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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 DISPOSAL OF COMMODITIES

THE TRADING CONTRACT IN RELATION TO THE ACQUISITION OF HEAVY SULPHUR FUEL OIL

Reference is made to the Announcement. Pursuant to the trading contract dated 13 July 2016 in relation to the acquisition of 2 parcels of (i) heavy sulphur fuel oil 380 (HSFO 380CST); and (ii) heavy sulphur fuel oil 500 (HSFO 500CST), the actual amount of heavy sulphur fuel oil 380 (HSFO 380CST) and heavy sulphur fuel oil 500 (HSFO 500CST) delivered to EYMS was 19,655.649 metric tonnes and 16,991.498 metric tonnes respectively. Accordingly, the total consideration for the acquisition of the heavy sulphur fuel oil are approximately US\$9,303,373 (approximately HK\$72,175,564).

THE TRADING CONTRACT IN RELATION TO THE DISPOSAL OF HEAVY SULPHUR FUEL OIL

The Board announced that on 15 July 2016, EYMS (an indirect wholly-owned subsidiary of the Company) entered into the Trading Contract with the Purchaser in relation to the Disposal, pursuant to which EYMS sells and the Purchaser purchases the Products for a targeted consideration of approximately US\$9,317,337 (approximately HK\$72,283,898), after taking into account of the actual amount of heavy sulphur fuel oil to be delivered.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal are more than 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

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Principal terms of the Trading Contract are set forth below:

Date of the Trading Contract: 15 July 2016

Parties:

The parties to the Trading Contract are:

- (i) Vendor: EY Management Services Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
- (ii) Purchaser: a company incorporated in Singapore with limited liability and is principally engaged in sourcing petroleum products to downstream refinery and retailer

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

Assets to be acquired:

2 parcels of heavy sulphur fuel oil, with the following specifications:

- (a) first parcel containing approximately 18,750 metric tonnes of heavy sulphur fuel oil 380 (HSFO 380CST) with +/- 5% operational tolerance; and

- (b) second parcel containing approximately 16,200 metric tonnes of heavy sulphur fuel oil 500 (HSFO 500CST) with +/- 5% operational tolerance

Consideration:

The total consideration for the Products shall be approximately US\$9,317,337 (approximately HK\$72,283,898) for the first parcel and second parcel of Products, after taking into account of the actual amount of heavy sulphur fuel oil to be delivered.

The consideration is exclusive of any duties, taxes and levies, costs or payment at the discharge port and all other charges on the cargo or vessel or freight charges, all such fees and charges shall be paid by the Purchaser.

The Consideration was arrived at after arm's length negotiation between the parties to the Trading Contract after taking into account of the prevailing market rates of the Products and its specifications.

The value of the Products as at the date of the announcement is the same as the consideration.

Date and Mode of Payment:

Payment shall be made in US Dollars by telegraphic transfer to the designated account of EYMS.

Payment shall be made on or before 20 July 2016 against presentation by the EYMS of certain documents of delivery under the Trading Contract.

Date of Delivery:

The Products shall be delivered during the discharge date range of 10 July 2016 to 15 July 2016 (both days inclusive).

REASONS FOR, AND BENEFITS OF THE DISPOSAL AND THE INTENDED USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of electronic products with current focus on multi-layer ceramic chips (MLCC).

As disclosed in the announcement dated 29 June 2016, the Company has recently established a wholly-owned subsidiary in Hong Kong and has entered into certain trading contracts with its business partners with a view to commence and develop the business of commodities trading, including but not limited to trading of metals, minerals and petroleum products. The management of the Company considered entering into the Trading Contract would bring reasonable level of trading gains to the Group within a short timespan. As such,

the Directors considered the Disposal to be in the interest of the Company and the Shareholders as a whole as it could demonstrate the Group's ability to source and supply petroleum products in the highly competitive energy commodity market.

The expected gross trading gains resulting from the Disposal is approximately US\$13,000 (approximately HK\$100,000), based on the difference of the consideration of the Disposal and the costs of the Products upon acquisition. It is the current intention of the Company that the proceeds arising from the Disposal shall be used by the Company as general working capital.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Announcement”	announcement of the Company dated 13 July 2016 in relation to the acquisition of commodities
“Board”	the board of Directors
“Company”	EYANG Holdings (Group) Co., Limited, 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 (stock code: 117)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Products by EYMS to the Purchaser pursuant to the Trading Contract
“EYMS”	EY Management Services Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Products”	2 parcels of heavy sulphur fuel oil, with the following specifications: <ul style="list-style-type: none"> (a) first parcel containing approximately 18,750 metric tonnes of heavy sulphur fuel oil 380 (HSFO 380CST) with +/- 5% operational tolerance; and (b) second parcel containing approximately 16,200 metric tones of heavy sulphur fuel oil 500 (HSFO 500CST) with +/- 5% operational tolerance
“Purchaser”	a company incorporated in Singapore with limited liability and is principally engaged in sourcing petroleum products to downstream refinery and retailer
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trading Contract”	the trading contract in relation to the Products dated 15 July 2016 entered into between EYMS and the Purchaser
“US\$” or “US Dollars”	United States Dollars, lawful currency of the United States of America

By order of the Board
EYANG Holdings (Group) Co., Limited
Huang Mingxiang
Chairman

Hong Kong, 15 July 2016

For the purposes of illustration only, any amounts denominated in US\$ in this announcement are translated into HK\$ at the rate of US\$1 = HK\$7.758. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted of any particular rate at all.

As at the date of this announcement, the Board comprises seven executive Directors, namely, Mr. Huang Mingxiang, Mr. Jing Wenping, Mr. Kwok Oi Lung Roy, Mr. Sue Ka Lok, Mr. Xue Hongjian Mr. Zhou Chunhua and Mr. Zhu Xiaodong and four independent non-executive Directors, namely Mr. Chan Chi On Derek, Mr. Chu Kin Wang, Peleus, Mr. To Yan Ming, Edmond and Mr. Xu Xuechuan.