interest in the Account to New Prime as security for the payment and discharge of all present and future obligations of the Company to New Prime under the Loan Agreement;
- (l) the supplemental agreement to Loan Agreement dated 7 March 2011 entered into between New Prime as lender and the Company as borrower in relation to certain amendments to the Loan Agreement;
- (m) the supplemental agreement to Subscription Agreement dated 7 March 2011 entered into between New Prime as subscriber and the Company as the issuer in relation to, inter alia, extension of the long stop date for fulfilment or waiver of conditions precedent to completion of the Subscription Agreement to 30 June 2011 with a right on the part of New Prime at its own discretion to further extend the long stop date to 31 December 2011;

- (n) the non-legally binding supplemental Letter of Intent dated 7 March 2011 entered into between the Possible Underwriters and the Company in relation to extension of the long stop date for satisfaction or waiver of the conditions to the underwriting obligations of the Possible Underwriters to 30 June 2011;
- (o) the loan agreement dated 26 April 2011 entered into between EKC and China Merchants Bank Shanghai Branch in relation to the provision of loan facility of RMB60,000,000 (equivalent to approximately HK\$72,000,000) from the bank to EKC;
- (p) the non-legally binding second supplemental Letter of Intent dated 30 June 2011 entered into between the Possible Underwriters and the Company in relation to extension of the long stop date for satisfaction or waiver of the conditions to the underwriting obligations of the Possible Underwriters to 31 December 2011;
- (q) an agreement dated 13 July 2011 entered into between the Company and Mr. Lam in relation to extension of repayment date of Mr. Lam's Loan under the promissory note dated 14 July 2010 from 13 July 2011 to 12 October 2011, subject to the payment of interest to Mr. Lam of HK\$100,000, representing interest accrued up to 13 July 2011;
- (r) an agreement dated 2 August 2011 entered into between the Company and Newlight Investments in relation to extension of repayment date of Newlight Loan under the promissory note dated 3 August 2010 from 2 August 2011 to 1 November 2011;
- (s) an agreement dated 3 August 2011 entered into between the Company and 初曉擘 in relation to extension of repayment date of HK\$10,000,000 under the promissory note dated 2 August 2010 from 2 August 2011 to 31 December 2011;
- (t) the share transfer agreement dated 30 August 2011 entered into between EKS as vendor and 紹興益析光電科技有限公司 as purchaser in relation to the sale and purchase of the entire 38.5% equity interest in Cyber Opto-Electrical Technology Co., Ltd. held by EKS for a cash consideration of approximately RMB3,000,000;
- (u) the cooperation agreement dated 9 September 2011 entered into between Mitsumaru East Kit (Group) Limited, a direct wholly-owned subsidiary of the Company, and Unique Mark Holdings Limited in relation to the establishment of a joint venture company, namely China Mega Development Limited, which is owned as to 75% by Mitsumaru East Kit (Group) Limited and as to 25% by Unique Mark Holdings Limited;
- (v) an agreement dated 12 October 2011 entered into between the Company and Mr. Lam (as amended by a confirmation dated 6 December 2011 issued by Mr. Lam) in relation to further extension of repayment date of Mr. Lam's Loan under the promissory note dated 14 July 2010 from 12 October 2011 to 31 December 2012, subject to the payment of outstanding interest to Mr. Lam of HK\$16,666.66, representing interest accrued up to 12 October 2011;

- (w) an agreement dated 1 November 2011 entered into between the Company and Newlight Investments (as amended by a confirmation dated 6 December 2011 issued by Newlight Investments) in relation to extension of repayment date of HK\$10,000,000 of the Newlight Loan under the promissory note dated 3 August 2010 from 1 November 2011 to 31 December 2012, subject to the repayment to Newlight Investments of HK\$5,000,000 of the Newlight Loan;
- (x) an agreement dated 1 November 2011 entered into between the Company and Newlight Investments in relation to extension of repayment date of HK\$5,000,000 of the Newlight Loan under the promissory note dated 3 August 2010 from 1 November 2011 to 30 November 2011, subject to the repayment to Newlight Investments of HK\$5,000,000 of the Newlight Loan;
- (y) the S&P Agreement;
- (z) an agreement dated 30 November 2011 entered into between the Company and Newlight Investments (as amended by a confirmation dated 6 December 2011 issued by Newlight Investments) in relation to extension of repayment date of HK\$5,000,000 of the Newlight Loan under the promissory note dated 3 August 2010 from 30 November 2011 to 31 December 2012, subject to the repayment to Newlight Investments of HK\$8,333.33, representing interest accrued up to 30 November 2011;
- (aa) a supplemental agreement dated 6 December 2011 entered into between the Company and 初曉曄 in relation to extension of repayment date of HK\$10,000,000 under the promissory note dated 2 August 2010 from 31 December 2011 to 31 December 2012;
- (bb) the second supplemental agreement to Loan Agreement dated 6 December 2011 entered into between New Prime as lender and the Company as borrower in relation to, inter alia, extension of the repayment date of the Loan to 31 December 2012 or the date of termination of the Subscription Agreement, whichever is later;
- (cc) the second supplemental agreement to Subscription Agreement dated 6 December 2011 entered into between New Prime as subscriber and the Company as the issuer in relation to, inter alia, extension of the long stop date to 30 June 2012, failing which New Prime shall have the right at its own discretion to extend the long stop date to a date not later than 31 December 2012 (or any other date as may be agreed between the parties thereto); and
- (dd) the third non-legally binding supplemental Letter of Intent dated 6 December 2011 entered into between the Possible Underwriters and the Company in relation to extension of the long stop date for satisfaction or waiver of the conditions to the underwriting obligations of the Possible Underwriters to 30 June 2012.

6. GENERAL

1. The secretary of the Company is Mr. Cheng Sik Kong, who holds a Master degree in Science in Accountancy from The Hong Kong Polytechnic University. Mr. Cheng is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
2. The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
3. The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
4. The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal place of business of the Company at Suite 5005–5006, 50/F Central Plaza, 18 Harbour Road Wanchai, Hong Kong during normal business hours from the date of this circular up to and including 28 December 2011:

- (a) the Memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the two years ended 31 December 2010;
- (c) the interim report of the Company for the six months ended 30 June 2011;
- (d) the property valuation report, the text of which is set out in Appendix II to this circular;
- (e) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix; and
- (f) the written consent referred to in the paragraph headed “Expert and Consent” in this appendix.



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “Meeting”) of Same Time Holdings Limited (the “Company”) will be held at Suite 5005–6, 50/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 28 December 2011 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendment, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (i) the sale and purchase agreement (the “S&P Agreement”) (a copy of which has been produced to this meeting marked “A” and initialled by the chairman of the meeting for identification) dated 17 November 2011 entered into by the Company and Shinning Jade Limited in relation to the disposal by the Company of the entire issued share capital of Dragon Gain Resources Limited to Shinning Jade Limited at a consideration of HK\$17,000,000 and the transactions contemplated thereunder be and are hereby confirmed, ratified and approved;
- (ii) the deed of assignment and waiver (the “Deed of Assignment and Waiver”) (a copy of which has been produced to this meeting marked “B” and initialled by the chairman of the meeting for identification) to be entered into by the Company, Shinning Jade Limited, Dragon Gain Resources Limited, Mitsumaru Electrical (Wuhu) Co., Ltd., East Kit Electronic (China) Co., Ltd., East Kit Electronic (Shanghai) Co., Ltd., Mitsumaru (Holdings) Limited and Mitsumaru (H.K.) Limited in relation to the setting off, assignment, novation and waiver of debts as specified thereunder between the parties thereto and the transactions contemplated thereunder be and are hereby approved; and

NOTICE OF EGM

- (iii) the Directors be and are hereby authorised to do all things and acts and execute all documents (including under the seal of the Company) which they may consider necessary, desirable or expedient to implement and/or give effect to any matters relating to or in connection with any or all transactions contemplated under the S&P Agreement and the Deed of Assignment and Waiver.”

By Order of the Board of
Mitsumaru East Kit (Holdings) Limited
Leung Koon Sing
Executive Director

Hong Kong, 8 December 2011

Head Office and Principal Place of Business in Hong Kong:
Suite 5005–5006, 50/F Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Notes:

1. Any member entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. In order to be valid, the instrument appointing a proxy together with (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be delivered to the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at Rooms 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
4. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

NOTICE OF EGM

5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

As at the date of this notice of extraordinary general meeting, the executive Directors are Mr. Leung Koon Sing and Mr. Tang Chin Wan and the independent non-executive Directors are Mr. Kwong Ping Man, Mr. Martin He and Mr. Mu Xiangming.