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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)

Financial Adviser to Man Yue International Holdings Limited



ASIAN CAPITAL

(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

## BONUS ISSUE OF WARRANTS

The Directors propose a conditional Bonus Warrant Issue to the Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one (1) Warrant for every six (6) Shares held on the Record Date.

Each Warrant will entitle the holder thereof to subscribe in cash for one Share at an initial subscription price of HK\$0.48, subject to adjustment, at any time during the period which is expected to commence on Thursday, 4 November, 2004 and end on Friday, 3 November, 2006 (both days inclusive).

A circular containing further details of the Bonus Warrant Issue will be sent to the Shareholders as soon as possible.

### BONUS WARRANT ISSUE

The Directors propose, subject to the satisfaction of the conditions below, to make the Bonus Warrant Issue to its Shareholders whose names appear on the register of members of the Company on the Record Date on the basis of one (1) Warrant for every six (6) Shares held.

### SUBSCRIPTION PRICE AND SUBSCRIPTION PERIOD

The Warrants will be issued in registered form and each Warrant will entitle the holder thereof to subscribe in cash for one Share at an initial subscription price of HK\$0.48, subject to adjustment, at any time during the period which is expected to commence on Thursday, 4 November, 2004 and end on Friday, 3 November 2006 (both days inclusive).

The subscription price represents a discount of approximately 1.04% to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on 23 September, 2004, a premium of approximately 1.25% to the average closing price of HK\$0.474 per Share as quoted on the Stock Exchange for the past 5 trading days and a premium of approximately 3.33% to the average closing price of HK\$0.464 per Share as quoted on the Stock Exchange for the past 10 trading days up to, and including 23 September, 2004.

### SHARES TO BE ISSUED UPON EXERCISE OF THE WARRANTS

On the basis of 357,154,000 Shares in issue as at the date of this announcement, and assuming no further Shares will be issued or repurchased by the Company on or before the Record Date, 59,525,666 Warrants would be issued pursuant to the Bonus Warrant Issue. Full exercise of the subscription rights attaching to the 59,525,666 Warrants at the initial subscription price of HK\$0.48 per Share would result in the issue of a total of 59,525,666 new Shares, representing approximately 16.67% of the issued ordinary share capital of the Company as at the date of this announcement, approximately 14.29% of the issued ordinary share capital of the Company as at the date of this announcement as enlarged by the issue of such new Shares and approximately 15.94% of the issued ordinary share capital of the Company as at the date of granting of the General Mandate, and the receipt by the Company of subscription moneys totaling approximately HK\$28.57 million before expenses of approximately HK\$600,000.

Assuming full exercise of the 30,300,000 Share Options outstanding as at the date of this announcement and the allotment and issue of Shares pursuant to such exercise with effect from any date falling prior to the Record Date, a further 5,050,000 Warrants would be issued pursuant to the Bonus Warrant Issue. On the basis of an issued ordinary share capital of 387,454,000 Shares following the exercise of the outstanding Share Options in the manner aforesaid, full exercise of the subscription rights attaching to the 5,050,000 Warrants at the initial subscription price of HK\$0.48 per Share would result in the issue of a total of 5,050,000 new Shares, representing approximately 1.30% of such

issued ordinary share capital of the Company and approximately 1.29% of the issued ordinary share capital of the Company as enlarged by the exercise of subscription rights attaching to the 5,050,000 Warrants, and the receipt by the Company of subscription moneys totaling HK\$2.42 million.

Assuming full exercise of the subscription rights attaching to the 64,575,666 Warrants, approximately 86.46% of the General Mandate will be utilized.

Save for the above outstanding 30,300,000 Share Options, the Company does not have any other outstanding convertible securities, warrants, derivatives, conversion rights or subscription rights as at the date of this announcement.

#### **FRACTIONAL ENTITLEMENTS**

Fractional entitlements to the Warrants (if any) will not be issued to the Shareholders but will be aggregated and sold for the benefit of the Company. The net proceeds of sale will be retained for the benefit of the Company.

#### **OVERSEAS SHAREHOLDERS**

As at the date of this announcement, the Company has one Overseas Shareholder in Macau. The Directors are in the process of making enquiry pursuant to Rule 13.36(2)(a) of the Listing Rules with legal advisers of the place in which such Overseas Shareholder is residing on the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange of the relevant place. If the Directors are of the view that, after such enquiry, the exclusion of such Overseas Shareholder is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Warrants will not be granted to such Overseas Shareholder. The Company will make such appropriate disclosures as soon as practicable.

In view of the foregoing, Warrants which would otherwise be issued to such Overseas Shareholder under the Bonus Warrant Issue will be sold in the market as soon as possible if a premium, net of expenses, can be obtained. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to such Overseas Shareholder. Remittances thereof will be posted to him/her, at his/her own risk, unless the amount falling to be distributed to such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

#### **CONDITIONS TO THE BONUS ISSUE**

The Bonus Warrant Issue will be conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants; and
- (b) the Bermuda Monetary Authority granting permission for the issue of the Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants.

#### **REASONS FOR THE BONUS ISSUE**

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and trading of electronic components, the trading of electrical products, raw materials and production machinery.

The Directors believe that the Bonus Warrant Issue will provide Shareholders with an opportunity to participate in the growth of the Company. The Bonus Warrant Issue will also strengthen the equity base of the Company and increase the Company's working capital if and when the subscription rights attaching to the Warrants are exercised.

The Company intends to apply any subscription moneys received as and when Subscription Rights are exercised towards the general working capital of the Group or for such other purposes as the Directors deem necessary, taking into consideration the requirements of the Company prevailing at the relevant time.

In the 12 months immediately preceding the date of this announcement, the Company did not raise any fund by issue of equity securities.

#### **LISTING**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrants and the new Shares falling to be issued upon exercise of the Subscription Rights.

The new Shares falling to be issued upon exercise of the subscription rights attaching to the Warrants will rank pari passu in all respect with the then existing issued Shares.

#### **CERTIFICATES FOR THE WARRANTS AND BOARD LOT**

Subject to the satisfaction of the condition to the Bonus Warrant Issue, it is expected that certificates for the Warrants will be posted on or before Tuesday, 2 November, 2004 at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company.

Dealings in the Warrants are expected to commence on the Stock Exchange on Thursday, 4 November, 2004. The Warrants are expected to be traded on the Stock Exchange in board lots of 20,000 Warrants carrying rights to subscribe for 20,000 Shares at HK\$9,600 at the initial subscription price of HK\$0.48 per Share (subject to adjustment).

## **ADJUSTMENTS IN RELATION TO THE EXERCISE PRICE OF SHARE OPTIONS**

Pursuant to the Share Option Scheme, the Company has as at the date of this announcement granted outstanding Share Options to subscribe for up to an aggregate of 30,300,000 Shares, at exercise prices ranging from HK\$0.163 to HK\$0.7856 per Share. The issue of the Warrants will not result in any adjustment to the exercise prices of the Share Options or the number of Shares to be issued under the Share Options.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 21 October, 2004 to Tuesday, 26 October, 2004 (both days inclusive) in order to establish entitlements of Shareholders to the Bonus Warrant Issue. The last day for dealing in Shares cum entitlements to the Bonus Warrant Issue will be Monday, 18 October, 2004. In order to qualify for the Bonus Warrant Issue, all outstanding transfers of Shares should be lodged with the branch share registrar of the Company in Hong Kong, Tengis Limited, at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 20 October, 2004

## **GENERAL**

As the Warrants will be issued by the Directors under the authority of the General Mandate, Shareholders' approval to the Bonus Warrant Issue is not required. The Company has not utilized its General Mandate since the date it was granted. A circular containing further details of the Bonus Warrant Issue will be despatched to the Shareholders as soon as practicable.

## **EXPECTED TIMETABLE**

The expected timetable for implementing the Bonus Warrant Issue is set forth below:

Last day of dealings in Shares cum entitlements to the Warrants .....	Monday, 18 October, 2004
First day of dealings in Shares ex-entitlements to the Warrants .....	Tuesday, 19 October, 2004
Latest time for lodging forms of transfer to ensure entitlement to the Warrants .....	4:30 p.m. on Wednesday, 20 October, 2004
Register of members closes .....	Thursday, 21 October, 2004 to Tuesday, 26 October, 2004
Record Date .....	Tuesday, 26 October, 2004
Register of members reopens .....	Wednesday, 27 October, 2004
Warrant certificates posted .....	Tuesday, 2 November, 2004
Dealings in the Warrants expected to commence .....	Thursday, 4 November, 2004

## **DEFINITIONS**

“Bonus Warrant Issue”	bonus issue of Warrants by the Company to all Shareholders whose names appear on the register of members of the Company on the Record Date, on the basis of one Warrant for every six existing Shares held on the Record Date
“Company”	Man Yue International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 24 May, 2004 by way of ordinary resolution
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	the Macau Special Administrative Region of the People's Republic of China
“Overseas Shareholder(s)”	Shareholder(s) whose address(es) as shown on the register of members of the Company at the close of business on the Record Date is/are outside Hong Kong
“Record Date”	the record date for the purpose of ascertaining the entitlements of Shareholders to the Bonus Warrant Issue
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option(s)”	the share option(s) to subscribe for Share(s) granted under the Share Option Scheme
“Share Option Scheme”	the employee share option scheme of the Company adopted on 13 February, 1997
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Rights”	the subscription right(s) attaching to the Warrant(s)

“Warrant(s)”

warrant(s) to be issued by the Company, in unit(s) of HK\$0.48 of subscription rights, to subscribe for new Shares at the initial subscription price of HK\$0.48 per new Share, subject to adjustment, at any time from Thursday, 4 November, 2004 up to and including Friday, 3 November 2006 (both dates inclusive)

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

Hong Kong, 23 September, 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.

\* *For identification purpose only*

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