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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 2015

RESULTS HIGHLIGHTS

- Revenue dropped by 17.9% to HK\$974,421,000 (2014: HK\$1,186,967,000)
- Gross profit margin was 18.0% (2014: 21.3%)
- EBITDA of HK\$83,942,000, representing an EBITDA margin of 8.6% (2014: 14.8%)
- Loss for the Year was HK\$45,838,000 (2014: Profit of HK\$43,836,000)
- Net debt to equity ratio slightly increased to 32.6%, compared with 28.4% as at 31 December 2014
- Net assets per share of HK\$2.93, compared with HK\$3.27 per share as at 31 December 2014

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 (the “Company”) and its subsidiaries (collectively the “Group”) for the year ended 31 December 2015 (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
FOR THE YEAR ENDED 31 DECEMBER 2015**

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue	2 & 3	974,421	1,186,967
Cost of sales		(799,381)	(933,605)
Gross profit		175,040	253,362
Other income	3	6,818	9,096
Other gains, net	3	1,493	27,893
Selling and distribution costs		(50,055)	(57,944)
Administrative expenses		(143,659)	(150,868)
Operating (loss)/profit	4	(10,363)	81,539
Changes in fair values of interest rate swaps	5	(4,647)	(5,963)
Finance costs	6	(30,214)	(30,290)
Finance income	7	8,580	8,757
Share of results of joint ventures		(1,296)	732
Share of results of an associate		544	1,221
(Loss)/profit before tax		(37,396)	55,996
Tax	8	(8,442)	(12,160)
(Loss)/profit for the year		(45,838)	43,836
(Loss)/profit attributable to:			
– Equity holders of the Company		(45,095)	43,257
– Non-controlling interests		(743)	579
		(45,838)	43,836
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company	9		
– Basic		(9.43) HK cents	9.03 HK cents
– Diluted		(9.43) HK cents	9.03 HK cents
		<i>HK\$'000</i>	<i>HK\$'000</i>
Dividends	10		
– Interim		–	7,189
– Proposed final		–	4,792
		–	11,981

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
(Loss)/Profit for the year	<u>(45,838)</u>	<u>43,836</u>
Other comprehensive income:		
Item that will not be reclassified subsequently to profit or loss		
– Assets revaluation surplus, net of tax	9,599	5,076
Items that may be reclassified subsequently to profit or loss		
– Change in fair value of an available-for-sale investment	576	358
– Currency translation differences	<u>(129,427)</u>	<u>(1,756)</u>
Other comprehensive (loss)/income for the year, net of tax	<u>(119,252)</u>	<u>3,678</u>
Total comprehensive (loss)/income for the year	<u>(165,090)</u>	<u>47,514</u>
Total comprehensive (loss)/income attributable to:		
– Equity holders of the Company	(164,081)	46,948
– Non-controlling interests	<u>(1,009)</u>	<u>566</u>
	<u>(165,090)</u>	<u>47,514</u>

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2015**

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		711,069	793,139
Prepaid land premium		71,728	77,851
Investment properties	<i>11</i>	141,530	138,872
Intangible assets		1,113	1,890
Investments in joint ventures		95,916	105,006
Investment in an associate		72,438	76,671
Prepayments on purchases of property, plant and equipment		66,060	87,910
Available-for-sale investments		12,701	13,881
Other prepayments		1,822	2,196
Deferred tax assets		13,396	15,862
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Total non-current assets		1,187,773	1,313,278
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Current assets			
Inventories		463,518	449,594
Trade receivables	<i>12</i>	343,785	311,233
Prepayments, deposits and other receivables		62,140	79,321
Loans to a joint venture		96,989	102,760
Due from joint ventures		34,438	38,305
Due from an associate		3,651	38,431
Financial assets at fair value through profit or loss		51	59
Tax recoverable		944	2,939
Time deposits over three months		11,936	12,676
Cash and cash equivalents		347,797	400,839
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Total current assets		1,365,249	1,436,157
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Current liabilities			
Trade and bills payables	<i>13</i>	191,786	168,207
Other payables and accrued liabilities		64,045	64,866
Due to joint ventures		19,780	20,339
Derivative financial instruments		5,040	5,631
Tax payable		4,625	4,831
Bank loans		505,477	505,646
Dividends payable		43	41
		<hr/>	<hr/>
Total current liabilities		790,796	769,561
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Net current assets		574,453	666,596
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total assets less current liabilities		1,762,226	1,979,874
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CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2015

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets less current liabilities	1,762,226	1,979,874
Non-current liabilities		
Bank loans	308,098	352,219
Derivative financial instruments	10,724	11,207
Provision for long service payments	554	1,040
Deferred tax liabilities	34,955	33,573
Deferred income	11,635	12,690
Total non-current liabilities	365,966	410,729
Net assets	1,396,260	1,569,145
Equity		
Share capital	47,624	47,924
Reserves	1,344,354	1,511,138
Proposed final dividend	–	4,792
Equity attributable to equity holders of the Company	1,391,978	1,563,854
Non-controlling interests	4,282	5,291
Total equity	1,396,260	1,569,145

NOTES

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements for the year ended 31 December 2015 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”)) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). They have been prepared under the historical cost convention, except for land and buildings, investment properties, derivative financial instruments, financial assets and financial liabilities at fair value through profit or loss and available-for-sale investments, which have been measured at fair value.

- (a) The following new or amended standards are also mandatory for the first time for the financial year beginning 1 January 2015 but either have no significant impact to the Group’s results and financial position or are not currently relevant to the Group:

HKAS 19 (2011) (Amendment)	Defined Benefit Plans: Employee Contributions
Annual Improvements Project	Annual Improvements 2010-2012 Cycle
Annual Improvements Project	Annual Improvements 2011-2013 Cycle

- (b) The following new or amended standards have been issued but are not yet effective for the financial year beginning on or after 1 January 2015 and have not been early adopted:

Annual Improvements Project	Annual Improvements 2012-2014 Cycle ¹
HKFRS 14	Regulatory Deferral Accounts ¹
HKFRS 10 and HKAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations ¹
HKAS 16 and HKAS 38 (Amendment)	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer Plants ¹
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements ¹
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 9	Financial Instruments ²
HKFRS 10, 12 and HKAS 28 (Amendment)	Investment entities applying the consolidation exception ¹

¹ Changes effective for annual periods beginning on or after 1 January 2016

² Changes effective for annual periods beginning on or after 1 January 2018

The Group anticipates that the application of the above new or amended standards have no material impact on the results and the financial position of the Group.

2. SEGMENT INFORMATION

As substantial business operations of the Group relate to the manufacturing, selling and distribution of electronic components, the Group's executive team, Chief Operating Decision Maker ("CODM", which comprises all executive directors and headed by the managing director of the Company) 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 the CODM on a regular basis:

	2015	2014
	HK\$'000	HK\$'000
Revenue	974,421	1,186,967
Gross profit	175,040	253,362
Gross profit margin (%)	18.0%	21.3%
EBITDA (<i>Note (i)</i>)	83,942	175,104
EBITDA margin (%)	8.6%	14.8%
Operating expenses (<i>Note (ii)</i>)	193,714	208,812
Operating expenses/revenue (%)	19.9%	17.6%
(Loss)/profit for the year	(45,838)	43,836
Net profit margin (%)	(4.7%)	3.7%
Total assets	2,553,022	2,749,435
Equity attributable to equity holders of the Company	1,391,978	1,563,854
Inventories	463,518	449,594
Inventory turnover days	212	176
Trade receivables	343,785	311,233
Trade receivables turnover days	129	96
Trade and bills payables	191,786	168,207
Trade and bills payables turnover days	88	66
Total interest-bearing debt	813,575	857,865
Cash and cash equivalents	347,797	400,839
Time deposits over three months	11,936	12,676
Net debt	453,842	444,350
Net debt to equity ratio (%)	32.6%	28.4%

Note (i): EBITDA represents the earnings before interest expense, tax, depreciation and amortisation.

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

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

	Year ended 31 December	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from external customers by geographical locations:		
Hong Kong	122,325	119,790
The People's Republic of China (the "PRC")	505,267	566,008
Taiwan	177,248	252,943
Southeast Asia	36,041	68,472
Korea	5,705	11,498
United States	37,940	60,323
Europe	55,554	58,552
Other countries	34,341	49,381
	<hr/>	<hr/>
Total	974,421	1,186,967
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	As at 31 December	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets (excluding deferred tax assets and financial instruments)		
Hong Kong	133,843	138,687
The PRC	955,182	1,067,961
Other countries	72,651	76,887
	<hr/>	<hr/>
Total	1,161,676	1,283,535
	<hr/> <hr/>	<hr/> <hr/>

3. REVENUE, OTHER INCOME AND OTHER LOSSES, 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, net is as follows:

	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue		
Manufacture and trading of electronic components	965,495	1,125,314
Trading of raw materials	8,926	61,653
	<hr/>	<hr/>
	974,421	1,186,967
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	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Other income		
Scrap sales	109	824
Subsidies from the PRC government	972	3,522
Rental income generated from investment properties	4,597	4,149
Others	1,140	601
	<u>6,818</u>	<u>9,096</u>

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Other gains, net		
Negative goodwill on acquisition of a subsidiary	–	7,622
Gain on disposal of a subsidiary	–	3,085
Fair value gain on forward currency contracts	585	227
Fair value (loss)/gain on investment properties	(525)	24,078
Foreign exchange differences, net	609	(4,779)
Reversal of other payable	2,491	–
Impairment loss on an available-for-sale investment	(1,667)	(2,340)
	<u>1,493</u>	<u>27,893</u>

4. OPERATING (LOSS)/PROFIT

Expenses included in the consolidated income statement:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Depreciation of property, plant and equipment	88,704	90,908
Amortisation of prepaid land premium	1,643	815
Amortisation of intangible assets	777	716
Loss/(gain) on disposal of property, plant and equipment	46	(51)
Fair value loss/(gain) on financial assets at fair value through profit or loss	8	(4)
	<u>8</u>	<u>(4)</u>

5. CHANGES IN FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Fair value losses on interest rate swap	4,647	5,963
	<u>4,647</u>	<u>5,963</u>

At 31 December 2015, 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 into to stabilise the Group's overall interest expense for the periods covered by these contracts. The Group had recognised losses in the fair values of derivative financial instruments in the consolidated income statement during the Year.

6. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest expense on bank loans repayable within five years	25,647	26,669
Others	4,567	3,621
	<u>30,214</u>	<u>30,290</u>

7. FINANCE INCOME

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interest income from loan to a joint venture	4,546	4,560
Interest income from term deposits and bank balances	4,034	4,197
	<u>8,580</u>	<u>8,757</u>

8. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 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.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Charge for the year:		
Current:		
Hong Kong	1,688	6,313
The PRC	4,763	5,604
Under-provision in prior years	495	534
	<u>6,946</u>	12,451
Deferred	1,496	(291)
	<u>8,442</u>	<u>12,160</u>

In accordance with the relevant tax rules and regulations in the PRC, certain Company's subsidiaries located in the PRC enjoy tax exemptions. These subsidiaries are subject to income taxes at applicable rates ranging from 20% to 25%.

9. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss for the Year attributable to equity holders of the Company of HK\$45,095,000 (2014: profit of HK\$43,257,000), and the weighted average number of 478,280,000 (2014: 479,204,000) ordinary shares in issue during the Year.

Diluted (loss)/earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Diluted loss per share for the Year was the same as the basic loss per share as the Company's share options outstanding during the Year were anti-dilutive potential ordinary shares.

The calculation of diluted earnings per share for the year ended 31 December 2014 is based on the profit attributable to equity holders of the Company of HK\$43,257,000. The weighted average number of ordinary shares used in the calculation was 479,204,000 ordinary shares in issue during the year ended 31 December 2014, as used in the basic earnings.

10. DIVIDENDS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Interim – nil (2014: 1.5 HK cents per share)	–	7,189
Proposed final – nil (2014: 1.0 HK cent per share)	–	4,792
	<u>–</u>	<u>11,981</u>

11. INVESTMENT PROPERTIES

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
At fair value		
At 1 January	138,872	83,004
Transfer from property, plant and machinery	6,540	–
Acquisition of a subsidiary	–	31,522
(Loss)/Gain from fair value adjustment	(525)	24,078
Exchange realignment	(3,357)	268
	<u>141,530</u>	<u>138,872</u>

12. 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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current and within payment terms	240,797	227,811
1–3 months past due	82,967	52,618
4–6 months past due	2,908	19,226
7–12 months past due	773	7,975
Over 1 year past due	16,340	3,603
	<u>343,785</u>	<u>311,233</u>

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. Credit risk was hedged mainly through credit insurance policies.

13. 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:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables:		
1–3 months	98,048	92,822
4–6 months	35,176	45,809
7–12 months	1,239	5,693
Over 1 year	8,197	8,698
	<u>142,660</u>	153,022
Bills payables	49,126	15,185
	<u>191,786</u>	<u>168,207</u>

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OVERVIEW

The financial year ended 31 December 2015 was still challenging for many global electronic enterprises, including major players in the Aluminum Electrolytic Capacitors (“E-Caps”) and Conductive Polymer Aluminum Solid Capacitors (“Polymer Caps”) industries. In addition to the weak demand of electronic components during the Year, the delaying effect of depreciation of Japanese Yen had significant impact to the selling price of our key products.

The Group’s sales revenue declined by 17.9% to HK\$974,421,000 in 2015, which was in line with the poor performance of our major competitors. The gross profit margin dropped as a result of the intense pricing pressure imposed by our competitors during the Year. However, the Group’s EBITDA continued to maintain at a satisfactory position with our conservative cash flow and financial management. The net gearing ratio increased slightly to 32.6% as at 31 December 2015. It was mainly due to diminution of the value of PRC-based fixed assets resulted from the depreciation of Renminbi during the Year.

As one of the key global suppliers of major electronic components including E-Caps and Polymer Caps, the Group continues the investment in Energy Storage System (“ESS”) product family since 2007. The Group acquired the land use rights of a piece of land located in Qingyuan High-tech Industrial Development Zone of Guangdong Province in the PRC. It will be used for the expansion of production capacities of the ESS products (including Electric Double Layer Capacitors (“EDLC”), EDLC Modules and Powerfilm Capacitors) in the coming years.

The development of ESS products is encouraging, taking into account of the continuing commitment of the PRC government in the environment protection and new energy saving-related industries and sectors. This aligns with the Group’s overall strategy of developing green energy products and multi-product platform with increasing sales mix of such high-technology segment in the next couple of years. With our strong material science research technology and ready-to-expand production capacities built in the past years, we are confident that the Group can capture most of the opportunities in this particular emerging market segment.

FINANCIAL REVIEW

The sales revenue of the Group for the Year dropped to HK\$974,421,000 (2014: HK\$1,186,967,000), representing a decrease of 17.9%, as compared with that of last year. It was mainly attributable to the intense pricing pressure imposed by the competitors as a result of the depreciation of Japanese Yen and the decline in the global demand for electronic components during the Year.

Gross profit for the Year amounted to HK\$175,040,000 (2014: HK\$253,362,000), representing a drop of 30.9%, compared with that of last year. It was mainly due to the increase in manufacturing costs in Mainland China, in addition to the general decrease in selling price during the Year. The Group has undergone keen cost control programs including automating the production processes to stabilise the gross profit margin in the second half of the Year.

During the Year, the Group recognised a loss arising from changes in the fair values of derivative financial instruments of HK\$4,647,000 (2014: HK\$5,963,000). The derivative financial instruments concerned referred to certain long term interest rate swap contracts entered into by the Group in 2009 and 2010 with the intention to hedge against the Group's future borrowing costs. The Group had to account for the decrease in the fair values of these financial instruments in the consolidated income statement at the year end. This item did not affect the cash flows of the Group.

The Group's EBITDA amounted to HK\$83,942,000 (2014: HK\$175,104,000), representing an EBITDA margin of 8.6% (2014: 14.8%).

Loss for the Year amounted to HK\$45,838,000 (2014: Profit of HK\$43,836,000). The Board has resolved not to recommend final dividend for the Year (2014: 1.0 HK cent per share).

BUSINESS REVIEW

Market overview

The global demand for E-Caps and Polymer Caps dropped in 2015 as a result of the slowdown of global economy especially in Mainland China. The electronic component sector had been particularly affected due to the delay in the launching of new product models by our key customers during the Year, which then reduced the demand in the consumer electronic sectors. On the other end of the spectrum, the large-scale E-Caps manufacturers were also facing key challenges including currency fluctuation and increasing manufacturing cost, especially the labor costs in the PRC. This eroded the profitability and the operating margins during the Year. The Group continues to be one of the major suppliers of electronic components in the global market. Our flagship brands – SAMXON® and X-CON® still maintain a very strong market position in the niche market segment. The competitive advantages of our high-quality products and the stable supply of key raw materials, especially aluminum foils, enable the Group to maintain its global market share. We expect a recovery of sales momentum in the consumer electronic and industrial sectors in next few years.

The PRC government continues its commitment in developing new energy industries and related applications. We are one of the very few suppliers in the world to supply such green energy components including EDLC, EDLC Modules and Powerfilm Capacitors. The Group expects the global demand for these ESS products will experience phenomenal growth in terms of volume and spectrum of applications in the next few years. We are now keen on expanding these market sectors via production capacities expansion and continuing investment in research and development (“R&D”) facilities to explore new applications accordingly.

Operation review

The Group has successfully transformed from a single-product platform into a key global supplier of several critical electronic components including E-Caps, Polymer Caps, EDLC, EDLC modules, Powerfilm Capacitors, Multi-layer Polymer Capacitors (“MLPC”), aluminum foils and chemicals in the past few years. The ESS product series provides a total solution for industrial power management and energy-storage applications such as wind and solar power systems, new energy transportation vehicles, escalators automatic rescue and power backup devices, national grid resources utilization, energy regeneration system for rail transportation, RTG port crane energy regeneration system etc. It enhances our niche market position for low-carbon emission and new energy-related applications. The Group has successfully developed the second generation of super-capacitors during the Year. We are in a position well prepared for capturing the market potential of ESS products in the next few years.

During the Year, the Group continued to enhance the efficiency of production process and to strengthen internal control over manufacturing costs and overhead in Mainland China. We have been penetrating effectively into first-tier PRC domestic market and key global electronic manufacturing segment in the past few years. With strong commitment to improve the overall competitiveness of our high-quality products and to continue to adjust our sales strategy by focusing on niche customers and products, we expect the contribution from our traditional capacitors business and the ESS family series will be improving gradually in the near future.

The Group made an announcement on 16 September 2014 that the Group acquired the land use rights of a piece of land located in Qingyuan High-tech Industrial Development Zone of Guangdong Province in the PRC. The Group considers the land for the time being to be used for the future development of our new energy saving and storage businesses, including but not limited to the R&D and the manufacture of EDLC, EDLC modules, MLPC and Powerfilm Capacitors and other new energy saving related products. The investment will be funded by internal resources of the Group.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2015, the Group’s total outstanding bank borrowings amounted to HK\$813,575,000 (31 December 2014: HK\$857,865,000) which comprised mainly bank loans and trade finance facilities. The bank borrowings with maturities falling due within one year and in the second to the fifth year amounted to HK\$505,477,000 and HK\$308,098,000 respectively (31 December 2014: HK\$505,646,000 and HK\$352,219,000 respectively).

After deducting cash and cash equivalents of HK\$347,797,000 (31 December 2014: HK\$400,839,000) and time deposits over three months of HK\$11,936,000 (31 December 2014: HK\$12,676,000), the Group’s net borrowing amounted to HK\$453,842,000 (31 December 2014: HK\$444,350,000). Shareholders’ equity as at 31 December 2015 was HK\$1,391,978,000 (31 December 2014: HK\$1,563,854,000). Accordingly, the Group’s net gearing ratio was 32.6% (31 December 2014: 28.4%).

During the Year, the Group's net cash inflow from operating activities amounted to HK\$48,240,000. This represented loss before tax of HK\$37,396,000 after adjustments for non-cash items, including adding back depreciation and amortisation of HK\$91,124,000, adding the share of results of joint ventures and an associate of HK\$752,000, deducting the net changes in working capital of HK\$1,791,000 and deducting other adjustments of HK\$4,449,000. The Group's net cash outflow from investing activities for the Year amounted to HK\$22,879,000, which included purchases and prepayments for prepaid land premium and property, plant and equipment of HK\$25,682,000 and other cash inflow of HK\$2,803,000.

The Group's financial statements are presented in Hong Kong dollars. The Group carried out its business transactions mainly in Hong Kong dollars, Renminbi, United States dollars and Japanese Yen. As the Hong Kong dollar remained pegged to the United States dollar, there was no material exchange risk in this respect. The Group continued to monitor its foreign exchange exposure in Japanese Yen and Renminbi mainly by entering into forward contracts. The Group's long-term bank loan facilities were denominated mainly in Hong Kong dollars and carried interest 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.

OUTLOOK AND PROSPECTS

The global economy is still challenging in the coming years, especially the reducing economic growth in Mainland China. The Group expects several key challenges ahead including the continuous increase in manufacturing costs, shorter product life cycle of consumer electronic products and also volatile capital market and currency fluctuation. With the Group's three pillars of product families: namely E-Caps, Polymer Caps and the ESS products well in place, sales momentum will be picked up in multiple dimensions in 2016 and beyond.

The PRC government continues the strategic move to boost the development of key emerging new energy-related industries. The Group's existing ESS product platform covers most of these product segments including new energy, new materials, energy saving, environmental protection and new energy vehicles. With solid ongoing national policies in place, the Group believes that it can capture such market opportunities through leveraging its existing well-established, unique and diversified product platform and adequate production capabilities in the next couple of years.

As one of the key global suppliers of E-Caps, Polymer-Caps and ESS products, the Group will continue to align its strategic direction of strengthening its position as a main supplier of key electronic components across all sectors including the new energy-related applications. Moreover, our bolstering R&D capabilities and the collaboration with key leading universities provides a channel for the Group to penetrate extensively into the faster-than-expected growing renewable energy industry in the near future.

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2015, the Group employed 70 staff in Hong Kong (31 December 2014: 75) and employed a total work force of 2,720 (31 December 2014: 2,846) inclusive of all the staff in the PRC and overseas offices. The Group's remuneration policy is built on the principle of equitability with incentive-based, motivating, performance oriented and market-competitive remuneration packages for its 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.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company repurchased a total of 3,692,000 shares on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of HK\$3,069,300 from July 2015 upto the date of this announcement. All the repurchased shares were cancelled subsequently pursuant to rule 10.06 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange. Particulars of the repurchases are as follows:

Date	Number of shares repurchased	Purchase price		Aggregate consideration paid (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
9 July 2015	1,190,000	0.99	0.98	1,177,100
14 August 2015	610,000	0.95	0.93	568,660
21 August 2015	156,000	0.84	0.81	129,160
25 August 2015	500,000	0.75	0.73	374,020
16 December 2015	88,000	0.67	0.67	58,960
18 December 2015	356,000	0.64	0.64	227,840
23 December 2015	100,000	0.60	0.60	60,000
4 January 2016	282,000	0.70	0.68	194,760
7 January 2016	410,000	0.68	0.68	278,800
Total	<u>3,692,000</u>			<u>3,069,300</u>

Save as disclosed above, neither the Company nor its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months prior to the date of this announcement.

OTHER CHANGES IN DIRECTOR'S INFORMATION

Since the publication date of the 2015 interim report of the Company, there was a change in Directors' information which is reported as follows:

Mr. Mar Selwyn was appointed as an Independent Non-executive Director and the chairman of the Audit Committee of China Kingstone Mining Holdings Limited in July 2015, and resigned from the office in December in the same year.

Save as disclosed above, there had not been any other changes to the Directors' information as required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE

The Group has complied with the applicable code provisions in the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The Company has adopted the code provisions as its own code of corporate governance practices with the exception of the following deviation:

Pursuant to code provision A.4.1, non-executive directors and independent non-executive directors should be appointed for a specific term. Currently, all the Independent Non-executive Directors of the Company are not appointed for a specific term but are subject to retirement by rotation at the annual general meeting 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 corporate governance practices of the Company were in line with the code provisions for the Year.

COMPLIANCE WITH THE MODEL CODE

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules to govern securities transactions by the Directors of the Company. 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 of the Company comprises three Independent Non-executive Directors, namely, Mr. Mar Selwyn (Chairman of the Audit Committee), Dr. Li Sau Hung, Eddy and Mr. Lo Kwok Kwei, David. None of them is employed by or otherwise affiliated with the former or current auditor of the Company.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group together with the management of the Company and discussed auditing, internal control and financial reporting matters.

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 Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PwC Hong Kong on the preliminary announcement.

FINAL DIVIDEND

The Board did not recommend final dividend for the Year (2014: 1.0 HK cent per share).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 11 May 2016 to Thursday 12 May 2016, both days inclusive, during which period no transfer of shares will be effected. In order to ascertain the right to attend the forthcoming annual general meeting, all transfers 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 10 May 2016.

PUBLICATION OF FURTHER INFORMATION

The annual report of the Company for the Year containing all the information required by Appendix 16 to the Listing Rules will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.manyue.com>) and will be dispatched to the shareholders of the Company on or before Friday, 29 April 2016.

APPRECIATION

I would like to take this opportunity to thank all of our shareholders, business partners, bankers and customers for their continuing support to the 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, 9 March 2016

As at the date of this announcement, the Executive Directors of the Company are Ms. Kee Chor Lin, Mr. Chan Yu Ching, Eugene, Mr. Wong Ching Ming, Stanley and Mr. Yeung Yuk Lun, and the Independent Non-executive Directors of the Company are Dr. Li Sau Hung, Eddy, Mr. Lo Kwok Kwei, David and Mr. Mar, Selwyn.