



## INTRODUCTION

On behalf of Man Yue International Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), I report on our financial results and operations for the year ended 31st December 2000.

## RESULTS

Turnover for year 2000 increased by 18.4% to HK\$338.7 million. However, the Group incurred a loss of HK\$21 million, representing loss per share of HK6.2 cent (1999: earnings per share HK0.7 cent). The loss was mainly attributable to the expenses arisen from the operation of the B2B subsidiary. In particular, total expenses in the sum of HK\$12.7 million had been spent on the development of the B2B portal.

The manufacturing and trading of electronic components continued to run at profit in year 2000.

Furthermore, the management had put efforts on market diversification to increase the product range for the electronic components business. In the second half of 2000, the Group has successfully contracted with a Japanese renowned capacitor manufacturer for the production of aluminium electrolytic capacitors with the Japanese brand. Not only the Group's turnover was increased, our reputation in the capacitor industry has also been enhanced.

## DIVIDEND

The board of Directors does not recommend the payment of any dividend in respect of the year. (1999: Nil).

## BUSINESS REVIEW

The manufacturing and trading of electronic components and trading of electrical product, sales of raw materials, sales of production machinery and portal services accounted for 89.84%, 9%, 1.14% and 0.02% of the Group's total turnover for the year respectively (1999: 80%, 16%, 4% and 0%).

In March 2000, the construction of the new plant adjacent to the old plant in Dongguan was completed and production commenced in May 2000, as scheduled. The production capacity of the Group is competitive with other similar size manufacturers in the Greater China region.

## Chairman's Statement

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In July 2000, the Taiwan sales office was opened to cultivate the Taiwan market. Notwithstanding the volatility of the stock market in Taiwan, turnover of the Taiwan office has been growing steadily and it is expected that sales from Taiwan will contribute a significant percentage to the Group's total turnover in 2001.

In August 2000, the launching of TradeUNIT.com, a strategic development of B2B internet market place, increased the publicity of the Group worldwide and acts as the gateway for the Group to develop the European market. The operation of the web-site has been scaled down followed by the global downturn of the internet industry.

### FUTURE DEVELOPMENT

The Group continues to focus on the manufacturing and trading of capacitors and resistors. The Group is also seeking opportunities to enter into partnership or distributorship agreements with other electronic components manufacturers in order to increase the market share in the electronics industry.



To increase the production capacity, the Group will increase capital investment in the wholly owned Dongguan plant, Samxon Electronics (Dongguan) Co. Ltd. It also plans to increase the production capacity of Wuxi Heli Electronic Co. Ltd., in which the Group currently holds 48.39% interest. This move will improve the Group's competitive edge in the Eastern China,

an important region for the manufacture of electronic and electrical appliances.

Market diversification is a continuing effort. In addition to the Taiwan market, the Group is looking for market opportunities in Europe and South Asia in 2001.

### APPRECIATION

On behalf of the Board, I would like to express my sincere thanks and gratitude to our staff, customers and suppliers, banks and shareholders for their continuing support to the Group.

By Order of the Board  
**Chan Ho Sing**  
*Chairman*

Hong Kong, 26th April 2001