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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)

**CLARIFICATION ANNOUNCEMENT**

Reference is made to the announcement of Eyang Holdings Limited (the “**Company**”) dated 23 May 2014 in relation to the Continuing Connected Transactions (the “**Announcement**”). Terms used in this announcement have the same meaning as defined in the Announcement unless otherwise required by the context.

**ADDITIONAL INFORMATION RELATING TO THE CONTINUING CONNECTED TRANSACTIONS**

As mentioned in the Announcement, the price for the Material to be purchased by Eyang Shenzhen from Dongguang Guangtong under the Material Purchase Framework Agreement shall be agreed on arm’s length negotiations between Eyang Shenzhen and Dongguang Guangtong from time to time with reference to the specifications of the relevant products and the prevailing market prices at the relevant time.

For the determination of prevailing market price, quotations will be obtained by the sourcing department of the Company from the existing independent third party suppliers. Price and terms offered by independent third party suppliers will be compared with those offered by Dongguang Guangtong. The Company will not select Dongguang Guangtong as the supplier of the Material provided that i) the price offered by Dongguang Guangtong is higher than the price offered by independent third party suppliers; or ii) the terms offered by Dongguang Guangtong are less favorable to the Group than those agreed between the Group and its other independent third party suppliers. In the event that both Dongguang Guangtong and the independent third party suppliers offer the same price, the company will consider the supplier who provides the Material with better quality and timely delivery schedule. The Company will not rely exclusively on Dongguang Guangtong for the supply of the Material and is free to select other Material suppliers should they offer more favorable terms than Dongguang Guangtong.

In light of the above, the managements of the Company believe that such policies could ensure the price and terms to be offered by Dongguang Guangtong to Eyang Shenzhen under the Material Purchase Framework Agreement shall be no less favorable than those offered by Dongguang Guangtong to its independent customers.

## **INFORMATION ON THE COMPANY AND ANHUI EYCOM**

The Group is principally engaged in the manufacturing and sale of MLCC and Anhui Eycom is principally engaged in the manufacturing and sale of mobile phone. In view of the material interest of Mr. Chen Weirong in the Continuing Connected Transactions, Mr. Chen Weirong has abstained from voting on the Board resolution approving the Continuing Connected Transactions. Save as disclosed above, none of the Directors has a material interest in the Continuing Connected Transactions and none of them has abstained from voting on the relevant Board resolution.

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

Hong Kong, 3 June 2014

*As at the date of this announcement, the Board comprises Mr. Chen Weirong, Mr. Jing Wenping and Mr. Wang Ye as Executive Directors, Mr. Cheng Wusheng, Mr. Zhang Zhilin and Mr. Chen Hao as Non-executive Directors and Mr. Pan Wei, Mr. Liu Huanbin, Mr. Chu Kin Wang, Peleus, Mr. Liang Rong and Mr. Mak Ka Wing, Patrick as Independent Non-executive Directors.*