

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



EYANG HOLDINGS (GROUP) CO., LIMITED

宇陽控股（集團）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 117)

DISCLOSEABLE TRANSACTION RELATING TO PROVISION OF FINANCIAL ASSISTANCE AND ADVANCE TO AN ENTITY

THE LOAN AGREEMENT

The Board announced that on 31 March 2016 (after trading hours of the Stock Exchange), the Lender, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender has agreed to make available to the Borrower a loan facility of up to HK\$120,000,000 for a term of 9 months. The Loan is secured by (i) the Second Borrower Share Charge; (ii) the Second Grand Modest Share Charge; (iii) the Second Grand Modest Debenture; and (iv) the Second Deed of Assignment and Subordination.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan to the Borrower under the Loan Agreement are more than 5% but are less than 25%, the provision of the Loan to the Borrower constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

In addition, as the provision of the Loan to the Borrower exceeds 8% under the assets ratio (as defined under the Listing Rules), the provision of the Loan is also subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

INTRODUCTION

The Board announced that on 31 March 2016 (after trading hours of the Stock Exchange), the Lender, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, pursuant to which the Lender has agreed to make available to the Borrower a loan facility of up to HK\$120,000,000 for a term of 9 months.

Principal terms of the Loan Agreement are set forth below:

THE LOAN AGREEMENT

Date: 31 March 2016

Parties:

- (i) Lender: Most Glorious Limited (盛燦有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company; and
- (ii) Borrower: Classy Team Limited (彥添有限公司), a company incorporated in the British Virgin Islands with limited liability.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Borrower is an investment holding company, and the Borrower and its ultimate beneficial owner and their respective associates are Independent Third Parties.

Principal amount: Up to HK\$120,000,000.

Drawdown and Availability period: The Borrower may drawdown the Loan once on any Banking Day during the period commencing on the date of the Loan Agreement and ending 30 days after the date of the Loan Agreement.

Term: 9 months commencing from the date of drawing of the Loan.

Interest: 22.0% per annum or such other rate as determined in accordance with the terms of the Loan Agreement, which shall be calculated on the actual number of days elapsed on the basis of a 365-day year and shall be paid in arrears on the Repayment Date.

Default interest: 18.0% per annum plus the interest rate under the Loan Agreement on the default payment from and including the due date to the date of actual payment (provided that such rate of interest shall not exceed the highest interest rate permissible under the applicable law).

Purpose: For settling the Borrower's repayment obligations under the Existing Loan and for settlement of all costs and expenses (including but not limited to transaction or legal costs of the Existing Loan and the Loan) incurred in connection with the provision of the Existing Loan and the Loan by the Existing Lender and the Lender, respectively.

Security Documents:

- (i) The Second Share Charges;
- (ii) the Second Grand Modest Debenture; and
- (iii) the Second Deed of Assignment and Subordination.

The Second Share Charges

The Second Share Charges comprise (a) the Second Borrower Share Charge; and (b) the Second Grand Modest Share Charge.

Pursuant to the Second Share Charges, interests in the entire issued share capital of the Borrower and Grand Modest and all dividends or other distributions, interest and other moneys paid or payable thereafter in connection therewith are charged in favour of the Lender by way of a second fixed charge, subject to the First Share Charges. The Second Share Charges create a second ranking priority security interest over the entire issued share capital of the Borrower and Grand Modest in favour of the Lender, and shall only be subject to the First Share Charges.

The Second Grand Modest Debenture

Pursuant to the Second Grand Modest Debenture, Grand Modest as beneficial owner charges to the Lender by way of second floating charge all the undertaking, property, assets and rights of Grand Modest, subject to the First Grand Modest Debenture.

The Second Deed of Assignment and Subordination

Pursuant to the Second Deed of Assignment and Subordination, subject to the First Deed of Assignment and Subordination, (i) the Borrower agrees that the loans in respect of which Grand Modest is currently indebted to the Borrower and all sums which are now or may thereafter become due, owing or incurred by Grand Modest to the Borrower (the "**Subordinated Indebtedness**") are, and shall remain, subordinated and the payment thereof deferred to all rights, claims and actions which the Lender may now or thereafter have against the Borrower and/or Grand Modest and

any other person in respect of any sums payable under the Loan Agreement; and (ii) the Borrower as beneficial owner assigns to the Lender all its right, title, interest and benefit in and to the Subordinated Indebtedness and all monies or other property which it may receive on account of such Subordinated Indebtedness and the full benefit of all rights and remedies relating thereto.

Conditions precedent:

The Lender shall not be obliged to make any advance to the Borrower unless, among other things, the following having been fulfilled:

- (i) the Lender having received the Second Borrower Share Charge duly executed by Eastern Universe;
- (ii) the Lender having received the Second Grand Modest Share Charge duly executed by the Borrower;
- (iii) the Lender having received the Second Grand Modest Debenture duly executed by Grand Modest;
- (iv) the Lender having received the Second Deed of Assignment and Subordination duly executed by Grand Modest and the Borrower;
- (v) the Lender having received the Intercreditor Deed duly executed by the Existing Lender and the Borrower; and
- (vi) the Borrower and each of the parties who have provided security for the Borrower's obligation under the Loan Agreement having obtained all necessary approvals, consents or filings in relation to the Loan Agreement, the Junior Security Documents and the transactions contemplated thereunder, including but not limited to the consent from the Existing Lender.

The making of the drawing under the Loan Agreement is also conditional upon, among other things, the following:

- (i) the Lender having received together with the notice for drawing (a) a cheque for the sum equivalent to the amount of Loan drawdown dated the Repayment Date; and (b) a cheque for the sum equivalent to the amount of interest payable on the Loan drawdown (calculated up to the Repayment Date) dated the Repayment Date, with both cheques issued in favour of the Lender and drawn on a licensed bank in Hong Kong; and

- (ii) the Lender having received a legal opinion (in such form and substance as the Lender may require) dated not more than five Banking Days prior to the date of drawdown issued by a firm of lawyers qualified to practise the laws of the British Virgin Islands (or the place(s) of incorporation of other parties which have provided security for the Borrower's obligation under the Loan Agreement) in relation to, among other things, the Borrower and the parties who have provided security for the Borrower's obligation under the Loan Agreement, and the legality, validity and enforceability of the Loan Agreement and the Junior Security Documents.

The conditions precedent under the Loan Agreement are for the sole benefit of the Lender and may be waived in whole or in part, with or without conditions, by the Lender without prejudicing its right to require fulfilment of such other conditions at any time thereafter.

Repayment: The Borrower shall repay the Loan and all interest accrued thereon in full on the Repayment Date.

Prepayment: The Borrower may not voluntarily prepay the whole or any part of the Loan unless the Lender otherwise agrees in writing.

FUNDING OF THE LOAN

The Group will finance the Loan with its internal resources.

INFORMATION ON THE GROUP

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of electronic products with current focus on multi-layer ceramic chips (MLCC) products. As disclosed in the announcement of the Company dated 14 March 2016 and the results announcement of the Company for the year ended 31 December 2015 dated 29 March 2016, the Company is also in the course of establishing certain wholly-owned subsidiaries in Hong Kong and overseas with a view to commence and develop business of financial investment and provision of financial services, which may include, but not limited to, (i) direct investments in debt, equity and/or any other assets; (ii) asset management; and (iii) provision of financial advisory services.

INFORMATION ON THE BORROWER

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Borrower is an investment holding company and is holding, through Grand Modest, its direct wholly-owned subsidiary, 44.8% shareholding interests in an entity whose principal assets include 50% indirect shareholding interests in the PRC Project Company.

The PRC Project Company is a company established in the PRC with limited liability which is set up for a development project located in Beijing, the PRC, which consists of office buildings and retail mall with a gross floor area of approximately 196,100 square metres and is expected to be completed in 2017.

Prior to the entering into of the Loan Agreement, the Borrower has entered into the Existing Loan Agreement with the Existing Lender on 31 December 2015 for the Existing Loan of up to US\$104,286,956.60 or an amount in a currency equivalent thereto (which was amended and supplemented by a supplementary agreement dated 31 March 2016), and the Existing Loan is secured by (i) the First Borrower Share Charge; (ii) the First Grand Modest Share Charge; (iii) the First Grand Modest Debenture; and (iv) the First Deed of Assignment and Subordination. The Loan to be provided by the Lender under the Loan Agreement shall be used for, among other things, partial settlement of the Borrower's repayment obligations under the Existing Loan.

As a condition precedent to the provision of the Loan under the Loan Agreement, the Existing Lender (as senior creditor), the Lender (as junior creditor) and the Borrower entered into the Intercreditor Deed, pursuant to which, the parties agree, among other things, the following:

- (i) the Existing Lender shall not challenge or question the validity or enforceability of the Junior Security Documents or provide funds to any other person to enable that person to do so;
- (ii) the Existing Lender shall have the first right to commence remedies. However, if the Existing Lender does not elect to exercise remedies within 30 days after the occurrence of an event of default, the Lender may take steps to enforce the Junior Security Documents;
- (iii) any amounts recovered on enforcement or otherwise by reason of the security created by the Senior Security Documents and the Junior Security Documents will be paid to the Existing Lender and the Lender in the following order:
 - (a) first, in payment of any fees, costs, charges, expenses, taxes and liabilities incurred by the Existing Lender or any receiver appointed;
 - (b) secondly, in payment to the Existing Lender of all indebtedness owed by the Borrower to the Existing Lender under the Existing Loan Agreement and the Senior Security Documents;
 - (c) thirdly, in payment of any fees, costs, charges, expenses, taxes and liabilities incurred by the Lender;

- (d) fourthly, in payment to the Lender of all indebtedness owed by the Borrower to the Lender under the Loan Agreement and the Junior Security Documents; and
 - (e) fifthly, in payment of surplus to the Borrower or other person entitled to it;
- (iv) if either the Existing Lender or the Lender wishes to appoint a receiver or administrator or to enforce the Senior Security Documents and the Junior Security Documents, the Existing Lender or the Lender (as the case may be) shall (a) consult the other party together with a view to agreeing upon the method of enforcement; and (b) cooperate with each other in realising the assets charged to them and ensuring that the proceeds are paid in accordance with the agreed manner;
 - (v) any waiver or consent granted under the Existing Loan Agreement and the Senior Security Documents will not be deemed to have been given by the Lender if the matter to which such waiver or consent relates would have been a breach of or an event of default under the Loan Agreement and the Junior Security Documents; and
 - (vi) the Existing Lender shall notify the Lender one Banking Day in advance before the occurrence of the discharge date of the Existing Loan Agreement and the Senior Security Documents, and on such discharge date, the Existing Lender shall deliver to the Lender any title documents, share certificates or otherwise relating to the assets of the Borrower which are subject to the Junior Security Documents then in its possession (if any).

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

The terms of the Loan Agreement, the Junior Security Documents and the Intercreditor Deed were negotiated on an arm's length basis between the Lender and the Borrower, and the Directors are of the view that the terms of the Loan Agreement, the Junior Security Documents and the Intercreditor Deed were entered into on normal commercial terms. Although the Junior Security Documents are subordinated to the Senior Security Documents, the Directors consider that the Junior Security Documents are sufficient as security for the provision of the Loan based on the projected cash flow and value of the development project of the PRC Project Company upon completion, and that the entering into of the Intercreditor Deed as referred to in the section headed "Information on the Borrower" in this announcement will protect the interests of the Lender as a junior creditor.

Taking into account the aforementioned and that the provision of the Loan will provide the Group with a stable revenue and cashflow stream from the interest income, the Directors consider that the terms of the Loan Agreement, the Junior Security Documents and the Intercreditor Deed are fair and reasonable, and the entering into of the Loan Agreement, the Junior Security Documents and the Intercreditor Deed is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the Loan to the Borrower under the Loan Agreement are more than 5% but are less than 25%, the provision of the Loan to the Borrower constitutes a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

In addition, as the provision of the Loan to the Borrower exceeds 8% under the assets ratio (as defined under the Listing Rules), the provision of the Loan is also subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Banking Day”	a day (excluding Saturday and any day on which a tropical cyclone warning no.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“Board”	the board of Directors
“Borrower”	Classy Team Limited (彥添有限公司), a company incorporated in the British Virgin Islands with limited liability which is wholly owned by Eastern Universe
“Company”	EYANG Holdings (Group) Co., Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 117)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Eastern Universe”	Eastern Universe Limited (東宇有限公司), a company incorporated in the British Virgin Islands with limited liability which is wholly owned by an individual Independent Third Party

“Existing Lender”	Hanbo Global Inc. (恆寶環球有限公司), a company incorporated in the British Virgin Islands with limited liability and an Independent Third Party
“Existing Loan”	the secured loan facility of up to US\$104,286,956.60 or an amount in a currency equivalent thereto made available by the Existing Lender to the Borrower under the Existing Loan Agreement
“Existing Loan Agreement”	the existing loan agreement dated 31 December 2015 entered into between the Existing Lender and the Borrower relating to the granting of the Existing Loan (as amended and supplemented by a supplementary agreement dated 31 March 2016)
“First Borrower Share Charge”	a share charge dated 31 December 2015 executed by Eastern Universe (as chargor) in favour of the Existing Lender (as chargee), pursuant to which, among other things, Eastern Universe charges in favour of the Existing Lender all of its interest in the entire issued share capital of the Borrower and all dividends or other distributions, interest and other moneys paid or payable thereafter in connection therewith by way of a first fixed charge
“First Deed of Assignment and Subordination”	a deed of assignment and subordination dated 31 December 2015 executed by the Borrower, the Existing Lender and Grand Modest
“First Grand Modest Debenture”	a debenture dated 31 December 2015 executed by Grand Modest (as debenture issuer) in favour of the Existing Lender, pursuant to which, among other things, Grand Modest as beneficial owner charges to the Existing Lender by way of first floating charge all the undertaking, property, assets and rights of Grand Modest
“First Grand Modest Share Charge”	a share charge dated 31 December 2015 executed by the Borrower (as chargor) in favour of the Existing Lender (as chargee), pursuant to which, among other things, the Borrower charges in favour of the Existing Lender all of its interest in the entire issued share capital of Grand Modest and all dividends or other distributions, interest and other moneys paid or payable thereafter in connection therewith by way of a first fixed charge

“First Share Charges”	collectively, the First Borrower Share Charge and the First Grand Modest Share Charge
“Grand Modest”	Grand Modest Limited (華謙有限公司), a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Borrower
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons
“Intercreditor Deed”	the intercreditor deed dated 31 March 2016 entered into among the Existing Lender (as senior creditor), the Lender (as junior creditor) and the Borrower relating to loans to the Borrower
“Junior Security Documents”	collectively, the Second Share Charges, the Second Grand Modest Debenture, the Second Deed of Assignment and Subordination and any documents executed from time to time by whatever person as a further security for the Borrower’s obligation under the Loan Agreement
“Lender”	Most Glorious Limited (盛燦有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the secured loan facility of up to HK\$120,000,000 or an amount in a currency equivalent thereto to be made available by the Lender to the Borrower under the Loan Agreement
“Loan Agreement”	the loan agreement dated 31 March 2016 entered into between the Lender and the Borrower relating to the granting of the Loan

“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC Project Company”	a company incorporated in the PRC with limited liability which is set up for a development project located in Beijing, the PRC, which consists of office buildings and retail mall with a total gross floor area of approximately 196,100 square metres and is expected to be completed in 2017
“Repayment Date”	the date immediately falling 9 months after the date of drawing of the Loan
“Second Borrower Share Charge”	a share charge dated 31 March 2016 executed by Eastern Universe (as chargor) in favour of the Lender (as chargee), pursuant to which, among other things, Eastern Universe charges in favour of the Lender all of its interest in the entire issued share capital of the Borrower and all dividends or other distributions, interest and other moneys paid or payable thereafter in connection therewith by way of a second fixed charge, subject to the First Borrower Share Charge
“Second Deed of Assignment and Subordination”	a deed of assignment and subordination dated 31 March 2016 executed by the Borrower, the Lender and Grand Modest
“Second Grand Modest Debenture”	a debenture dated 31 March 2016 executed by Grand Modest (as debenture issuer) in favour of the Lender, pursuant to which, among other things, Grand Modest as beneficial owner charges to the Lender by way of second floating charge all the undertaking, property, assets and rights of Grand Modest, subject to the First Grand Modest Debenture
“Second Grand Modest Share Charge”	a share charge dated 31 March 2016 executed by the Borrower (as chargor) in favour of the Lender (as chargee), pursuant to which, among other things, the Borrower charges in favour of the Lender all of its interest in the entire issued share capital of Grand Modest and all dividends or other distributions, interest and other moneys paid or payable thereafter in connection therewith by way of a second fixed charge, subject to the First Grand Modest Share Charge

“Second Share Charges”	collectively, the Second Borrower Share Charge and the Second Grand Modest Share Charge
“Senior Security Documents”	collectively, the First Share Charges, the First Grand Modest Debenture, the First Deed of Assignment and subordination and any documents executed from time to time by whatever person as a further security for the Borrower’s obligation under the Existing Loan Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“US\$”	United State dollars, the lawful currency of the United State of America
“%”	per cent.

By order of the Board
EYANG Holdings (Group) Co., Limited
Kwok Oi Lung Roy
Executive Director

Hong Kong, 31 March 2016

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Zhou Chunhua, Mr. Zhu Xiaodong, Mr. Kwok Oi Lung Roy, Mr. Sue Ka Lok and Mr. Jing Wenping, and three independent non-executive Directors, namely Mr. Chu Kin Wang, Peleus, Mr. Liang Rong and Mr. Xu Xuechuan.