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MAN YUE TECHNOLOGY HOLDINGS LIMITED
萬裕科技集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00894)

DISCLOSEABLE TRANSACTION – DISPOSAL OF PROPERTY

The Board is pleased to announce that on 8 May 2017 (after trading hours of the Stock Exchange), the Vendor, a wholly-owned subsidiary of the Group, entered into the Provisional S&P Agreement with the Purchaser and the Agent, pursuant to which the Vendor will sell the Property to the Purchaser at a consideration of HK\$75,000,000. The Consideration was determined after arm's length negotiation and was based on normal commercial terms. The Provisional S&P Agreement is subject to clearance of the cheque for the initial deposit which has been confirmed on 11 May 2017.

In respect of the Disposal, as one of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules is more than 5% and all the applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the requirements of notification and announcement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 8 May 2017 (after trading hours of the Stock Exchange), the Vendor, a wholly-owned subsidiary of the Group, entered into the Provisional S&P Agreement with the Purchaser and the Agent, pursuant to which the Vendor will sell the Property to the Purchaser at a consideration of HK\$75,000,000.

THE PROVISIONAL S&P AGREEMENT

Date: 8 May 2017 (signed by the Vendor after trading hours of the Stock Exchange)

Parties:

- (i) Searange Investment Limited, a wholly-owned subsidiary of the Group, as the Vendor;
- (ii) Loyal Ocean Limited as the Purchaser; and
- (iii) Midland Reality (Comm.) Limited as the estate agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Sale and Purchase

Pursuant to the Provisional S&P Agreement, the Vendor shall sell and the Purchaser shall purchase the Property subject to existing tenancy upon the terms set out in the Provisional S&P Agreement. It was agreed that the Vendor and the Purchaser shall enter into a Formal Agreement on or before 30 June 2017.

The Consideration

The Consideration is HK\$75,000,000, payable in cash.

The Consideration was determined after arm's length negotiation by reference to the prevailing market price of properties in the same building and at nearby location.

The Directors (including the independent non-executive Directors) believe that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Terms of Payments

- (a) an initial deposit of HK\$3,750,000 has been paid by the Purchaser to the Vendor by cheque drawn in favour of the Vendor's solicitors upon signing of the Provisional S&P Agreement;
- (b) a further deposit of HK\$3,750,000 will be paid by the Purchaser to the Vendor on or before 22 May 2017; and
- (c) the remaining balance of the Consideration of HK\$67,500,000 will be paid by the Purchaser to the Vendor upon completion of the Disposal on or before 30 June 2017.

Completion

Completion of the sale and purchase of the Property shall take place on or before 30 June 2017. There is no condition imposed on the Disposal.

Information of the Property

The property is the Units 1, 2, 3, 4, 5, 6 and 7 on the 9th Floor of China Aerospace Centre, No. 143 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong together with the exclusive right to use the corridor, female lavatory and disable toilet.

The Property is subject to an existing tenancy at present. The Property was rented out for a term of 3 years commencing from 26 September 2015, and generated monthly rental income of HK\$217,800.

Commission

In consideration of the services rendered by the Agent, the Agent shall be entitled to receive commission from the Vendor and the Purchaser. Such commission shall be paid not later than 30 June 2017.

Effective date

The Provisional S&P Agreement is subject to clearance of the cheque for the initial deposit which has been confirmed on 11 May 2017.

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

The carrying value of the Property as at 31 December 2016, as shown in the audited financial statements of the Vendor for the year ended 31 December 2016 was approximately HK\$70,900,000. An unaudited estimated gain of approximately HK\$3,350,000 (after deducting relevant transaction costs of approximately HK\$750,000 for the Disposal) representing the difference between the net Consideration (after deducting the related transaction costs) and the carrying value of the Property as at 31 December 2016 is expected to accrue to the Group upon completion. The actual unaudited gain arising from the Disposal will be calculated by deducting the carrying amount of the Property at the date of completion of the Disposal from the net Consideration.

REASONS FOR THE DISPOSAL

Taking into account of the recent prevailing property market conditions in commercial properties in Hong Kong, the Board is of the opinion that the Disposal provides a good opportunity for the Group to realise the investment in the Property at a gain and the proceeds from the Disposal will further enhance the financial position of the Group.

The net proceeds from the Disposal of approximately HK\$74,250,000 will be applied for the Group's working capital and other possible investment opportunities. The Board considers that the Disposal would improve the financial and cash position of the Group.

INFORMATION OF THE GROUP AND THE VENDOR

The principal business of the Group is manufacture and sale of high technology electronic components, including aluminum electrolytic capacitors, conductive polymer aluminum solid capacitors and other innovative electronic components. The Vendor is a wholly-owned subsidiary of the Group incorporated in Hong Kong and its principal activity is trading of equity investments.

INFORMATION OF THE PURCHASER

The Purchaser, to the best of the Directors' knowledge, is principally engaged in investment holdings.

LISTING RULES IMPLICATIONS

In respect of the Disposal, as one of the applicable percentage ratios calculated under Chapter 14 of the Listing Rules is more than 5% and all the applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the requirements of notification and announcement under Chapter 14 of the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

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

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| “Agent” | Midland Reality (Comm.) Limited, a company incorporated in Hong Kong with limited liability, the estate agent for the Disposal; |
| “Board” | the board of Directors of the Company; |
| “Company” | Man Yue Technology Holdings Limited, a company incorporated in Bermuda with limited liability whose Shares are listed on the Main Board of the Stock Exchange (Stock code: 894); |
| “connected person(s)” | has the same meaning ascribed to it under the Listing Rules; |
| “Consideration” | the consideration of HK\$75,000,000 for the sale of the Property; |
| “Director(s)” | the director(s) of the Company; |
| “Disposal” | the disposal of the Property by the Vendor to the Purchaser pursuant to the terms and conditions of the Provisional S&P Agreement and the Formal Agreement; |
| “Formal Agreement” | the formal sale and purchase agreement to be entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |

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| “percentage ratios” | has the meaning ascribed to it under the Listing Rules; |
| “Property” | Units 1, 2, 3, 4, 5, 6 and 7 on the 9 th Floor of China Aerospace Centre, No. 143 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong together with the exclusive right to use the corridor, female lavatory and disable toilet; |
| “Provisional S&P Agreement” | the provisional sale and purchase agreement signed by the Vendor on 8 May 2017 with the Purchaser in relation to the sale and purchase of the Property; |
| “Purchaser” | Loyal Ocean Limited, a company incorporated in Hong Kong with limited liability; |
| “Share(s)” | the ordinary share(s) of HK\$0.10 each in the share capital of the Company; |
| “Shareholder(s)” | the holder(s) of the Share(s); |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Vendor” | Searange Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Group; and |
| “%” | per cent. |

By order of the Board
Man Yue Technology Holdings Limited
Kee Chor Lin
Chairman

Hong Kong, 11 May 2017

As at the date of this announcement, the Executive Directors of the Company are Ms Kee Chor Lin, Mr Chan Yu Ching, Eugene, Mr Chan Tat Cheong, Alan and Mr Wong Ching Ming, Stanley, and the Independent Non-executive Directors of the Company are Dr Li Sau Hung, Eddy, Mr Lo Kwok Kwei, David and Mr Mar, Selwyn.