MAN YUE TECHNOLOGY HOLDINGS LIMITED
萬裕科技集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00894)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

RESULTS HIGHLIGHTS

- Revenue grew by 35.2% to HK$1,353,258,000 (2009: HK$1,001,258,000)
- Gross profit rose by 37.1% to HK$312,076,000 (2009: HK$227,553,000), representing a gross profit margin of 23.1% (2009: 22.7%)
- EBITDA increased by 10.3% to HK$207,157,000 (2009: HK$187,897,000), representing an EBITDA margin of 15.3% (2009: 18.8%)
- Operating profit climbed by 40.9% to HK$115,747,000 (2009: HK$82,145,000)
- Profit for the year grew by 21.5% to HK$95,122,000 (2009: HK$78,319,000), representing a net margin of 7.0% (2009: 7.8%)
- Net debts to equity ratio improved to 15.9% (2009: 16.3%)
- Proposed final dividend of HK3.0 cents per share, making an annual proposed dividend of HK4.0 cents per share
- Net asset value grew by 13.3% to HK$2.47 per share (2009: HK$2.18 per share)

FINAL RESULTS

On behalf of the Board of Directors (the “Board”), I am pleased to present the audited financial results of Man Yue Technology Holdings Limited (formerly known as “Man Yue International Holdings Limited”) (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2010 (the “Year”) together with the comparative figures for the prior year. These audited financial results for the Year have been reviewed by the audit committee of the Company (the “Audit Committee”).

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2010	2009
	Notes	***HK$'000***	*HK$'000*
			(restated)
Revenue	*2 & 3*	**1,353,258**	1,001,258
Cost of sales		**(1,041,182)**	(773,705)
Gross profit		**312,076**	227,553
Other income	*3*	**4,323**	6,498
Other (losses)/gains, net	*3*	**(7,244)**	3,672
Selling and distribution costs		**(51,970)**	(39,868)
Administrative expenses		**(140,504)**	(115,347)
Other operating expenses		**(934)**	(363)
Operating profit	*4*	**115,747**	82,145
Change in fair value of derivative financial instruments	*5*	**(10,804)**	—
Finance costs	*6*	**(10,160)**	(12,348)
Finance income	*7*	**3,534**	4,529
Share of results of jointly-controlled entities		**6,895**	8,372
Share of results of an associate		**3,821**	1,360
Profit before tax		**109,033**	84,058
Tax	*8*	**(13,911)**	(5,739)
Profit for the year		**95,122**	78,319
Profit attributable to:			
Equity holders of the Company		**95,542**	78,769
Non-controlling interests		**(420)**	(450)
		95,122	78,319
Earnings per share for profit attributable to equity holders of the Company	*9*		
Basic		**HK19.97 cents**	HK16.47 cents
Diluted		**HK19.94 cents**	HK16.47 cents
Dividends	*10*		
Interim		**4,784**	2,391
Proposed final		**14,352**	9,568
		19,136	11,959

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
		(restated)
Profit for the year	**95,122**	78,319
Other comprehensive income:		
Assets revaluation surplus, net of tax	**9,367**	5,301
Currency translation differences	**48,952**	4,791
Other comprehensive income for the year, net of tax	**58,319**	10,092
Total comprehensive income for the year	**153,441**	88,411
Total comprehensive income attributable to:		
Equity holders of the Company	**153,723**	88,861
Non-controlling interests	**(282)**	(450)
	153,441	88,411

CONSOLIDATED BALANCE SHEET

	Notes	As at 31 December 2010 HK$'000	2009 HK$'000 (restated)	As at 1 January 2009 HK$'000 (restated)
Non-current assets				
Property, plant and equipment		**644,003**	641,518	683,201
Prepaid land premium		**88,859**	87,726	87,379
Investment properties		**—**	—	29,500
Intangible assets		**3,388**	3,615	—
Investments in jointly-controlled entities		**62,113**	51,849	42,716
Investment in an associate		**44,619**	39,495	35,851
Prepayments on purchases of property, plant and equipment		**57,808**	41,040	29,953
Available-for-sale investment		**22,341**	—	—
Other prepayments		**413**	661	1,650
Deferred tax assets		**4,665**	2,109	4,634
Total non-current assets		**928,209**	868,013	914,884
Current assets				
Inventories		**356,389**	219,969	305,898
Trade receivables	*11*	**367,725**	296,781	278,556
Prepayments, deposits and other receivables		**34,318**	24,724	84,227
Loans to a jointly-controlled entity		**82,491**	71,271	55,848
Due from jointly-controlled entities		**20,269**	13,808	15,624
Available-for-sale investments		**—**	—	2,570
Financial assets at fair value through profit or loss		**110**	83	38
Derivative financial instruments		**933**	665	1,984
Tax receivables		**388**	5,389	8,546
Cash and cash equivalents		**472,592**	364,427	406,466
Total current assets		**1,335,215**	997,117	1,159,757

	Notes	As at 31 December **2010** *HK$'000*	2009 *HK$'000* (restated)	As at 1 January 2009 *HK$'000* (restated)
Current liabilities				
Trade and bills payables	*12*	**251,029**	151,989	182,987
Other payables and accrued liabilities		**85,106**	72,499	78,879
Derivative financial instruments		**412**	296	1,308
Tax payable		**10,486**	3,602	4,618
Bank loans		**405,171**	396,538	500,976
Finance lease payables		**—**	—	21
Dividend payables		**22**	19	5,078
Total current liabilities		**752,226**	624,943	773,867
Net current assets		**582,989**	372,174	385,890
Total assets less current liabilities		**1,511,198**	1,240,187	1,300,774
Non-current liabilities				
Bank loans		**254,415**	136,393	274,286
Derivative financial instruments		**10,804**	—	—
Provision for long service payments		**1,408**	1,796	1,578
Deferred tax liabilities		**2,939**	1,005	5,395
Deferred income		**60,977**	60,234	61,437
Total non-current liabilities		**330,543**	199,428	342,696
Net assets		**1,180,655**	1,040,759	958,078
Equity				
Share capital		**47,839**	47,839	47,809
Reserves		**1,114,503**	979,109	901,756
Proposed final dividend		**14,352**	9,568	2,390
Equity attributable to equity holders of the Company		**1,176,694**	1,036,516	951,955
Non-controlling interests		**3,961**	4,243	6,123
Total equity		**1,180,655**	1,040,759	958,078

NOTES

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). They have been prepared under the historical cost convention, except for certain land and buildings, derivative financial instruments, investment properties, financial assets at fair value through profit or loss and available-for-sale investments, which have been measured at fair value.

The following new, revised or amended standards and interpretation are mandatory for the first time for the financial year beginning 1 January 2010:

- HKAS 17 (amendment), 'Leases', removes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Prior to the amendment, land interest which title is not expected to pass to the Group by the end of the lease was classified as operating lease under "Prepaid land premium", and amortised over the lease term.

  HKAS 17 (amendment) has been applied retrospectively for annual periods beginning 1 January 2010 in accordance with the effective date and transitional provisions of the amendment. The Group has reassessed the classification of unexpired leasehold land and land use rights as at 1 January 2010 on the basis of information existing at the inception of those leases, and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified certain leasehold land from operating lease to finance lease.

  The land interest of the Group that is held for own use is accounted for as property, plant and equipment using the revaluation model and is depreciated from the land interest available for its intended use over the shorter of the useful life of the assets and the lease term.

  The effect of the adoption of this amendment is as below:

	As at 31 December		As at 1 January
	2010	2009	2009
	HK$'000	*HK$'000*	*HK$'000*
Increase in property, plant and equipment	**16,290**	10,640	5,289
Decrease in prepaid land premium	**(7,721)**	(7,929)	(8,138)
Increase/(decrease) in deferred tax liabilities	**1,187**	222	(677)
Increase in retained profits	**910**	898	785
Increase/(decrease) in assets revaluation reserve	**6,472**	1,591	(2,957)

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Increase in depreciation of property, plant and equipment	**196**	96
Decrease in amortisation of prepaid land premium	**(208)**	(209)

- HK — Int 5 "Presentation of financial statements — Classification by the borrower of a term loan that contains repayment on demand clause" has been applied retrospectively for annual periods beginning 1 January 2010. According to HK — Int 5, if a term loan agreement includes an overriding repayment on demand clause ("callable feature"), which gives the lender a clear and unambiguous unconditional right to demand repayment at any time at its sole discretion, a borrower shall classify the term loan as a current liability in its balance sheet, as the borrower does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

  The effect of the adoption of this interpretation is as below:

	As at 31 December		As at 1 January
	2010	2009	2009
	HK$'000	*HK$'000*	*HK$'000*
Increase in bank loans — current	**67,400**	99,783	26,000
Decrease in bank loans — non-current	**(67,400)**	(99,783)	(26,000)

- HKFRS 3 (revised), 'Business combinations', and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates', and HKAS 31, 'Interests in joint ventures', are effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

  The revised standard continues to apply the acquisition method to business combinations but with some significant changes compared with HKFRS 3. For example, all payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed.

- HKAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. HKAS 27 (revised) has had no impact on the current period, as none of the non-controlling interests have a deficit balance; there have been no transactions whereby an interest in an entity is retained after the loss of control of that entity, and there have been no transactions with non-controlling interests.

- The following new or amended standards and interpretations are also mandatory for the first time for the financial year beginning 1 January 2010 but are either not relevant to the Group or have no significant impact on the Group's consolidated financial statements:

  - HKAS 1 (amendment) — Presentation of financial statements[2]
  - HKAS 7 (amendment) — Statement of cash flows[2]
  - HKAS 36 (amendment) — Impairment of assets[2]
  - HKAS 38 (amendment) — Intangible assets[2]
  - HKAS 39 (amendment) — Financial instruments: Recognition and measurement[1]
  - HKFRS 2 (amendment) — Group cash-settled share-based payment transactions[2]
  - HKFRS 5 (amendment) — Non-current assets held for sale and discontinued operations[1,2]
  - HK(IFRIC) — Int 9 (amendment) — Reassessment of embedded derivatives[1]
  - HK(IFRIC) — Int 16 — Hedges of a net investment in a foreign operation[1]
  - HK(IFRIC) — Int 17 — Distribution of non-cash assets to owners[1]
  - HK(IFRIC) — Int 18 — Transfer of assets from customers[1]

  1 Changes effective for annual periods beginning on or after 1 July 2009.
  2 Changes effective for annual periods beginning on or after 1 January 2010.

2. SEGMENT INFORMATION

The Group's executive team, comprising all executive directors and headed by the Managing Director, is considered as the Chief Operating Decision Maker ("CODM"). The CODM reviews the performance of the Group on a regular basis.

As over 90% of the Group's business operations relate to the manufacturing, selling and distribution of electronic components, the CODM makes decisions about resources allocation and performance assessment based on the entity-wide financial information. Accordingly, there is only one single reportable segment for the Group. Set out below is a summary list of key performance indicators reviewed by CODM on a regular basis:

	2010 ***HK$'000***	2009 *HK$'000* (restated)
Revenue	**1,353,258**	1,001,258
Gross profit	**312,076**	227,553
Gross profit margin *(%)*	**23.1%**	22.7%
EBITDA *(note (i))*	**207,157**	187,897
EBITDA margin *(%)*	**15.3%**	18.8%
Operating expenses *(note (ii))*	**193,408**	155,578
Operating expenses/Revenue *(%)*	**14.3%**	15.5%
Profit for the year	**95,122**	78,319
Net profit margin *(%)*	**7.0%**	7.8%
Total assets	**2,263,424**	1,865,130
Equity attributable to equity holders of the Company	**1,176,694**	1,036,516
Inventories	**356,389**	219,969
Inventories turnover days	**125**	104
Trade receivables	**367,725**	296,781
Trade receivables turnover days	**99**	108
Trade and bills payables	**251,029**	151,989
Trade and bills payables turnover days	**88**	72
Total interest-bearing debts	**659,586**	532,931
Cash and cash equivalents	**472,592**	364,427
Net debts	**186,994**	168,504
Net debts to equity ratio *(%)*	**15.9%**	16.3%

note (i): EBITDA represents the earnings before interest expenses, taxes, depreciation and amortisation.

note (ii): Operating expenses represent the expenditure that the Group incurs as a result of performing its normal business operations, including the selling and distribution costs, administrative expenses and other operating expenses.

The following table presents the revenue and non-current assets of the Group by geographical segments:

Revenue

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Hong Kong	**153,365**	157,359
Mainland China	**537,005**	394,183
Taiwan	**177,848**	93,566
Southeast Asia	**212,770**	220,094
Korea	**35,925**	32,585
United States	**89,823**	22,392
Europe	**46,704**	17,481
Other countries	**99,818**	63,598
Total	**1,353,258**	1,001,258

Non-current assets (exclude deferred tax assets and financial instruments)

	As at 31 December 2010	As at 31 December 2009
	HK$'000	*HK$'000*
Hong Kong	**29,906**	18,973
Mainland China	**826,657**	807,414
Other countries	**44,640**	39,517
Total	**901,203**	865,904

Revenue of approximately HK$119,336,000 (2009: HK$135,925,000) is derived from a single external customer.

3. REVENUE, OTHER INCOME AND OTHER (LOSSES)/GAINS, NET

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for trade returns and discounts.

An analysis of revenue, other income and other (losses)/gains, net is as follows:

Revenue

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Manufacture and trading of electronic components	**1,332,482**	992,130
Trading of raw materials	**20,776**	9,128
	1,353,258	1,001,258

Other income

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Refund of value-added taxes	**2,088**	2,886
Subsidies from PRC government	**863**	1,464
Others	**1,372**	2,148
	4,323	6,498

Other (losses)/gains, net

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Foreign exchange differences, net	**(7,260)**	3,477
Gain on disposal of an investment property	**—**	500
Fair value gain/(loss) on derivative financial instruments	**16**	(305)
	(7,244)	3,672

4. OPERATING PROFIT

The Group's operating profit is arrived at after charging/(crediting) the following:

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
		(restated)
Depreciation of property, plant and equipment	**85,745**	89,469
Amortisation of prepaid land premium	**1,874**	1,852
Amortisation of intangible assets	**345**	170
Loss on disposal of property, plant and equipment	**2,523**	4
Fair value gain on financial assets at fair value through profit or loss	**(27)**	(45)

5. CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Fair value loss on interest rate swap	**10,804**	—

At 31 December 2010, the Group held certain interest rate swap contracts entered in 2009 and 2010 for a contracted period of ten years each. These contracts were entered to stabilise the Group's overall interest expenses for the periods covered by these contracts. The Group had recognised a loss in fair value of derivative financial instruments in the consolidated income statement during the year.

6. FINANCE COSTS

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Interest expense on bank loans repayable within five years	**10,160**	12,348

7. FINANCE INCOME

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Interest income from loan to a jointly-controlled entity	**2,995**	2,208
Interest income from term deposits and bank balances	**539**	2,321
	3,534	4,529

8. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Charge for the year:		
Current:		
Hong Kong	**8,800**	918
Mainland China	**7,379**	6,846
Under provision in prior years	**—**	895
	16,179	8,659
Deferred	**(2,268)**	(2,920)
Total tax charge for the year	**13,911**	5,739

In accordance with the relevant tax rules and regulations in Mainland China, certain of the Company's subsidiaries in Mainland China enjoy tax exemptions. Certain subsidiaries in Mainland China are subject to income taxes at applicable rates ranging from 12.5% to 25%.

In 2009, the tax affairs of certain subsidiaries of the Group for prior years were under review by the Hong Kong Inland Revenue Department (the "IRD"). In connection with the review by the IRD, notices of assessments were issued to the subsidiaries of the Group for the years from 1998 to 2001 and objections were lodged with the IRD. Tax reserve certificates of HK$8,480,000 (the "TRC") were purchased in 2007 and 2008.

On 21 January 2010, the Group received a net refund of HK$5,472,000 from the IRD for the TRC. The relevant provision had been fully made in 2009 and the case was fully settled on 5 March 2010.

9. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the year attributable to ordinary equity holders of the Company of HK$95,542,000 (2009: HK$78,769,000), and the weighted average of 478,390,000 (2009: 478,167,000) ordinary shares in issue during the year.

The calculation of diluted earnings per share for the year ended 31 December 2010 is based on the profit for the year attributable to equity holders of the Company of HK$95,542,000. The weighted average number of ordinary shares used in the calculation is 478,390,000 ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average of 708,000 ordinary shares assumed to have been issued at no consideration on the deemed exercise of all share options, respectively, during the year.

The diluted earnings per share for the year ended 31 December 2009 was the same as the basic earnings per share as the Company's share options outstanding during the year was anti-dilutive potential ordinary shares.

10. DIVIDENDS

	Year ended 31 December	
	2010	2009
	HK$'000	*HK$'000*
Interim — HK1.0 cent (2009: HK0.5 cent) per ordinary share	**4,784**	2,391
Proposed final — HK3.0 cents (2009: HK2.0 cents) per ordinary share	**14,352**	9,568
	19,136	11,959

11. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the balance sheet date, based on the payment due date and net of provisions for doubtful debts, is as follows:

	As at 31 December 2010	As at 31 December 2009
	HK$'000	*HK$'000*
Current and within payment terms	**297,226**	237,301
1–3 months past due	**63,518**	22,877
4–6 months past due	**5,789**	1,535
7–12 months past due	**1,176**	28,718
Over 1 year past due	**16**	6,350
	367,725	296,781

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 90 days, extending up to 150 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the balance sheet date, based on the invoice date, is as follows:

	As at 31 December 2010 *HK$'000*	As at 31 December 2009 *HK$'000*
Trade payables:		
Less than 3 months	**175,954**	55,918
4–6 months	**15,882**	49,602
7–12 months	**4,636**	4,154
Over 1 year	**14,698**	13,402
	211,170	123,076
Bills payables	**39,859**	28,913
	251,029	151,989

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at the Company's special general meeting held on 11 January 2011 and an approval from the Registrar of Companies in Bermuda on 14 January 2011, the name of the Company has been changed from "Man Yue International Holdings Limited" to "Man Yue Technology Holdings Limited" and a new Chinese name of "萬裕科技集團有限公司" has been adopted as the Company's secondary name with effect from 14 January 2011.

RESULTS OVERVIEW

Man Yue Technology Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") have recovered strongly from the severe global economic turmoil which broke out in late 2008 and continued during 2009. The Group has returned to its sustainable growth path.

The Group has also successfully transformed itself from a global supplier of a single electronic component, i.e. Aluminum Electrolytic Capacitors (or "E-Caps"), into a major global supplier of several critical electronic components, including: Conductive Polymer Aluminum Solid Capacitors ("Polymer Caps"), Electric Double-layer Capacitors ("EDLCs"), Lithium-ion Rechargeable Batteries, etc. This transformation in business activities enables the Group to enjoy multi-dimensional growth drivers in future financial years.

Leveraging the Group's research and development ("R&D") capabilities, it will continue to invest in the development of more innovative products. The product development directions will be focused mainly on the application areas of energy management, energy conservation and energy storage. It is the Group's continuing commitment to deliver high quality and advanced technology components for the rapidly changing market demands in next few decades.

FINANCIAL REVIEW

Revenue for the financial year ended 31 December 2010 (the "Year") was HK$1,353,258,000, representing a rise of 35.2% from the previous financial year. The rapid growth in revenue has been mainly attributable to the increase in sales volume and a general increase in selling price. Geographically speaking, we have increased the proportion of sales within the Mainland China with sales contracts denominating in Renminbi.

During the Year, the Group reported a gross profit of HK$312,076,000, representing a gross profit margin of 23.1% (2009: 22.7%). This improvement in gross profit margin did not come easily. The Group has executed various profit improvement programmes, including raising the selling price and an adjustment to product mix with a priority given to higher margin products. Although we are facing numerous challenges brought by the rise of raw materials and production costs, the Group has managed to improve its gross profit margin.

During the Year, the Group recognised a loss arising from change in fair value of derivative financial instruments of HK$10,804,000. These derivative financial instruments were long term interest rate swap contracts entered in 2009 and 2010 with the intention to hedge against the Group's future interest rate exposures for the periods covered by these contracts (each contract has a 10-year term). As a result of market volatility prior to the year end date, fair value of these contracts dropped and, accordingly, a loss had been recognised in the Group's consolidated income statement as required by Hong Kong Accounting Standard 39 "Financial instruments: Recognition and measurement". This item does not affect the cash flow of the Group. Management believes that this drop in fair value should be temporary and these contracts will eventually bring in positive value to the Group in future financial years.

After deducting the above-mentioned loss arising from changes in fair value of derivative financial instruments, EBITDA stood at HK$207,157,000, representing an EBITDA margin of 15.3% (2009: 18.8%). Had we excluded this one-off item, EBITDA margin would have been 16.1%.

Profit for the Year grew by 21.5% to HK$95,122,000, representing a net profit margin of 7.0% (2009: 7.8%). Basic earnings per share for the year was HK19.97 cents (2009: HK16.47 cents).

The Board of Directors has proposed a final dividend of HK3.0 cents per share. Together with the interim dividend of HK1.0 cent already declared and paid, total dividends for the Year amounted to HK4.0 cents per share, representing a pay-out ratio of 20.1% (2009: 15.3%).

BUSINESS REVIEW

Market overview

The global demand for E-Caps experienced a marked growth during the Year. This growth has been attributable to booming economies in Asia and other emerging markets. We have also seen clear signs of economic recovery in North America and Europe. Global demand for Polymer Caps soared even more rapidly during the Year as a result of numerous new product launches by market leaders in the information technology and telecommunication industries.

Operation review

Supported by strong market demand for E-Caps products, sale of our SAMXON® brand recorded a significant growth during the Year, particularly in industry applications such as computers, LED televisions, energy-saving lamps, LED lighting devices and environmental protection products. We will continue to develop new innovative E-Cap products to support a sustainable sales growth in future. However, priority will be given to more advanced products with relatively higher gross margins.

Polymer Caps experienced a phenomenal growth during the Year. As the global supply of these products is still very tight, the Group's Polymer Caps had been sought-after by top-tier electronic and computer producers. In respond to strong customer demand, we expanded our production capacity by 1.5 times during the Year. Both radial lead and SMT type of Polymer Caps are selling very well. These products are now widely applied in the most popular branded electronic products such as desk-top and notebook computers, game consoles, VGA cards, telecommunication and power supply products.

We have also seen a rapid rise in the demand for electronic components in the new energy sector. As a result, a new product family known as Energy Storage System ("ESS") was introduced by the Group in 2010. This product family will target to provide a total energy storage system (which mainly includes: EDLCs, Lithium-ion Rechargeable Batteries and Screw-type E-Caps) to its customers. EDLCs can provide an immediate power supply to the equipment while a Lithium-ion Rechargeable Battery represents mass energy storage solution. Screw-typed E-Caps assist the EDLC in providing additional power needed by the equipment. The combination of these three components forms a total solution for an energy storage system. The ESS products are to be applied in new energy sectors such as wind and solar power systems; electric transportation equipments including electric bicycles, electric-vehicles, electric-bus, high-speed trains, etc; and consumer electronic products such as electric tools. During the Year, the revenue from ESS was insignificant as most of these products were launched at the middle or end of the Year. However, we believe that a more significant financial contribution from the ESS will realise in late 2011 and after.

Aluminum foil is one of the most important raw materials used in the production of E-Caps. To ensure sufficiency in the supply and to achieve a better profit margin, the Group has been manufacturing aluminum foils since 2006. During the Year, the supply of aluminum foils remained very tight and the Group has increased its production to keep pace with the volume of demand for E-Caps. Currently the Group is able to produce internally more than 50% of the aluminum foils needed for consumption in its E-Caps.

Research and Development

The Group is rapidly expanding its R&D teams in order to speed up the rate of development of innovative new products to the market. During the Year, R&D experts in various disciplines were recruited to strengthen our already successful R&D teams. These R&D experts came from the fields such as energy storage, energy conservation, energy management, material science, chemical engineering and mechanical engineering.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2010, the Group's net borrowings in respect of bank loans and finance leases amounted to HK$659,586,000 (31 December 2009: HK$532,931,000). Of this amount, HK$405,171,000 was included in current liabilities. This amount can be further divided into current portion of long term bank loans of HK$296,407,000; trade finance facilities of HK$72,187,000 ; and revolving credits of HK$36,577,000. Included in non-current liabilities were bank loan facilities that are repayable between one to two years of HK$79,769,000 and repayable between two to five years of HK$174,646,000.

After deducting cash and cash equivalents of HK$472,592,000 (31 December 2009: HK$364,427,000), the Group's net borrowing position as at 31 December 2010 was HK$186,994,000 (31 December 2009: HK$168,504,000). Shareholders' equity as at 31 December 2010 was HK$1,176,694,000 (31 December 2009: HK$1,036,516,000) and therefore the Group's net borrowing to shareholders' equity ratio improved to 15.9 % (31 December 2009: 16.3%).

During the Year, the Group generated net cash inflow from operating activities of HK$101,685,000. This figure represented profit before tax of HK$109,033,000, plus adjustments for non-cash items such as depreciation and amortisation of HK$87,964,000, and net increase in working capital of HK$92,650,000 minus other adjustments of HK$2,662,000. The cash outflow from investing activities for the Year was HK$107,127,000 which included: purchases and prepayment for property, plant and equipment of HK$60,773,000 and HK$37,680,000 respectively and advances to jointly-controlled entities of HK$9,743,000; minus other items of HK$1,069,000.

The Group's financial statements are denominated in Hong Kong dollars. The Group conducts its business transactions mainly in Hong Kong dollars, Renminbi, United States dollars and Japanese yen. As Hong Kong dollar remains pegged to United States dollar, there is no material exchange risk in this respect. To manage the appreciation of Renminbi, the Group has successfully increased its revenue in Mainland China in order to naturally hedge Renminbi receipts and Renminbi payments. The Group continues to monitor its foreign exchange exposure in Japanese yen and Renminbi mainly by entering into forward contracts. Interest rate exposures were hedged by entering into long term interest rate swap contracts. Most of the Group's long-term bank loan facilities are denominated in Hong Kong dollars and carry interests at floating rates. Credit risk was hedged mainly through credit insurance policies.

OUTLOOK AND PROSPECTS

The demand for electronic components will continue to rise in 2011. This is mainly driven by economic growth in the emerging markets and the recovery of the North America and European economies. With the Group's three pillars of product families, namely E-Caps, Polymer Caps and ESS, well in place, future growth will take place in multiple dimensions and directions. E-Cap products will continue to sell well as we have gained additional market shares in different industry segments. Polymer Caps will continue to be sought-after by leaders of global branded information technology and electronic products. In addition, the supply of Polymer Caps will continue to be tight in 2011. ESS will start to have significant revenue contribution in 2012 and beyond.

To cope with the increase in business volume, the Group is expanding its production capacity in various locations. Phase 2 development of our Wuxi plant will be completed by the middle of 2011. Our Jiangxi plant is also being expanded to cope with ever-increasing PRC sales. We will establish one more aluminum foil factory in Sichuan to increase the supply of aluminum foils to the Group. Production machinery will also be purchased to support the expansion of production capacities for Polymer Caps and ESS products. All in all, the Group has budgeted for a capital expenditure of HK$200 million in 2011. This capital expenditure will mainly be funded by cash flow from operating activities and long term bank loans. We believe we will maintain a relatively low net debts to equity ratio.

We expect that raw material and production cost will continue to rise in 2011 and we have already started numerous profit enhancement programs to keep improving our gross and net profit margins for 2011 and beyond.

As of today, the earthquake and tsunami occurred in Japan on 11 March 2011 had not caused any material negative impact to the Group. However, we will keep monitoring the situation closely.

EMPLOYMENT AND REMUNERATION POLICY

At 31 December 2010, the Group employed 79 employees in Hong Kong (31 December 2009: 75) and employed a total work force of 3,719 (31 December 2009: 3,375) inclusive of its staff in China and overseas offices. As at the date of this announcement, the total number of employees increased to 4,318.

Salaries, bonuses and benefits were determined with reference to market terms and the performance, qualifications and experience of individual employees.

PURCHASE, REDEMPTION OR SALES OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year.

CORPORATE GOVERNANCE

The Group has adopted and met all the Code Provisions set out in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities ("the Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except that all Independent Non-Executive Directors ("INEDs") of the Company are not appointed for specific terms but are subject to retirement by rotation under Bye-law 87 of the Company's Bye-laws.

Save as disclosed above, the Company considers that sufficient measures have been taken to ensure that the corporate governance practices of the Company were in line with the Code Provisions during the Year.

COMPLIANCE WITH THE MODEL CODE

The Group has adopted the Model Code as set out in Appendix 10 to the Listing Rules to govern securities transactions by the directors. After having made specific enquiry by the Company, all Directors confirmed that they had fully complied with the Model Code throughout the Year.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group. The Audit Committee comprises three INEDs of the Company and none of whom is employed by or otherwise affiliated with former or existing auditors of the Company.

The figures in respect of the preliminary announcement of the Group's results for the Year have been agreed by the Group's auditor, PricewaterhouseCoopers ("PwC Hong Kong"), to the amounts set out in the Group's consolidated financial statements for the Year. The work performed by PwC Hong Kong in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PwC Hong Kong on the preliminary announcement.

PROPOSED FINAL DIVIDEND

The Board recommended a final dividend for the year ended 31 December 2010 of HK3.0 cents in cash per share, totalling HK$14,352,000, payable to shareholders whose names appear on the register of members of the Company on Wednesday, 18 May 2011.

The recommended final dividend for the Year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting for payment on or around Monday, 4 July 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 16 May 2011 to Wednesday, 18 May 2011, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend, all transfer, accompanied by the relevant share certificates must be lodged for registration with the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4.00 p.m. on Friday, 13 May 2011.

PUBLICATION OF FURTHER INFORMATION

This announcement is published on the websites of the Stock Exchange and the Company.

The annual report of the Company for the Year containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders of the Company and published on the websites of the Stock Exchange and the Company (www.manyue.com) on or before 30 April 2011.

APPRECIATION

I would like to take this opportunity to thank all the shareholders, business partners, bankers and customers for their continuing support to Group. I would also like to thank my fellow directors, the management team and our staff for their dedication and commitment in contributing to the success of the Group.

On behalf of the Board
Man Yue Technology Holdings Limited
Kee Chor Lin
Chairman

Hong Kong, 22 March 2011

As at the date of this announcement, the board of directors of the Company comprises Ms. Kee Chor Lin, Mr. Chan Yu Ching, Eugene, Mr. Ko Pak On, Mr. Tso Yan Wing, Alan and Mr. Wong Ching Ming, Stanley as Executive Directors, and Dr. Li Sau Hung, Eddy, Mr. Lo Kwok Kwei, David and Mr. Mar, Selwyn as INEDs.