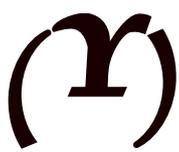


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 **萬裕國際集團有限公司***
MAN YUE INTERNATIONAL HOLDINGS LIMITED

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

DISCLOSEABLE TRANSACTION

Financial Adviser to Man Yue International Holdings Limited



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

THE SHAREHOLDERS' AGREEMENT

On 24 January 2005, Man Yue Technology, a wholly-owned subsidiary of the Company, entered into a Shareholders' Agreement with, inter alia, Golden Faith and Wintop. The Shareholders' Agreement sets out, among other things, the funding arrangements for Ever Reliance, a 48%-owned associate of the Company, to invest in the Project Company.

The Shareholders' Agreement provides for the Company to fund Ever Reliance and this constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and a general disclosure obligation of the Company under Rule 13.16 of the Listing Rules. A circular containing amongst other things further details of the Shareholders' Agreement will be despatched to the Shareholders as soon as practicable.

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Ever Reliance was incorporated in Hong Kong as an investment holding company on 12 May 2004 and is held as to 49% by Golden Faith, 48% by Man Yue Technology, and 3% by Wintop. Any dividend to be declared by Ever Reliance will be distributed in accordance with the shareholding interest of each of the shareholders at the time.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiry, Golden Faith and Wintop and their respective beneficial owners are third parties independent of the Company and its connected person (as defined under the Listing Rules). None of Golden Faith and Wintop and their respective beneficial owners has any shareholding interest in the Company.

Ever Reliance, Golden Faith and Wintop were set up for the sole purpose of investing in the Project Company and they have no material assets other than their respective interests in the Project Company. Golden Faith and Wintop are not engaged in any other business.

Prior to the signing of the Shareholders' Agreement, other than contributing to the initial paid-up share capital of Ever Reliance of HK\$100, Man Yue Technology has not advanced or committed to advance any sum of money to Ever Reliance or the Project Company.

FORMATION OF THE PROJECT COMPANY

The Project Company was a sino-foreign co-operative joint venture set up under the PRC laws on 14 July 2004 by Ever Reliance and Dongguan Changshi, a collectively-owned enterprise in the PRC. The total investment and registered capital is HK\$60,000,000, 15% of which has been contributed by Ever Reliance as at the date of this announcement and the remaining 85% will be contributed solely by Ever Reliance on or before 14 July 2007. All relevant governmental approvals regarding the formation of the Project Company, including the business licence, have been obtained. Save as disclosed, Ever Reliance does not have any other capital commitment relating to the Project Company.

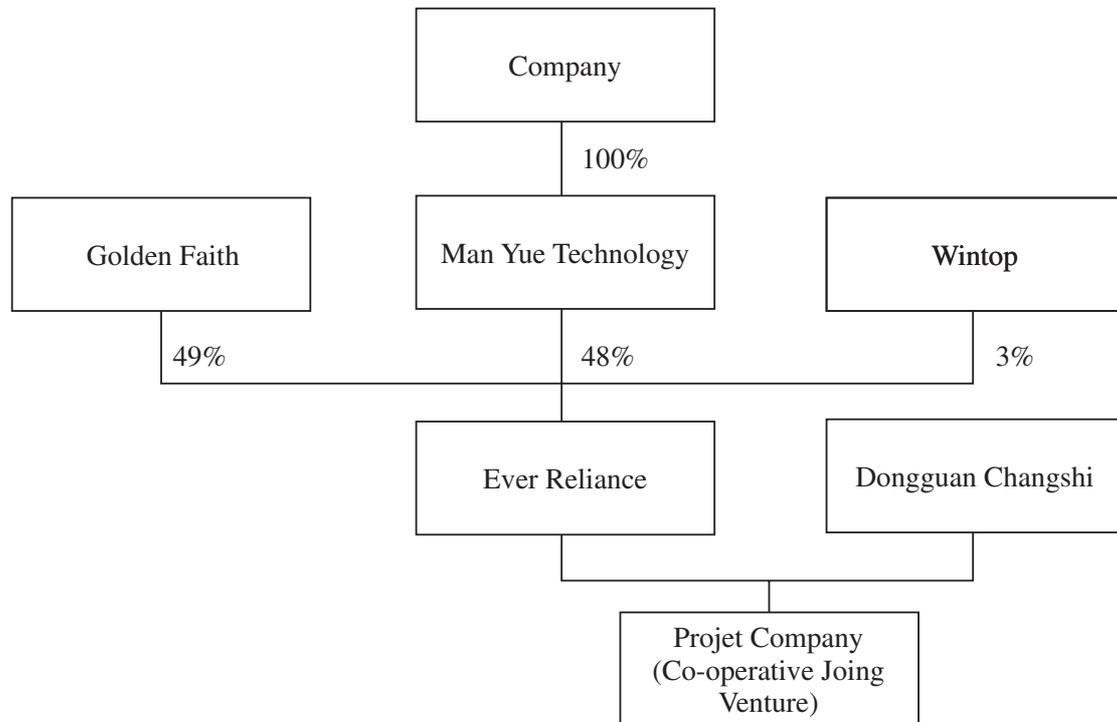
Under and by virtue of the co-operative joint venture contract in respect of the Project Company, Dongguan Changshi does not hold an equity interest in the Project Company and is only entitled to a fixed return of about RMB995,000 each year, i.e. it is not entitled to share any profit/loss of the Project Company. Henceforth, Ever Reliance holds 100% equity interest in the Project Company and any profit or loss of the Project Company shall therefore belong to or be borne by Ever Reliance.

To the best of the knowledge, information and belief of the Directors, Dongguan Changshi is not related to any of Golden Faith or Wintop or their respective beneficial owners and does not hold any shareholding interest in the Company. The purpose of joining Dongguan Changshi as a partner is that the latter as a collectively-owned enterprise in the PRC has close connection with the local municipal government and can function as an effective liaison person for the Project Company. Dongguan Changshi will also be involved in the daily running of the Project Company.

The purpose of the Project Company is to acquire from the Dongguan Land Bureau a parcel of industrial land and to develop it into industrial buildings and ancillary facilities, and to lease out those factory space and facilities upon completion. The land is situated in Xinmin Village (also known as Xin Sing Industrial Zone), Changan Town, Dongguan City, Guangdong Province with a site area of approximately 82,886 square meters. The cost of the development is estimated to be around HK\$60,000,000 and will be funded out of the registered capital contributed by Ever Reliance. The development will be carried out by the Project Company in 2 phases and is expected to be completed in 2007. The Project Company has obtained the preliminary approval by Dongguan Land Bureau on the use of that parcel of land for industrial development and will acquire the land shortly after the receipt of necessary funding from Ever Reliance. The land use right will be granted to the Project Company and all facilities on the premise will also become property of the Project Company upon completion.

It is the intention of Ever Reliance and the Project Company that Samxon Electronics, a wholly-owned subsidiary of the Company, will lease part of the industrial buildings and related ancillary facilities from the Project Company upon completion of the development.

SHAREHOLDING STRUCTURE OF EVER RELIANCE AND PROJECT COMPANY



PRINCIPAL TERMS OF THE SHAREHOLDERS' AGREEMENT

Date: 24 January 2005

Parties:

- i) Man Yue Technology
- ii) Golden Faith
- iii) Wintop
- iv) Ever Reliance

Purpose of the Shareholders' Agreement: To set out the rights and obligations of each shareholder and to govern the affairs of Ever Reliance, including the funding arrangements for Ever Reliance to invest in the Project Company.

Composition of the board for Ever Reliance: Maximum number of board member for Ever Reliance shall be 5. 2 directors shall be appointed by Man Yue Technology, 2 directors shall be appointed by Golden Faith and 1 director shall be appointed by Wintop. None of the shareholders will have absolute control over the board.

Call option: A call option was granted to Man Yue Technology by Golden Faith and Wintop pursuant to which Man Yue Technology is entitled to acquire from Golden Faith and Wintop, at any time commencing from the 7th year of the Shareholders' Agreement, at the pre-determined price their entire shareholding and the relevant shareholders' loans in Ever Reliance.

As agreed by Man Yue Technology, Golden Faith and Wintop, the pre-determined price shall be equal to the net asset value per share of Ever Reliance, taking into account the valuation adjustments for the land and the industrial buildings thereon based on independent professional valuation as at the date when Man Yue Technology serves the notice to exercise its call option.

Should Man Yue Technology elect to exercise the option, the Company will comply with the Listing Rules and make further announcement(s) as and when necessary.

Funding requirements of the Project Company:

Ever Reliance shall contribute HK\$60,000,000 to fund the Project Company.

Non-interest bearing shareholders' loans of HK\$28,800,000, HK\$29,400,000 and HK\$1,800,000 shall be contributed by Man Yue Technology, Golden Faith and Wintop respectively to Ever Reliance in accordance with their shareholding percentage in Ever Reliance. All funds have to be contributed as and when requested by the board, but in any event on or before 14 July 2007. In the event that a defaulting shareholder fails to remedy its breach of any of the terms of the Shareholders' Agreement within 21 days upon the serving of a notice by the other non-defaulting shareholder(s), any non-defaulting shareholder(s) shall be entitled to acquire the entire interest from the defaulting shareholder(s) at 75% of the value of the shares of the defaulting shareholder. The value of such shares shall be based on the net asset value of Ever Reliance as calculated by its auditors.

SHAREHOLDER'S LOAN PROVIDED BY MAN YUE TECHNOLOGY TO EVER RELIANCE

The shareholder's loan of HK\$28,800,000 to be advanced to Ever Reliance by Man Yue Technology will be funded out of the internal resources of the Group. The shareholders' loan is capital in nature and is non-interest bearing, without security and with no fixed repayment terms.

REASONS FOR INVESTING IN EVER RELIANCE

The Group is principally engaged in the manufacture and trading of electronic components, the trading of electrical products, raw materials and production machinery. The Company intends to invest in Ever Reliance with a view that Samxon Electronics, a wholly-owned subsidiary of the Company which currently leases industrial land and buildings for its operation, will in future lease part of the industrial buildings and related ancillary facilities of the Project Company. Since the Company holds partial interest in the Project Company through Ever Reliance, the net effect to the Group will be a reduction in the overall rental cost. The Company has yet to agree the terms of the lease with the Project Company but the indicative rate in discussion is at a discount to the current market rate. In addition, the Group is also granted the right to acquire the remaining indirect interest in the Project Company, through acquiring the interest of Golden Faith and Wintop by exercising the call option as mentioned above, should it find this beneficial and in the Company's interest to do so. The Directors are of the view that the terms of the Shareholders' Agreement are fair and reasonable and investing in Ever Reliance is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

By entering into the Shareholders' Agreement, the Company has agreed to provide funding to Ever Reliance which constitutes a discloseable transaction of the Company under Rule 14.06(2) of the Listing Rules and a general disclosure obligation of the Company under Rule 13.16 of the Listing Rules.

GENERAL

A circular containing amongst other things further details of the Shareholders' Agreement will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms have the meanings as set out below:

“Company”	Man Yue International Holdings Limited, a company incorporated in Bermuda and the shares of which are listed on the Main Board of the Stock Exchange
“Dongguan Changshi”	東莞市長安鎮長實發展總公司 (Dongguan Changan Changshi Development Corporation), a collectively-owned enterprise in the PRC.
“Directors”	the directors of the Company
“Ever Reliance”	Ever Reliance Industrial Investments Limited, an associate company of the Company and a company incorporated in Hong Kong which is 48% owned by Man Yue Technology, 49% owned by Golden Faith and 3% owned by Wintop.
“Golden Faith”	Golden Faith Mfg. Limited, a company incorporated in Hong Kong
“Group”	the Company and its subsidiaries
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Man Yue Technology”	Man Yue Technology Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Project Company”	東莞長信物業開發有限公司 (Dongguan Ever Reliance Property Development Limited), a sino-foreign co-operative joint venture established in the PRC
“Samxon Electronics”	Samxon Electronics (Dongguan) Company Limited, a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Shareholders”	shareholders of the Company
“Shareholders’ Agreement”	The shareholders’ agreement dated 24 January 2005, entered into among, inter alia, Man Yue Technology, Golden Faith and Wintop
“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
“Wintop”	Wintop Intertrade Limited, a company incorporated in the British Virgin Islands

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

Hong Kong, 31 January 2005

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, Mr. Lo Kwok Kwei, David and Mr. Mar Selwyn as independent non-executive Directors.

** For identification purpose only*

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