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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF LAND IN CHUZHOU

The Board is pleased to announce that the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement dated 1 December 2008 with the Vendor, for the acquisition of the land use rights of the Land for a term of 50 years at an aggregate consideration of RMB11.2 million (equivalent to approximately HK\$12.7 million). The Group principally intends to develop the Land as a production base for the MLCC and relevant products.

The Acquisition constitutes a discloseable transaction of the Company under the Listing Rules. The Acquisition is subject to the requirements of announcement and circular under the Listing Rules. A circular containing, among other things, further information on the Acquisition will be despatched to the Shareholders as soon as practicable.

THE ACQUISITION

The Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Agreement dated 1 December 2008 with the Vendor, for the acquisition of the land use rights of the Land for a term of 50 years at an aggregate consideration of RMB11.2 million (equivalent to approximately HK\$12.7 million). The Group principally intends to develop the Land as a production base for the MLCC and relevant products.

PRINCIPAL TERMS OF THE AGREEMENT

Date

1 December 2008

Parties

the Purchaser: 安徽金宇陽電子科技有限公司 (Anhui Golden Eyang Electronic Technology Company Limited*), an indirect wholly-owned subsidiary of the Company

the Vendor: 中華人民共和國安徽省滁州市國土資源和房產管理局 (Bureau of Land Resources and Real Estate Properties in Chuzhou City, Anhui Province, the PRC*), a PRC government authority. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the aforementioned authority is an Independent Third Party

Subject of the Acquisition

The Land is located in 中國安徽省滁州市開發區花園路南側, 南譙南路西側(Nanqiao South Road West, Huayuan Road South, Development Zone, Chuzhou City, Anhui Province, the PRC*) with a total site area of approximately 66,667 square metres, an average plot ratio of approximately 1.06 and a total gross floor area of approximately 70,995 square metres.

The Purchaser shall apply for registration of title to the Land upon full payment of the consideration for the Acquisition.

Consideration

The consideration for the Acquisition is approximately RMB168 (equivalent to approximately HK\$191) per square metre and the aggregate consideration is RMB11.2 million (equivalent to approximately HK\$12.7 million) in cash. The considerations will be funded by the internal resources of the Group. As at the date of this announcement, RMB2.5 million (equivalent to approximately HK\$2.8 million) has been paid to the Vendor as deposit and the remaining balance of the consideration is expected to be settled within 10 days from the date of the Agreement.

The Board considers that the value of the Land is commensurable with the consideration for the Acquisition which was arrived at as a result of a successful bid by the Purchaser at an open bidding organized by the Vendor.

Use of the Land

The Land is designated for industrial and office use.

Term of grant

The term for the grant of the land use rights of the Land is 50 years commencing from the date of delivery of the Land.

Delivery of the Land

Pursuant to the Agreement, the Vendor should deliver the Land to the Purchaser on or before 11 December 2008. As at the date of the announcement, as confirmed by the Directors, the Land has been delivered to the Group.

Development of the Land

Pursuant to the Agreement, the Purchaser shall commence the development of the Land on 1 December 2008 and the development shall be completed on or before 31 December 2015. The Purchaser may apply to extend the commencement date for the development of the Land.

Transferability and assignment of the Land

Upon full payment of the consideration for the Acquisition and obtaining the land use right certificate for the Land, the Purchaser is entitled to transfer, lease out or charge the Land subject to completion of not less than 25% of the total investment in the development of the Land.

Renewal of term

The Purchaser shall be entitled to renewal of the term of grant of the land use rights of the Land. The Purchaser shall submit a renewal application to the Vendor at least 1 year prior to the expiry of the term. The Vendor shall approve the renewal of the term unless it is in the interests of the public and society that resumption of the Land is necessary. Should renewal of term is not approved by the Vendor, the Vendor shall compensate the Purchaser in the amount to be assessed by reference to the residual value of the buildings and facilities erected on the Land.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Land is located in Chuzhou City, Anhui Province, the PRC and close to Yangtze river Delta area, one of the most developed area in the PRC. To facilitate the development of its growing MLCC business and better serve the Group's MLCC customers around the Yangtze river Delta area, the Group principally intends to develop the Land as a production base for the MLCC and relevant products. With the establishment of such MLCC production base, the Board considers it will increase the production capacity of the MLCC and should further facilitate the delivery of the MLCC products to its customers located in Yangtze river Delta area.

The Directors (including the independent non-executive Directors) are of the opinion that the terms of the Acquisition are fair and reasonable and is in the ordinary and usual course of the Group's business and is in the interests of the Group and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the manufacture and sale of the MLCC and mobile phones.

The Vendor is a PRC government authority and is in charge of, inter alia, the granting of land use rights located in Chuzhou City, Anhui Province, the PRC.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor is an Independent Third Party.

GENERAL

The Acquisition constitutes a discloseable transaction of the Company under the Listing Rules. The Acquisition is subject to the requirements of announcement and circular under the Listing Rules. A circular containing, among other things, further information on the Acquisition will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“Acquisition”	the acquisition of the land use rights of the Land by the Company as contemplated under the Agreement
“Agreement”	the agreement entered into by the Purchaser and the Vendor on 1 December 2008 in relation to the Acquisition
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	EYANG Holdings (Group) Co., Limited (stock code: 117), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any party which is independent of and not connected with any of the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Land”	a parcel of land located in 中國安徽省滁州市開發區花園路南側, 南譙南路西側 (Nanqiao South Road West, Huayuan Road South, Development Zone, Chuzhou City, Anhui Province, the PRC*) with a site area of approximately 66,667 square metres, an average plot ratio of approximately 1.06, a total gross floor area of approximately 70,995 square metres and is designated for industrial use
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MLCC”	multi-layer ceramic capacitor, which the Group is engaged in the manufacture and sale thereof
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	安徽金宇陽電子科技有限公司 (Anhui Golden Eyang Electronic Technology Company Limited*), a limited company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	中華人民共和國安徽省滁州市國土資源和房產管理局 (Bureau of Land Resources and Real Estate Properties in Chuzhou City, Anhui Province, the PRC*), a PRC government authority and is in charge of, inter alia, the granting of land use rights located in Chuzhou City, Anhui Province, the PRC
“%”	per cent.

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

Hong Kong, 1 December 2008

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

For the purpose of this announcement, unless otherwise specified, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of RMB0.88 = HK\$1.00.

This announcement is published on the websites of the Company (www.szeyang.com) and the Stock Exchange (www.hkex.com.hk).

** For identification purposes only*