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If you have sold or transferred all your shares in Mitsumaru East Kit (Holdings) Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sales 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)

(1) CONTINUING CONNECTED TRANSACTION; (2) PROPOSED CHANGE OF AUDITORS; AND (3) NOTICE OF THE EGM

**Independent financial adviser to the independent board committee and
the independent shareholders of the Company**



大有融資有限公司
MESSIS CAPITAL LIMITED

Capitalised term used herein shall have the same meanings as those defined under the section headed "Definitions" of this circular.

A letter from the Board is set out from pages 4 to 11 of this circular. A letter from the Independent Board Committee is set out from pages 12 to 13 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out from pages 14 to 24 of this circular.

A notice convening the EGM to be held at Suite 5005-5006, 50/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 4 February 2014 at 10:30 a.m. or any adjournment thereof is set out from pages 29 to 30 of this circular. A form of proxy for use in the EGM is also enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the the EGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

16 January 2014

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	12
Letter from the Independent Financial Adviser	14
Appendix – General information	25
Notice of the EGM	29

DEFINITIONS

In this circular, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“BDO”	Messrs. BDO Limited
“Board”	the board of Directors
“CCT Announcement”	the announcement of the Company dated 12 December 2013 in relation to the sale and purchase of water meters and the related products under the Master Agreement
“Company”	Mitsumaru East Kit (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed on the main board of the Stock Exchange (Stock code: 2358)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CWA”	China Water Affairs Group Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liabilities, whose issued shares are listed on the main board of the Stock Exchange (Stock code: 855)
“CWA Group”	CWA and its subsidiaries
“CWA Subscription”	the subscription of 1,000,000,000 new Shares by New Prime under the subscription agreement dated 1 December 2010, details of which were set out in the circular of the Company dated 12 November 2013
“Director(s)”	the director(s) of the Company
“Effective Date”	the date on which the Master Agreement takes effect
“EGM”	the extraordinary general meeting to be convened and held on 4 February 2014 by the Company for the purpose of considering and, if thought fit, approving (i) the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps; and (ii) the appointment of ZHONGHUI ANDA as auditor of the Group to fill the casual vacancy following the resignation of BDO until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration

DEFINITIONS

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors, established to provide recommendation to the Independent Shareholders in relation to the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps
“Independent Financial Adviser”	Messis Capital Limited, a corporation licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps
“Independent Shareholder(s)”	Shareholders other than New Prime and its associates and those who are required to abstain from voting at the EGM in respect of the resolution for the Master Agreement pursuant to the Listing Rules
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons, whose independence is/are determined based on the best of the Directors’ knowledge, information and belief after making reasonable enquiries
“Latest Practicable Date”	13 January 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Agreement”	the agreement entered into between the Company and CWA on 12 December 2013 in respect of the sale and purchase of water meters and the related products
“New Prime”	New Prime Holdings Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of CWA

DEFINITIONS

“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong and the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Annual Caps”	the annual caps in respect of the transactions contemplated under the Master Agreement for the period commencing from the Effective Date to 31 December 2014 and the two years ending 31 December 2016
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“ZHONGHUI ANDA”	ZHONGHUI ANDA CPA Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For the purpose of this circular, all amounts denominated in RMB have been translated (for information only) into HK\$ using the exchange rates of RMB1: HK\$1.27. No representation is made that any amounts in RMB or HK\$ can be or could have been converted at the relevant dates at the above rates or any other rates at all.

If there is any inconsistency between the Chinese names of the PRC entities mentioned in this circular and their English translations, the Chinese names shall prevail.

In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.



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. Siu Chi Ming

Mr. Tang Chin Wan

Independent non-executive Directors:

Ms. Au Shui Ming

Mr. Martin He

Mr. Wu Yinong

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Suite 5005-5006, 50th Floor

Central Plaza

18 Harbour Road

Wanchai

Hong Kong

16 January 2014

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTION
AND
PROPOSED CHANGE OF AUDITORS**

INTRODUCTION

Reference is made to the CCT Announcement and the announcement of the Company dated 7 January 2014.

The purpose of this circular is to provide you with, among other things, (i) details of the Master Agreement and the transactions contemplated thereunder; (ii) details in relation to the proposed appointment of ZHONGHUI ANDA as auditor of the Group; (iii) the letter from the Independent Board Committee to the Independent Shareholders giving its recommendation in relation to the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps; (iv) the letter of advice from the

LETTER FROM THE BOARD

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice and recommendation on the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps; and (v) the notice of the EGM.

(I) THE CONTINUING CONNECTED TRANSACTION

References are made to the announcement and circular of the Company dated 28 August 2013 and 12 November 2013 respectively in relation to, among other things, the CWA Subscription.

As at the Latest Practicable Date, New Prime was a substantial shareholder of the Company. CWA, being the sole shareholder of New Prime, is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of being an associate of New Prime.

On 12 December 2013, the Company entered into the Master Agreement with CWA in respect of the provision of water meters and the related products by the Group to the CWA Group for the period from the Effective Date to 31 December 2016.

Particulars of the Master Agreement are described in the following section:

THE MASTER AGREEMENT

The principal terms of the Master Agreement and the Proposed Annual Caps are as follows:

Date:	12 December 2013
Parties:	CWA (as the purchaser) and the Company (as the vendor)
Term:	From the Effective Date to 31 December 2016 (both days inclusive)
Subject matter:	The Group will provide certain types of water meters (including electronic water meters and mechanical water meters) and the related products to the CWA Group.
Condition precedent:	The Master Agreement shall become effective upon passing by the Independent Shareholders the necessary resolution(s) at the EGM to approve the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps.

LETTER FROM THE BOARD

Proposed annual caps: The Proposed Annual Caps for the transactions under the Master Agreement for the period commencing from the Effective Date to 31 December 2014 and the two years ending 31 December 2016 will be as follows:

For the period commencing from the Effective Date to 31 December 2014:	RMB60,000,000 (equivalent to approximately HK\$76,200,000)
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For the year ending 31 December 2015:	RMB70,000,000 (equivalent to approximately HK\$88,900,000)
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For the year ending 31 December 2016:	RMB80,000,000 (equivalent to approximately HK\$101,600,000)
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The Proposed Annual Caps were arrived at after arm's length negotiations between the Company and CWA, taking into account (i) the historical transaction amounts of the relevant products; (ii) the expected price of the relevant products with the effect of inflation; and (iii) the expected demand for the relevant products by the CWA Group, based on a non-legally binding indication of purchase orders of approximately RMB60 million for water meters and the related products for 2014 from the CWA Group. Having considered the on-going satisfactory product quality and stable supply by the Group, the CWA Group intends to increase the volume of purchases from the Group. Nonetheless, Shareholders should note that no formal agreement has been entered into by the Group and the aforementioned purchase orders indication may or may not materialise.

As disclosed in the announcement of the Company dated 27 December 2013, with the completion of the open offer of the Company and the resumption in trading of the Shares, the financial position of the Group has been strengthened from the net proceeds therefrom. Going forward, the Company is planning to inject capital of approximately RMB7 million into the water meters business to expand its business scale and production capacity (e.g. increase the procurement scale to generate higher turnover). In view of the above, it is reasonable that the Proposed Annual Caps are significantly higher than the historical transaction amounts of the relevant products for the period from 1 March 2012 to 31 December 2012 and the nine months ended 30 September 2013 as set out under the section headed "Reasons for the entering into of the Master Agreement" below.

LETTER FROM THE BOARD

Moreover, based on the historical sales growth rate of over 15% and the management's expansion plan for the water meters business, the Board has estimated a prudent growth rate of approximately 15% for the two years ending 31 December 2014 and 2015.

Pricing basis:

The price of water meters and the related products shall be determined with reference to their respective costs and the prevailing market price for similar products.

In particular, the Company will estimate the costs of providing water meters and the related products based on the historical direct labour cost and direct material cost, and set a target gross profit margin in the range of 30% to 40% based on the Company's historical gross profit margin for such products.

When entering into separate sales orders, the sales department of the Group will be responsible for providing standard sales contract and price list of the products, which are applicable to both of the sale to the CWA Group and the sale of similar products to the Independent Third Parties of comparable volume. Hence, the Company can ensure that the target gross profit margin applied to the sale of products to the CWA Group will be no less favourable than that applied to the sale of similar products to the Independent Third Parties of comparable volume.

Other major terms:

The Group and the CWA Group shall enter into individual agreements to govern the exact terms and conditions of each transaction under the Master Agreement. Detailed payment terms will be specified in the individual contract governing the particular transaction. As general practice, the Company charges (i) around 90% to 95% of the payment for water meters and the related products upon delivery of such products (with a credit period from 60 days to 90 days); and (ii) the remaining balance of the payment after one year from the delivery of such products if no material defect of such products is found. The Company and CWA agree that the terms and conditions (including pricing, delivery clause, credit period, etc.) under those separate agreements shall be no less favourable than those offered by the Group to other Independent Third Parties for similar products of comparable volume.

LETTER FROM THE BOARD

The Company and CWA are entitled to extend the Master Agreement on or before 31 December 2016 and to take such action as may be appropriate to comply with the Listing Rules. Without prejudice to the right of any party to terminate the Master Agreement, the Master Agreement shall automatically terminate if (i) the Company considers that it is not feasible to comply with the Listing Rules at the relevant time; or (ii) compliance with the Listing Rules would require changes to the Master Agreement which are not acceptable to any of the parties thereto.

REASONS FOR THE ENTERING INTO OF THE MASTER AGREEMENT

Since the listing of the Shares on the Stock Exchange on 15 July 2004, the Group has all along been engaging in the television (TV) and its related components design, trading and assembly business (the “Existing Business”). On 29 February 2012, the Group acquired a company which is principally engaged in the assembling and installation of electronic water meters in the PRC (the “Acquisition”). Due to the loss making position of the Existing Business, the Group completed the disposal of the same in July 2012 and continued with the water meters business as its only business for the time being. Upon completion of the sale and purchase agreement entered into between the Group and 數源科技股份有限公司 (SOYEA Technology Co., Ltd) (Stock code: SZ000909) on 20 August 2013 regarding the proposed acquisition of 數源久融技術有限公司 (Soyea Jiu Rong Technology Co., Ltd.*) (the “VSA”) on 19 December 2013, the Group also engages in the TV business. For details of the VSA, please refer to the circular of the Company dated 12 November 2013.

In the ordinary and usual course of business, the Group from time to time after the Acquisition enters into transactions with the CWA Group in relation to the provision of water meters and the related products. For the period commencing from 1 March 2012 to 31 December 2012 and the nine months ended 30 September 2013, the historical transaction amounts of the relevant products were approximately RMB7,060,000 and RMB14,817,000 respectively. Through the entering into of the Master Agreement, the Directors expect that the transactions contemplated under the Master Agreement will continue to strengthen the Group’s ability to carry out a stable and sustainable business operation, which shall be beneficial to the Company and the Shareholders as a whole.

The transactions contemplated under the Master Agreement are in the ordinary and usual course of business of the Group. Having considered the aforesaid and the methods for determining the price of water meters and the related products and their payment terms as set out in details under the section headed “The Master Agreement” above, the Directors are of the view that the terms of the Master Agreement, including the Proposed Annual Caps, are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned and the entering into of the Master Agreement is in the interests of the Company and the Shareholders as a whole.

* For identification purposes only

LETTER FROM THE BOARD

INFORMATION ON THE CWA GROUP

The CWA Group is primarily engaging in the provision of water supply and sewage treatment operation and construction services, development of properties for sale and investment, manufacture and sale of concrete products, other infrastructure construction and business activities.

(II) THE PROPOSED CHANGE OF AUDITORS

BDO have tendered their resignation as auditor of the Group with effect from 7 January 2014, as the Company could not reach consensus with BDO on the audit fee for auditing the Group's financial statements for the year ended 31 December 2013.

BDO have confirmed in their letter of resignation that there are no matters in connection with their resignation that need to be brought to the attention of the holders of securities of the Company.

Both the audit committee of the Company and the Board have confirmed that there was no disagreement between the Company and BDO, and that there are no other matters in respect of the change of auditors which should be brought to the attention of the holders of securities of the Company.

Pursuant to article 158 of the articles of association of the Company, an extraordinary general meeting should be convened for the Shareholders to approve the appointment of a new auditor to fill the casual vacancy for auditor following the resignation of BDO. The Board has resolved, on the recommendation of the audit committee of the Company, to appoint ZHONGHUI ANDA as auditor of the Group to fill the casual vacancy until the conclusion of the next annual general meeting of the Company, subject to the passing of an ordinary resolution by the Shareholders at the EGM to be convened.

(III) IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, New Prime was a substantial shareholder of the Company and was interested in 1,000,000,000 Shares, representing approximately 26.32% of the total number of issued Shares, CWA, being the sole shareholder of New Prime, is a connected person of the Company by virtue of being an associate of New Prime, and the transactions contemplated under the Master Agreement constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Since no Director has a material interest in the Master Agreement and the transactions contemplated thereunder, none of the Directors had abstained from voting on the relevant resolution(s) approving the Master Agreement and the transactions contemplated thereunder at the Board meeting.

LETTER FROM THE BOARD

As the applicable percentage ratios in respect of the Master Agreement are more than 5% and the annual consideration is more than HK\$10,000,000, the Master Agreement and the transactions contemplated thereunder constitute a non-exempt continuing connected transaction for the Company and are subject to the reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

The approval of the Independent Shareholders will be sought at the EGM by way of poll in respect of the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps. New Prime and its associates will be required to abstain from voting at the EGM. Save as disclosed above, to the best knowledge, information and belief of the Directors, no other Shareholder is required to abstain from voting at the EGM to approve the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiry, none of the Shareholders is required to abstain from voting on the resolution to approve the appointment of ZHONGHUI ANDA as auditor of the Group to fill the casual vacancy until the conclusion of the next annual general meeting of the Company.

(IV) EGM

A notice convening the EGM to be held at Suite 5005-5006, 50/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 4 February 2014 at 10:30 a.m. or any adjournment, at which ordinary resolutions will be proposed to the Independent Shareholders to consider and, if thought fit, approve (i) the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps; and (ii) the appointment of ZHONGHUI ANDA as auditor of the Group to fill the casual vacancy following the resignation of BDO until the conclusion of the next annual general meeting of the Company and to authorise the Board to fix their remuneration, is set out from pages 29 to 30 of this circular.

A form of proxy for use at the EGM is also enclosed. If you are unable to attend the EGM in person, you are requested to complete and return the form of proxy to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting thereof (as the case may be) should you so wish and in such event, the form of proxy shall be deemed to be revoked.

The ordinary resolutions as set out in the notice of the EGM will be put to the vote of the Independent Shareholders or Shareholders (as the case may be) by way of poll. An announcement will be made by the Company after the EGM to inform you of its results.

LETTER FROM THE BOARD

(V) RECOMMENDATION

The Directors consider that the Master Agreement (including the Proposed Annual Caps) is entered into in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned. In addition, the Board considers that (i) the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps; and (ii) the proposed appointment of ZHONGHUI ANDA as auditor of the Group to fill the casual vacancy are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve (i) the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps; and (ii) the proposed appointment of ZHONGHUI ANDA as auditor of the Group to fill the casual vacancy.

The Independent Board Committee has been established to advise the Independent Shareholders on the terms of the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps. Messis Capital Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in this regard. The respective letters from the Independent Board Committee and the Independent Financial Adviser are set out from pages 12 to 13 and from pages 14 to 24 of this circular respectively. You are advised to read the letters carefully before making your voting decision.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, it recommends the Independent Shareholders to vote in favour of the resolution to approve the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information on the Group set out in the appendix to this circular.

By order of the Board
Mitsumaru East Kit (Holdings) Limited
Siu Chi Ming
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation, prepared for the purpose of incorporation in this circular, from the Independent Board Committee to the Independent Shareholders regarding the Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).



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)

16 January 2014

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION

We refer to the circular dated 16 January 2014 (the “**Circular**”) of the Company of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context requires otherwise.

We have been appointed as the Independent Board Committee to consider the Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) and to advise the Independent Shareholders as to the fairness and reasonableness of the Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) and to recommend whether or not the Independent Shareholders should vote on the resolution to be proposed at the EGM to approve the Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps). Messis Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in such regards.

We wish to draw your attention to the letter from the Independent Financial Adviser as set out in the Circular which contains, inter alia, its advice and recommendation to us and the Independent Shareholders regarding the terms and conditions of the Master Agreement (including the Proposed Annual Caps) with the principal factors and reasons for its advice and recommendation.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice and recommendation of the Independent Financial Adviser, we consider that the terms of the Master Agreement (including the Proposed Annual Caps) are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Furthermore, the Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps) are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the Master Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).

Yours faithfully,

Independent Board Committee

Ms. Au Shui Ming

Mr. Martin He

Mr. Wu Yinong

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from Messis Capital to the Independent Board Committee and the Independent Shareholders in respect of whether the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps are in the interests of the Company and the Independent Shareholders as a whole and fair and reasonable which has been prepared for the purpose of inclusion in the Circular:



16 January 2014

*To the Independent Board Committee
and the Independent Shareholders of the Company*

Dear Sirs/Madams,

CONTINUING CONNECTED TRANSACTION

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps are (i) in the interests of the Company and the Independent Shareholders as a whole; and (ii) fair and reasonable so far as the Independent Shareholders are concerned; as well as whether the Independent Shareholders should vote in favour of the resolutions to approve the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps at the EGM, details of which are set out in the circular of the Company dated 16 January 2014 (the “**Circular**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

The Board announced that on 12 December 2013, the Company entered into the Master Agreement with CWA in respect of the provision of water meters and the related products by the Group to the CWA Group for the period from the Effective Date to 31 December 2016.

As at the Latest Practicable Date, New Prime is a substantial shareholder of the Company, CWA, being the sole shareholder of New Prime, is a connected person of the Company by virtue of being an associate of New Prime and the transactions contemplated under the Master Agreement will constitute a continuing connected transaction for the Company (“**Continuing Connected Transaction**”) under the Listing Rules. The approval of the Independent Shareholders will be sought at the EGM by way of poll in respect of the Master Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps. New Prime and its associates will be required to abstain from voting at the EGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR ADVICE

In arriving at our recommendation, we have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all information and representations contained or referred to in the Circular and all information and representations which have been provided by the Directors and the management of the Company for which they are solely responsible, are true and accurate at the time they were provided and made and will continue to be so as at the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Company.

We consider that we have received sufficient information to enable us to reach an informed view and to justify our reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our view and recommendation. The Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statements in the Circular, including this letter, misleading. We have no reason to suspect that any material information has been withheld by the Company or by the Directors. We have not carried out any independent investigation into the business and affairs of the Company, nor have we conducted an independent investigation into the business and affairs of the Group. However, we have taken all reasonable steps which include the following:

- (a) obtained the information and documents relevant to an assessment of the fairness and reasonableness of the Continuing Connected Transaction, including but not limited to, the announcements of the Company dated 28 August 2013, 12 November 2013, 28 November 2013, 12 December 2013 and 27 December 2013, the circular of the Company dated 12 November 2013, the annual reports of the Company for the financial years ended 31 December 2011 and 2012 and the interim report of the Company for the six months ended 30 June 2012;
- (b) researched the availability of relevant market and trends relevant to the pricing of the Continuing Connected Transaction;
- (c) reviewed the internal records of the Group in providing water meters (including electronic water meters and mechanical water meters) and the related products to both the CWA Group and to other independent third parties;
- (d) reviewed the fairness, reasonableness and completeness of any assumptions or projections relevant to the Continuing Connected Transaction; and
- (e) confirmed that no third party expert opinion being relevant to the Continuing Connected Transaction.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

Background

As at the Latest Practicable Date, New Prime is a substantial shareholder of the Company, CWA, being the sole shareholder of New Prime, is a connected person of the Company by virtue of being an associate of New Prime and the transactions contemplated under the Master Agreement will constitute a continuing connected transaction for the Company ("**Continuing Connected Transaction**") under the Listing Rules. As the applicable percentage ratios (other than the profits ratio) in respect of the Proposed Annual Caps are more than 5% and the annual consideration is more than HK\$10,000,000, the Master Agreement and the transactions contemplated thereunder constitute a non-exempt continuing connected transaction for the Company and are subject to the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

The Board announced that on 12 December 2013, the Company entered into the Master Agreement with CWA in respect of the provision of water meters and the related products by the Group to the CWA Group for the period from the Effective Date to 31 December 2016.

Information on the Group

Since the listing of the Shares on the Stock Exchange on 15 July 2004, and immediately before and during the Trading Suspension, the Group has all along been engaging in the television and its related components design, trading and assembly business. Since February 2012, the Group has been engaged in the assembling and installation of electronic water meters in the PRC.

Information on the CWA Group

The CWA Group is primarily engaging in the provision of water supply and sewage treatment operation and construction services, development of properties for sale and investment, manufacture and sale of concrete products, other infrastructure construction and business activities.

In assessing the Continuing Connected Transaction and in giving our recommendation to the Independent Board Committee, we have taken into account the following principal factors and reasons:

Reasons for the Continuing Connected Transaction and use of proceeds

Since the listing of the Shares on the Stock Exchange on 15 July 2004, and immediately before and during the suspension of trading in the Shares since 14 February 2008 at the direction of the Stock Exchange, the Group has all along been engaging in the television (TV) and its related components design, trading and assembly business (the "**Existing Business**"). On 29 February 2012, the Group engaged in the assembling and installation of electronic water meters in the PRC (the "**Acquisition**").

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In the ordinary and usual course of business, the Group from time to time after the Acquisition enters into transactions with the CWA Group in relation to the provision of water meters and the related products. For the period commencing from 1 March 2012 to 31 December 2012 and the nine months ended 30 September 2013, the historical transaction amounts of the relevant products were approximately RMB7,060,000 and RMB14,817,000 respectively. Through the entering into of the Master Agreement, the Directors expect that the transactions contemplated under the Master Agreement will continue to strengthen the Group's ability to carry out a stable and sustainable business operation, which shall be beneficial to the Company and the Shareholders as a whole.

Having considered that the Group has been engaged in the assembling and installation of electronic water meters in the PRC since February 2012, we are of the view that the entering into the Master Agreement and the Continuing Connected Transaction contemplated thereunder is within the ordinary course of business of the Company.

THE MASTER AGREEMENT

The principal terms of the Master Agreement and the Proposed Annual Caps are as follows:

Date:	12 December 2013
Parties:	CWA (as the purchaser) and the Company (as the vendor)
Term:	From the Effective Date to 31 December 2016 (both days inclusive)
Subject matter:	The Group will provide certain types of water meters (including electronic water meters and mechanical water meters) and the related products to the CWA Group.
Condition precedent:	The Master Agreement shall become effective upon passing by the Independent Shareholders who are allowed to vote and not required to abstain from voting of the necessary resolution(s) at the EGM to approve the Master Agreement and the transactions contemplated thereunder and the Proposed Caps.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Proposed annual caps:

The Proposed Annual Caps for the transactions under the Master Agreement for the period commencing from the Effective Date to 31 December 2014 and the two years ending 31 December 2016 will be as follows:

For the period commencing from the Effective Date to 31 December 2014:	RMB60,000,000 (equivalent to approximately HK\$76,200,000)
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For the year ending 31 December 2015:	RMB70,000,000 (equivalent to approximately HK\$88,900,000)
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For the year ending 31 December 2016:	RMB80,000,000 (equivalent to approximately HK\$101,600,000)
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The Proposed Annual Caps were arrived at after arm's length negotiations between the Company and CWA, taking into account (i) the historical transaction amounts of the relevant products; (ii) the expected price of the relevant products with the effect of inflation; and (iii) the expected demand for the relevant products by the CWA Group, based on a non-legally binding indication of purchase orders of approximately RMB60 million for water meters and the related products for 2014 from the CWA Group. Having considered the on-going satisfactory product quality and stable supply by the Group, the CWA Group intends to increase the volume of purchases from the Group. Nonetheless, Shareholders should note that no formal agreement has been entered into by the Group and the aforementioned purchase orders indication may or may not materialise.

As disclosed in the announcement of the Company dated 27 December 2013, with the completion of the open offer of the Company and the resumption in trading of the Shares, the financial position of the Group has been strengthened from the net proceeds therefrom. Going forward, the Company is planning to inject capital of approximately RMB7 million into the water meters business to expand its business scale and production capacity (e.g. increase the procurement scale to generate higher turnover). In view of the above, it is reasonable that the Proposed Annual Caps are significantly higher than the historical transaction amounts of the relevant products for the period from 1 March 2012 to 31 December 2012 and the nine months ended 30 September 2013 as set out under the section headed "Reasons for the entering into of the Master Agreement" in the Letter from the Board.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Moreover, based on the historical sales growth rate of over 15% and the management's expansion plan for the water meters business, the Board has estimated a growth rate of approximately 15% for the two years ending 31 December 2014 and 2015.

To our best endeavour, we have researched the water meter market in the PRC but unable to locate any information directly related to the prevailing market of the similar products. As the water meter and relevant products business in the PRC are closely related to the property developments with public water supplied by the water supplying institutions, including CWA Group and other public water suppliers, and the installation of water meter and relevant products by the CWA Group or the other engineering companies, including the independent third parties customers of the Group, we have studied the urbanization and the property development in the PRC. We are of the view that the trend of urbanization in the PRC in past and foreseeable future decades provides a strong demand of the water meters and the related products. According to the Urban and Rural Areas 2011 of the Population Division, United Nations, by the end of 2012, the mainland of the People's Republic of China had a total urban population of 712 million or 52.6% of the total population, rising from 26% in 1990. In the long term, China faces increasing urbanization; according to predictions, nearly 70% of the population will live in urban areas by 2035. Over the next two decades China will build 20,000 to 50,000 new skyscrapers and many more commercial and residential buildings. It is reasonable to project a stable increase of demand in the coming years of the water meters and the related products of the Group from the existing customers of the Group, including the CWA Group and the other independent third parties customers, which are the public water supplier, the property construction companies or the engineering companies in the PRC.

Having considered that (i) a non-legally binding indication of purchase orders of approximately RMB60 million for water meters and the related products for 2014 from the CWA Group; (ii) the Company is planning to inject capital into the water meters business to expand its business scale and production capacity; (iii) a stable increase of demand in the coming years of the water meters and the related products by the customers of the Group due to the trend of urbanization of the PRC; and (iv) the historical sales growth rate of the Group's water meters business, we are of the view that the Proposed Annual Caps, significantly higher than the historical transaction amounts of the relevant products for the period from 1 March 2012 to 31 December 2012 and the nine months ended 30 September 2013, are fair and reasonable.

Pricing basis:

The price of the water meters and the related products shall be determined with reference to their respective costs and the prevailing market price for similar products.

In particular, the Company will estimate the costs of providing water meters and the related products based on the historical direct labour cost and direct material cost, and set a target gross profit margin of in the range of 30% to 40% based on the Company's historical gross profit margin for such products. When entering into separate sales orders, the sales department of the Group will be responsible for providing standard sales contract and price list of the products. Hence, the Company can ensure that the target gross profit margin applied to the sale of products to the CWA Group will be no less favourable than that as applied to the sale of similar products to the Independent Third Parties of comparable volume.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have reviewed the internal records of the Group in relation to the cost of goods sold of providing water meters (including electronic water meters and mechanical water meters) and the related products to both the CWA Group and to other independent third parties ("**Cost Analysis**"). The Board confirmed that the Cost Analysis is complete and accurate. We note that a regular level of gross profit margin has been generated from all the Continuing Connected Transactions evidencing the price of the water meters and the related products was determined with reference to their respective costs.

We have reviewed the prevailing market price of the Group in supplying to the independent third parties for the similar products by the Group and noted that prevailing price of the Group in supplying to the CWA Group by the Group as a whole was close to and no less favourable than the prevailing market price of the Group in supplying the independent third parties by the Group as a whole.

Based on the above, we are of the view that the price of the water meters and the related products the Master Agreement and the individual agreements with the CWA Group has been determined with reference to their respective costs and the prevailing market price for similar products.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Other major terms:

The Group and the CWA Group shall enter into individual agreements to govern the exact terms and conditions of each transaction under the Master Agreement. Detailed payment terms will be specified in the individual contract governing the particular transaction. As general practice, the Company charges (i) around 90% to 95% of the payment for water meters and the related products upon delivery of such products (with a credit period from 60 days to 90 days); and (ii) the remaining balance of the payment after one year from the delivery of such products if no material defect of such products is found. The Company and CWA agree that the terms and conditions (including the pricing, delivery clause, credit period, etc.) under those separate agreements shall be no less favourable than those offered by the Group to other independent third parties for similar products of comparable volume.

We have reviewed the internal sales records of the Group and the individual agreements of providing water meters (including electronic water meters and mechanical water meters) and the related products to both the CWA Group and to other independent third parties ("**Sales Records**"). The Board confirmed that the records are complete and accurate. Based on the Sales Records, we note that (i) the gross margins of the sales of water meters and the related products to the CWA Group as a whole is not lower than the gross margins of the sales of water meters and the related products to third parties as a whole; and (ii) the other major terms and conditions, including the delivery periods, payment days and retention periods for the orders under those individual agreements with the CWA Group being no less favourable than terms and conditions offered by the Group to other independent third parties for similar products of comparable volume as a whole.

The Company and CWA are entitled to extend the Master Agreement on or before 31 December 2016 and to take such action as may be appropriate to comply with the Listing Rules. Without prejudice to the right of any party to terminate the Master Agreement, the Master Agreement shall automatically terminate if (i) the Company considers that it is not feasible to comply with the Listing Rules at the relevant time; or (ii) compliance with the Listing Rules would require changes to the Master Agreement which are not acceptable to any of the parties thereto.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We are of the view that the entitlement of the Company and CWA to extend the Master Agreement on or before 31 December 2016 and to take such action as may be appropriate to comply with the Listing Rule are fair and on normal commercial terms.

We have reviewed all the principal terms and conditions of the Master Agreement and the Continuing Connected Transaction contemplated thereunder as set out above and are of the view that the terms the Master Agreement and of the Continuing Connected Transaction contemplated thereunder is fair and reasonable so far as the Independent Shareholders are concerned.

POSSIBLE FINANCIAL EFFECTS

(i) Sales turnover

As set out in AR 2012, the audited consolidated turnover from the continuing operations of the Group was only approximately HK\$17.9 million as at 31 December 2012. We are of the view that the Continuing Connected Transaction may contribute to the turnover of the Group with a maximum of HK\$76,200,000 in 2014 according the Master Agreement and the indicative orders from the CWA Group. Higher contribution of sales turnover of the Continuing Connected Transaction in 2015 and 2016 is expected by the Board during the setting of the Proposed Annual Caps.

(ii) Gross profit

As set out in AR 2012, the audited gross profit from the continuing operations of the Group was approximately HK\$6.0 million for the year ended 31 December 2012.

Based on the profit analysis of the Continuing Connected Transaction provided by the Company, gross profit from every transaction under the Continuing Connected Transaction is expected. Accordingly, we are of the view that the Continuing Connected Transaction will contribute to the gross profit and as a result will contribute to the net profit of the Group.

(iii) Net assets

Based on the expected the gross profit to be derived from the Continuing Connected Transaction of the Company. The Continuing Connected Transaction is expected to contribute to the net assets of the Group in the 2014, 2015 and 2016, if the Continuing Connected Transaction is carried out in these years.

Having considered the enhancement on the turnover, gross profit and net assets of under the Continuing Connected Transaction, we consider that the entering into the Master Agreement and the Continuing Connected Transaction contemplated thereunder is in the interest of the Company and the Shareholders as a whole of concern.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Taking into consideration of the above mentioned principal factors and reasons, we consider that (i) the entering into the Master Agreement and the Continuing Connected Transaction contemplated thereunder is in the interests of the Company and the Shareholders as a whole; (ii) the terms of the Master Agreement and the Continuing Connected Transaction contemplated thereunder are on normal commercial terms; and (iii) the terms of the Master Agreement and of the Continuing Connected Transaction contemplated thereunder and the Proposed Annual Caps is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolutions to be proposed at the EGM to approve the entering into the Master Agreement and the Continuing Connected Transaction contemplated thereunder and the Proposed Annual Caps.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Michael Leung
Executive Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS**(a) Interests of Directors**

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were recorded in the register required to be kept pursuant to Section 352 of the SFO; or (iii) were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

(b) Interests of substantial shareholders of the Company

As at the Latest Practicable Date, so far as was known to the Directors, the persons, other than a Director, who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name of substantial shareholder	Type of interests	Number of Shares	Percentage of interests
CWA	Interest of controlled corporation	1,000,000,000 (L)	26.32%
New Prime	Beneficial owner	1,000,000,000 (L)	26.32%
SOYEA Technology Co., Ltd	Beneficial owner	266,616,000 (L)	7.02%

The letter "L" denotes a long position and "S" denotes a short position

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, no other person (other than a Director or chief executive of the Company) had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 10% 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.

3. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors nor proposed Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group since 31 December 2012, the date to which the latest published audited financial statements of the Group were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date, in which any of the Directors or proposed Directors was materially interested and which was significant in relation to the business of the Group as a whole.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates had an interest in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business that needs to be disclosed pursuant to Rule 8.10 of the Listing Rules.

5. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Messis Capital Limited	Licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or reference to its name or opinion in the form and context in which it appears.

As at the Latest Practicable Date, the expert above was not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the expert above did not, directly or indirectly, have any interest in any assets which had since 31 December 2012 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors nor proposed Directors had entered into any service contract with the Company or any other member of the Group, excluding contracts expiring or which may be terminated by the employer within a year without payment of any compensation (other than statutory compensation).

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position of the Group since 31 December 2012, the date to which the latest published audited financial statements of the Group were made up.

8. GENERAL

- (a) The registered address of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is at Suite 5005-5006, 50/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.
- (c) The share registrar and transfer agent of the Company in Hong Kong is ComputerShare Hong Kong Investor Services Limited, at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Jan Wing Fu, Barry. Mr. Jan is the chief financial officer and company secretary of the Company. He is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants in the United Kingdom. He obtained a bachelor's degree in business administration from the University of New Brunswick, Canada in 1989. Mr. Jan has over 22 years of solid experience in auditing, accounting, general management and financial control. He joined the Group on 30 December 2011 and was appointed as the company secretary of the Company on 1 February 2012.
- (e) In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Suite 5005-5006, 50/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on any business day from the date of this circular up to and including the date of the EGM:

- (a) the Master Agreement;
- (b) the annual reports of the Company for the two financial years ended 31 December 2011 and 2012 and the interim report of the Company for the six months ended 30 June 2013;
- (c) the letter from the Independent Board Committee, the text of which is set out from pages 12 to 13 of this circular;
- (d) the letter from the Independent Financial Adviser, the text of which is set out from pages 14 to 24 of this circular;
- (e) the written consent referred to in the paragraph under the heading "Qualification and consent of expert" in this appendix; and
- (f) this circular.



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)

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “**Meeting**”) of Mitsumaru East Kit (Holdings) Limited (the “**Company**”) will be held at Suite 5005-5006, 50/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 4 February 2014 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. (a) “**THAT** the master agreement dated 12 December 2013 (the “**Master Agreement**”) entered into between China Water Affairs Group Limited as purchaser and the Company as vendor in respect of the sales and purchase of water meters and the related products, a copy of which has been produced to the Meeting marked “A” and initialed by the chairman of the Meeting for the purposes of identification, and the terms and conditions thereof and its proposed annual cap amounts from the date falling upon passing of this resolution until 31 December 2016 and the transactions contemplated thereunder and the implementation thereof be and are hereby confirmed, ratified and approved;” and
- (b) “**THAT** any one of the directors be authorised for and on behalf of the Company, among other matters, to sign, seal, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering all such documents and deeds, to do or authorise doing all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the Master Agreement and the transactions contemplated thereunder and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of the Master Agreement as they may in their discretion consider to be desirable and in the interests of the Company and all the director’s acts as aforesaid be hereby confirmed, ratified and approved”

NOTICE OF THE EGM

2. “THAT ZHONGHUI ANDA CPA Limited be and is hereby appointed as the auditor of the Company and its subsidiaries to fill the casual vacancy following the resignation of BDO Limited as auditor of the Company and its subsidiaries, and to hold office until the conclusion of the next annual general meeting of the Company and that the board of directors of the Company be authorised to fix their remuneration.”

By order of the Board
MITSUMARU EAST KIT (HOLDINGS) LIMITED
Siu Chi Ming
Executive Director

Hong Kong, 16 January 2014

Head office and principal place of business in Hong Kong:

Suite 5005-5006, 50th Floor

Central Plaza

18 Harbour Road

Wanchai

Hong Kong

Notes:

1. Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, must be deposited with the branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Room 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting or any adjourned meeting thereof (as the case may be).
4. Completion and return of the form of proxy will not preclude members from attending and voting in person at the Meeting or at any adjourned meeting thereof (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the Meeting, whether in person or by proxy, the joint registered holder present whose name stands first on the register of members of the Company in respect of the shares shall be accepted to the exclusion of the votes of the other registered holders.