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Mitsumaru East Kit (Holdings) Limited

三丸東傑（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2358)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTIES

The Directors announce that East Kit Electronic (Shanghai) Company Limited, a wholly owned subsidiary of the Company, entered into an Agreement on 10 December 2008 with the Purchaser in relation to the disposal of the Properties.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons and are not connected persons of the Company.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules as the Consideration ratio exceeds 5% but less than 25%.

A circular setting out details of the Agreement and the Disposal will be despatched to the Shareholders as soon as practicable.

THE AGREEMENT

Date: 10 December 2008

Parties:

Vendor: East Kit Electronic (Shanghai) Company Limited, a wholly-owned subsidiary of the Company.

Purchaser: Shanghai Xinzhuang Industry Park Economic and Technological Development Company Limited, a company incorporated in the People's Republic of China with limited liability.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons and are not connected persons of the Company.

GENERAL NATURE OF THE DISPOSAL

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules as the Consideration ratio exceeds 5% but less than 25%.

INFORMATION ON THE PROPERTIES

The Properties comprise the land use right of 11,612 square meters of state-owned industrial land and ownership of 5,871.92 square meters of buildings and other related auxiliary equipments and facilities situated at No. 2618, Gu Dai Road West, Minhang District, Shanghai, the People's Republic of China.

Before the Disposal, the Properties were used as a production facility for assembling LCD TV products and did not generate any profits for the two financial years immediately preceding the Disposal.

CONSIDERATION

The Consideration of the Disposal is RMB 22,468,988.96. Under the Agreement, the Consideration is payable in cash by one-off payment by the Purchaser to the Vendor within 5 working days from the effective date of the Agreement. The effective date of the Agreement is 19 December 2008, being the date on which the relevant transaction certificate was issued by the Shanghai United Assets and Equity Exchange.

On 23 December 2008, the Vendor received a cheque amounting to RMB 21,000,000. As the Vendor considered that the procedure for the change of ownership in respect of the Properties was not fully completed, the Vendor agreed to the Purchaser's request to settle the remaining balance of the Consideration within 3 months since 19 December 2008. Both parties are in the course of finalizing relevant supplementary agreements.

The Consideration was agreed between the parties based on arm's length negotiations by reference to an asset valuation report provided by Shanghai City and Countryside Assets Valuation Company Limited, an independent third party to both the Vendor and the Purchaser, which opined that the market values of the Properties were RMB 22,468,988.96 as at 31 October 2008. No discount or premium of the said market values of the Properties was given to the Purchaser.

COMPLETION

Under the Agreement, the Vendor is required to complete the property title transfer procedures with the relevant government authorities within 60 days after the issue of the relevant transaction certificate by the Shanghai United Assets and Equity Exchange. Both parties are required to complete the procedure for the change of ownership in respect of the Properties, resulting in the issuance of a new ownership certificate in the name of the Purchaser, within 90 days after the issue of the relevant transaction certificate by the Shanghai United Assets and Equity Exchange. Completion of the Disposal will occur when such property title transfer procedures and change of ownership certificate procedure are completed.

TENANCY OF THE PROPERTIES

The Vendor and the Purchaser entered into a tenancy agreement on 19 December 2008 pursuant to which the Purchaser agreed to let the Properties to the Vendor for a period of 3 years commencing from 19 December 2008 and until 18 December 2011 at the rent of RMB125,000 per month for the first year, RMB155,833 per month for the second year and RMB186,667 per month for the third year.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Directors consider that the Consideration for the Disposal has substantially reflected the long term investment potential of the Properties and the Disposal therefore provides an opportunity for the Group to realise its investment in the Properties. Furthermore, having taken into account that the Disposal will result in an unaudited profit of approximately RMB 10,580,333.53 (before expenses and tax) to the Group, the Disposal would help to improve the current position of the Group's working capital.

The Board also considers that the terms of the Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

INTENDED USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE DISPOSAL

The net book values of the Properties were RMB 11,888,655.43 as at 31 October 2008. The difference between the Consideration of RMB 22,468,988.96 and the said net book values of RMB 11,888,655.43 gives an unaudited profit of approximately RMB 10,580,333.53 (before expenses and tax) which will be recorded in the accounts of the Group upon completion of the transfer of the Properties. The Disposal is expected to generate net cash proceeds, which will be applied as general working capital of the Group.

INFORMATION ON THE PARTIES

The Company is the holding company of the Group which is principally engaged in the design, development and sale of TV chassis, materials requisition and assembling.

The principal activity of the Vendor is the sale of TV products.

The principal activity of the Purchaser is investment, development and construction in Xinzhuang Industry Park.

GENERAL

A circular setting out details of the Agreement and the Disposal will be despatched to the Shareholders as soon as practicable.

SUSPENSION OF TRADING

At the direction of the Stock Exchange, trading in the shares of the Company was suspended from 9:30 a.m. on 14 February 2008 and will remain suspended until further notice.

DEFINITIONS

“Agreement”	the sale and purchase agreement dated 10 December 2008 and entered into among the Vendor, the Purchaser and the agents acting on their respective behalf for the sale and purchase of the Properties
“Board”	the board of Directors
“Company”	Mitsumaru East Kit (Holdings) Limited, a company incorporated in Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal
“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration in the sum of RMB 22,468,988.96 payable by the Purchaser
“Director(s)”	director(s) of the Company
“Disposal”	the sale of the Properties to the Purchaser pursuant to the Agreement

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“Properties”	the land use right of 11,612 square meters of state-owned industrial land and ownership of 5,871.92 square meters of buildings and other related auxiliary equipments and facilities situated at No. 2618, Gu Dai Road West, Minhang District, Shanghai, the People’s Republic of China
“Purchaser”	Shanghai Xinzhuang Industry Park Economic and Technological Development Company Limited, a company incorporated in the People’s Republic of China with limited liability
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shareholder(s)”	Shareholder(s) of the Company
“Shares”	shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	East Kit Electronic (Shanghai) Company Limited, a company incorporated in the People’s Republic of China with limited liability, which is wholly-owned by the Company
“%”	per cent

By Order of the Board
Mitsumaru East Kit (Holdings) Limited

Cheng Sik Kong
Company Secretary

Hong Kong, 9 January 2009

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Zhang Shuyang
Mr. Leung Koon Sing

Independent Non-executive Directors:

Mr. Martin He
Mr. Mu Xiangming