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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 AND CONNECTED TRANSACTIONS ACQUISITION OF ADDITIONAL SHARE CAPITAL OF A SUBSIDIARY

The Board is pleased to announce that on 29 September 2016 (after trading hours), the Purchaser, a wholly owned subsidiary of the Company, has entered into (i) the First Agreement with the First Vendor, pursuant to which the First Vendor agreed to sell and the Purchaser agreed to purchase the First Sale Shares at a consideration of TWD92,217,490 (approximately HKD22,826,111); and (ii) the Second Agreement with the Second Vendor, pursuant to which the Second Vendor agreed to sell and the Purchaser agreed to purchase the Second Sale Shares at a consideration of TWD14,428,830 (approximately HKD3,571,492).

Reference is made to the announcement of the Company dated 7 June 2016 in relation to the Previous Agreement entered into by the Purchaser for acquiring additional share capital of the Target Company. As a result of the Previous Acquisition, the Group held as to approximately 58.90% of the issued share capital of the Target Company which became a subsidiary of the Group.

As one or more of the applicable percentage ratios in respect of the Agreements and the Previous Agreement, in aggregate pursuant to Rule 14.22 of the Listing Rules, are more than 5% but less than 25%, the transactions contemplated under the Agreements and the Previous Agreement constitute discloseable transactions of the Company under Rule 14.06 of the Listing Rules and are subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The First Vendor is a substantial shareholder (as defined in the Listing Rules) of the Target Company by virtue of controlling over 10% of the voting power at general meetings of the Target Company prior to the completion of the Acquisitions, and accordingly a connected person (as defined in the Listing Rules) of the Company at the subsidiary level. Both the First Vendor and the Second Vendor are fellow subsidiaries, and accordingly, the Second Vendor is an associate of the First Vendor under Chapter 14A of the Listing Rules. As (i) the First Vendor is a connected person of the Company at the subsidiary level and (ii) the Second Vendor is an associate of the First Vendor, the Acquisitions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The Board has approved the Acquisitions. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors have any material interest in the Acquisitions and as such no Directors have abstained from voting on the resolutions of the Board approving the Acquisitions. The Directors (including the independent non-executive Directors) are of the view that the Agreements were entered into on normal commercial terms and in the ordinary and usual course of business of the Company, and the terms and conditions of the Agreements, including the consideration thereof, are fair and reasonable and that the entering into of the Agreements is in the interests of the Company and the Shareholders as a whole. As the First Vendor and the Second Vendor are connected persons of the Company only because of their connection with the Company's subsidiary, namely the Target Company, the Acquisitions are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

As the completion of the sale and purchase of the Sales Shares is subject to the approval of the Taiwan Investment Commission which may or may not be obtained, Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that on 29 September 2016 (after trading hours), the Purchaser, a wholly owned subsidiary of the Company, has entered into the Agreements with the Vendors, pursuant to which each of the Vendors agreed to sell and the Purchaser agreed to purchase the respective Sale Shares on the terms set out in their respective Agreements.

THE FIRST AGREEMENT

The principal terms of the First Agreement are set out below.

Date

29 September 2016

Parties

- (1) The Purchaser; and
- (2) The First Vendor.

As the First Vendor is a substantial shareholder (as defined in the Listing Rules) of the Target Company by virtue of controlling over 10% of the voting power at general meetings of the Target Company prior to the completion of the Acquisitions, the First Vendor is a connected person (as defined in the Listing Rules) of the Company at the subsidiary level.

Assets to be acquired

The First Sale Shares, representing approximately 13.80% of the entire issued share capital of the Target Company. Upon Completion of the First Acquisition after aggregating the Second Acquisition, the Company will indirectly hold approximately 74.86% of the entire issued share capital of the Target Company.

THE SECOND AGREEMENT

The principal terms of the Second Agreement are set out below.

Date

29 September 2016

Parties

- (3) The Purchaser; and
- (4) The Second Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save in respect of its interest in the Target Company, the Second Vendor and its ultimate beneficial owners are independent third parties not connected (within the meaning under the Listing Rules) with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates.

Assets to be acquired

The Second Sale Shares, representing approximately 2.16% of the entire issued share capital of the Target Company. Upon Completion of the Second Acquisition after aggregating the First Acquisition, the Company will indirectly hold approximately 74.86% of the entire issued share capital of the Target Company.

Consideration of the Acquisitions

The consideration for the First Acquisition (the "**First Consideration**") and the Second Acquisition (the "**Second Consideration**") is TWD92,217,490 (approximately HKD22,826,111) and TWD14,428,830 (approximately HKD3,571,492) respectively, representing TWD10 per Sale Share.

The First Consideration and the Second Consideration shall be paid by the Purchaser to the First Vendor and the Second Vendor respectively in the following manner in acquiring the Sale Shares:

| Number of instalments | Date of payment | The First Agreement | | The Second Agreement | |
|-----------------------|-----------------|-----------------------------|--------------------------|------------------------------|---------------------------|
| | | First Consideration payable | No. of First Sale Shares | Second Consideration payable | No. of Second Sale Shares |
| First | 1 November 2016 | TWD11,530,000 | 1,153,000 | TWD1,810,000 | 181,000 |
| Second | 3 January 2017 | TWD11,530,000 | 1,153,000 | TWD1,810,000 | 181,000 |
| Third | 3 July 2017 | TWD23,060,000 | 2,306,000 | TWD3,610,000 | 361,000 |
| Fourth | 2 January 2018 | TWD23,060,000 | 2,306,000 | TWD3,610,000 | 361,000 |
| Fifth | 2 July 2018 | TWD23,037,490 | 2,303,749 | TWD3,588,830 | 358,883 |

If the Purchaser's applications for approval to the Taiwan Investment Commission in respect of the Acquisitions are not approved by the date of payment of the first instalment stated above for the respective Sale Shares under the respective Agreements, pursuant to the Agreements, the Purchaser and the Vendors shall decide on another date of such payment of first instalment which shall be within ten days from the date of the approval of the Taiwan Investment Commission, and the rest of the payment schedule for the respective Sale Shares stated above remains unchanged.

The First Consideration and the Second Consideration were determined between the respective Vendors and the Purchaser after arm's length negotiation on normal commercial terms with reference to the prospects of the Target Company's businesses and the potential synergies between the business of the Group and that of the Target Company. The Directors consider the terms of the Agreements are fair and reasonable. Both the First Consideration and the Second Consideration will be funded through the Group's internal resources.

According to the information provided by the First Vendor and the Second Vendor, the original acquisition cost of the First Sale Shares and the Second Sale Shares were TWD110,660,988 representing TWD12 per Sale Share and TWD17,314,596 representing TWD12 per Sale Share respectively.

Governing laws of the Agreements

The Agreements shall be governed by and construed in accordance with the laws of Taiwan.

INFORMATION ABOUT THE VENDORS

The First Vendor is a company incorporated in Taiwan. It is a financial institution in Taiwan and its principal business includes financial services, spanning principal investment, securities, and commercial banking.

The Second Vendor is a company incorporated in Taiwan. Its principal business is venture capital investment and private equity fund management and advisory.

Both the First Vendor and the Second Vendor are fellow subsidiaries of China Development Financial Holding Corp., a company whose shares are listed on the Taiwan Stock Exchange Corporation (stock code: 2883).

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is a company incorporated in Taiwan. Its principal business is trading and manufacture of electrolytic capacitors. Before the Acquisitions, the Target Company is held as to approximately 58.90%, 13.80%, 2.16% and 25.14% by the Group, the First Vendor, the Second Vendor and other independent third parties and thus is accounted for as a subsidiary of the Group.

Set out below is the consolidated financial information of the Target Company for the financial years ended December 31, 2014 and 2015, according to the audited accounts of the Target Company prepared in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards of Taiwan, respectively:

| | For the year ended December 31, 2014 | For the year ended December 31, 2015 |
|------------------------------------|---|---|
| | <i>(TWD'000)</i> | <i>(TWD'000)</i> |
| Turnover | 1,080,901 | 921,464 |
| Net profit (before taxation) | 39,335 | 4,449 |
| Net profit/(loss) (after taxation) | 27,192 | (4,384) |
| Net asset value | 679,904 | 685,325 |

INFORMATION ABOUT THE PURCHASER AND THE GROUP

The Purchaser is a wholly owned subsidiary of the Group established in the British Virgin Islands. The principal business of the Group is the manufacture and sale of high technology electronic components, including aluminum electrolytic capacitors, conductive polymer aluminum solid capacitor and other innovative electronic components.

REASONS FOR THE ACQUISITIONS

The Acquisitions enable the Company to gain further control in the Target Company which will generate a greater synergy effect with the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Agreements are fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

Reference is made to the announcement of the Company dated 7 June 2016 in relation to the Previous Agreement entered into by the Purchaser for acquiring additional share capital of the Target Company. As a result of the Previous Acquisition, the Group held as to approximately 58.90% of the issued share capital of the Target Company which became a subsidiary of the Group.

As one or more of the applicable percentage ratios in respect of the Agreements and the Previous Agreement, in aggregate pursuant to Rule 14.22 of the Listing Rules, are more than 5% but less than 25%, the transactions contemplated under the Agreements and the Previous Agreement constitute discloseable transactions of the Company under Rule 14.06 of the Listing Rules and are subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

The First Vendor is a substantial shareholder (as defined in the Listing Rules) of the Target Company by virtue of controlling over 10% of the voting power at general meetings of the Target Company prior to the completion of the Acquisitions, and accordingly a connected person (as defined in the Listing Rules) of the Company at the subsidiary level. Both the First Vendor and the Second Vendor are fellow subsidiaries, and accordingly, the Second Vendor is an associate of the First Vendor under Chapter 14A of the Listing Rules. As (i) the First Vendor is a connected person of the Company at the subsidiary level and (ii) the Second Vendor is an associate of the First Vendor, the Acquisitions constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

The Board has approved the Acquisitions. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors have any material interest in the Acquisitions and as such no Directors have abstained from voting on the resolutions of the Board approving the Acquisitions. The Directors (including the independent non-executive Directors) are of the view that the Agreements were entered into on normal commercial terms and in the ordinary and usual course of business of the Company, and the terms and conditions of the Agreements, including the consideration thereof, are fair and reasonable and that the entering into of the Agreements is in the interests of the Company and the Shareholders as a whole. As the First Vendor and the Second Vendor are connected persons of the Company only because of their connection with the Company's subsidiary, namely the Target Company, the Acquisitions are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the circular, independent financial advice and Shareholders' approval requirements pursuant to Rule 14A.101 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:

| | |
|------------------------|--|
| “Acquisitions” | the First Acquisition and the Second Acquisition; |
| “Agreements” | the First Agreement and the Second Agreement; |
| “associate(s)” | has the meanings ascribed to it under the Listing Rules; |
| “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 and traded on the Main Board of the Stock Exchange (Stock Code: 894); |
| “Director(s)” | the director(s) of the Company; |
| “First Acquisition” | the acquisition of the First Sale Shares from the First Vendor by the Purchaser pursuant to the terms and conditions of the First Agreement; |
| “First Agreement” | the agreement dated 29 September 2016 and entered into between the First Vendor and the Purchaser for the sale and purchase of the First Sale Shares; |
| “First Sale Shares” | 9,221,749 ordinary shares of TWD10 each held by the First Vendor, representing approximately 13.80% of the entire issued share capital, of the Target Company; |
| “First Vendor” | China Development Industrial Bank Corp., a company incorporated in Taiwan with limited liability; |
| “Group” | the Company and its subsidiaries; |
| “HKD” | Hong Kong Dollars, 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; |
| “Previous Acquisition” | the acquisition contemplated under the Previous Agreement; |

| | |
|--------------------------------|--|
| “Previous Agreement” | the conditional agreement dated 6 June 2016 and entered into between Yageo Corporation and the Purchaser for the sale and purchase of approximately 15.74% of the entire issued share capital of the Target Company and the acquisition was completed on 21 June 2016; |
| “Purchaser” | High Merit Group Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly owned subsidiary of the Company; |
| “Sale Shares” | the First Sale Shares and the Second Sale Shares; |
| “Second Acquisition” | the acquisition of the Second Sale Shares from the Second Vendor by the Purchaser pursuant to the terms and conditions of the Second Agreement; |
| “Second Agreement” | the agreement dated 29 September 2016 and entered into between the Second Vendor and the Purchaser for the sale and purchase of the Second Sale Shares; |
| “Second Sale Shares” | 1,442,883 ordinary shares of TWD10 each held by the Second Vendor, representing approximately 2.16% of the entire issued share capital, of the Target Company; |
| “Second Vendor” | CDIB Capital Management Corporation, a company incorporated in Taiwan with limited liability; |
| “Share(s)” | ordinary shares of the Company with a par value of HK\$0.10 each; |
| “Shareholder(s)” | holder(s) of Shares; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “subsidiary(ies)” | has the meanings ascribed to it under the Listing Rules; |
| “Taiwan” | the Republic of China; |
| “Taiwan Investment Commission” | the Investment Commission of the Ministry of Economic Affairs of Taiwan; |
| “Target Company” | Luminous Town Electric Co., Ltd., a company incorporated in Taiwan with limited liability; |
| “TWD” | New Taiwan Dollars, the lawful currency of Taiwan; and |
| “Vendors” | the First Vendor and the Second Vendor. |

As the completion of the sale and purchase of the Sales Shares is subject to the approval of the Taiwan Investment Commission which may or may not be obtained, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 29 September 2016

As at the date of this announcement, the executive directors of the Company are Ms. Kee Chor Lin, Mr. Chan Yu Ching, Eugene, 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.

Unless otherwise specified in this announcement and for the purpose of illustration only, exchange rate has been used as follows: TWD4.04 = HKD1. No representation is made that any amounts in TWD or HKD have been or could be converted at the above rates or any other rates at all.