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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 117)

ANNOUNCEMENT

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

The Board of Directors (the "Board") of EYANG Holdings (Group) Co., Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2013, together with the comparative figures for the corresponding period of 2012.

This interim condensed consolidated financial information has not been audited, but has been reviewed by the Company's audit committee.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2013

		Six months ended 30 June	
		2013	2012
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
			(restated)
Continuing operation			
Revenue	*3*	**264,316**	160,450
Cost of sales		**(227,954)**	(141,100)
Gross profit		**36,362**	19,350
Other income and other net income	*4*	**7,649**	6,388
Selling and distribution costs		**(15,608)**	(7,691)
Administrative expenses		**(18,161)**	(13,367)
Other expenses		**(6,567)**	(4,678)
Finance costs	*5*	**(1,869)**	(3,867)
Research and development costs		**(3,555)**	(3,988)
Loss before taxation		**(1,749)**	(7,853)
Income tax expense	*6*	**(1,340)**	(413)
Loss for the year from continuing operation		**(3,089)**	(8,267)
Discontinued operations			
Profit for the year from discontinued operations		**–**	755
Loss for the year		**(3,089)**	(7,512)
Other comprehensive income/(loss) for the year			
Exchange difference on translation of foreign operations		**1,580**	(343)
Total comprehensive loss for the year		**(1,509)**	(7,855)

	Notes	Six months ended 30 June **2013** **(Unaudited)** ***RMB'000***	2012 (Unaudited) *RMB'000* (restated)
Profit/(loss) for the year attributable to owners of the Company arising from:			
Continuing operation		**(3,089)**	(8,267)
Discontinued operations		**–**	755
		(3,089)	(7,512)
Total comprehensive income/(loss) attributable to owners of the Company arising from:			
Continuing operation		**(3,089)**	(8,610)
Discontinued operations		**–**	755
		(1,509)	(7,855)
Earnings/(loss) per share	*8*		
From continuing and discontinued operations			
Basic and diluted		**RMB(0.76) cents**	RMB(1.85) cents
From continuing operation			
Basic and diluted		**RMB(0.76) cents**	RMB(2.03) cents
From discontinued operations			
Basic and diluted		**–**	RMB0.19 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2013

	Notes	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**263,746**	277,415
Investment properties	*10*	**26,292**	26,625
Prepaid land lease payments	*11*	**20,094**	20,341
Other intangible assets		**942**	1,025
Deferred tax assets		**3,790**	2,891
Total non-current assets		**314,864**	328,297
CURRENT ASSETS			
Inventories		**95,239**	110,363
Trade and bills receivables	*12*	**237,841**	221,873
Prepayments, deposits and other receivables	*13*	**20,170**	32,080
Due from related parties		**783**	10,869
Pledged deposits		**61,658**	40,677
Cash and cash equivalents		**64,561**	48,018
Total current assets		**480,252**	463,880
CURRENT LIABILITIES			
Trade and bills payables		**144,666**	119,440
Deferred income, accruals and other payables		**38,497**	45,849
Tax payable		**26,781**	28,155
Bank loans		**131,819**	144,599
Dividends payable		**256**	256
Due to a related party		**1,313**	40
Total current liabilities		**343,332**	338,339
NET CURRENT ASSETS		**136,920**	125,541
TOTAL ASSETS LESS CURRENT LIABILITIES		**457,184**	453,838

	30 June 2013 (Unaudited) *RMB'000*	31 December 2012 (Audited) *RMB'000*
NON-CURRENT LIABILITIES		
Deferred income	**1,610**	2,138
Deferred tax liabilities	**5,993**	6,010
Total non-current liabilities	**7,603**	8,148
Net assets	**444,881**	445,690
EQUITY		
Equity attributable to owners of the parent		
Share capital	**3,824**	3,824
Reserves	**440,357**	441,866
Total equity	**444,881**	445,690

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2013

1. CORPORATE INFORMATION

EYANG Holdings (Group) Co., Limited (the "Company") was incorporated in the Cayman Islands on 6 March 2007 as an exempted company with limited liability in the Cayman Islands under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised). The Company's registered office address is the office of Codon Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and the head office and the principal place of business of the Company are located at EYANG Building, No.3 Qimin Street, No. 2 Langshan Road, North Area, Hi-Tech Industrial Park, Nanshan District, Shenzhen, the PRC.

The Company is a subsidiary of EY OCEAN Management Limited ("EY OCEAN"), a company incorporated in the British Virgin Islands. EY OCEAN is considered by the directors as the Company's ultimate holding company.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2012.

2.2 IMPACT OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

The Group has applied the following new and revised IFRSs issued by the IASB.

Amendments to IFRSs	Annual Improvements to IFRSs 2009-2011 Cycle
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income
Amendments to IFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
IFRS 10	Consolidated Financial Statements
IFRS 11	Joint Arrangements
IFRS 12	Disclosure of Interests in Other Entities
IFRS 13	Fair Value Measurement
IAS 19 (as revised in 2011)	Employee Benefits
IAS 27 (as revised in 2011)	Separate Financial Statements
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

The Group has not applied any new IFRS that is not yet effective for the current accounting period. Except as described below, the application of new and revised IFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in the financial statements has been modified accordingly. In addition, the Group has chosen to use the new title "statement of profit or loss and other comprehensive income" as introduced by the amendments in the financial statements.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the requirements in IAS 27 Consolidated and Separate Financial Statements relating to the preparation of consolidated financial statements and SIC 12 Consolidation — Special Purpose Entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of IFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

IFRS 13 Fair value measurement

IFRS 13 replaces existing guidance in individual IFRSs with a single source of fair value measurement guidance. IFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in corresponding note to the financial statements. The adoption of IFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

3. OPERATING SEGMENT INFORMATION

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments.

Summary details of the business segments are as follows:

Continuing operation:

— the multi-layer ceramic chips ("MLCC") segment engages in the manufacture and sale of MLCC and the trading of MLCC;

— the battery segment engages in the manufacture and sale of batteries.

Discontinued operations:

— the mobile phone trading segment engages in the trading of mobile phones.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers, and assets are attributed to the segments based on the location of the assets. No assets and capital expenditure information is presented for the Group's geographical segments, as over 90% of the Group's assets are located in Mainland China.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments for the period ended 30 June 2013.

Period ended 30 June 2013	Continuing operation MLCC	Battery	Discontinued operations	Total
	RMB'000	*RMB'000*		*RMB'000*
Segment revenue:				
Sales to external customers	242,676	21,640	–	264,316
Other revenue	1,055	–	–	1,055
	243,731	21,640		265,731
Segment results	5,342	(5,731)	–	(389)
Reconciliation:				
Interest income				509
Finance costs				(1,869)
Loss before tax				(1,749)
Segment assets	755,537	43,025	–	798,561
Reconciliation:				
Elimination of intersegment receivables				(3,445)
Total assets				795,116
Segment liabilities	301,767	49,168	–	350,935
Reconciliation:				
Elimination of intersegment payables				
Total liabilities				350,935
Other segment information:				
Impairment losses of inventory recognised in the statement of comprehensive income	6,847	–	–	6,847
Reversal of impairment of trade receivables recognised in the statement of comprehensive income	(2,868)	–	–	(2,868)
Impairment losses of PPE recognised in the statement of comprehensive income	2,088	–	–	2,088
Depreciation and amortisation	18,818	10	–	18,828
Capital expenditure	5,000	5	–	5,005

Geographical segments

(a) Revenue from external customers

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(restated)
Mainland China	**210,291**	106,503
Countries other than Mainland China	**54,025**	53,947
	264,316	160,450

4. REVENUE, OTHER INCOME AND GAINS

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

An analysis of revenue, other income and gain is as follows:

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(restated)
Revenue		
Sale of MLCC	**242,676**	160,450
Sale of Battery	**21,640**	–
	264,316	160,450
Other income		
Bank interest income	**508**	1,504
Rental income	**2,999**	2,830
Government grants	**127**	–
Amortisation of deferred income	**528**	528
Sale of materials	**870**	627
Exchange income	**2,493**	–
Others	**126**	899
	7,649	6,388
	271,965	216,395

5. FINANCE COSTS

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(restated)
Interest on bank loans	**1,869**	4,123

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(restated)
Current — Mainland China		
Charge for the year	**2,256**	1,054
Deferred	**(916)**	(389)
Total tax charge for the year	**1,340**	665

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempt from the payment of the Cayman Islands income tax.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the period.

Shenzhen Eyang Technology Development Co., Ltd. ("SZ Eyang") (深圳市宇陽科技發展有限公司), a subsidiary of the Company in Mainland China, obtained its high technology enterprise accreditation on 16 December 2008 and hence was subject to a national income tax rate of 15% from 2008 to 2010. On 31 October 2011, SZ Eyang was recognised as a high technology enterprise again and was subject to a national income tax rate of 15% from 2011 to 2013.

Except for SZ Eyang mentioned above that was entitled to a preferential tax rate of 15%, the subsidiaries of the Company are subject to corporate income tax ("CIT") at a statutory rate of 25% (six months ended 30 June 2011: 25%) on their respective taxable income.

7. DIVIDENDS

The board of directors resolved not to declare any interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic loss per share amount is based on the loss for the six months ended 30 June 2013 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 405,500,000 (six months ended 30 June 2012: 405,500,000) in issue during the period.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the six months ended 30 June 2013 and 2012 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic earnings/(loss) per share amounts presented.

9. PROPERTY, PLANT AND EQUIPMENT

	Notes	**30 June 2013 (Unaudited)** ***RMB'000***	31 December 2012 (Audited) *RMB'000*
Carrying amount at 1 January		**277,415**	294,183
Additions		**5,005**	18,756
Acquisitions through business combinations		**–**	2,799
Transfer from investment properties	*10*	**–**	4,739
Transfer to investment properties	*10*	**–**	(5,807)
Disposals		**(509)**	(3,626)
Depreciation		**(16,077)**	(31,726)
Impairment		**(2,088)**	(1,903)
Carrying amount at 30 June/31 December		**263,746**	277,415

The Group's buildings are held under medium term leases in Mainland China.

Certificates of ownership in respect of certain buildings of the Group located in Dongguan with a net carrying amount of approximately 4,497,000 as at 30 June 2013 (RMB4,554,000 as at 31 December 2012) have not yet been issued by the relevant PRC authorities.

10. INVESTMENT PROPERTIES

	Notes	**30 June 2013 (Unaudited)** ***RMB'000***	31 December 2012 (Audited) *RMB'000*
Carrying amount at 1 January		**26,625**	26,277
Transfer from property, plant and equipment	*9*	**–**	5,807
Transfer to owner-occupied property	*9*	**–**	(4,739)
Depreciation provided during the period/year		**(333)**	(720)
Carrying amount at 30 June/31 December		**26,292**	26,625

The Group's investment properties are held under medium term leases and are situated in Mainland China.

11. PREPAID LAND LEASE PAYMENTS

	30 June 2013 (Unaudited) *RMB'000*	31 December 2012 (Audited) *RMB'000*
Carrying amount at 1 January	**20,829**	21,317
Amortisation provided during the period/year	**(244)**	(488)
Carrying amount at 30 June/31 December	**20,585**	20,829
Current portion included in prepayments, deposits and other receivables	**(481)**	(488)
Non-current portion	**20,094**	20,341

The Group's leasehold land is held under a medium term lease and is situated in Mainland China.

12. TRADE AND BILLS RECEIVABLES

	30 June 2013 (Unaudited) *RMB'000*	31 December 2012 (Audited) *RMB'000*
Trade and bills receivables	**243,479**	230,514
Impairment	**(5,638)**	(8,641)
	237,841	221,873

An aged analysis of the trade receivables as at the end of the reporting period, based on the invoice date, and the amount of bill receivable are as follows:

	30 June 2013 (Unaudited) *RMB'000*	31 December 2012 (Audited) *RMB'000*
Within 90 days	**129,058**	132,996
91 to 180 days	**26,071**	42,171
181 to 360 days	**27,511**	1,762
1 to 2 years	**122**	1,239
Over 2 years	**3,469**	7,228
	186,231	185,396
Bills receivable	**57,248**	45,118
	243,479	230,514

13. TRADE AND BILLS PAYABLES

	30 June 2013 (Unaudited) *RMB'000*	31 December 2012 (Audited) *RMB'000*
Trade payables	**139,110**	118,022
Bills payables	**5,556**	1,418
	144,666	119,440

(a) An aged analysis of the trade as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2013 (Unaudited) *RMB'000*	31 December 2012 (Audited) *RMB'000*
Within 90 days	**115,651**	84,386
91 to 180 days	**21,554**	31,693
181 to 360 days	**1,016**	1,077
1 to 2 years	**10**	194
Over 2 years	**879**	672
	139,110	118,022

(b) An aged analysis of the bills payables as at the end of the reporting period based on bills issued date is as follows:

	30 June 2013 (Unaudited) *RMB'000*	31 December 2012 (Audited) *RMB'000*
Within 90 days	**4,132**	629
91 to 180 days	**1,124**	668
181 to 360 days	**–**	121
	5,556	1,418

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In this year, we witnessed the rapid development of the mobile internet industry, the emergence of smart wearable devices, smart TV, smart home, smart phone and other smart concepts, as well as a strong growth of 60% in the output of smart phones in the PRC. Capitalizing on this valuable opportunity and thanks to the concerted efforts of our staff, MLCC business recorded a double-digit growth in revenue with continuous improvement in gross profit margin.

Despite the adoption of various measures by the Company, the newly acquired battery business still recorded a loss due to the unexpected adverse effects suffered by its business operations and development resulting from certain external factors, such as the new rules and requirements regulating enterprises engaged in the production of lead-acid batteries issued by the PRC government authorities.

Given the fact that the business is no longer capable of offering the Group relevant opportunities, on 15 November 2013, the Group entered into a share disposal agreement with the original vendors, under which the original vendors agreed to repurchase the entire equity interest in the company operating the battery business. For details, please refer to the notice of extraordinary general meeting of the Group dated 9 December 2013.

For the Group's mobile phone trading business, in view of the shrinking sales volume, decrease in gross profit, limited management resources and other factors emerged in 2012, the Board decided to close down the business during the year, and carried out the voluntary winding-up process on 28 June 2013 in respect of Hong Kong Weichang NER Co., Limited (hereinafter referred to as HK Weichang), a wholly-owned subsidiary of the Group engaged in mobile phone trading business, and provisional liquidators were appointed on the same day.

FINANCIAL REVIEW

As the voluntary winding-up process in respect of the subsidiary engaged in mobile phone trading business was carried out on 28 June 2013, the following analysis will only focus on the Group's MLCC business and battery business unless otherwise stated.

Revenue from Principal Business

During the first six months of 2013, the revenue from the Group's MLCC business was RMB242.7 million, representing a 51.3% increase from the same period in 2012. This was mainly attributable to the increased market share as the Group shifted its focus of sales to the market in the mobile internet terminal industry in response to the rapid development of smart phones, tablet computers and other mobile internet terminal products.

The revenue from the Group's battery business during the first six months of 2013 was RMB21.6 million.

Gross Profit Margin

The gross profit margin of the Group's MLCC business for the first six months of 2013 was 14.9%, representing a 2.8% increase from that of 12.1% for the same period in 2012.

The gross profit margin of the Group's battery business was 0.9% for the first six months of 2013.

Other Income and Gain

Other income and gain of the Group for the first six months of 2013 were RMB7.7 million, representing an increase of RMB1.3 million from the same period in 2012. This was mainly due to greater foreign exchange fluctuations in 2013, resulting in an exchange gain generated from payables and short-term loans denominated in foreign currency, and a decrease in interest income.

Selling and Distribution Costs

The operating costs of the Group for the first six months of 2013 were RMB15.6 million, of which the selling costs of the battery business were RMB1.1 million; the operating costs of MLCC business were RMB14.5 million, representing an increase of RMB6.8 million from the same period in 2012. The increase was mainly resulted from the increased input made by the Group to expand its market share in the mobile internet terminal industry market which was in line with the shift of MLCC sales to such market.

Management Costs

The management costs of the Group for the first six months of 2013 were RMB18.1 million, representing an increase of 35.9% from the same period in 2012. This was mainly due to the increase in management costs of the newly acquired battery business.

Research and Development Costs

The research and development costs of the Group for the first six months of 2013 were RMB3.6 million, representing a decrease of RMB0.4 million from the same period in 2012. This was mainly due to the normal fluctuations in the progress of research and development projects.

Other Expenses

Other expenses of the Group for the first six months of 2013 were RMB6.6 million, representing an increase of RMB1.9 million over the same period in 2012. This was mainly due to an additional provision made for the impairment of MLCC fixed assets.

Finance Costs

The finance costs of the Group for the first six months of 2013 were RMB1.9 million, representing a decrease of RMB2.0 million from the same period in 2012. This was mainly attributable to the greater focus on implementation of appropriate financing strategies and effective control of finance costs.

Income Tax Expenses

Income tax expenses of the Group for the first six months of 2013 amounted to approximately RMB1.3 million, representing an increase of RMB0.9 million over the same period in 2012. This was mainly due to the increase in earnings of some of the Group's subsidiaries.

Gearing Ratio

The Group monitors its capital through gearing ratio, which is net debt divided by capital plus net debt. Net debt is calculated as the sum of bank loans, trade and bills payables and other payables (excluding accruals and deferred income within one year) less cash and cash equivalent. Capital represents the equity attributable to the owners of the parent. As at 31 December 2012 and 30 June 2013, the gearing ratio of the Group was approximately 40% and 34% respectively.

Property, Plant and Equipment

The net carrying amount as at 30 June 2013 was RMB263.7 million, representing a decrease of RMB13.7 million from that of 31 December 2012. This was mainly due to: (i) current depreciation and impairment of approximately RMB18.1 million with respect to the Group's property, plant and equipment; and (ii) the Group's newly acquired equipment valued at RMB5.0 million.

Investment Properties

The Group's investment properties as at 30 June 2013 amounted to RMB26.3 million, representing a decrease of RMB0.3 million from that of 31 December 2012. This was mainly due to normal depreciation and amortization.

Other Intangible Assets

Other intangible assets of the Group as at 30 June 2013 amounted to RMB0.9 million, representing a decrease of RMB0.08 million when compared to that of 31 December 2012. This was mainly due to the amortization of intangible assets associated with the Group's SAP management software.

Trade and Bills Receivables

As at 30 June 2013, the net book values of trade and bills receivables were RMB237.8 million, representing an increase of RMB16.0 million from that of 31 December 2012. This was mainly due to the increase in trade receivables as a result of the MLCC revenue growth.

Prepayments, Deposits and Other Receivables

As at 30 June 2013, prepayments, deposits and other receivables of the Group amounted to RMB20.2 million, representing a decrease of RMB11.9 million from that of 31 December 2012, primarily due to a decrease in input tax subject to deduction for the current period.

Cash and Cash Equivalents and Pledged Bank Deposits

As at 30 June 2013, cash and cash equivalents and pledged bank deposits of the Group were RMB126.2 million, representing an increase of RMB37.5 million compared to that of 31 December 2012. This was mainly due to the increased deposits as a result of the increase in issued bank acceptance bills and letter of credits.

Trade and Bills Payables

As at 30 June 2013, the balance of the Group's trade payables was increased by approximately RMB21.1 million from that of 31 December 2012, while the balance of bills payables increased by RMB4.1 million. It was mainly due to: (i) the fact that the credit term granted by the Group's suppliers to the Group was extended; and (ii) the Group increased its monthly purchase.

Deferred Income, Accruals and Other Payables

As at 30 June 2013, deferred income, accruals and other payables of the Group amounted to RMB38.4 million, representing a decrease of RMB7.4 million from that of 31 December 2012. This was mainly due to the year-end bonus provided for 2012 was paid during the first half of 2013 and the settlement of equipment related payables.

Interest-Bearing Bank Loans

As at 30 June 2013, the Group had outstanding interest-bearing bank loans of RMB131.8 million, representing a decrease of RMB13 million as compared to that as at 31 December 2012, which was mainly due to the repayment of matured short-term bank loans.

Contingent Liabilities

As at 30 June 2013, the Group had no material contingent liabilities.

Commitments

As at 30 June 2013, the capital commitments of the Group were RMB1 million, representing an increase of RMB0.9 million over that of 31 December 2012, which was mainly due to the fact that the MLCC equipment purchasing contracts newly entered into by the Group during the first half of 2013 were yet to be executed.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Net Current Assets

As at 30 June 2013, the Group had net current assets of approximately RMB136.9 million, including current assets of RMB480.2 million and current liabilities of RMB343.3 million.

Banking Facilities

As at 30 June 2013, the Group had aggregate banking facilities of approximately RMB500.0 million, of which approximately RMB370.0 million had not been utilized.

Foreign Currency Risk

The Group's sales during the first six months of 2013 were mainly denominated in RMB, US dollars and Hong Kong dollars, while its purchases were mainly denominated in RMB, US dollars, Hong Kong dollars and Japanese Yen. The trade receivables denominated in US dollars and Hong Kong dollars were greater than the trade payables denominated in US dollars and Hong Kong dollars. Meanwhile, the Group is exposed to risks in respect of trade payables denominated in Japanese Yen, but is basically not exposed to risks in respect of trade receivables denominated in Japanese Yen. In the event of vigorous fluctuation of the exchange rate, foreign currency risk will exist to a certain extent.

STAFF

As at 30 June 2013, the Group had a total of 1,149 staff, whose remunerations and benefits are determined based on the market, state policies and individual performance.

DIVIDENDS

The board of directors resolved not to declare any interim dividend for the six months ended 30 June 2013 (the six months ended 30 June 2012: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed shares of the Company during the six months ended 30 June 2013.

CORPORATE GOVERNANCE

During the six months period ended 30 June 2013, the Company had complied with the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited except code provision A.2.1 and A.1.8. The Company does not have a separate Chairman and Chief Executive Officer and Mr. Chen Weirong currently holds both positions. The board of directors (the "Board") believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Group with strong and consistent leadership, allows for more effective planning and execution of long-term business strategies and enhances the efficiency of decision-making process in response to the changing environment. The Board opines that the three independent non-executive directors can provide the Board with sufficient independent and differing views to ensure a balance of power. The Board is in the process of identifying suitable candidates to submit proposal for insurance cover regarding legal action against its directors and officers.

MODEL CODE FOR DEALING SECURITIES BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors of the Company (the "Company Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. Following specific enquiry of all directors of the Company, all directors have confirmed that they had complied with the required standard set out in the Model Code and the Company Code of conduct regarding directors' securities transactions throughout the six months ended 30 June 2013.

AUDIT COMMITTEE AND INTERIM REVIEW

The Audit Committee, comprising five independent non-executive Directors, namely — Mr. Chu Kin Wang, Peleus (Chairman of the Audit Committee), Mr. Pan Wei, Mr. Liu Huanbin, Mr. Liang Rong and Mr. Mak Ka Wing, Patrick, is established to review the financial information of the Company and oversee the Company's financial reporting system and internal control procedures. The Audit Committee has reviewed the Group's unaudited condensed consolidated interim results for the six months ended 30 June 2013.

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

Hong Kong, 16 July 2014

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