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 2014

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 2014, together with the comparative figures for the corresponding period of 2013.

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

BUSINESS REVIEW

As the battery business was carved out from the Group in December 2013 upon the approval in a general meeting, unless otherwise specifically stated, the business of the Group discussed in this report will not cover the battery business.

During the first half of 2014, the Internet and smart concept continued to lead the trend of electronic development. After the rapid growth in the output of 3G smart phones in the PRC over the past two years, however, the momentum was weakened for the first time and the growth faltered. As the upstream sector of these electronic products, the MLCC sector experienced a more intensified competition with vigorous fluctuation in product prices. Meanwhile, in order to capitalise on the development trend of the market, the management of the Company took the initiative to enhance the core competitiveness of our products by increasing input for research and development costs and strengthening the technical innovation capabilities of our MLCC products. Therefore, the Group's Revenue for the first half of the year decreased by 11.2% as compared with that of last year. The significant increase in research and development costs over the same period of last year resulted in a loss of RMB7.1 million in the profit after tax attributable to shareholders, representing a decrease by RMB9.7 million as compared with the corresponding period of last year.

FUTURE PROSPECTS

The upgrade and reconstruction of the Group's second base plant in Anhui province is basically completed and the "two-pronged" manufacturing setup along the coastal areas and in the inland primarily takes shape. This will, to a certain extent, mitigate the impact of labour shortage on the Group and lower labour costs. The impact brought by the price competition of MLCC products will also be alleviated.

Driven by the upsurge of the research and development of new technologies and new products across the globe, as well as the continued organisation and implementation of the national science and technology major projects in respect of "core electronic devices, high-end generic chips and basic software products" by the state, the greater input in the capital for technical reconstruction projects and the favourable policies towards focused support to major projects in key aspects including high performance integrated circuits, new display, the third generation mobile communications equipment, mobile intelligent terminals and high-end servers, the electronic information manufacturing industry will embrace the time of rapid enhancement in technology and industrialization capability. It is expected that the growth in the second half of the year will be slightly faster than that of the first half of the year. In particular, the rise of 4G mobile will bring about a new round of solid growth in the demand for super-miniature MLCC products in the second half of the year.

FINANCIAL REVIEW

Revenue

During the first six months of 2014, the revenue from the Group's business was RMB215.4 million, representing an 11.2% decrease from the same period of 2013. This was mainly attributable to the intensified competition following the rapid increase in capacity arising from the expansion of market demands for MLCC products, resulting in a significant drop in product prices. At the same time, the expansion of the shares in miniature and super-miniature MLCC products had lowered the average selling prices of such products to a certain extent.

Gross Profit Margin

The gross profit margin of the Group's MLCC business for the first six months of 2014 was 17.3%, representing an increase of 2.4% from 14.9% for the same period of 2013.

Other Revenue and Other Net Income

Other revenue and other net income of the Group for the first six months of 2014 were RMB6.2 million, representing a decrease of RMB0.9 million from the same period of 2013. This was mainly due to the steady and light downward movement of RMB exchange rate in the first half of 2014, resulting in a decrease in exchange gain compared with the corresponding period of last year.

Selling and Distribution Costs

The selling and distribution costs of the Group for the first six months of 2014 were RMB11.2 million, representing a decrease of RMB3.3 million from the same period of 2013. This was mainly resulted from the effective control of selling costs due to lower sales in the first half of the year.

Administrative Expenses

The administrative expenses of the Group for the first six months of 2014 were RMB15.7 million, representing an increase of 21.5% or RMB2.8 million as compared with the same period of 2013. This was mainly attributable to: (i) the increase in non-recurring expenses; and (ii) the increment in staff wages, benefits and social insurance premium.

Research and Development Costs

The research and development costs of the Group for the first six months of 2014 were RMB14.6 million, representing an increase by RMB11.1 million over the same period in 2013. It was mainly attributable to the initiative to enhance the core competitiveness of MLCC by increasing input for research and development of MLCC high-end products and new super-miniature products for mobile internet since the second half of 2013. Such research and development projects have been extended to 2014.

Other Expenses

Other expenses of the Group for the first six months of 2014 were RMB7.0 million, representing an increase by RMB0.6 million over the same period of 2013. This was mainly attributable to the fact that a significant amount of impairment write-back was made in the corresponding period of last year, while that for the first six months during the year was lower.

Finance Costs

The finance costs of the Group for the first six months of 2014 were RMB2.4 million, representing an increase by RMB0.5 million over the same period of 2013. This was mainly due to the increase in the bank loans due in the first half of the year, which were newly established in last year, as compared with that of the same period in last year, resulting in an increment in the corresponding interest expenses.

Income Tax

Income tax of the Group for the first six months of 2014 amounted to approximately RMB-0.5 million. It was mainly due to the absence of income tax provision based on the fact that a loss was recorded in the results for the first half of the year. At the same time, the increase in the provision of assets resulted in a corresponding increase in deferred income tax assets.

Gearing Ratio

The Group monitors its capital through gearing ratio, which is net debt divided by capital plus net debt. Net debt is calculated at the sum of bank loans, trade and bills payables and other payables and accruals (excluding deferred income, deposits from customers and provision of warranty) less cash and cash equivalent. Capital represents equity attributable to the owner of the Company. As at 30 June 2014 and 31 December 2013, the gearing ratio of the Group was approximately 24% and 28% respectively.

Property, Plant and Equipment

The net carrying amount of the Group's property, plant and equipment as at 30 June 2014 was RMB259.5 million, representing a decrease of RMB1.7 million from that of 31 December 2013. This was mainly due to: (i) depreciation and impairment of approximately RMB14.7 million with respect of the Group's property, plant and equipment in the current period; and (ii) the Group's newly acquired equipment valued at RMB15.6 million and the transfer of RMB2.5 million to investment properties.

Investment Properties

The Group's investment properties as at 30 June 2014 amounted to RMB20.5 million, representing an increase by RMB2.2 million from that of 31 December 2013. This was mainly due to the slight increase in properties for lease.

Other Intangible Assets

The other intangible assets of the Group as at 30 June 2014 amounted to RMB1.1 million, representing a decrease of RMB0.12 million from that of 31 December 2013. This was mainly attributable to the amortization of intangible assets associated with the Group's SAP management software.

Trade and Bills Receivables

As at 30 June 2014, the net book values of the Group's trade and bills receivables were RMB185.8 million, representing a decrease of RMB41.3 million from that of 31 December 2013. This was mainly due to the decrease in trade receivables as a result of the decline in MLCC revenue.

Prepayments, Deposits and Other Receivables

As at 30 June 2014, prepayments, deposits and other receivables of the Group amounted to RMB18.2 million, representing an increase by RMB5.4 million over that of 31 December 2013, primarily due to: (i) an increase in prepayments of equipment related payables; and (ii) an increase in input tax subject to deduction for the current period.

Cash and Bank Balances and Pledged Bank Deposits

As at 30 June 2014, cash and bank balances and pledged bank deposits of the Group were RMB68.8 million, representing a decrease of RMB113.5 million from that of 31 December 2013. This was mainly attributable to the significant reduction in deposits as a result of the application of the corresponding deposits on the payment of certain bank loans upon their maturity.

Trade and Bills Payables

As at 30 June 2014, the balance of the Group's trade and bills payables amounted to RMB99.4 million, representing a decrease by approximately RMB8.9 million from that of 31 December 2013.

Deferred Income, Accruals and Other Payables

As at 30 June 2014, deferred income, accruals and other payables of the Group amounted to RMB34.6 million, representing a decrease of RMB1.6 million from that of 31 December 2013. This was mainly due to the year-end bonus provided for 2013 being paid during the first half of 2014.

Bank Loans

As at 30 June 2014, the Group had outstanding bank loans of RMB77.0 million, representing a decrease of RMB93.3 million as compared to that of 31 December 2013, which was mainly due to the repayment of matured bank loans.

Contingent Liabilities

As at 30 June 2014, the Group had no material contingent liabilities.

Commitments

As at 30 June 2014, the capital commitments of the Group were RMB0.1 million, representing a decrease by RMB2.9 million from that of 31 December 2013, which was mainly due to the fact that the MLCC production equipment purchasing contracts entered into by the Group in 2013 has basically been executed in 2014.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Net Current Assets

As at 30 June 2014, the Group had net current assets of approximately RMB159.0 million, including current assets of RMB388.1 million and current liabilities of RMB229.1 million.

Banking Facilities

As at 30 June 2014, the Group had aggregate banking facilities of approximately RMB350.0 million, of which approximately RMB272.0 million had not been utilized.

FOREIGN CURRENCY RISK

During the first six months of 2014, the Group's sales 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 less 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 not exposed to risks in respect of trade receivables denominated in Japanese Yen. In the event of vigorous fluctuation of the exchange rate, foreign currencies risk will exist to a certain extent.

STAFF

As at 30 June 2014, the Group had a total of 1,315 staff, whose remunerations and benefits are determined based on the market, state policies and individual performance.

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

For the six months ended 30 June 2014

		Six months ended 30 June	
		2014	2013
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
			(Restated)
Continuing operation			
Revenue	*4*	**215,445**	242,676
Cost of sales		**(178,230)**	(206,510)
Gross profit		**37,215**	36,166
Other revenue and other net income	*4*	**6,217**	7,113
Selling and distribution costs		**(11,223)**	(14,479)
Administrative expenses		**(15,721)**	(12,934)
Other expenses		**(7,030)**	(6,460)
Research and development costs		**(14,615)**	(3,555)
Profit/(loss) from operations		**(5,157)**	5,851
Finance costs	*5*	**(2,392)**	(1,869)
Profit/(loss) before taxation		**(7,549)**	3,982
Income tax	*6*	**483**	(1,340)
Profit/(loss) for the period from continuing operation		**(7,066)**	2,642
Discontinued operation			
Loss for the period from discontinued operation	*8*	**–**	(5,731)
Loss for the period		**(7,066)**	(3,089)
Other comprehensive income/(loss) for the period, net of nil tax			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(600)**	1,580
Total comprehensive loss for the period		**(7,666)**	(1,509)

	Notes	Six months ended 30 June **2014** **(Unaudited)** ***RMB'000***	 2013 (Unaudited) *RMB'000* (Restated)
Profit/(loss) for the period attributable to owners of the Company arising from:			
Continuing operation		**(7,066)**	2,642
Discontinued operation		**–**	(5,731)
		(7,066)	(3,089)
Total comprehensive income/(loss) attributable to owners of the Company arising from:			
Continuing operation		**(7,666)**	4,222
Discontinued operation		**–**	(5,731)
		(7,666)	(1,509)
Earnings/(loss) per share	*9*		
From continuing and discontinued operations			
Basic and diluted		**RMB(1.74) cents**	RMB(0.76) cents
From continuing operation			
Basic and diluted		**RMB((1.74) cents**	RMB0.65 cents
From discontinued operation			
Basic and diluted		**–**	RMB(1.41) cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2014

	Notes	**30 June 2014 (Unaudited) *RMB'000***	31 December 2013 (Audited) *RMB'000*
Non-current assets			
Property, plant and equipment	*10*	**259,482**	261,167
Investment properties	*11*	**20,470**	18,296
Prepaid land lease payments	*12*	**19,609**	19,853
Other intangible assets		**1,052**	1,170
Deferred tax assets		**4,707**	3,771
Total non-current assets		**305,320**	304,257
Current assets			
Inventories		**98,053**	76,907
Trade and bills receivables	*13*	**185,800**	227,129
Prepayments, deposits and other receivables		**18,202**	12,823
Due from related parties		**6,000**	5,474
Pledged deposits		**29,318**	128,411
Cash and bank balances		**39,525**	53,941
Held for trading financial assets		**10,000**	–
Other current assets		**1,172**	–
Total current assets		**388,070**	504,685
Current liabilities			
Trade and bills payables	*14*	**99,407**	108,336
Deferred income, accruals and other payables		**34,635**	36,211
Tax payable		**17,811**	22,732
Bank loans		**76,986**	170,275
Dividends payable		**255**	254
Due to related parties		**–**	2,400
Total current liabilities		**229,094**	340,208
Net current assets		**158,976**	164,477
Total assets less current liabilities		**464,296**	468,734

	30 June 2014 (Unaudited) *RMB'000*	31 December 2013 (Audited) *RMB'000*
Non-current liabilities		
Deferred income	**24,255**	20,732
Deferred tax liabilities	**5,736**	6,031
Total non-current liabilities	**29,991**	26,763
NET ASSETS	**434,305**	441,971
CAPITAL AND RESERVES		
Share capital	**3,824**	3,824
Reserves	**430,481**	438,147
TOTAl EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	**434,305**	441,971

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2014

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. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim condensed consolidated financial statements for the six months ended 30 June 2014 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 2013.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013, except for the adoption of the new and revised standards and interpretations as of 1 January 2014, noted below:

IFRS 10, IFRS 12 and IAS 27 (Revised) Amendments	Amendments to IFRS 10, IFRS 12 and IAS 27 (Revised) — *Investment Entities*
IAS 32 Amendments	Amendments to IAS 32 *Financial Instruments: Presentation — Offsetting Financial Assets And Financial Liabilities*
IAS 39 Amendments	Amendments to IAS 39 *Financial Instruments: Recognition and Measurement — Amended by Novation of Derivatives and Continuation of Hedge Accounting*
IFRIC 21	Levies

The adoption of these new amendments and revised standards and interpretations has had no significant financial effect on these financial statements and there have been no significant changes to the accounting policies applied in these financial statements.

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.

Following the disposal of the Group's entire battery business on 27 December 2013 (please refer to note 8 to the financial statements for further details) , the multi-layer ceramic capacitor ("MLCC") segment became the only major continuing reportable operating segment of the Group engaging in manufacture and sale of MLCC and trading of MLCC. Accordingly, no further business segment information is provided.

The following tables present geographic, information for the Group's revenue:

Revenue from external customers

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(Restated)
Mainland China	**171,057**	188,651
Regions other than Mainland China	**44,388**	54,025
	215,445	242,676

4. REVENUE, OTHER REVENUE AND OTHER NET INCOME

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 revenue and other net income is as follows:

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(Restated)
Revenue		
Sale of MLCC	**215,445**	242,676
	215,445	242,676
Other revenue and other net income		
Bank interest income	**1,431**	508
Rental income	**3,235**	2,997
Government grants	**770**	127
Amortisation of deferred income	**528**	528
Sale of materials	**93**	337
Exchange income	**127**	2,493
Others	**33**	123
	6,217	7,113
	221,662	249,789

5. FINANCE COSTS

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(Restated)
Interest on bank loans	**2,392**	1,869

6. INCOME TAX

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
		(Restated)
Current — Mainland China		
Charge for the period	**766**	2,256
Deferred	**(1,249)**	(916)
Total tax charge for the period	**(483)**	1,340

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 2013: 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 2014 (six months ended 30 June 2013: Nil).

8. DISCONTINUED OPERATION

On 27 December 2013, the Group disposed of its entire equity interest in a wholly owned subsidiary, Shenzhen Eyang Energy Company Limited and its subsidiary (the "Energy Group"), engaging in the manufacture and sale of batteries, which was acquired on 12 November 2012. The Group has decided to cease its battery business in view of the continuing loss from battery business 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. The disposal was completed on 27 December 2013. As a result of the disposal of Energy Group, the Group's operation in manufacture and sale of batteries were discontinued.

The result of the discontinued operation for the period are presented below:

	Six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Revenue	**–**	21,640
Cost of sales	**–**	(21,444)
Gross profit	**–**	196
Other revenue and other net income	**–**	536
Selling and distribution costs	**–**	(1,129)
Administrative expenses	**–**	(5,227)
Other expenses	**–**	(107)
Loss before tax	**–**	(5,731)
Income tax	**–**	–
Loss for the period from the discontinuing operation	**–**	(5,731)

9. 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 2014 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 2013: 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 2014 and 2013 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.

10. PROPERTY, PLANT AND EQUIPMENT

		30 June	31 December
		2014	2013
		(Unaudited)	(Audited)
	Notes	***RMB'000***	*RMB'000*
Carrying amount at 1 January		**261,167**	277,415
Additions		**15,579**	12,587
Transfer from investment properties	*11*	**–**	7,738
Transfer to investment properties	*11*	**(2,423)**	(44)
Disposals		**(113)**	(1,691)
Disposal of subsidiaries		**–**	(362)
Depreciation		**(14,728)**	(32,150)
Impairment		**–**	(2,326)
Carrying amount at 30 June/31 December		**259,482**	261,167

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 RMB4,382,000 as at 30 June 2014 (RMB4,339,000 as at 31 December 2013) have not yet been issued by the relevant PRC authorities.

11. INVESTMENT PROPERTIES

	Notes	**30 June 2014 (Unaudited)** *RMB'000*	31 December 2013 (Audited) *RMB'000*
Carrying amount at 1 January		**18,296**	26,625
Transfer from property, plant and equipment	*10*	**2,423**	44
Transfer to owner-occupied property	*10*	**–**	(7,738)
Depreciation provided during the period/year		**(249)**	(635)
Carrying amount at 30 June/31 December		**20,470**	18,296

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

12. PREPAID LAND LEASE PAYMENTS

	30 June 2014 (Unaudited) *RMB'000*	31 December 2013 (Audited) *RMB'000*
Carrying amount at 1 January	**20,341**	20,829
Amortisation provided during the period/year	**(244)**	(488)
Carrying amount at 30 June/31 December	**20,097**	20,341
Current portion included in prepayments, deposits and other receivables	**(488)**	(488)
Non-current portion	**19,609**	19,853

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

13. TRADE AND BILLS RECEIVABLES

	30 June 2014 (Unaudited) *RMB'000*	31 December 2013 (Audited) *RMB'000*
Trade and bills receivables	**191,483**	233,039
Impairment	**(5,683)**	(5,910)
	185,800	227,129

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 2014 (Unaudited) *RMB'000*	31 December 2013 (Audited) *RMB'000*
Within 90 days	**119,223**	134,608
91 to 180 days	**5,158**	13,866
181 to 360 days	**1,825**	1,844
1 to 2 years	**1,184**	1,373
Over 2 years	**4,856**	3,825
	132,246	155,516
Bills receivable	**59,237**	77,523
	191,483	233,039

14. TRADE AND BILLS PAYABLES

	30 June 2014 (Unaudited) *RMB'000*	31 December 2013 (Audited) *RMB'000*
Trade payables	**90,628**	81,165
Bills payables	**8,779**	27,171
	99,407	108,336

(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 2014 (Unaudited) *RMB'000*	31 December 2013 (Audited) *RMB'000*
Within 90 days	**85,788**	80,587
91 to 180 days	**4,072**	230
181 to 360 days	**515**	148
1 to 2 years	**38**	46
Over 2 years	**215**	154
	90,628	81,165

(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 2014 **(Unaudited)** ***RMB'000***	31 December 2013 (Audited) *RMB'000*
Within 90 days	**8,779**	18,306
91 to 180 days	**–**	8,865
	8,779	27,171

DIVIDENDS

The board of directors resolved not to declare any interim dividend for the six months ended 30 June 2014 (the six months ended 30 June 2013: 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 2014.

CORPORATE GOVERNANCE

During the six months period ended 30 June 2014, 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. To ensure a balance of power inside the Board, the Company appointed two more independent non-executive directors during the year 2013 to strengthen the check and balance function of the Board. The Board has identified a suitable candidate who will prepare a 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 2014.

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 2014.

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

Hong Kong, 29 August 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.