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 **萬裕國際集團有限公司\***  
**MAN YUE INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 0894)

**Proposed conditional voluntary cash offer by**



**ASIAN CAPITAL**  
(CORPORATE FINANCE) LIMITED  
卓亞(企業融資)有限公司

**on behalf of Man Yue International Holdings Limited  
to repurchase up to 66,000,000 Shares at an offer price of  
HK\$0.38 per Share  
and  
Whitewash Waiver**

**DESPATCH OF CIRCULAR**

The Circular of the Company, encompassing the notice of the SGM and the offer document in relation to the Offer and the Whitewash Waiver will be despatched to the Shareholders on 31 May 2004.

Shareholders should read the Circular, including, in particular, the letter from the independent financial adviser advising the Independent Director as to the terms of the Offer and the Whitewash Waiver, carefully before taking any action in relation to the Offer. If any Shareholder is in any doubt, he should consult professional advisers.

**WARNING: The Offer is subject to the Conditions being fulfilled. Accordingly, it may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

Reference is made to the announcements of the Company dated 26 April 2004 (the "Announcement") and 12 May 2004. Terms defined in the Announcement shall have the same meaning when used herein unless the context requires otherwise.

**DESPATCH OF THE CIRCULAR**

The Circular together with the proxy form for the SGM to be held on 24 June 2004 will be despatched to the Shareholders on 31 May 2004. A Form of Acceptance will also be despatched to each Qualifying Shareholder along with the Circular.

The Circular contains, inter alia (i) the detailed terms and conditions of the Offer; (ii) details relating to the Whitewash Waiver; (iii) a letter of advice from AMS, the independent financial adviser to the Independent Director in relation to the approval of the Offer and the Whitewash Waiver; (iv) a letter from the Independent Director containing its recommendation to the Independent Shareholders; (v) a notice convening the SGM to be held at 10:00 a.m. on Thursday, 24 June 2004 for the purpose of approving the Offer and the Whitewash Waiver; and (vi) other information given in compliance with the Takeovers Code and the Repurchase Code.

## EXPECTED TIMETABLE

The expected timetable for the Offer is set out below. All references to time are Hong Kong time.

2004

Offer period begins .....	Monday, 26 April
Despatch of the Circular .....	Monday, 31 May
Latest time or lodging form of proxy for the SGM .....	10:00 a.m. on Tuesday 22, June
SGM ( <i>see Note 1</i> ) .....	10:00 a.m. on Thursday, 24 June
Publication on the Stock Exchange's website of the SGM results and whether the Offer has become unconditional .....	7:00 p.m. on Thursday, 24 June
Announcement in newspapers of the results of the SGM and whether the Offer has become unconditional .....	Friday, 25 June
Latest Acceptance Time .....	4:00 p.m. on Thursday, 8 July
Closing date of the Offer .....	Thursday, 8 July
Publication of the results of the Offer on the Stock Exchange's website .....	7:00 p.m. on Thursday, 8 July
Announcement in newspapers of the results of the Offer (indicating the aggregate number of Shares tendered under the Offer) (subject to verification) ( <i>Note 2</i> ) .....	Friday, 9 July
Announcement in newspapers of the results of the Offer (indicating the aggregate number of valid acceptances received for the Offer segregating into the Assured Entitlements and the pro rata entitlements in respect of Excess Tenders received for the Offer) ( <i>Note 2</i> ) .....	Monday, 12 July
Latest date for despatch of cheques to Accepting Shareholders for amounts due in respect of successful Tenders and return of share certificates for wholly or partly unsuccessful Excess Tenders ( <i>Note 2</i> ) .....	Saturday, 17 July

### Notes:

1. There will be no record date for ascertaining entitlements to attend and vote at the SGM. The Company will consider all acceptance by the Qualifying Shareholders to be received before the latest time for lodging acceptances of the Offer, which is expected to be on or before 4:00 p.m. on Thursday, 8 July 2004.
2. Assuming that the Offer is approved by the Shareholders and becomes unconditional on Thursday, 24 June 2004.

## FINANCIAL EFFECTS OF THE OFFER

The tables below summarise the financial effects of the Offer assuming full acceptance of the Offer by the Shareholders (except Man Yue Holdings Inc. and Mr. Ko Pak On, their associates and parties acting in concert with them), based on the audited results of the Group for the year ended 31 December 2003 and assuming that the Offer had taken place on 31 December 2003. The tables below is prepared for illustrative purposes only and by their nature, may not give a true and complete picture of the Group's financial position or results. The auditors of the Company have reviewed the following tables, and in their opinion, they comply with Rule 4.29(7) of the Listing Rules.

**A. Net asset value**

	Audited figures per audited accounts as at 31 December 2003	Adjustments		Unaudited adjusted figures assuming full acceptance of the Offer
		Estimated cost of the Offer	Estimated expenses of the Offer (Note 1)	
Consolidated net asset value of the Group as at 31 December 2003 (HK\$ million)	259.62	(25.08)	(2.00)	232.54
Number of Shares in issue	373,440,000			307,440,000
Consolidated net asset value per Share	HK\$0.70			HK\$0.76
An increase of:				8.57%

Note 1: Comprises professional, legal and miscellaneous expenses of the Offer.

**B. Basic earnings per share**

	Audited figures per audited accounts for the year ended 31 December 2003	Adjustment	Unaudited adjusted figures assuming full acceptance of the Offer
		Adjusted for: Expenses of the Offer (Note 1)	
Consolidated net profit of the Group for the year ended 31 December 2003 (HK\$ million)	37.05	(2.00)	35.05
Number of Shares in issue	373,440,000		307,440,000
Consolidated basic earnings per Share	9.92 cents (Note 2)		11.40 cents (Note 3)
An increase of:			14.92%

Note 1: Comprises professional, legal and miscellaneous expenses of the Offer.

Note 2: Basis earnings per Share is calculated by dividing net profit of the Group by the total number of Shares in issue during the year of 373,440,000.

Note 3: For pro forma purpose, the calculation of the unaudited adjusted consolidated basic earnings per Share is based on the assumed weighted average number of Shares in issue during the year ended 31 December 2003 of 307,440,000. Had the weighted average number of Shares in issue during the year been based on the assumption that the Offer had taken place on 31 December 2003, the weighted average number of Shares in issue during the year ended 31 December 2003 would have been 373,259,178 and the unaudited adjusted consolidated basic earnings per Share would be HK9.39 cents, representing a decrease of 5.34%.

### C. Return on shareholders' funds

	Prior to the Offer (audited figures per audited accounts for the year ended and as at 31 December 2003) <i>HK\$ million</i>	Unaudited adjusted figures assuming full acceptance of the Offer <i>HK\$ million</i>
Consolidated net profit of the Group (as calculated under (B) above)	37.05	35.05
Consolidated net asset value of the Group (shareholders' funds) (as calculated under (A) above)	259.62	232.54
Return on shareholders' funds	14.27%	15.07%
An increase of:		5.61%

### ODD LOT ARRANGEMENTS

Qualifying Shareholders should note that acceptance of the Offer may result in their holding of odd lots of Shares. Accordingly, Kingsway Financial Services Group Limited of 5th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong has been appointed by the Company as a designated broker to match sales and purchases of odd lot holdings of Shares in the market. Kingsway Financial Services Group Limited will commence providing such matching services on a best efforts basis on Friday, 9 July 2004 and will continue to provide these services up to and including Thursday, 19 August 2004 (or such other date as Kingsway Financial Services Group Limited may agree with the Company). Holders of odd lots of Shares who wish to take advantage of this facility should, through their respective brokers, contact Mr. Arthur Leung or Mr. Aman Cheung of Kingsway Financial Services Group Limited at telephone number (852) 2877 1830 during normal business hours. Further announcement in this regard will be made after the Offer has become unconditional.

### CONDITIONS OF THE OFFER

Completion of the Offer will be conditional upon the following:

- (1) the passing of an ordinary resolution by way of poll to approve the Offer by the Independent Shareholders, either voting in person or by proxy, at the SGM; and
- (2) the granting of a Whitewash Waiver by the Executive so that Man Yue Holdings Inc. is not obliged to make mandatory unconditional cash offer for all the issued Shares not already owned by it and its Associates and/or parties acting in concert with it. If the Whitewash Waiver is granted, it will be subject to the Independent Shareholders' approval by way of a poll at the SGM.

### ENQUIRIES HOTLINE

Should any Shareholder require any assistance in completing the Form of Acceptance or have any queries regarding the procedures for tendering and settlement or any other similar aspect of the Offer, the Shareholder may contact Asian Capital at its hotline at (852) 2230 2726 during the period from Monday, 31 May 2004 to Thursday, 8 July 2004 (both dates inclusive) between 9:00 a.m. and 5:00 p.m. (Hong Kong time) from Monday to Friday.

### GENERAL

Shareholders should read the Circular, including, in particular, the letter from the independent financial adviser advising the Independent Director as to the terms of the Offer and the Whitewash Waiver, carefully before taking any action in relation to the Offer. If any Shareholder is in any doubt, he should consult professional advisers.

**WARNING: The Offer is subject to the Conditions being fulfilled. Accordingly, it may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.**

On behalf of the Board  
**Man Yue International Holdings Limited**  
**Chan Ho Sing**  
*Chairman*

Hong Kong, 28 May 2004

As at the date of this announcement, the board of directors of the Company comprises Mr. Chan Ho Sing and Mr. Ko Pak On as executive Directors, and Dr. Li Sau Hung, Eddy and Mr. Lo Kwok Kwei, David as independent non-executive Directors.

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

\* For identification purposes only

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## NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the "SGM") of Man Yue International Holdings Limited (the "Company") will be held at Gloucester Room II, 3/F, The Excelsior Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Thursday, 24 June 2004 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions numbered 1 and 2 as ordinary resolutions as indicated:

### ORDINARY RESOLUTIONS

1. "THAT,

the proposed conditional voluntary cash offer (the "Offer") by Asian Capital (Corporate Finance) Limited on behalf of the Company to repurchase up to 66,000,000 shares of HK\$0.10 each in the issued share capital of the Company ("Shares") held by shareholders of the Company by way of tender upon the terms and subject to the Conditions set out in the circular to shareholders of the Company dated 31 May 2004 and the accompanying Form of Acceptance (a copy of which marked "A" has been produced to the SGM and for the purpose of identification signed by the Chairman of the SGM) at HK\$0.38 in cash per Share be approved and the Board be authorised to do all things and execute all documents in connection with or incidental to the Offer with such amendments or modifications (if any) as the Board may consider necessary or appropriate." and

2. "THAT,

the waiver (the "Whitewash Waiver") granted or to be granted by the Executive Director of the Corporate Finance Department of the Securities and Futures Commission pursuant to Note 1 of the Notes on Dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers waiving any obligation on the part of Man Yue Holdings Inc. and parties acting in concert with it, to make a general offer for all the shares of the Company not already owned by them upon completion of the Offer, be and is hereby approved and the directors of the Company are hereby authorised to do all such things and take all such actions as they may consider to be necessary or desirable to give effect to any of the matters relating to, or incidental to, the Whitewash Waiver."

For and on behalf of  
**Man Yue International Holdings Limited**  
**Chan Ho Sing**  
*Chairman*

Hong Kong, 28 May 2004

*Notes:*

1. Any member entitled to attend and vote at the SGM is entitled to appoint one or more separate proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. In the case of joint holders of Share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint holding.
3. A form of proxy for use at the SGM is enclosed with the circular to shareholders.
4. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or at any adjournment thereof. Completion and delivery of the form of proxy will not preclude members from attending and voting in person at the SGM or at any adjournment thereof.

Please also refer to the published version of this announcement in The Standard.