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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

RESULTS HIGHLIGHTS

- Revenue dropped by 13.3% to HK$661,830,000 from HK$763,733,000 for the Corresponding Period
- Gross profit margin of 23.1%, compared with 23.6% for the Corresponding Period
- EBITDA of HK$110,251,000, representing an EBITDA margin of 16.7%
- Profit for the Current Period of HK$38,808,000, representing a profit margin of 5.9%, compared with HK$73,947,000 for the Corresponding Period
- Net debt to equity ratio was 31.7%, compared with 29.2% as at 31 December 2011
- Net asset value per share increased to HK$2.86, compared with HK$2.83 as at 31 December 2011
- Declared interim dividend of 2.0 HK cents per share, compared with 3.0 HK cents per share for the Corresponding Period

INTERIM RESULTS

On behalf of the Board of Directors (the "Board") of Man Yue Technology Holdings Limited (the "Company"), I am pleased to present the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2012 (the "Current Period") together with the comparative figures for the corresponding period in last year (the "Corresponding Period").

CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months ended 30 June	
		2012	2011
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
Revenue	*3 & 4*	**661,830**	763,733
Cost of sales		**(508,651)**	(583,386)
Gross profit		**153,179**	180,347
Other income		**6,072**	3,992
Other (losses)/gains, net		**(2,178)**	1,409
Selling and distribution costs		**(28,158)**	(27,704)
Administrative expenses		**(75,851)**	(83,091)
Operating profit	*5*	**53,064**	74,953
Change in fair value of derivative financial instruments	*6*	**(1,544)**	(5,944)
Finance costs	*7*	**(12,286)**	(7,136)
Finance income	*7*	**4,103**	2,945
Share of results of jointly-controlled entities		**438**	15,335
Share of results of an associate		**3,522**	2,905
Profit before tax		**47,297**	83,058
Tax	*8*	**(8,489)**	(9,111)
Profit for the period		**38,808**	73,947
Profit attributable to:			
– Equity holders of the Company		**39,124**	74,065
– Non-controlling interests		**(316)**	(118)
		38,808	73,947
Earnings per share for profit attributable to the equity holders of the Company	*9*		
– Basic		**8.17 HK cents**	15.48 HK cents
– Diluted		**8.17 HK cents**	15.46 HK cents
		HK$'000	*HK$'000*
Dividends	*10*	**9,582**	14,373

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**38,808**	73,947
Other comprehensive income:		
Change in fair value of available-for-sale investment	**(12)**	(2,143)
Currency translation differences	**(11,200)**	35,382
Other comprehensive income for the period, net of tax	**(11,212)**	33,239
Total comprehensive income for the period	**27,596**	107,186
Total comprehensive income attributable to:		
– Equity holders of the Company	**27,939**	107,213
– Non-controlling interests	**(343)**	(27)
	27,596	107,186

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	As at 30 June 2012 (Unaudited) HK$'000	31 December 2011 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**782,577**	757,924
Prepaid land premium		**95,795**	97,395
Investment properties		**9,509**	–
Intangible assets		**5,319**	4,501
Investments in jointly-controlled entities		**89,098**	89,345
Investment in an associate		**50,119**	47,618
Prepayments on purchases of property, plant and equipment		**74,996**	86,561
Available-for-sale investments		**23,901**	25,953
Other prepayments		**8,363**	1,613
Deferred tax assets		**6,414**	3,654
Total non-current assets		**1,146,091**	1,114,564
Current assets			
Inventories		**416,993**	457,411
Trade receivables	*11*	**432,142**	431,447
Prepayments, deposits and other receivables		**117,858**	80,074
Loans to a jointly-controlled entity		**95,582**	92,980
Due from jointly-controlled entities		**52,461**	36,787
Financial assets at fair value through profit or loss		**41**	50
Derivative financial instruments		**538**	728
Tax recoverable		**2,205**	2,655
Cash and cash equivalents		**544,137**	680,273
Total current assets		**1,661,957**	1,782,405
Current liabilities			
Trade and bills payable	*12*	**217,921**	233,894
Other payables and accrued liabilities		**73,109**	92,058
Due to jointly-controlled entities		**32,358**	21,336
Derivative financial instruments		**5,358**	6,397
Tax payable		**16,783**	14,356
Bank loans		**484,492**	488,549
Dividend payables		**14,401**	28
Total current liabilities		**844,422**	856,618
Net current assets		**817,535**	925,787
Total assets less current liabilities		**1,963,626**	2,040,351

	Notes	As at 30 June 2012 (Unaudited) HK$'000	31 December 2011 (Audited) HK$'000
Total assets less current liabilities		**1,963,626**	2,040,351
Non-current liabilities			
Bank loans		**492,683**	585,535
Derivative financial instruments		**24,215**	22,881
Provision for long service payments		**1,895**	1,895
Deferred tax liabilities		**13,103**	13,138
Deferred income		**61,530**	62,581
Total non-current liabilities		**593,426**	686,030
Net assets		**1,370,200**	1,354,321
Equity			
Share capital		**47,909**	47,909
Reserves		**1,306,791**	1,288,049
Proposed dividend	*10*	**9,582**	14,373
Equity attributable to equity holders of the Company		**1,364,282**	1,350,331
Non-controlling interests		**5,918**	3,990
Total equity		**1,370,200**	1,354,321

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2012 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

2 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in the annual financial statements.

Exceptional items are disclosed and described separately in the financial information where it is necessary to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) Amended standard adopted by the Group

The following amended standard is mandatory for the first time for the financial year beginning 1 January 2012:

- HKAS 12 (Amendment) – Deferred Tax: Recovery of Underlying Assets

(b) The following new and amended standards have been issued but are not effective for the financial year beginning 1 January 2012 and have not been early adopted:

- HKAS 1 (Amendment) – Presentation of Financial Statements[1]
- HKAS 19 (Amendment) – Employee Benefits[2]
- HKAS 27 (Revised) – Separate Financial Statements[2]
- HKAS 28 (Revised) – Investment in Associates and Joint Ventures[2]
- HKAS 32 (Amendment) – Offsetting Financial Assets and Financial Liabilities[3]
- HKFRS 1 (Amendment) – Government Loans[2]
- HKFRS 9 – Financial Instruments[4]
- HKFRS 10 – Consolidated Financial Statements[2]
- HKFRS 11 – Joint Arrangements[2]
- HKFRS 12 – Disclosure of Interests in Other Entities[2]
- HKFRS 13 – Fair Value Measurements[2]

[1] *Changes effective for annual periods beginning on or after 1 July 2012*
[2] *Changes effective for annual periods beginning on or after 1 January 2013*
[3] *Changes effective for annual periods beginning on or after 1 January 2014*
[4] *Changes effective for annual periods beginning on or after 1 January 2015*

3 SEGMENT INFORMATION

The Group's executive team, comprising all the executive directors and headed by the managing director of the Company, 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:

	For the six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Revenue	**661,830**	763,733
Gross profit	**153,179**	180,347
Gross profit margin *(%)*	**23.1%**	23.6%
EBITDA[(i)]	**110,251**	135,504
EBITDA margin *(%)*	**16.7%**	17.7%
Operating expenses[(ii)]	**104,009**	110,795
Operating expenses/Revenue *(%)*	**15.7%**	14.5%
Profit for the period	**38,808**	73,947
Net profit margin *(%)*	**5.9%**	9.7%

	30 June 2012 (Unaudited) *HK$'000*	31 December 2011 (Audited) *HK$'000*
Total assets	**2,808,048**	2,896,969
Equity attributable to equity holders of the Company	**1,364,282**	1,350,331
Inventories	**416,993**	457,411
Inventory turnover days	**138**	142
Trade receivables	**432,142**	431,447
Trade receivable turnover days	**110**	102
Trade and bills payable	**217,921**	233,894
Trade and bills payable turnover days	**72**	72
Total interest-bearing debt	**977,175**	1,074,084
Cash and cash equivalents	**544,137**	680,273
Net debt	**433,038**	393,811
Net debt to equity ratio *(%)*	**31.7%**	29.2%

Notes:

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

(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 and administrative expenses.

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

	For the six months ended 30 June	
	2012 (Unaudited) *HK$'000*	2011 (Unaudited) *HK$'000*
Revenue		
Hong Kong	**91,909**	69,577
Mainland China	**296,951**	333,071
Taiwan	**84,694**	140,946
Southeast Asia	**68,706**	85,790
Korea	**33,196**	38,191
United States	**13,038**	31,637
Europe	**38,368**	58,307
Other countries	**34,968**	6,214
Total	**661,830**	763,733

	30 June 2012 (Unaudited) *HK$'000*	31 December 2011 (Audited) *HK$'000*
Non-current assets (exclude deferred tax assets and derivative financial instruments)		
Hong Kong	**48,667**	47,825
Mainland China	**1,016,538**	989,039
Other countries	**50,571**	48,093
	1,115,776	1,084,957

For the six months ended 30 June 2012, revenue of approximately HK$32,912,000 (for the six months ended 30 June 2011: HK$47,562,000) is derived from a single external customer.

4 REVENUE

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 is as follows:

	For the six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Manufacturing and trading of electronic components	**661,568**	754,454
Trading of raw materials	**262**	9,279
	661,830	763,733

5 OPERATING PROFIT

The following items of unusual nature, size or incidence have been charged to the operating profit during the period:

	For the six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Operating items		
Depreciation of property, plant and equipment	**48,667**	44,158
Amortisation of prepaid land premium	**1,600**	973
Amortisation of intangible assets	**401**	179

6 CHANGE IN FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

	For the six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Fair value loss on interest rate swap	**1,544**	5,944

At 30 June 2012, the Group held certain interest rate swap contracts. These contracts were entered into to stabilise the Group's overall interest expenses for the periods covered by these contracts. The Group had recognised a loss in the fair value of derivative financial instruments in the condensed consolidated income statement during the period.

7 FINANCE COSTS AND FINANCE INCOME

	For the six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest expenses on bank loans repayable within five years	**(12,286)**	(7,136)
Interest income from loan to a jointly-controlled entity	**1,573**	1,776
Interest income from term deposits and bank balances	**2,530**	1,169
	4,103	2,945

8 TAX

	For the six months ended 30 June	
	2012	2011
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**10,543**	5,907
Mainland China	**707**	4,838
	11,250	10,745
Deferred tax	**(2,761)**	(1,634)
Total tax charge for the period	**8,489**	9,111

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. 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.

In accordance with the relevant tax rules and regulations in Mainland China, certain of the Company's subsidiaries in Mainland China enjoy tax reductions. Certain subsidiaries in Mainland China are subject to income taxes at applicable rates ranging from 24% to 25%.

9 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the period attributable to equity holders of the Company of HK$39,124,000 (2011: HK$74,065,000), and the weighted average of 479,090,000 (2011: 478,432,000) ordinary shares in issue during the period.

The calculation of diluted earnings per share for the period is based on the profit attributable to equity holders of the Company of HK$39,124,000 (2011: HK$74,065,000). The weighted average number of ordinary shares used in the calculation is 479,090,000 (2011: 478,432,000) ordinary shares in issue during the period, as used in the basic earnings per share calculation, and no ordinary shares (2011: 506,000) assumed to have been issued at no consideration on the deemed exercise of all share options during the period.

10 DIVIDENDS

Final dividend for the year ended 31 December 2011 amounted to HK$14,373,000 was paid on Thursday, 12 July 2012.

The Board has declared an interim dividend for the six months ended 30 June 2012 of 2.0 HK cents (30 June 2011: 3.0 HK cents) per share, totaling HK$9,582,000 which will be payable on or around Friday, 12 October 2012 to shareholders whose names appear on the register of members of the Company on Friday, 21 September 2012. The register of members of the Company will be closed from Wednesday, 19 September 2012 to Friday, 21 September 2012 (both dates inclusive).

11 TRADE RECEIVABLES

	30 June 2012 (Unaudited) ***HK$'000***	31 December 2011 (Audited) *HK$'000*
Trade receivables	**443,241**	441,454
Provision for impairment of trade receivables	**(11,099)**	(10,007)
	432,142	431,447

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 granted to customers ranges from 30 days to 150 days. Credit risk was hedged in majority through credit insurance.

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

	30 June 2012 (Unaudited) ***HK$'000***	31 December 2011 (Audited) *HK$'000*
Current and within payment terms	**347,289**	334,195
1 – 3 months past due	**73,647**	78,024
4 – 6 months past due	**8,801**	17,194
7 – 12 months past due	**1,918**	1,824
Over 1 year past due	**487**	210
	432,142	431,447

12 TRADE AND BILLS PAYABLE

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

	30 June 2012 (Unaudited) ***HK$'000***	31 December 2011 (Audited) *HK$'000*
Trade payables:		
Less than 3 months	**156,545**	124,319
4 – 6 months	**21,172**	84,542
7 –12 months	**10,383**	10,121
Over 1 year	**9,723**	2,718
	197,823	221,700
Bills payable	**20,098**	12,194
	217,921	233,894

FINANCIAL RESULTS

The Group's revenue for the Current Period dropped to HK$661,830,000, representing a decrease of 13.3% compared with the Group's revenue recorded in the Corresponding Period. It was mainly due to the slowdown of domestic and global economies in the Current Period, which in turn reduced the demand for our products.

Gross profit for the Current Period amounted to HK$153,179,000, representing a decrease of 15.1% from HK$180,347,000 for the Corresponding Period. However, the gross profit margin stood at 23.1% despite the rising trend of raw materials and production costs in the Current Period.

During the Current Period, the Group recognised a loss arising from the changes in fair value of derivative financial instruments of HK$1,544,000. The derivative financial instruments concerned referred to certain long term interest rate swap contracts entered into by the Group with the intention to hedge against the future borrowing costs. The Group had to account for the drop in fair value of these derivative financial instruments in the consolidated income statement for the temporary market fluctuations immediately prior to the end of the Current Period. This item does not affect the cash flow of the Group.

The finance costs increased to HK$12,286,000 from HK$7,136,000 for the Corresponding Period as certain amount of bank loans were drawn down by the Group in the second half of 2011.

Earnings before interest expenses, tax, depreciation and amortisation ("EBITDA") amounted to HK$110,251,000, representing an EBITDA margin of 16.7% and an improvement of 1.4 percentage points from 15.3% for the 2011 full year.

Profit for the Current Period amounted to HK$38,808,000, representing a profit margin of 5.9%. The Board has resolved to declare an interim dividend of 2.0 HK cents per share (30 June 2011: 3.0 HK cents per share), with total amount of HK$9,582,000 (30 June 2011: HK$14,373,000).

BUSINESS REVIEW

Market overview

During the Current Period, the global economy continued to slow down. The electronic industry had been particularly affected due to the delay in the launching of new models and the disruption of supply of key parts such as hard drives, which in turn reduces the demand for the electronic components used in these consumer end products. Accordingly, the global demand for Aluminum Electrolytic Capacitors ("E-Caps") declined slightly during the Current Period. However, as one of the key global suppliers of E-Caps in the market, the Group has benefited from the global trend of supply chain diversification and stabilisation exercises resulted from the natural disasters in Thailand and Japan in 2011.

The applications for Conductive Polymer Aluminum Solid Capacitors ("Polymer Caps") continued to widen as a result of expansion in spectrum of applications during the Current Period. Market demand was affected mainly by the aftermath of the Thailand flood and the Group recorded a temporary decline of Polymer Caps demand in the first half of 2012. However, as one of the most important global suppliers of Polymer Caps outside Japan, the Group continued to boost its production capacities and enhance the product variety during the Current Period to cater for the increasing market needs expected in the coming years.

Operation review

The market demand for electronic products was affected by the unsatisfactory global economies in the first half of 2012. However, the revenue drop of the Group during the Current Period was comparatively mild against most of our competitors. The Group still recorded an improvement in EBITDA margin and the operating cashflow. We had successfully transformed into a global supplier of several key critical electronic components in the past years. To leverage this strategic transformation, the Group continued to devote more resources in expanding our professional sales force and sales networks, enhancing research and development ("R&D") collaboration with key research institutes and universities and also upgrading our information technology platform.

The Group recorded a progressive sales penetration for its SAMXON® and X-CON® products into various industry segments, particularly the computing, power supply, energy saving lighting, digital hand-held consumer electronic and environmental friendly product segment. Our strength in new product development will continue to build up the sales growth momentum for the coming year. Moreover, our bolstering R&D capabilities provide new business opportunities for the Group to step in the world's fast-growing renewable energy sector.

In addition, the Group continues the strategic move to diversify the business platform by developing the energy storage system ("ESS") product family comprising Electric Double Layer Capacitors ("EDLC"), Lithiumion Rechargeable Batteries and the screw-type E-Caps. The ESS product series aims to provide a total solution for industrial power management and energy applications in particular the wind and solar power systems, electric transportation equipment, power backup devices and consumer electronic products. The Group expects that the return from the ESS product platform will be materialised in the next couple of years.

It is the Group's key initiative to strengthen and integrate the raw materials supply chain for the past few years. The newly built aluminum foil manufacturing plant in Yaan of Sichuan Province, Mainland China started full scale production in the second quarter of 2012 and produced the aluminum foil (being the key raw material of E-Caps and Polymer Caps) for internal consumption within the Group. Together with the chemical production plant in Wuhan of Hubei Province, Mainland China, the Group expects that the manufacturing costs will be further reduced and then improving the gross profit margins.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2012, the Group's total outstanding bank borrowings amounted to HK$977,175,000 (31 December 2011: HK$1,074,084,000), which comprised mainly bank loans and trade financing facilities. The maturity profile of the bank borrowings falling due within one year and in the second to the fifth year amounted to HK$484,492,000 and HK$492,683,000 respectively (31 December 2011: HK$488,549,000 and HK$585,535,000 respectively).

After deducting cash and cash equivalents of HK$544,137,000 (31 December 2011: HK$680,273,000), the Group's net borrowing amounted to HK$433,038,000 (31 December 2011: HK$393,811,000). Shareholders' equity at 30 June 2012 was HK$1,364,282,000 (31 December 2011: HK$1,350,331,000). Accordingly, the Group's net gearing ratio was 31.7% (31 December 2011: 29.2%).

Net cash inflow from operating activities during the Current Period amounted to HK$38,151,000. It represented profit before tax of HK$47,297,000, adding back adjustments for non-cash items such as net change in fair value of derivative financial instruments of HK$1,544,000, depreciation and amortisation of HK$50,668,000 and deducting net changes in working capital of HK$47,400,000 and other adjustments of HK$13,958,000. The Group's net cash outflow for investing activities for the Current Period amounted to HK$77,598,000, which included purchases of non-current assets of HK$74,633,000 and advances to jointly-controlled entities of HK$2,965,000.

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 remained pegged to United States dollar, there was 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 hedge against Renminbi payments. The Group continued to monitor its foreign exchange exposure in Japanese yen and Renminbi mainly by entering into forward contracts. Most of the Group's long-term bank loan facilities were denominated in Hong Kong dollars and carried interests at floating rates. Interest rate exposure was hedged by entering into long term interest rate swap contracts. Credit risk was hedged mainly through credit insurance.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2012, the Group employed 87 staff in Hong Kong (31 December 2011: 83) and employed a total work force of 4,148 (31 December 2011: 3,278) inclusive of all staff in Mainland China and overseas offices. The Group's remuneration policy is built on the principle of equitable, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on a regular basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance-based bonuses.

OUTLOOK AND PROSPECTS

With the uncertainty of the global economy and the slowdown of domestic economic growth in Mainland China, there are several key challenges, including the rising manufacturing and labour costs facing by the Group in the coming year. Nevertheless, the Group observed an encouraging growth in sales orders received recently. However, the sales growth momentum in the second half of 2012 is still uncertain. We will continue to widen spectrum of applications and deepen the sales network penetrations for Polymer Caps and E-Caps respectively.

The PRC government adopted a critical strategic policy in May 2012 to boost the development of seven key emerging industries amid the economic slowdown in Mainland China. The development of these strategic emerging industries is of great significance in terms of maintaining long-term economic growth. Our existing product platform covers most of these emerging industries emphasised by the PRC government, namely energy saving and environment protection, information technology, advanced equipment manufacturing, new energy, new materials and new energy vehicles. The Group believes this key policy accelerates the growth momentum of our flagship Polymer Caps and ESS family products and enhances the overall profitability in the coming years.

The Group's in-house R&D team and research institute of new energy products and materials will continue to lead the development of innovative products incorporating state-of-the-art technology within the electronic component industry. Our ongoing research and innovation in high-tech Polymer Caps, aluminum foil technology and ESS total solutions definitely will enhance our competitiveness to stay at the forefront of technology.

As one of the key global suppliers of E-Caps and Polymer Caps, the Group will continue to improve the gross profit margins and the operating profit by adjusting the product mix to focus on high-margin products while phasing out those customers with low margin, increasing the self-supply of aluminum foil and chemicals and also tighten the control over the manufacturing overheads.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

The Company had not redeemed any of its shares and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the Current Period.

OTHER CHANGES IN DIRECTORS' INFORMATION

There have been some changes in Director's information since the date of the 2011 annual report of the Company as follows:

Dr. Li Sau Hung, Eddy, *B.B.S., J.P.* ("Dr. Li") resigned as an independent non-executive director and a member of each of the audit committee, the nomination committee and the remuneration committee of Get Nice Holdings Limited, a company listed on the Stock Exchange, with effect from 2 April 2012. Dr. Li was appointed as Justices of the Peace on 30 June 2012 under the Justices of the Peace Ordinance (Chapter 510 of the laws of Hong Kong).

Save as disclosed above and in the announcement of the Company dated 8 May 2012, as at 30 June 2012, there had not been any other changes to the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

CORPORATE GOVERNANCE PRACTICES

The Group has complied with the applicable code provisions in the Code on Corporate Governance Practices (effective until 31 March 2012) and the Corporate Governance Code (effective from 1 April 2012) as contained in Appendix 14 to the Listing Rules (the "Code Provisions") throughout the Current Period with the exception of the following deviations:

Under the code provision A.4.1, non-executive directors and independent non-executive directors ("INEDs") should be appointed for a specific term. Currently, the INEDs of the Company are not appointed for a specific term but subject to the requirement of retirement by rotation at the annual general meeting under bye-law 87 of the Company's bye-laws.

Dr. Li was unable to attend the annual general meeting of the Company held on 9 May 2012 as provided for in code provision A.6.7 as he had another business engagement.

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

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 have confirmed that they have fully complied with the Model Code throughout the Current Period.

AUDIT COMMITTEE

The audit committee ("Audit Committee") comprises three members and all of them are the INEDs of the Company. None of them is employed by or otherwise affiliated with the former or existing auditors of the Company. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and the internal control of the Group in the interim financial report for the Current Period.

REMUNERATION COMMITTEE

The Company established a remuneration committee (the "Remuneration Committee") for the purpose of making recommendations to the Board on the Company's policy and structure for the remuneration of all directors and senior management of the Group. The Remuneration Committee also have the delegated responsibility to determine the specific remuneration packages of all executive directors and senior management and make recommendations to the Board on the remuneration of non-executive directors. The Remuneration Committee comprises two INEDs and one Executive Director of the Company.

NOMINATION COMMITTEE

The Company established a nomination committee for formulating policy and making recommendations to the Board on nominations, appointment of Directors and Board succession. The nomination committee comprises three INEDs and two Executive Directors of the Company.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the Group's interim results announcement for the Current Period and the Company's external auditor, PricewaterhouseCoopers, has conducted a review of the interim financial information of the Group for the Current Period in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 19 September 2012 to Friday, 21 September 2012, both days inclusive, during which period no transfer of shares and no share of the Company will be issued upon exercise of any subscription right attaching to the outstanding options issued by the Company will be effected. In order to qualify for the interim 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, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 18 September 2012.

PUBLICATION OF FURTHER INFORMATION

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

The interim report of the Company for the Current Period containing all the information required by Appendix 16 to the Listing Rules will be dispatched to the shareholders and published on the websites of the Stock Exchange and the Company (www.manyue.com) on or before Friday, 28 September 2012.

APPRECIATION

The Board would like to take this opportunity to express its gratitude to all members of the staff for their dedication and commitment and the continuing support from our customers, suppliers, banks and shareholders.

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

Hong Kong, 13 August 2012

As at the date of this announcement, the Board comprises Ms. Kee Chor Lin, Mr. Chan Yu Ching, Eugene, Mr. Ko Pak On 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.