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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

The Company makes this announcement pursuant to Section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong).

Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 11 December 2007 (the “Prospectus”) issued by the Company.

EYANG

EYANG HOLDINGS (GROUP) CO., LIMITED

宇陽控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 117)

PARTIAL EXERCISE OF OVER-ALLOTMENT OPTION, STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in part by CAF Securities Company Limited as the Lead Manager (on behalf of the Placing Underwriters) on 9 January 2008 in respect of an aggregate of 5,500,000 Over-allotment Shares, representing 5.5% of the Offer Shares initially available under the Share Offer before any exercise of the Over-allotment Option, solely to cover over-allocations in the Placing.

The Over-allotment Shares have been allotted and issued by the Company at HK\$1.3 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Share Offer.

The Company announces that the stabilization period in connection with the Share Offer ended on 13 January 2008.

The stabilizing actions that have been taken by the Lead Manager during the stabilization period were:

- (1) Over-allocation of 13,000,000 Shares in the Placing;
- (2) the borrowing of 13,000,000 Shares from EY OCEAN Management Limited pursuant to the Stock Borrowing Agreement to cover over-allocations in the Placing;

- (3) the purchase of a total of 7,500,000 Shares in the price range of HK\$1.10 to HK\$1.30 per Share on the market, representing approximately 7.5% of the Offer Shares initially offered under the Share Offer before any exercise of the Over-allotment Option; and
- (4) the partial exercise of the Over-allotment Option in respect of 5,500,000 Over-allotment Shares for the sole purpose of covering over-allocations in the Placing.

Partial exercise of the Over-allotment Option

The Company announces that the Over-allotment Option referred to in the Prospectus was exercised in part by CAF Securities Company Limited as the Lead Manager (on behalf of the Placing Underwriters) on 9 January 2008 in respect of an aggregate of 5,500,000 Over-allotment Shares, representing 5.5% of the Offer Shares initially available under the Share Offer before any exercise of the Over-allotment Option, solely to cover over-allocations in the Placing.

The Over-allotment Shares have been allotted and issued by the Company at HK\$1.3 per Share (exclusive of brokerage of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%), being the Offer Price per Share under the Share Offer. The over-allotment shares are expected to commence dealing in the main board of the Hong Kong Stock Exchange at 9:30 a.m. on 16 January 2008.

Listing of, and permission to deal in, the Over-allotment Shares have already been granted by the Listing Committee of the Stock Exchange.

The shareholding structures of the Company immediately before the issue of the Over-allotment Shares, and after the issue of the Over-allotment Shares and return in full of the borrowed Shares to EY OCEAN Management Limited are respectively as follows:

Shareholders	Immediately after the completion of the Share Offer (before any exercise of the Over-allotment Option)		Immediately after the partial exercise of the Over-allotment Option and return in full of the borrowed Shares to EY OCEAN Management Limited	
	Number of Shares	Approximate percentage of issued share capital	Number of Shares	Approximate percentage of issued share capital
EY OCEAN Management Limited	262,020,000	65.5%	262,020,000	64.6%
Public	<u>137,980,000</u>	<u>34.5%</u>	<u>143,480,000</u>	<u>35.4%</u>
Total	<u>400,000,000</u>	<u>100.0%</u>	<u>405,500,000</u>	<u>100.0%</u>

The net proceeds of approximately HK\$6.95 million from the issue of the Over-allotment Shares will be applied pro-rata by the Company for the purposes as set out in the relevant paragraph in the section headed “Future plans and use of proceeds” in the Prospectus.

The Company continues to observe the public float requirements under Rule 8.08(1)(a) of the Listing Rules immediately after the issue and allotment of the Over-allotment Shares.

Stabilizing actions and end of stabilization period

The Company makes this announcement pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Cap. 571W of the Laws of Hong Kong) and announces that the stabilizing period in connection with the Share Offer ended on 13 January 2008.

The stabilizing actions that have been taken by the Lead Manager during the stabilization period were:

- (1) Over-allocation of 13,000,000 Shares in the Placing;
- (2) the borrowing of 13,000,000 Shares from EY OCEAN Management Limited pursuant to the Stock Borrowing Agreement to cover over-allocations in the Placing;
- (3) the purchase of a total of 7,500,000 Shares in the price range of HK\$1.10 to HK\$1.30 per Share on the market, representing approximately 7.5% of the Offer Shares initially offered under the Share Offer before any exercise of the Over-allotment Option; and
- (4) the partial exercise of the Over-allotment Option in respect of 5,500,000 Over-allotment Shares for the sole purpose of covering over-allocations in the Placing.

The last purchase made in the course of the stabilization period on the market was on 7 January 2008 at the price of HK\$1.30 per Share.

The stock borrowing arrangement fully complies with the requirements of Listing Rule 10.07(3) and is effected in accordance with the arrangement as quoted in the Prospectus.

By order of the Board
EYANG Holdings (Group) Co., Limited
Chen Weirong
Chairman

Hong Kong, 15 January 2008

As at the date of this announcement, the executive Directors are Mr. Chen Weirong, Ms. Shuang Mei and Mr. Liao Jie; the non-executive Directors are Mr. Cheng Wusheng, Mr. Li Heqiu, Mr. Zhang Zhilin and Mr. Chen Hao; and the independent non-executive Directors are Mr. Pan Wei, Mr. Liu Huanbin and Mr. Chu Kin Wang, Peleus.