Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

EYANG HOLDINGS (GROUP) CO., LIMITED
宇陽控股(集團)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 117)

DISCLOSEABLE AND CONNECTED TRANSACTION

Financial Adviser to the Company

ORIENTAL PATRON

THE SHARE DISPOSAL AGREEMENT

Reference is made to an announcement dated 25 September 2012 and a circular dated 17 October 2012 (the "**Previous Circular**") of the Company in respect of the Share Purchase Agreement, pursuant to which Shenzhen Weichang, an indirect wholly-owned subsidiary of the Company, purchased from the Original Owners the Sale Shares, being the entire equity interest in the Target Company for a consideration of RMB36 million (or approximately HK$45.7 million) subject to adjustment.

On 15 November 2013, Shenzhen Weichang and the Original Owners entered into the Share Disposal Agreement pursuant to which the Original Owners agreed to repurchase the Sale Shares from Shenzhen Weichang at the Disposal Consideration.

Pursuant to the Share Disposal Agreement, the Disposal Consideration payable by the Original Owners to Shenzhen Weichang is in the amount of approximately RMB10.4 million (equivalent to approximately HK$13.2 million). The Disposal Consideration is arrived at after arm's length negotiation between the parties. The Disposal Consideration represents an approximately 13% premium to the net assets value of the Target Group as at 31 December 2012 recorded in its unaudited consolidated management accounts. The parties to the Share Disposal Agreement agreed that approximately RMB9.2 million out of the Disposal Consideration will be used to set off the Unsettled Purchase Consideration and the remainder consideration of RMB1.2 million (equivalent to approximately HK$1.5 million) shall be satisfied by the Original Owners in cash on 31 December 2013 (or such later date as may be agreed by the parties in writing).

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios for the Transaction under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

In addition, Shenzhen Eyang Investment Group, Ms. Shuang and Mr. Liao, each being one of the Original Owners, shall immediately upon Completion of the Share Disposal Agreement directly hold 85%, 10% and 5% of the equity interest in the Target Company respectively. Given that (1) Shenzhen Eyang Investment Group is owned as to 55% by Mr. Chen and is therefore an associate of Mr. Chen, (2) Mr. Chen is an executive Director, the Chairman and a beneficial owner of the Controlling Shareholder of the Company; (3) Ms. Shuang was a non-executive Director within 12 months preceding the date of this announcement; and (4) Mr. Liao was an executive Director within 12 months preceding the date of this announcement, the Original Owners are connected persons of the Company, and the Share Disposal Agreement constitutes a connected transaction for the Company under Rule 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements.

GENERAL

An EGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things, the Share Disposal Agreement (including the amendment to the Share Purchase Agreement) and the transactions contemplated thereunder. Mr. Chen, Mr. Liao, Ms. Shuang, and Mr. Xu (each being a current Director or a Director of the Company within the 12 months preceding the date of this announcement as well as a shareholder of Shenzhen Eyang Investment Group) and Mr. Luo (being a general manager of the Target Company and a shareholder of Shenzhen Eyang Investment Group), together with their respective associates, and all parties involved in or interested in the transaction as contemplated under the Share Disposal Agreement are required to abstain from voting with respect to the resolutions for approving the Transaction.

A circular containing, among other things, (i) the Transaction; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Transaction; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction; (iv) a notice convening the EGM; and (v) other disclosure requirements under the Listing Rules will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules and it is expected that the circular will be despatched on or before 6 December 2013.

As Completion is subject to the satisfaction of the conditions precedent under the Share Disposal Agreement, the Transaction may or may not be completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

SUSPENSION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange has been suspended since 9:00 a.m. on Tuesday, 2 April 2013. Trading will remain suspended pending the fulfilment of the resumption conditions prescribed by the Stock Exchange as disclosed in the Company's announcement dated 16 May 2013.

THE BACKGROUND

Reference is made to an announcement dated 25 September 2012 of the Company and the Previous Circular in respect of the Share Purchase Agreement, pursuant to which Shenzhen Weichang, an indirect wholly-owned subsidiary of the Company, purchased from the Original Owners the Sale Shares, being the entire equity interest in the Target Company for a consideration of RMB36 million (equivalent to approximately HK$45.7 million) subject to the adjustment in the event that the audited consolidated net profit (after tax and before extraordinary items) of the Target Group for the year ended 31 December 2012 (the "**2012 Net Profit**") is less than the guaranteed profit of RMB8 million (equivalent to approximately HK$10.2 million) (the "**Guaranteed Profit**"), the Shortfall will be deducted from the consideration. As disclosed in the Previous Circular, if a net loss is recorded by the Target Group for the year ended 31 December 2012, the consideration would not in any event be lower than the net assets value of the Target Group as at 31 December 2012 as recorded in the audited consolidated accounts of the Target Group prepared in accordance with the generally accepted accounting principles in Hong Kong (the "**Minimum Consideration**"). The consideration should be settled by the Group by cash on 31 December 2013 under the Share Purchase Agreement, or such other date as the parties to the Share Purchase Agreement may agree.

The completion of the Acquisition took place on 12 November 2012. However, the audited consolidated financial statements of the Target Group prepared in accordance with the generally accepted accounting principles in Hong Kong for the year ended 31 December 2012 have not been finalized as at the date of this announcement. As disclosed in the Previous Circular, members of the Target Group have been accounted for as subsidiaries of the Company after completion of the Acquisition and as at the date of this announcement, the audited consolidated financial statements of the Company for the year ended 31 December 2012 have not been published. The reasons for the delay in the publication of such audited financial statements and the updated status were disclosed in the announcements of the Company dated 27 March, 20 May and 26 September 2013 respectively.

Based on the management accounts of the Target Group prepared under the generally accepted accounting principles in Hong Kong, the Target Group recorded a net loss of approximately RMB3.0 million (or approximately HK$3.8 million) for the year ended 31 December 2012 and the net assets value of the Target Group was approximately RMB9.2 million (equivalent to approximately HK$11.7 million) as at 31 December 2012. In view of the recent financial performance of the Target Group and certain external factors adversely affecting the business operation of the Target Group as detailed in the section headed "Reasons for the Transaction" below, on 15 November 2013, Shenzhen Weichang and the

Original Owners entered into the Share Disposal Agreement pursuant to which the Original Owners agreed to repurchase the Sale Shares from Shenzhen Weichang at the Disposal Consideration.

THE SHARE DISPOSAL AGREEMENT

Date

15 November 2013

Parties

Vendor:	Shenzhen Weichang
Purchasers: (or Original Owners)	(1) Shenzhen Eyang Investment Group (2) Ms. Shuang (3) Mr. Liao

Subject matter

The Share Disposal Agreement sets out the terms and conditions upon which the Original Owners agreed to repurchase from Shenzhen Weichang the Sale Shares, being the entire equity interest in the Target Company.

Conditions precedent to the Share Disposal Agreement

Completion shall be subject to the following conditions precedent:

(a) the Independent Shareholders having approved by way of poll at the EGM the Share Disposal Agreement and the transactions contemplated thereunder in accordance with the Listing Rules and other relevant rules and regulations; and

(b) all necessary registrations, filings, consents and approvals in relation to the transactions contemplated under the Share Disposal Agreement having been obtained.

The parties shall use the best endeavours to procure the satisfaction of the above conditions on or before 31 December 2013. In the event that the above conditions have not been fulfilled on or before 31 December 2013 (or such later date as is otherwise agreed by the parties in writing), the Share Disposal Agreement shall terminate and none of the parties shall have any liability to the other party save for any antecedent breach of the terms of the Share Disposal Agreement.

Consideration under the Share Purchase Agreement

As mentioned above, the consideration under the Share Purchase Agreement should be settled by the Group on 31 December 2013 (or such later date as the parties to the Share Purchase Agreement may agree). However, given the audited consolidated accounts of the Target Group prepared in accordance with the generally accepted accounting principles in Hong Kong have not yet been finalized as at the date of this announcement, under the Share Disposal Agreement Shenzhen Weichang and the Original Owners have agreed to amend the terms of the Share Purchase Agreement such that references to "audited consolidated accounts" of the Target Group will be amended to "unaudited consolidated management accounts" of the Target Group. Further, the parties have agreed to amend the basis of determination of the Minimum Consideration under the Share Purchase Agreement to be the net assets value of the Target Group as at 31 December 2012 as booked in its unaudited consolidated management accounts prepared in accordance with the generally accepted accounting principles in Hong Kong, which is valued at approximately RMB9.2 million (equivalent to approximately HK$11.6 million) (the "**Unsettled Purchase Consideration**") and such amount shall be the amount of consideration payable by Shenzhen Weichang to the Original Owners under the Share Purchase Agreement.

Disposal Consideration

Pursuant to the Share Disposal Agreement, the Disposal Consideration payable by the Original Owners to Shenzhen Weichang is in the amount of approximately RMB10.4 million (equivalent to approximately HK$13.2 million). The Disposal Consideration is arrived at after arm's length negotiation between the parties. The Disposal Consideration represents an approximately 13% premium to the net assets value of the Target Group as at 31 December 2012 as recorded in its consolidated management accounts. The parties to the Share Disposal Agreement agreed that approximately RMB9.2 million out of the Disposal Consideration will be used to set off the Unsettled Purchase Consideration and the remainder consideration of RMB1.2 million (equivalent to approximately HK$1.5 million) shall be satisfied by the Original Owners in cash on 31 December 2013 (or such later date as may be agreed by the parties in writing).

With reference to the unaudited net assets value of approximately RMB7.5 million of the Target Group as at 31 August 2013, it is expected that the Group will record a gain arising from the Transaction of approximately RMB2.9 million. Nonetheless, the actual gain or loss from the Transaction to be recorded by the Company will depend on the financial position of the Target Group as at the date of Completion. The proceeds from the disposal after setting off the Unsettled Purchase Consideration will be used for general working capital of the Group.

In view of the above, the Directors (excluding the independent non-executive Directors) considers that the Disposal Consideration is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Completion

Completion shall take place within five Business Days following the date on which the last of the above conditions precedent is fulfilled, or such other date as the parties to the Share Disposal Agreement may agree in writing.

Upon Completion, the Target Company will be held directly by Shenzhen Eyang Investment Group, Ms. Shuang and Mr. Liao as to 85%, 10% and 5%, respectively and the Target Group will cease to be subsidiaries of the Group.

REASONS FOR THE TRANSACTION

In acquiring the Target Group last year, the Board's intention was to enable the Company to venture into the production and sale of lead-acid batteries and benefit from the rapid emergence of the renewable energy market. However, in December 2012, after completion of the Acquisition, the PRC government authorities issued new rules and requirements regulating enterprises engaged in the production of lead-acid batteries. The Board has noted that such new regulations, which cover a considerable range of stringent requirements from machinery standards to environmental concerns to production capacity, have unexpected adverse impact on the business operations and development of the Target Group.

The facilities for production of lead-acid batteries of the Target Company were located in a factory under a lease term agreement entered into with an independent third party, which has refused to renew the lease agreement upon expiry in February 2013. The Target Group has attempted to locate other factory premises to house the production facilities, failing which the Target Group has also made attempts to source partnership with other battery producers for out-sourcing of its production, but little success was achieved. In view of the above, the Target Group decided to shift the business focus to the portable charger business, which has been under trial run at the time of Acquisition, by commencing the production and sales of portable chargers since February 2013. However, after seven months' operation of this portable charger business, the Board is of the view that performance has not been satisfactory due to severe market competition and that the business prospect of the Target Group is no longer appealing.

Given the above mentioned circumstances, the Directors (excluding the independent non-executive Directors) are of the opinion that the Transaction is in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE ORIGINAL OWNERS AND TARGET GROUP

The Original Owners

Shenzhen Eyang Investment Group is a company established in the PRC with limited liability and owned as to 55%, 18%, 12%, 8% and 7% respectively, by Mr. Chen, Ms. Shuang, Mr. Liao, Mr. Xu and Mr. Luo as at the date of this announcement. It is principally engaged in investment holding.

Each of Ms. Shuang and Mr. Liao was a Director of the Company within the 12 months preceding the date of this announcement.

The Target Group

The Target Company was established in the PRC with limited liability on 24 June 2008. The Target Group is principally engaged in research, development and sale of batteries, electronic materials, electronic components and electronic products, manufacturing of mobile phone batteries; and research, development and sale of lead-acid batteries.

Financial information of the Target Group

Set out below is the consolidated financial information of the Target Group for the financial year ended 31 December 2011 prepared under the PRC generally accepted accounting principles and that for the financial year ended 31 December 2012 prepared under the generally accepted accounting principles in Hong Kong:

	For the year ended	
	2011	**2012**
	(audited)	*(unaudited)*
	(approximately RMB'000)	*(approximately RMB'000)*
Turnover	69,421	97,322
Net profit/(loss) before tax	3,609	(2,994)
Net profit/(loss) after tax	3,609	(3,003)

	As at 31 December	
	2011	**2012**
	(audited)	*(unaudited)*
	(approximately RMB'000)	*(approximately RMB'000)*
Current assets	20,602	53,354
Current liabilities	17,739	44,728
Total assets	22,991	53,891
Total liabilities	17,739	44,728
Net Assets/(liabilities)	5,252	9,163

INFORMATION ON THE COMPANY AND SHENZHEN WEICHANG

The Company

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the main board of the Stock Exchange. The Group is principally engaged in the manufacturing and sale of MLCC.

Shenzhen Weichang

Shenzhen Weichang is a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios for the Transaction under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

In addition, Shenzhen Eyang Investment Group, Ms. Shuang and Mr. Liao, each being one of the Original Owners, shall immediately upon Completion of the Share Disposal Agreement directly hold 85%, 10% and 5% of the equity interest in the Target Company respectively. Given that (1) Shenzhen Eyang Investment Group is owned as to 55% by Mr. Chen and is therefore an associate of Mr. Chen; (2) Mr. Chen is an executive Director, the Chairman and a beneficial owner of the Controlling Shareholder of the Company; (3) Ms. Shuang was a non-executive Director within 12 months preceding the date of this announcement; and (4) Mr. Liao was an executive Director within 12 months preceding the date of this announcement, the Original Owners are connected persons of the Company, and the Share Disposal Agreement constitutes a connected transaction for the Company under Rule 14A of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements. In light of Mr. Chen's interest in the Transaction as set out above, at the meeting of the Board, Mr. Chen was not counted towards the quorum of such meeting and has abstained in the voting of the resolutions approving the Transaction and the Share Disposal Agreement (including the amendment to the Share Purchase Agreement).

GENERAL

An EGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things, the Share Disposal Agreement (including the amendment to the Share Purchase Agreement) and the transactions contemplated thereunder. Mr. Chen, Mr. Liao, Ms. Shuang, and Mr. Xu (each being a current Director or a Director of the Company within the 12 months preceding the date of this announcement as well as a shareholder of Shenzhen Eyang Investment Group) and Mr. Luo (being a general manager of the Target Company and a shareholder of Shenzhen Eyang Investment Group), together with their respective associates, and all parties involved in or interested in the transaction as contemplated under the Share Disposal Agreement are required to abstain from voting with respect to the resolutions for approving the Transaction.

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms and conditions of the Share Disposal Agreement (including the amendments to the terms of the Share Purchase Agreement) are on normal commercial terms, and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole. To the best of the Directors' knowledge, information and belief having made reasonable enquiries, no member of the Independent Board Committee has any material interest in the Transaction. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the Share Disposal Agreement (including the amendments to the terms of the Share Purchase Agreement) and the transactions contemplated therein and such appointment has been approved by the Independent Board Committee.

A circular containing, among other things, (i) further information of the Transaction; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Transaction; (iii) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction; (iv) a notice convening the EGM; and (v) other disclosure requirements under the Listing Rules will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules and it is expected that the circular will be despatched on or before 6 December 2013.

As Completion is subject to the satisfaction of the conditions precedent under the Share Disposal Agreement, the Transaction may or may not be completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

SUSPENSION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange has been suspended since 9:00 a.m. on Tuesday, 2 April 2013. Trading will remain suspended pending the fulfilment of the resumption conditions prescribed by the Stock Exchange as disclosed in the Company's announcement dated 16 May 2013.

DEFINITIONS

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

"Acquisition"	the acquisition of the Sale Shares from Original Owners by Shenzhen Weichang pursuant to the Share Purchase Agreement, and the transactions contemplated thereunder
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	any day other than a Saturday or Sunday on which banks are generally open for business in Hong Kong throughout their normal business hours
"Chairman"	the chairman of the Board
"Company"	EYANG Holdings (Group) Co., Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
"Completion"	completion of the transactions in accordance with the terms and conditions of the Share Disposal Agreement
"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
"Director(s)"	the director(s) of the Company

"Disposal Consideration"	the aggregate consideration payable by the Original Owners to the Group for the repurchase of the Sale Shares pursuant to the Share Disposal Agreement
"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Disposal Agreement and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent board committee of the Company formed by all the independent non-executive Directors to advise the Independent Shareholders on the terms and conditions of the Share Disposal Agreement and the transactions contemplated thereunder
"Independent Shareholders"	the Shareholders other than Mr. Chen, Mr. Liao, Ms. Shuang, Mr. Xu and Mr. Luo, and their associates
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MLCC"	multi-layer ceramic capacitor, of which the Group is engaged in the manufacturing and sale
"Mr. Chen"	Mr. Chen Weirong, a beneficial owner of the Controlling Shareholder of the Company and an executive Director, the Chairman
"Mr. Liao"	Mr. Liao Jie, one of the Original Owners and an executive Director of the Company within the 12 months preceding the date of this announcement
"Mr. Luo"	Mr. Luo Jun, is a general manager of the Target Company
"Mr. Xu"	Mr. Xu Chuncheng, an executive Director within the 12 months preceding the date of this announcement
"Ms. Shuang"	Ms. Shuang Mei, one of the Original Owners and a non-executive Director of the Company within the 12 months preceding the date of this announcement
"Original Owners"	Shenzhen Eyang Investment Group, Ms. Shuang and Mr. Liao

"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	being the entire equity interests in the Target Company
"Share(s)"	share(s) of HK$0.01 each in the share capital of the Company
"Share Disposal Agreement"	the share disposal agreement dated 15 November 2013 entered into between Shenzhen Weichang as vendor and the Original Owners as purchasers in relation to the disposal of the entire equity interest of the Target Group by Shenzhen Weichang
"Share Purchase Agreement"	the share purchase agreement dated 25 September 2012 entered into between Shenzhen Weichang as purchaser and the Original Owners as vendors in relation to the acquisition of the entire equity interest of the Target Group by Shenzhen Weichang
"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Eyang Investment Group"	深圳市宇陽投資集團有限公司 (Shenzhen Eyang Investment Group Limited*), a company established in the PRC with limited liability, owned as to 55%, 18%, 12%, 8% and 7% respectively, by Mr. Chen, Ms. Shuang, Mr. Liao, Mr. Xu and Mr. Luo as at the date of this announcement
"Shenzhen Weichang"	深圳市威長新能源有限公司 (Shenzhen Weichang New Energy Co., Limited*), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Shortfall"	the difference between the Guaranteed Profit and the 2012 Net Profit, multiplied by 4.5 (representing a price-to-earnings ratio of approximately 4.5 times, which formed the basis of the determination of the consideration under the Share Purchase Agreement as disclosed in the Previous Circular)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	深圳市宇陽能源有限公司 (Shenzhen Eyang Energy Company Limited*), a company established in the PRC with limited liability, owned as to 85%, 10% and 5% respectively, by Shenzhen Eyang Investment Group, Ms. Shuang and Mr. Liao

"Target Group"	the Target Company and its subsidiaries
"Transaction"	the disposal of the Sale Shares by Shenzhen Weichang to the Original Owners pursuant to the Share Disposal Agreement and the transactions contemplated thereunder
"%"	per cent

* *The English translation is for identification purposes only*

For the purpose of illustration only, amounts denominated in RMB in this announcement have been translated into HK$ at the rate of RMB1 = HK$1.27. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

By order of the Board
EYANG Holdings (Group) Co., Limited
Chen Weirong
Chairman

Hong Kong, 15 November 2013

As at the date of this announcement, the Board comprises Mr. Chen Weirong, Mr. Jing Wenping and Mr. Wang Ye as Executive Directors, Mr. Cheng Wusheng, Mr. Zhang Zhilin and Mr. Chen Hao as Non-executive Directors and Mr. Pan Wei, Mr. Liu Huanbin, Mr. Chu Kin Wang, Peleus, Mr. Liang Rong and Mr. Mak Ka Wing, Patrick as Independent Non-executive Directors.