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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 TRANSACTION ACQUISITION OF COMMODITIES

THE TRADING CONTRACT

The Board announced that on 13 July 2016 (after trading hours of the Stock Exchange), EYMS (an indirect wholly-owned subsidiary of the Company) entered into the Trading Contract with the Vendor in relation to the Acquisition, pursuant to which the Vendor sells and EYMS purchases the Products for a cash consideration of US\$8,872,575 (approximately HK\$68,833,437).

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announced that on 13 July 2016 (after trading hours of the Stock Exchange), EYMS (an indirect wholly-owned subsidiary of the Company) entered into the Trading Contract with the Vendor in relation to the Acquisition, pursuant to which the Vendor sells and EYMS purchases the Products for a consideration of US\$8,872,575 (approximately HK\$68,833,437). Principal terms of the Trading Contract are set forth below:

THE TRADING CONTRACT

Date of the Trading Contract: 13 July 2016

Parties:

The parties to the Trading Contract are:

- (i) Purchaser: EY Management Services Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
- (ii) Vendor: a company incorporated in Singapore with limited liability and is principally engaged in selling and distributing petroleum products both on the wholesale and retail level

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties.

Assets to be acquired:

2 parcels of heavy sulphur fuel oil, with the following specifications:

- (a) first parcel containing approximately 18,750 metric tonnes of heavy sulphur fuel oil 380 (HSFO 380CST); and
- (b) second parcel containing approximately 16,200 metric tonnes of heavy sulphur fuel oil 500 (HSFO 500CST).

Consideration:

The total consideration for the Products shall be US\$8,872,575 (approximately HK\$68,833,437) for the first parcel and second parcel of Products.

The consideration is exclusive of any duties, taxes and levies, costs or payment at the discharge port and all other charges on the cargo or vessel or freight charges, all such fees and charges shall be paid by EYMS.

The Consideration was arrived at after arm's length negotiation between the parties to the Trading Contract after taking into account of the prevailing market rates of the Products and its specifications.

The value of the Products as at the date of the announcement is the same as the consideration.

Date and Mode of Payment:

Payment shall be made in US Dollars by an irrevocable documentary letter of credit established through a first class international bank acceptable to the Vendor and in a format acceptable to the Vendor, and received by the Vendor on or before 14 July 2016.

Payment shall be made on or before 12 August 2016 against presentation by the Vendor of certain documents of delivery under the Trading Contract.

Date of Delivery: The Products shall be delivered during the discharge date range of 10 July 2016 to 15 July 2016 (both days inclusive).

REASONS FOR, AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in the manufacturing and sales of electronic products with current focus on multi-layer ceramic chips (MLCC).

As disclosed in the announcement dated 29 June 2016, the Company has recently established a wholly-owned subsidiary in Hong Kong and has entered into certain trading contracts with its business partners with a view to commence and develop the business of commodities trading, including but not limited to trading of metals, minerals and petroleum products. The management of the Company considered the consideration for the Products under the Trading Contract is lower than the prevailing market price and expected to sell the Products at a premium to potential customers. The Directors consider the Acquisition to be in the interest of the Company and the Shareholders as a whole as it could provide the Group with trading gains within a relative short timespan.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition are more than 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Products by EYMS pursuant to the Trading Contract
“Board”	the board of Directors
“Company”	EYANG Holdings (Group) Co., Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 117)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company

“EYMS”	EY Management Services Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Products”	2 parcels of heavy sulphur fuel oil, with the following specifications: <ul style="list-style-type: none"> (a) first parcel containing approximately 18,750 metric tonnes of heavy sulphur fuel oil 380 (HSFO 380CST); and (b) second parcel containing approximately 16,200 metric tonnes of heavy sulphur fuel oil 500 (HSFO 500CST)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trading Contract”	the trading contract in relation to the Products dated 13 July 2016 entered into between Vendor and EYMS
“Vendor”	a company incorporated in Singapore with limited liability and is principally engaged in selling and distributing petroleum products both on the wholesale and retail level and an Independent Third Party
“US\$” or “US Dollars”	United States Dollars, lawful currency of the United States of America

By order of the Board
EYANG Holdings (Group) Co., Limited
Huang Mingxiang
Chairman

Hong Kong, 13 July 2016

For the purposes of illustration only, any amounts denominated in US\$ in this announcement are translated into HK\$ at the rate of US1\$ = HK\$7.758. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted of any particular rate at all.

As at the date of this announcement, the Board comprises six executive Directors, namely, Mr. Huang Mingxiang, Mr. Zhou Chunhua, Mr. Zhu Xiaodong, Mr. Kwok Oi Lung Roy, Mr. Sue Ka Lok and Mr. Jing Wenping and two independent non-executive Directors, namely Mr. Chu Kin Wang, Peleus and Mr. Xu Xuechuan.