
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Mitsumaru East Kit (Holdings) Limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTIES

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“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 HK\$27,000,000 payable by the Purchaser
“Crown Grace”	Crown Grace Limited, a company incorporated in Hong Kong and a wholly owned subsidiary of the Company
“Director(s)”	director(s) of the Company
“Disposal”	the sale of the Properties to the Purchaser pursuant to the Provisional Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKFRS”	the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Latest Practicable Date”	12 September 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“Properties”	Unit 01-03, 05-13 & 15-20 (with private water-closet wc 0606-0609) on 6/F, Regent Centre Tower B, No. 70 Ta Chuen Ping Street, Kwai Chung, Hong Kong

DEFINITIONS

“Purchaser”	Asia Linkage Limited, a company incorporated in Hong Kong or its nominees
“Provisional Agreement”	the provisional sale and purchase agreement dated 5 August 2008 and entered into between Crown Grace and the Purchaser for the sale and purchase of the Properties
“Shares”	shares of the Company
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.



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)

Executive Directors:

Mr. Zhang Shuyang
Mr. Tung Chi Wai, Terrence
Mr. Leung Koon Sing

Independent non-executive Directors:

Mr. Chiu Chi Cheong Clifton
Mr. Martin He
Mr. Mu Xiangming

Registered office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

16 September 2008

To the Shareholders,

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION
DISPOSAL OF PROPERTIES

INTRODUCTION

By an announcement dated 27 August 2008, the Board announced that on 5 August 2008, Crown Grace, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser, an independent third party, for the sale of the Properties at the consideration of HK\$27,000,000.

The Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with further information in relation to the Disposal and such other information as required pursuant to the Listing Rules.

THE PROVISIONAL AGREEMENT

Date: 5 August 2008

LETTER FROM THE BOARD

Parties:

Vendor: Crown Grace Limited, a wholly-owned subsidiary of the Company

Purchaser: Asia Linkage Limited, a company incorporated in Hong Kong, or its nominees.

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.

Information on the Properties

The Properties comprises non-residential units situated at Kwai Chung, Hong Kong.

Consideration

The Consideration of the Disposal is HK\$27,000,000 which is payable in cash in the following manner:-

- (i) HK\$500,000, being the initial deposit, has been paid by the Purchaser to Crown Grace upon signing of the Provisional Agreement;
- (ii) HK\$2,200,000, being the further deposit, has been paid by the Purchaser to Crown Grace upon signing of the formal sale and purchase agreement in respect of the Properties;
- (iii) HK\$24,300,000, being the balance of the Consideration, shall be paid by the Purchaser to Crown Grace's solicitors upon Completion.

The Consideration was agreed between the parties based on arm's length negotiations.

Completion

Pursuant to the terms of the Provisional Agreement, subject to the approval of the Company, Completion of the Disposal shall take place on or before 20 October 2008.

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 audited loss of approximately HK\$2.4 million 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 Provisional Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Provisional Agreement is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

INTENDED USE OF PROCEEDS AND FINANCIAL EFFECTS OF THE DISPOSAL

The net book values of the Properties were HK\$29,397,724 as at 31 December 2007. The difference between the Consideration of HK\$27,000,000 and the said net book values of HK\$29,397,724 gives rise to an unaudited loss of approximately HK\$2,397,724 (before expenses and tax) which will be recorded in the accounting year ending 31 December 2008. The Disposal is expected to generate net cash proceeds, which will be applied as general working capital of the Group.

As at the Latest Practicable Date, the Properties were pledged to secure a mortgage loan and bank loan granted to the Group, and that the outstanding loan balances were approximately HK\$21,978,000. It will be repaid upon completion of the Disposal. Save as disclosed, the Board believes that the transaction will not give rise to any material effects on the earnings and the assets and liabilities 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 Crown Grace is investment/ property holding.

The principal activity of the Purchaser is property holding.

GENERAL

The Provisional Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
Mitsumaru East Kit (Holdings) Limited
Zhang Shuyang
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation of the Company (within the meaning of Part XV of the SFO) which were required pursuant to: (a) Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), to be notified to the Company and the Stock Exchange; or (b) Section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (c) the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares of the Company

Name of Director	Capacity	Number of issued/ underlying shares	Percentage
Mr. Zhang Shuyang	Interest of controlled corporation (Note 1)	249,000,000	62.25%
	Beneficial owner (Note 2)	2,300,000	0.58%
Mr. Tung Chi Wai, Terrence	Interest of controlled corporation (Note 3)	6,000,000	1.50%
	Beneficial owner (Note 4)	1,950,000	0.49%

Notes:

- Mr Zhang Shuyang is deemed to be interested in the Shares which are held by Z-Idea Company Limited, a company which is wholly owned by Mr Zhang Shuyang.
- The interest disclosed represents 2,300,000 underlying Shares in respect of a Share option granted by the Company to Mr. Zhang Shuyang. This Share option was granted on 25 June 2004 and is exercisable during the period from 25 June 2004 to 24 June 2014 at an exercise price of HK\$1.068.
- Mr. Tung Chi Wai, Terrence is deemed to be interested in the Shares which are held by T-Square Company Limited, a company which is wholly owned by Mr. Tung Chi Wai, Terrence.
- The interest disclosed represents 1,950,000 underlying Shares in respect of a Share option granted by the Company to Mr. Tung Chi Wai, Terrence. This Share option was granted on 25 June 2004 and is exercisable during the period from 25 June 2004 to 24 June 2014 at an exercise price of HK\$1.068.

3. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

So far as the Directors are aware, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name	Long positions in the Shares		Percentage
	Capacity	Number of Shares	
Z-Idea Company Limited (Note 1)	Beneficial owner	249,000,000	62.25%
Good Day International Limited (Note 2)	Beneficial owner	45,000,000	11.25%
Ms. Wu Lixia (Note 3)	Interest of controlled corporation	45,000,000	11.25%
數源科技股份有限公司	Beneficial owner	38,088,000	9.52%

Notes:

1. Z-Idea Company Limited is wholly owned by Mr. Zhang Shuyang, an Executive Director of the Company.
2. Good Day International Limited is owned by Ms. Wu Lixia and Mr. Zhang Xuancheng as to 95% and 5% respectively. Mr. Zhang Xuancheng is the son of Mr. Zhang Shuyang, and Ms. Wu Lixia is the mother of Mr. Zhang Xuancheng.
3. Ms. Wu Lixia is deemed to be interested in the Shares which are held by Good Day International Limited, a company which is 95% owned by Ms. Wu Lixia.

4. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, neither the Company nor any of its subsidiaries are engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was pending or threatened against any member of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group which does not expire or is not terminable within one year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or their respective associates has any interest in, apart from the Group's businesses, any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

7. GENERAL

- (a) The Company Secretary and Qualified Accountant of the Company is Mr. Cheng Sik Kong, ACCA, CPA.
- (b) The registered office of the Company is situated at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, British West Indies.
- (c) The principal place of business of the Company in Hong Kong is situated at Unit 606, 6th Floor, Regent Centre, Tower B, 63 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.