MAN YUE TECHNOLOGY HOLDINGS LIMITED
萬裕科技集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock code: 00894)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2018	2017	
	HK$'000	HK$'000	Change
Revenue	**690,616**	538,466	+28.3%
Gross profit	**143,350**	114,770	+24.9%
EBITDA	**78,656**	74,012	+6.3%
Profit for the period	**25,443**	19,537	+30.2%
Earnings per share	**6.14 HK cents**	3.97 HK cents	+54.7%

INTERIM RESULTS

The board of directors (the "Board") of Man Yue Technology Holdings Limited (the "Company") is pleased to submit the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2018 (the "Period").

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Six months ended 30 June 2018 HK$'000	Six months ended 30 June 2017 HK$'000
Revenue	4 & 5	**690,616**	538,466
Cost of sales		**(547,266)**	(423,696)
Gross profit		**143,350**	114,770
Other income	6	**3,214**	3,772
Other net (losses)/gains	7	**(4,702)**	17,004
Selling and distribution costs		**(39,911)**	(28,080)
Administrative expenses		**(70,055)**	(61,869)
Provision for impairment loss of trade and other receivables		**(3,558)**	(1,915)
Operating profit	8	**28,338**	43,682
Changes in fair values of derivative financial instruments	9	**1,255**	(3,554)
Finance costs	10	**(14,465)**	(15,028)
Finance income	11	**2,471**	2,000
Share of results of joint ventures		**16,579**	153
Profit before tax		**34,178**	27,253
Income tax	12	**(8,735)**	(7,716)
Profit for the period		**25,443**	19,537
Profit/(loss) attributable to:			
Equity holders of the Company		**29,215**	18,859
Non-controlling interests		**(3,772)**	678
Profit for the period		**25,443**	19,537
Earnings per share attributable to equity holders of the Company:	13		
Basic		**6.14 HK cents**	3.97 HK cents
Diluted		**6.14 HK cents**	3.97 HK cents

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Profit for the period	**25,443**	19,537
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
Gain on revaluation of prepaid land premium	**6,920**	–
Items that may be reclassified subsequently to profit or loss:		
Currency translation differences	**(19,890)**	63,866
Other comprehensive income for the period, net of tax	**(12,970)**	63,866
Total comprehensive income for the period	**12,473**	83,403
Total comprehensive income attributable to:		
Equity holders of the Company	**17,245**	79,512
Non-controlling interests	**(4,772)**	3,891
Total comprehensive income for the period	**12,473**	83,403

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**At 30 June 2018 (Unaudited) HK$'000**	At 31 December 2017 (Audited) HK$'000
Non-current assets			
Property, plant and equipment		**578,527**	602,264
Prepaid land premium		**65,042**	68,718
Investment properties		**147,764**	136,522
Intangible assets		**1,986**	2,254
Investments in joint ventures		**131,147**	116,371
Prepayments on purchases of property, plant and equipment		**113,605**	66,428
Financial assets at fair value through profit or loss		**23,544**	23,374
Loans to a joint venture		**113,846**	108,903
Other prepayments		**965**	965
Deferred tax assets		**11,454**	16,463
Total non-current assets		**1,187,880**	1,142,262
Current assets			
Inventories		**606,429**	535,553
Trade receivables	15	**625,440**	640,594
Prepayments, deposits and other receivables	15	**103,410**	96,894
Due from joint ventures		**29,694**	22,609
Financial assets at fair value through profit or loss		**36**	36
Net defined benefit retirement assets		**946**	971
Tax recoverable		**15**	1,466
Cash and cash equivalents		**185,058**	312,702
Total current assets		**1,551,028**	1,610,825
Current liabilities			
Trade and bills payables	16	**235,391**	225,069
Other payables and accrued liabilities		**108,952**	105,320
Due to joint ventures		**20,730**	39,465
Derivative financial instruments		**1,738**	3,680
Tax payable		**6,914**	8,631
Bank loans		**692,808**	718,795
Dividends payable		**43**	43
Total current liabilities		**1,066,576**	1,101,003
Net current assets		**484,452**	509,822
Total assets less current liabilities		**1,672,332**	1,652,084

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	At 30 June 2018 (Unaudited) HK$'000	At 31 December 2017 (Audited) HK$'000
Total assets less current liabilities	**1,672,332**	1,652,084
Non-current liabilities		
Bank loans	**142,127**	128,284
Derivative financial instruments	**1,042**	2,476
Provision for long service payments	**77**	77
Deferred tax liabilities	**36,765**	34,677
Deferred income	**10,781**	11,031
Total non-current liabilities	**190,792**	176,545
Net assets	**1,481,540**	1,475,539
Capital and reserves		
Share capital	**47,555**	47,555
Reserves	**1,386,197**	1,368,952
Equity attributable to equity holders of the Company	**1,433,752**	1,416,507
Non-controlling interests	**47,788**	59,032
Total equity	**1,481,540**	1,475,539

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The interim financial results set out in this announcement do not constitute the Group's interim financial statements for the six months ended 30 June 2018 but are extracted from those interim financial statements.

These interim financial statements for the six months ended 30 June 2018 have been prepared in accordance with applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

These interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2017 annual financial statements, except for the accounting policy changes those are expected to be reflected in the 2018 annual financial statements. Details of any changes in accounting policies are set out in note 2.

These interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2017 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

2 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group. The Group has early adopted HKFRS 9 *Financial Instruments* in the 2017 annual financial statements. The following developments are relevant to the Group's financial statements:

- HKFRS 15 *Revenue from Contracts with Customers*
- HK (IFRIC) 22 *Foreign Currency Transactions and Advance Consideration*

The adoption of HKFRS 15 had no material impact on the Group's financial position and performance during the relevant periods. None of these developments has had a material effect on the Group's results and financial position for the current or prior periods have been prepared or presented in these interim financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

HKFRS 15 *Revenue from contracts with customers*

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18 *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11 *Construction contracts*, which specified the accounting for construction contracts.

Further details of the nature and effect of the changes on previous accounting policies are set out below:

(i) Timing of revenue recognition

Previously, revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. HKFRS 15 identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

A. When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

B. When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

C. When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

The adoption of HKFRS 15 does not have a significant impact on when the Group recognises revenue from sales of electronic components and raw materials.

(ii) Significant financing component

HKFRS 15 requires an entity to adjust the transaction price for the time value of money when a contract contains a significant financing component, regardless of whether the payments from customers are received significantly in advance of revenue recognition or significantly deferred.

There has been no impact on the Group as a result of this change in policy.

3 ESTIMATE

The preparation of interim financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements of the Group for the year ended 31 December 2017.

4 SEGMENT INFORMATION

As substantial business operations of the Group relate to the manufacturing, selling and distribution of electronic components, the Group's executive team, which is considered as the Chief Operating Decision Maker (the "CODM", comprising all Executive Directors and being 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:

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Revenue	**690,616**	538,466
Gross profit	**143,350**	114,770
Gross profit margin (%)	**20.8%**	21.3%
EBITDA [1]	**78,656**	74,012
EBITDA margin (%)	**11.4%**	13.7%
Operating expenses [2]	**113,524**	91,864
Operating expenses/revenue (%)	**16.4%**	17.1%
Profit for the period	**25,443**	19,537
Net profit margin (%)	**3.7%**	3.6%

Notes:

1 EBITDA represents the earnings before interest expenses, tax, depreciation and amortisation.

2 Operating expenses represent the expenditure that the Group incurs as a result of performing its normal business operations, including selling and distribution costs, administrative expenses and provision for impairment loss of trade and other receivables.

The following tables present the revenue from external customers and specified non-current assets of the Group by geographical locations:

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Revenue from external customers by geographical locations		
Hong Kong	**33,320**	42,323
Mainland China	**480,271**	283,252
Taiwan	**110,884**	130,808
Southeast Asia	**9,370**	10,105
Korea	**2,074**	2,569
United States	**15,666**	17,149
Europe	**27,232**	27,285
Other countries	**11,799**	24,975
	690,616	538,466

	At 30 June 2018 HK$'000	At 31 December 2017 HK$'000
Non-current assets by physical locations (excluding deferred tax assets and financial assets at fair value through profit or loss)		
Hong Kong	**75,177**	75,872
Mainland China	**1,077,409**	1,026,230
Other countries	**296**	323
	1,152,882	1,102,425

5 REVENUE

Revenue represents the net value of goods sold, after allowances for trade returns and discounts.

An analysis of revenue is as follows:

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Manufacturing and trading of electronic components	**690,179**	538,466
Trading of raw materials	**437**	–
	690,616	538,466

6 OTHER INCOME

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Scrap sales	**374**	131
Subsidies from the Central People's Government	**332**	859
Rental income generated from investment properties	**1,166**	2,331
Others	**1,342**	451
	3,214	3,772

7 OTHER NET (LOSSES)/GAINS

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Dividend income	**901**	1,134
Fair value gain on investment properties	**344**	15,669
Net foreign exchange loss	**(6,197)**	(3,505)
Fair value gains on financial assets at fair value through profit or loss	**250**	3,706
	(4,702)	17,004

8 OPERATING PROFIT

The Group's operating profit is arrived at after charging/(crediting) the following:

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Depreciation of property, plant and equipment	**29,010**	30,879
Amortisation of prepaid land premium	**782**	752
Amortisation of intangible assets	**221**	100
Write-down of inventories	**783**	1,837
Reversal of write-down of inventories	**(1,997)**	(115)

9 CHANGES IN FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Fair value gains/(losses) on interest rate swaps	**1,255**	(3,554)

As at 30 June 2018, the Group held certain interest rate swap contracts entered into 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.

10 FINANCE COSTS

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Interest expense on bank loans	**(13,848)**	(13,525)
Others	**(617)**	(1,503)
	(14,465)	(15,028)

11 FINANCE INCOME

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Interest income from loan to a joint venture	**2,141**	1,728
Interest income from time deposits and bank balances	**330**	272
	2,471	2,000

12 INCOME TAX

	Six months ended 30 June	
	2018	2017
	HK$'000	HK$'000
Current tax:		
Hong Kong	**5**	784
Outside Hong Kong	**3,709**	6,761
	3,714	7,545
Deferred tax	**5,021**	171
Total tax charge for the period	**8,735**	7,716

Hong Kong Profits Tax has been provided at the rate of 16.5% (30 June 2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

In accordance with the relevant tax rules and regulations in Mainland China, one of the Group's subsidiaries in Mainland China enjoys a preferential tax rate of 15% (30 June 2017: 15%). Other subsidiaries of the Group in Mainland China are subject to income taxes at a statutory rate of 25% (30 June 2017: 25%).

13 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit for the Period attributable to equity holders of the Company of HK$29,215,000 (30 June 2017: HK$18,859,000) and the weighted average number of 475,548,000 (30 June 2017: 475,548,000) ordinary shares in issue during the Period.

The diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The diluted earnings per share is the same as the basic earnings per share as the Company's share options outstanding during the Period and the period ended 30 June 2017 were anti-dilutive ordinary shares.

14 DIVIDENDS

The Board has resolved not to declare interim dividend for the Period (30 June 2017: Nil).

15 TRADE AND OTHER RECEIVABLES

	At 30 June 2018 HK$'000	At 31 December 2017 HK$'000
Trade receivables	**660,026**	672,024
Provision for impairment loss of trade receivables	**(34,586)**	(31,430)
	625,440	640,594
Prepayments, deposits and other receivables	**103,410**	96,894
	728,850	737,488

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.

The Group categories its trade receivables based on the ageing. Future cash flow for each group of trade receivables are estimated on the basis of historical loss experience, adjusted to effects of current conditions of each customer as well as forward looking information. For trade receivables relating to accounts which are long overdue with significant amounts or known insolvencies, they are assessed individually for impairment provision.

An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date and net of provision for impairment loss of trade receivables, is as follows:

	At 30 June 2018 HK$'000	At 31 December 2017 HK$'000
1–3 months	**493,430**	436,871
4–6 months	**106,861**	184,356
7–12 months	**11,528**	8,587
Over 1 year	**13,621**	10,780
	625,440	640,594

16 TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables at the end of the reporting period, based on the invoice date, is as follows:

	At 30 June 2018 HK$'000	At 31 December 2017 HK$'000
Trade payables:		
1-3 months	**171,198**	172,177
4-6 months	**22,782**	31,645
7-12 months	**3,069**	3,795
Over 1 year	**8,246**	2,528
	205,295	210,145
Bills payables	**30,096**	14,924
	235,391	225,069

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The recovery of the global economy has been continued and led the electronics market to stay boom in the first half of 2018. Because of this, the Group's revenue for the six months ended 30 June 2018 has recorded a strong growth of 28.3% to HK$690,616,000 as compared with the corresponding period last year.

Resulting from the increase in revenue, gross profit for the Period amounted to HK$143,350,000, representing an increase of 24.9% as compared with the first half of 2017. However, the overall gross profit margin fell slightly from 21.3% to 20.8% for the first half of 2018 which was mainly caused by the appreciation of Renminbi bringing a negative impact to the cost of sales.

Benefiting from the increase in revenue as well as gross profit, profit for the Period has simultaneously achieved a continuous growth of 30.2% to HK$25,443,000 as compared with the same period last year.

BUSINESS REVIEW

Market overview

In the 21st century, the technology of artificial intelligence, internet of things, cloud computing, blockchain, 5G mobile network, as well as the concept of energy saving have been revolutionising the world and the way of people's daily life. More and more electronic products, which are associated with every single part of the livings of human beings, are upgraded and intellectualised. This creates an expanding market size and surging demand for capacitors, which are essential components for all electronic products. Being one of the major global suppliers in the electronic components' segment, the Group's major products such as Aluminum Electrolytic Capacitors ("E-Caps"), Conductive Polymer Aluminum Solid Capacitors ("Polymer Caps"), Multi-layer Polymer Capacitors ("MLPC") and Electric Double Layer Capacitors ("EDLC") are widely used in this spectrum of applications. As a result, the Group is able to stay tune with the market trend and outperform the market with its state-of-the-art technology together with its diversified product mix.

The global economy continued its recovery and revitalised the electronics market and its supply chain in the first half of 2018. During the Period, the Group's primary focus on fast-growing emerging markets as well as customers with market leadership continued to lead the Group towards the right direction by capturing a robust growth in sales revenue. With this, the Group was able to achieve another set of satisfactory financial results with enhanced production efficiency, better customer portfolio and higher profitability.

Operation review

The Group's core business is the manufacture and sale of high technological electronic components, namely E-Caps, Polymer Caps, MLPC, EDLC and EDLC modules. Benefiting from the revitalisation of the electronics market as a result of robust global economic growth, the Group has successfully achieved an increase in sales revenue of 28.3% for the six months ended 30 June 2018.

One of the Group's high-technological products, MLPC, is now widely used in central processing unit related products and, has already penetrated into the specialty server market in which efficient power use is required to support massive and around the-clock data computing. In order to cater for the surging market demand of MLPC products in the forthcoming years, the Group has already embarked on the construction of a new manufacturing facility in Qingyuan High-tech Industrial Development Zone in Guangdong for a production capacity expansion of the MLPC business. This new production facility will be expected to commence operation in the first half of 2019.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2018, the Group's cash and cash equivalents amounted to HK$185,058,000 (31 December 2017: HK$312,702,000), most of which were either denominated in United States dollars, Renminbi or Hong Kong dollars. Total outstanding bank borrowings of the Group amounted to HK$834,935,000 (31 December 2017: HK$847,079,000) 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$692,808,000 and HK$142,127,000 respectively (31 December 2017: HK$718,795,000 and HK$128,284,000 respectively).

Total interest-bearing borrowings of the Group as at 30 June 2018 comprising bank loans and trade finance facilities were HK$834,935,000 (31 December 2017: HK$847,079,000). Most of these borrowings were either denominated in United States dollars or Hong Kong dollars to which the interest rates applied were primarily subject to floating interest rate.

As at 30 June 2018, the net current assets of the Group were HK$484,452,000 (31 December 2017: HK$509,822,000), which comprised current assets of HK$1,551,028,000 (31 December 2017: HK$1,610,825,000) and current liabilities of HK$1,066,576,000 (31 December 2017: HK$1,101,003,000), representing a current ratio of 1.45 (31 December 2017: 1.46).

The Group's financial statements are presented in Hong Kong dollars. However, most of the Group's transactions were conducted in Hong Kong dollars, Renminbi, United States dollars and Japanese Yen. As such, the Group is aware of the potential foreign exchange currency risk that may arise from the fluctuation of exchange rates between Hong Kong dollars, Renminbi, United States dollars and Japanese Yen. The Group will closely monitor its overall foreign exchange exposure with a view to safeguarding the Group from exchange rate risks.

OUTLOOK AND PROSPECTS

In the upcoming second half of 2018 and beyond, the Group believes that the global trend of intellectualisation and energy saving will continue to dominate the development of electronic products and drive the market demand of capacitors. Although the trade war between Mainland China and the United States would cast shadow on the global economy, the Group's diversified product mix and clientele would help to mitigate this risk of uncertainty. Nevertheless, the Group will remain cautious and react swiftly to any changes to the macro environment.

In view of the robust demand of electronic components driven by the latest emerging market sectors, the Group has expedited its capacity expansion plan by the construction of a new production plant in Qingyuan in Guangdong. This new manufacturing plant will be expected to come into operation in the first half of 2019. Furthermore, the Group will exert extra efforts in improving the competitiveness of its pioneering and high quality products by means of enhancing the efficiency of production processes as well as tightening the control over production costs with an aim to boost its market share and profitability.

The Group will strive to maintain its prominent market position in the electronic component industry and remain as a key global supplier of capacitors. In order to do so, the Group will pursue a strong commitment in research and development of new innovative components and materials in order to enable the Group to stay at the forefront of technology and the industry.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2018, the Group employed 57 staff in Hong Kong (31 December 2017: 60) and employed a total work force of 3,474 (31 December 2017: 3,254) inclusive of all staff in Mainland China 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 reviewed on a regular basis. Apart from salary, other staff benefits include provident fund contributions, medical insurance coverage and performance-based bonuses.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

During the six months ended 30 June 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions of the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has adopted the code provisions as its own code of corporate governance practices throughout the Period 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 the requirement of retirement by rotation at the annual general meeting of the Company under Bye-law 87 of the Bye-laws of the Company.

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 as contained in the Corporate Governance Code throughout the Period.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct regulating Directors' dealings in securities of the Company. After having made specific enquiries by the Company, all Directors have confirmed that they have fully complied with the Model Code throughout the Period.

AUDIT COMMITTEE AND SCOPE OF WORK OF KPMG

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2018 have been reviewed by the Audit Committee of the Company. The unaudited consolidated financial statements of the Group for the six months ended 30 June 2018 have also been reviewed by the Group's auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants.

INTERIM DIVIDEND

The Board has resolved not to declare interim dividend for the Period (30 June 2017: Nil).

PUBLICATION OF 2018 INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of HKEXnews (www.hkexnews.hk) and the Company (www.manyue.com).

The interim report of the Company containing all the information, as required by the Listing Rules, will be dispatched to shareholders and published on the websites of HKEXnews and the Company on or before Friday, 28 September 2018.

APPRECIATION

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

By Order of the Board
Man Yue Technology Holdings Limited
Kee Chor Lin
Chairman

Hong Kong, 15 August 2018

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