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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)

GRANT OF THE OPTIONS BY THE CONTROLLING SHAREHOLDER

The Board wishes to announce that the controlling Shareholder has informed the Company that the Grantors have granted the Options over 300,000,000 Shares, representing 75% of the existing issued share capital of the Company, to an independent third party. Exercise of the Options at any time during the Z-Idea Option I Period may lead to a change in control of the Company.

The Board wishes to emphasize that the unconditional mandatory general cash offer may only be made upon the exercise of the Z-Idea Option I at any time during the Z-Idea Option I Period and completion thereof and in compliance with the requirements of the Takeovers Code. However, the Z-Idea Option I Period shall only commence upon the 180th day from the date of the Option Deed. There is no assurance that the Z-Idea Option I will be exercised upon commencement of the Z-Idea Option I Period. Shareholders and investors of the Company are urged to exercise caution when dealing in the Shares.

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

THE OPTION DEED DATED 28 OCTOBER 2009

Parties

- Grantors:*
1. Z-IDEA COMPANY LIMITED, a company incorporated in BVI with limited liability and is wholly and beneficially owned by Mr. Zhang, is interested in 249,000,000 Shares, representing 62.25% of the issued share capital of the Company as at the date of this announcement;
 2. GOOD DAY INTERNATIONAL LIMITED, a company incorporated in BVI with limited liability and is owned as to 95% by Madam Wu Lixia (ex-wife of Mr. Zhang) and 5% by Mr. Zhang Xuancheng (son of Mr. Zhang), is interested in 45,000,000 Shares, representing 11.25% of the issued share capital of the Company as at the date of this announcement; and

3. T-SQUARE COMPANY LIMITED, a company incorporated in BVI with limited liability and is wholly and beneficially owned by Mr. Tung Chi Wai, Terrence (former Director), is interested in 6,000,000 Shares, representing 1.50% of the issued share capital of the Company as at the date of this announcement

Guarantor: Mr. Zhang is the guarantor of the Grantors for their performance under the Option Deed

Grantee: GRAND IDEA INTERNATIONAL LIMITED, a company incorporated in BVI with limited liability and is ultimately owned as to 1/3 by Mr. Cheung Chung Leung Richard, 1/3 by Mr. Wang Yu and 1/3 by Mr. Guo Danze

To the best of the Directors' knowledge, information and belief after making reasonable enquiries, the Grantee and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Options

Pursuant to the Option Deed,

- (A) Z-Idea agreed to grant to the Grantee the Z-Idea Option I to require Z-Idea to sell to the Grantee the Z-Idea Option I Shares at the consideration of HK\$31,200,000 during the Z-Idea Option I Period;
- (B) Z-Idea agreed to grant to the Grantee the Z-Idea Option II to require Z-Idea to sell to the Grantee the Z-Idea Option II Shares at the consideration of HK\$13,500,000 during the Z-Idea Option II Period;
- (C) Good Day agreed to grant to the Grantee the Good Day Option II to require Good Day to sell to the Grantee the Good Day Option II Shares at the consideration of HK\$13,500,000 during the Good Day Option II Period; and
- (D) T-Square agreed to grant to the Grantee the T-Square Option II to require T-Square to sell to the Grantee the T-Square Option II Shares at the consideration of HK\$1,800,000 during the T-Square Option II Period.

Considerations

Consideration for the Options

The consideration for the grant of the Options of HK\$30,000,000 shall be paid by the Grantee to the Grantors within 10 business days from the date of the Option Deed. In the event that the Grantee fails to fully pay the consideration for the grant of the Options within the stipulated time limit, the Grantors shall have the right to serve written notice to the Grantee to terminate the Option Deed and the Option Deed shall lapse.

Considerations for the Option Shares

- (A) The consideration for the Z-Idea Option I Shares of HK\$31,200,000 shall be paid by the Grantee to Z-Idea in the following manner:-

- (i) on the First Completion Date, the Grantee shall pay HK\$10,000,000 as partial payment for the consideration for the Z-Idea Option I Shares, in cash; and
 - (ii) on the third business day after the resumption of trading of the Shares on the Stock Exchange, the Grantee shall pay HK\$21,200,000 as the remaining balance of the consideration for the Z-Idea Option I Shares, in cash.
- (B) The consideration for the Z-Idea Option II Shares of HK\$13,500,000 shall be paid by the Grantee to Z-Idea in the following manner:-
- (i) on the Second Completion Date, the Grantee shall pay HK\$5,000,000 as partial payment for the consideration for the Z-Idea Option II Shares, in cash; and
 - (ii) on the third business day after the resumption of trading of the Shares on the Stock Exchange, the Grantee shall pay HK\$8,500,000 as the remaining balance of the consideration for the Z-Idea Option II Shares, in cash.
- (C) The consideration for the Good Day Option II Shares of HK\$13,500,000 shall be paid by the Grantee to Good Day in the following manner:-
- (i) on the Second Completion Date, the Grantee shall pay HK\$5,000,000 as partial payment for the consideration for the Good Day Option II Shares, in cash; and
 - (ii) on the third business day after the resumption of trading of the Shares on the Stock Exchange, the Grantee shall pay HK\$8,500,000 as the remaining balance of the consideration for the Good Day Option II Shares, in cash.
- (D) The consideration for the T-Square Option II Shares of HK\$1,800,000 shall be paid by the Grantee to T-Square in the following manner:-
- (i) on the Second Completion Date, the Grantee shall pay HK\$800,000 as partial payment for the consideration for the T-Square Option II Shares, in cash; and
 - (ii) on the third business day after the resumption of trading of the Shares on the Stock Exchange, the Grantee shall pay HK\$1,000,000 as the remaining balance of the consideration for the T-Square Option II Shares, in cash.

Exercise of the Options

Subject to the fulfilment of the conditions of the Option Deed, the Options may be exercised by the Grantee by serving an option notice (the "Option Notice") which set out the number of the Options Shares and the First Completion Date or the Second Completion Date.

Upon exercise of the Z-Idea Option I, Z-Idea, being the beneficial owner of the Z-Idea Option I Shares, shall dispose of and the Grantee shall acquire the Z-Idea Option I Shares free from all liens, claims, encumbrances, pre-emption rights, options and any third party rights and together with all rights attached to the Shares as at the First Completion Date. Unless the acquisition of the Z-Idea Option I Shares is completed simultaneously, the Grantee has no obligation to acquire any of the Z-Idea Option I Shares.

Upon exercise of the Z-Idea Option II, Z-Idea, being the beneficial owner of the Z-Idea Option II Shares, shall dispose of and the Grantee shall acquire the Z-Idea Option II Shares free from all liens, claims, encumbrances, pre-emption rights, options and any third party rights and together with all rights attached to the Shares as at the Second Completion Date.

Upon exercise of the Good Day Option II, Good Day, being the beneficial owner of the Good Day Option II Shares, shall dispose of and the Grantee shall acquire the Good Day Option II Shares free from all liens, claims, encumbrances, pre-emption rights, options and any third party rights and together with all rights attached to the Shares as at the Second Completion Date.

Upon exercise of the T-square Option II, T-Square, being the beneficial owner of the T-square Option II Shares, shall disposal of and the Grantee shall acquire the T-Square Option II Shares free from all liens, claims, encumbrances, pre-emption rights, options and any third party rights and together with all rights attached to the Shares as at the Second Completion Date.

Unless the acquisitions of the Option II Shares are completed simultaneously, the Grantee has no obligation to acquire any of the Option II Shares.

Conditions of the Option Deed

The Option Deed is subject to fulfillment of the following conditions:

1. the statements, warranties and the undertakings provided by Z-Idea and Mr. Zhang under the Option Deed remaining true and accurate and not misleading at all times from the date of the Option Deed until the expiry date of the Z-Idea Option I Period or the First Completion Date, whichever is earlier;
2. the Z-Idea Option I remains unexercised by the Grantee upon the expiry of the Z-Idea Option I;
3. no material adverse change in the Group since the date of signing of the Option Deed;
4. the Grantee is satisfied with the result of the due diligence on the Group's the financial, liabilities, business, taxation, litigation and legal aspects; and
5. the Stock Exchange and the SFC will not indicate that the listing status of the Company will be or has been or may be withdrawn from the Main Board of the Stock Exchange or declare that the Company will not be suitable for listing.

All the above conditions can be waived by the Grantee in writing from time to time. In the event that all of the above conditions cannot be fulfilled by (i) the expiry date of the Z-Idea Option I Period or (ii) the date as set out in the Option Notice to be served by the Grantee to Z-Idea (the date shall not be longer than one month from the date of the Option Notice), whichever is earlier, or (iii) such other date as parties may agree in writing, the Option Deed shall lapse and each party's further rights and obligations under the Option Deed cease immediately without affecting a party's then accrued rights and obligations and Z-Idea shall refund to the Grantee 70% of the cash consideration for the grant of the Options paid by the Grantee immediately.

Conditions of the First Completion

Notwithstanding the Option Deed becomes unconditional in accordance with the terms as mentioned above, the completion of the Z-Idea Option I Shares by the Grantee shall be subject to fulfillment of the following conditions:

1. the Grantee having received the evidence and is satisfied that up to the First Completion Date, all the indebtedness of the Group having been repaid in full;
2. the Grantee having received the evidence and is satisfied that up to the First Completion Date, all the corporate guarantees given by the Group having been released;
3. the statements, warranties and the undertakings provided by Z-Idea and Mr. Zhang under the Option Deed remaining true and accurate and not misleading in all respects as at the First Completion Date;
4. the Stock Exchange and the SFC will not indicate that the listing status of the Company will be or has been or may be withdrawn from the Main Board of the Stock Exchange or declare that the Company will not be suitable for listing; and
5. no material adverse change in the Group since the date of signing of the Option Deed.

All the above conditions can be waived by the Grantee in writing from time to time. In the event that all of the above conditions cannot be fulfilled by the date set out on the Option Notice served by the Grantee to Z-Idea (the date shall not be longer than one month from the date of the Option Notice) or such other date as parties may agree in writing, although the Grantee has exercised the Z-Idea Option I, the Option Deed and the transactions contemplated thereunder shall lapse and each party's further rights and obligations under the Option Deed cease immediately without affecting a party's then accrued rights and obligations and Z-Idea shall refund to the Grantee 70% of the cash consideration for the grant of the Options paid by the Grantee immediately.

Conditions of the Second Completion

Notwithstanding that the Options Deed becomes unconditional in accordance with the terms as mentioned above, the acquisition of the Z-Idea Option II Shares, the Good Day Option II Shares and the T-Square Option II Shares by the Grantee shall be subject to fulfillment of the following conditions:

1. completion of the acquisition of the Z-Idea Option I Shares;
2. the statements, warranties and the undertakings provided by Z-Idea and Mr. Zhang under the Option Deed remaining true and accurate and not misleading in all respects as at the Second Completion Date;
3. the Stock Exchange and the SFC will not indicate that the listing status of the Company will be or has been or may be withdrawn from the Main Board of the Stock Exchange or declare that the Company will not be suitable for listing; and

4. no material adverse change in the Group since the date of signing of the Option Deed.

All the above conditions can be waived by the Grantee in writing from time to time. In the event that all of the above conditions cannot be fulfilled by the date set out on the Option Notice served by the Grantee to the Grantors (the date shall not be longer than one month from the date of the Option Notice) or such other date as parties may agree in writing, although the Grantee has exercised the Option II, the obligations for the Grantee to acquire the Option II Shares and complete such acquisition shall terminate and each party's further rights and obligations under the Option Deed cease immediately without affecting a party's then accrued rights and obligations.

GENERAL

The Company is an investment holding company with its subsidiaries principally engaged in the design of the chassis of colour televisions; trading of electronic components; and assembling of colour television sets and other electronic components.

As at the date of this announcement, the Company has 400,000,000 Shares in issue and 22,870,000 outstanding options of the Company and there are no other outstanding warrants, options, derivatives or securities convertible into Shares as at the date of this announcement.

As at the date of this announcement, none of the Grantee and its ultimate beneficial owners is interested in any Shares. However, in the event that the Grantee exercises the Z-Idea Option I at any time during the Z-Idea Option I Period and assuming there is no issue of new Shares immediately prior to the exercise of the Z-Idea Option I, the Grantee will own 204,000,000 Shares, representing 51% of the issued share capital of the Company at the time of exercise of the Z-Idea Option I and under Rule 26.1 of the Takeovers Code, the Grantee will be required to make a mandatory unconditional cash offer for all the issued Shares not already owned or agreed to be acquired by the Grantee and parties acting in concert with it and under Rule 13 of the Takeovers Code, the Grantee will also be required to make a comparable offer for all the outstanding options of the Company. Further announcement(s) will be made as and when required under the Takeovers Code and the Listing Rules.

The Board wishes to emphasize that the unconditional mandatory general cash offer may only be made upon the exercise of the Z-Idea Option I at any time following the commencement of the Z-Idea Option I Period and completion thereof and in compliance with the requirements of the Takeovers Code. However, the Z-Idea Option I Period shall only commence upon the 180th day from the date of the Option Deed. There is no assurance that the Z-Idea Option I will be exercised at any time during the Z-Idea Option I Period. Shareholders and investors of the Company are urged to exercise caution when dealing in the Shares.

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

DEFINITIONS

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

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| “acting in concert” | has the meaning ascribed to it under the Takeovers Code |
| “associates” | has the meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “Business Day” | means a day (other than a Saturday or Sunday) on which banks are generally open in Hong Kong for normal business |
| “Company” | Mitsumaru East Kit (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange (Stock Code: 2358) |
| “Director(s)” | the director(s) of the Company |
| “First Completion Date” | being the date as set out on the Option Notice (the date shall not be longer than one month from the date of the Option Notice) |
| “Good Day” | GOOD DAY INTERNATIONAL LIMITED, a company incorporated in BVI with limited liability and is owned as to 95% by Madam Wu Lixia (ex-wife of Mr. Zhang) and 5% by Mr. Zhang Xuancheng (son of Mr. Zhang), is interested in 45,000,000 Shares, representing 11.25% of the issued share capital of the Company as at the date of this announcement |
| “Good Day Option II” | an option to require Good Day to sell to the Grantee the Good Day Option II Shares at the consideration of HK\$13,500,000 during the Good Day Option II Period |
| “Good Day Option II Shares” | 45,000,000 Shares, representing 11.25% of the issued share capital of the Company, to be disposed of to the Grantee by Good Day |
| “Good Day Option II Period” | a period of 90 days from the First Completion Day |
| “Grantee” | Grand Idea International Limited, a company incorporated in BVI with limited liability and is ultimately owned as to 1/3 by Mr. Cheung Chung Leung Richard, 1/3 by Mr. Wang Yu and 1/3 by Mr. Guo Danze |
| “Grantors” | collectively Z-Idea, Good Day and T-Square |
| “Group” | collectively the Company and its subsidiaries |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

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| “Mr. Zhang” | Mr. Zhang Shuyang, an executive Director and the Chairman of the Company and the ultimate beneficial owner of Z-Idea |
| “Option Deed” | an option deed dated 28 October 2009 entered into between the Grantors, Grantee, Mr. Zhang (as Grantors’ guarantor) in relation to the Options |
| “Option II Shares” | collectively Z-Idea Option II Shares, Good Day Option II Shares and T-Square Option II Shares |
| “Option Shares” | collectively the Z-Idea Option I Shares, the Z-Idea Option II Shares, the Good Day Option II Shares and T-Square Option II Shares |
| “Options” | collectively Z-Idea Option I, Z-Idea Option II, the Good Day Option II and the T-Square Option II |
| “PRC” | the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan |
| “Second Completion Date” | being the date as set out on the Option Notice (the date shall not be longer than one month from the date of the Option Notice) |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the issued share capital of the Company |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “T-Square” | T-SQUARE COMPANY LIMITED, a company incorporated in BVI with limited liability and is wholly and beneficially owned by Mr. Tung Chi Wai, Terrence (former Director), is interested in 6,000,000 Shares, representing 1.50% of the issued share capital of the Company as at the date of this announcement |
| “T-Square Option II” | an option to require T-Square to sell to the Grantee the T-Square Option II at the consideration of HK\$1,800,000 during the T-Square Option II Period |

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| “T-Square Option II Shares” | 6,000,000 Shares, representing 1.5% of the issued share capital of the Company, to be disposed of to the Grantee by T-Square |
| “T-Square Option II Period” | a period of 90 days from the First Completion Date |
| “Z-Idea” | Z-IDEA COMPANY LIMITED, a company incorporated in BVI with limited liability and is wholly and beneficially owned by Mr. Zhang, is interested in 249,000,000 Shares, representing 62.25% of the issued share capital of the Company as at the date of this announcement |
| “Z-Idea Option I” | an option to require Z-Idea to sell to the Grantee the Z-Idea Option I Shares at the consideration of HK\$31,200,000 during the Z-Idea Option I Period |
| “Z-Idea Option I Period” | the period commencing from the 180 th day from the date of the Option Deed and ending on the 360 th day from the date of the Option Deed |
| “Z-Idea Option I Shares” | 204,000,000 Shares, representing 51% of the issued share capital of the Company, to be disposed of to the Grantee by Z-Idea |
| “Z-Idea Option II” | an option to require Z-Idea to sell to the Grantee the Z-Idea Option II Shares at the consideration of HK\$13,500,000 during the Z-Idea Option II Period |
| “Z-Idea Option II Period” | a period of 90 days from the First Completion Date |
| “Z-Idea Option II Shares” | 45,000,000 Shares, representing 11.25% of the issued share capital of the Company, to be disposed of to the Grantee by Z-Idea |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “%” | per cent |

By order of the Board
Mitsumaru East Kit (Holdings) Limited
Leung Koon Sing
Executive Director

Hong Kong, 2 November 2009

As at the date of this announcement, the board comprises two executive Directors, namely, Mr. Zhang Shuyang and Mr. Leung Koon Sing; and three Independent Non-executive Directors, namely, Mr. Kwong Ping Man, Mr. Martin He and Mr. Mu Xiangming.