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

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00894)**

**ANNOUNCEMENT OF INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**FINANCIAL HIGHLIGHTS**

	<b>Six months ended 30 June</b>		<b>Change</b>
	<b>2023</b>	<b>2022</b>	
	<b>HK\$'000</b>	<b>HK\$'000</b>	
Revenue	<b>761,975</b>	989,716	(23.0%)
Gross profit	<b>102,474</b>	164,569	(37.7%)
EBITDA	<b>53,615</b>	97,067	(44.8%)
(Loss)/profit attributable to shareholders	<b>(15,368)</b>	30,404	N/A
(Loss)/earnings per share	<b>(3.23) HK cents</b>	6.39 HK cents	N/A

**INTERIM RESULTS**

The board of directors (the “Board”) of Man Yue Technology Holdings Limited (the “Company”) is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2023 (the “Period”).

# UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
		2023	2022
	Note	HK\$'000	HK\$'000
<b>Revenue</b>	4, 5	<b>761,975</b>	989,716
Cost of sales		<u>(659,501)</u>	<u>(825,147)</u>
<b>Gross profit</b>		<b>102,474</b>	164,569
Other income	6	<b>4,223</b>	3,478
Other net gains	7	<b>3,348</b>	6,217
Selling and distribution costs		<b>(25,954)</b>	(33,599)
Administrative expenses		<b>(81,133)</b>	(89,853)
Net reversal/(recognition) of expected credit loss on trade and other receivables		<u><b>314</b></u>	<u>(173)</u>
<b>Operating profit</b>	8	<b>3,272</b>	50,639
Finance costs	9	<b>(28,216)</b>	(18,218)
Finance income	10	<b>3,713</b>	3,744
Share of results of joint ventures		<u><b>6,094</b></u>	<u>1,008</u>
<b>(Loss)/profit before tax</b>		<b>(15,137)</b>	37,173
Income tax	11	<u><b>(2,641)</b></u>	<u>(8,430)</u>
<b>(Loss)/profit for the period</b>		<u><u><b>(17,778)</b></u></u>	<u><u>28,743</u></u>
(Loss)/profit attributable to:			
Equity holders of the Company		<b>(15,368)</b>	30,404
Non-controlling interests		<u><b>(2,410)</b></u>	<u>(1,661)</u>
<b>(Loss)/profit for the period</b>		<u><u><b>(17,778)</b></u></u>	<u><u>28,743</u></u>
<b>(Loss)/earnings per share attributable to equity holders of the Company:</b>	12		
Basic		<b>(3.23) HK cents</b>	6.39 HK cents
Diluted		<u><u><b>(3.23) HK cents</b></u></u>	<u><u>6.39 HK cents</u></u>

**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>(Loss)/profit for the period</b>	<b>(17,778)</b>	<b>28,743</b>
<b>Other comprehensive income:</b>		
Item that will not be reclassified subsequently to profit or loss:		
Assets revaluation surplus, net of tax	<b>69,311</b>	1,702
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	<b>(83,153)</b>	(113,413)
<b>Other comprehensive income for the period, net of tax</b>	<b>(13,842)</b>	<b>(111,711)</b>
<b>Total comprehensive income for the period</b>	<b>(31,620)</b>	<b>(82,968)</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	<b>(28,674)</b>	(79,009)
Non-controlling interests	<b>(2,946)</b>	(3,959)
<b>Total comprehensive income for the period</b>	<b>(31,620)</b>	<b>(82,968)</b>

# **UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

		At 30 June 2023 (Unaudited) HK\$'000	At 31 December 2022 (Audited) HK\$'000
	Note		
<b>Non-current assets</b>			
Property, plant and equipment		491,425	557,545
Construction in progress		96,292	89,840
Prepaid land premium		40,688	54,796
Investment properties		286,868	154,560
Intangible assets		682	803
Investments in joint ventures		198,812	200,124
Machinery under installation		86,858	87,126
Financial assets at fair value through profit or loss		38,149	46,501
Loans to a joint venture		172,077	169,944
Other prepayments		5,304	5,444
Deferred tax assets		16,908	15,654
		<hr/>	<hr/>
Total non-current assets		1,434,063	1,382,337
		<hr/>	<hr/>
<b>Current assets</b>			
Inventories		628,867	677,719
Trade receivables	14	637,404	708,235
Prepayments, deposits and other receivables	14	125,010	127,670
Due from joint ventures		22,818	22,815
Financial assets at fair value through profit or loss		8,783	14
Net defined benefit retirement assets		–	688
Cash and bank balances		299,607	311,869
		<hr/>	<hr/>
Total current assets		1,722,489	1,849,010
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade and bills payables	15	252,446	297,409
Other payables and accrued liabilities and contract liabilities		113,078	141,487
Due to joint ventures		68,128	68,039
Tax payable		15,244	26,245
Bank and other borrowings		1,115,257	1,094,513
Dividends payable		43	43
Lease liabilities		17,111	21,066
		<hr/>	<hr/>
Total current liabilities		1,581,307	1,648,802
		<hr/>	<hr/>

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**(CONTINUED)**

	<b>At 30 June 2023 (Unaudited) HK\$'000</b>	<b>At 31 December 2022 (Audited) HK\$'000</b>
<b>Net current assets</b>	<u><b>141,182</b></u>	<u>200,208</u>
<b>Total assets less current liabilities</b>	<u><b>1,575,245</b></u>	<u>1,582,545</u>
<b>Non-current liabilities</b>		
Provision for long service payments	77	77
Deferred tax liabilities	<b>68,664</b>	47,815
Deferred income	<b>8,430</b>	8,849
Lease liabilities	<u><b>23,688</b></u>	<u>19,798</u>
<b>Total non-current liabilities</b>	<u><b>100,859</b></u>	<u>76,539</u>
<b>Net assets</b>	<u><b>1,474,386</b></u>	<u>1,506,006</u>
<b>Capital and reserves</b>		
Share capital	<b>47,555</b>	47,555
Reserves	<u><b>1,397,355</b></u>	<u>1,426,029</u>
<b>Equity attributable to equity holders of the Company</b>	<b>1,444,910</b>	1,473,584
<b>Non-controlling interests</b>	<u><b>29,476</b></u>	<u>32,422</u>
<b>Total equity</b>	<u><b>1,474,386</b></u>	<u>1,506,006</u>

## NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

### 1 BASIS OF PREPARATION

These interim financial statements for the six months ended 30 June 2023 have been prepared in accordance with the 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 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 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 2022 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”).

These interim financial statements are unaudited, but have been reviewed by 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 HKICPA.

### 2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following new and amended HKFRSs issued by the HKICPA to these interim financial statements for the current accounting period:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

None of these developments have had a material effect on how 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.

### 3 ESTIMATES

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 2022.

### 4 SEGMENT INFORMATION

The Group's executive team, comprising all executive directors and headed by the managing director of the Company, is considered as the Chief Operating Decision Maker ("CODM"). The CODM reviews the performance of the Group on a regular basis.

The CODM reviews the Group's investments as a separate segment. Such investments include investment properties and financial assets at fair value through profit or loss.

The Group is organised into two main operating segments. They are the (i) manufacturing, selling and distribution of electronic components; and (ii) investments.

The segment results for the six months ended 30 June 2023 are as follows:

	<b>For the six months ended 30 June 2023</b>		
	<b>Manufacturing, selling and distribution of electronic components HK\$'000</b>	<b>Investments HK\$'000</b>	<b>Total HK\$'000</b>
Segment revenue from external customers	<b>761,975</b>	–	<b>761,975</b>
Segment gross profit	<b>102,474</b>	–	<b>102,474</b>
Gross profit margin (%)	<b>13.4%</b>	N/A	<b>13.4%</b>
Other income	<b>2,962</b>	<b>1,261</b>	<b>4,223</b>
Other net gains	<b>2,438</b>	<b>910</b>	<b>3,348</b>
Operating expenses <sup>1</sup>	<b>(106,773)</b>	–	<b>(106,773)</b>
Operating profit	<b>1,101</b>	<b>2,171</b>	<b>3,272</b>
Operating profit margin (%)	<b>0.1%</b>	N/A	<b>0.4%</b>

The segment results for the six months ended 30 June 2022 are as follows:

	For the six months ended 30 June 2022		
	Manufacturing, selling and distribution of electronic components HK\$'000	Investments HK\$'000	Total HK\$'000
Segment revenue from external customers	989,716	–	989,716
Segment gross profit	164,569	–	164,569
Gross profit margin (%)	16.6%	N/A	16.6%
Other income	1,997	1,481	3,478
Other net gains	5,519	698	6,217
Operating expenses <sup>1</sup>	(123,625)	–	(123,625)
Operating profit	48,460	2,179	50,639
Operating profit margin (%)	<u>4.9%</u>	<u>N/A</u>	<u>5.1%</u>

A reconciliation of operating profit to (loss)/profit before tax is provided as follows:

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
<b>Operating profit</b>	<b>3,272</b>	50,639
Finance costs	(28,216)	(18,218)
Finance income	3,713	3,744
Share of results of joint ventures	<u>6,094</u>	<u>1,008</u>
<b>(Loss)/profit before tax</b>	<b><u>(15,137)</u></b>	<b><u>37,173</u></b>

A measurement of segment assets and liabilities is not provided regularly to the Group's CODM and accordingly, no segment assets or liabilities information is presented.

Note:

1. 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 net reversal/(recognition) of expected credit loss on trade and other receivables.



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

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue from external customers by geographical locations</b>		
Hong Kong	38,891	75,387
Mainland China	532,460	715,586
Taiwan	73,341	78,453
Southeast Asia	25,458	29,555
Korea	2,503	4,698
United States	34,658	31,400
Europe	39,142	42,817
Other countries	15,522	11,820
	<b>761,975</b>	<b>989,716</b>
	<b>At 30 June</b>	<b>At 31 December</b>
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current assets by physical locations (excluding deferred tax assets and financial assets at fair value through profit or loss)</b>		
Hong Kong	112,126	109,826
Mainland China	1,260,864	1,203,803
Others	6,016	6,553
	<b>1,379,006</b>	<b>1,320,182</b>

## 5 REVENUE

The principal activities of the Group are the manufacturing and trading of electronic components and raw materials.

Revenue represents the net value of goods sold, after allowances for trade returns and discounts. Revenue from the manufacturing and trading of electronic components is recognised at the point in time when control of the electronic components is transferred to the customers.

Disaggregation of revenue from contracts with customers by major product lines is as follows:

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue from contracts with customers within the scope of HKFRS 15</b>		
Manufacturing and trading of electronic components	<b>761,975</b>	<b>989,716</b>

Disaggregation of revenue from contracts with customers by geographical markets is disclosed in Note 4. All revenue is recognised at a single point in time.

## 6 OTHER INCOME

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Gains/(losses) on disposal of property, plant and equipment	<b>12</b>	(2,983)
Scrap sales	<b>172</b>	1,498
Government subsidies	<b>34</b>	985
Rental income generated from investment properties	<b>1,261</b>	1,481
Others	<b>2,744</b>	2,497
	<b>4,223</b>	<b>3,478</b>

## 7 OTHER NET GAINS

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Fair value gain/(loss) on investment properties	<b>123</b>	(93)
Net foreign exchange gains	<b>2,879</b>	5,519
Fair value gains on financial assets at fair value through profit or loss	<b>787</b>	791
Others	<b>(441)</b>	–
	<b>3,348</b>	<b>6,217</b>

## 8 OPERATING PROFIT

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

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Depreciation charge:		
Owned property, plant and equipment	<b>27,829</b>	29,248
Right-of-use assets	<b>11,828</b>	11,497
Amortisation of prepaid land premium	<b>763</b>	807
Amortisation of intangible assets	<b>116</b>	124
Write-down of inventories	<b>5,523</b>	4,314
Reversal of write-down of inventories	<b>(3,007)</b>	(2,013)
Net (reversal)/recognition of expected credit loss on trade and other receivables:		
Additional expected credit loss recognised	<b>–</b>	6,608
Expected credit loss reversed	<b>(1,426)</b>	(7,269)
Loss on reimbursement right assets	<b>1,112</b>	834

## 9 FINANCE COSTS

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest expense on bank and other borrowings	<b>28,620</b>	18,234
Interest expense on lease liabilities	<b>733</b>	1,217
Others	<b>–</b>	138
	<b>29,353</b>	19,589
Less: Interest expenses capitalised into construction in progress	<b>(1,137)</b>	(1,371)
	<b>28,216</b>	18,218

## 10 FINANCE INCOME

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Interest income from loan to a joint venture	2,764	2,821
Interest income from time deposits and bank balances	637	617
Interest income from a financial asset	312	306
	<u>3,713</u>	<u>3,744</u>

## 11 INCOME TAX

	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Current tax:		
Outside Hong Kong	<u>3,702</u>	<u>9,753</u>
Deferred tax	<u>(1,061)</u>	<u>(1,323)</u>
Total tax charge for the period	<u>2,641</u>	<u>8,430</u>

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2023 and 2022.

In accordance with the relevant tax rules and regulations in Mainland China, four (30 June 2022: four) of the Company's subsidiaries in Mainland China enjoy a preferential tax rate of 15% (30 June 2022: 15%). Other subsidiaries of the Group in Mainland China are subject to income taxes at a statutory rate of 25% (30 June 2022: 25%).

Taxation for subsidiaries outside Hong Kong and Mainland China is charged at the appropriate current rates of taxation ruling in the relevant countries.

## 12 (LOSS)/EARNINGS EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss for the Period attributable to equity holders of the Company of HK\$15,368,000 (30 June 2022: profit attributable to equity holders of the Company of HK\$30,404,000), and the weighted average number of 475,547,534 (30 June 2022: 475,547,534) ordinary shares in issue during the Period.

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as there were no potential dilutive ordinary shares in issue during the Period and for the six months ended 30 June 2022.

## 13 DIVIDENDS

The Board does not recommend interim dividend for the Period (30 June 2022: Nil).

# 14 TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 June 2023 HK\$'000	At 31 December 2022 HK\$'000
Trade receivables	675,547	747,804
Loss allowance	(38,143)	(39,569)
	<u>637,404</u>	<u>708,235</u>
Prepayments, deposits and other receivables	125,010	127,670
	<u>762,414</u>	<u>835,905</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 90 days, extending up to 150 days for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

Credit risk was hedged mainly through credit insurance policies. Where the Group has the benefit of credit insurance, a separate asset is recognised for any expected reimbursement that would be virtually certain if a claim was to be made. As at the end of the reporting period, HK\$1,425,000 (31 December 2022: HK\$2,537,000) is included within "prepayments, deposits and other receivables" in current assets in respect of such expected reimbursements.

The Group categorises 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.

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

	At 30 June 2023 HK\$'000	At 31 December 2022 HK\$'000
1-3 months	540,185	596,474
4-6 months	67,797	95,582
7-12 months	25,138	12,601
Over 1 year	4,284	3,578
	<u>637,404</u>	<u>708,235</u>

## 15 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:

	<b>At 30 June 2023 HK\$'000</b>	<b>At 31 December 2022 HK\$'000</b>
Trade payables:		
1-3 months	<b>164,638</b>	226,831
4-6 months	<b>40,061</b>	49,879
7-12 months	<b>6,613</b>	11,397
Over 1 year	<b>4,711</b>	3,138
	<hr/>	<hr/>
	<b>216,023</b>	291,245
Bills payables	<b>36,423</b>	6,164
	<hr/>	<hr/>
	<b>252,446</b>	297,409
	<hr/> <hr/>	<hr/> <hr/>

At the end of the reporting period, the Group's bills payables of HK\$32,538,000 (31 December 2022: Nil) were secured by pledges over certain bank deposits of the Group with an aggregate carrying value of HK\$32,538,000 (31 December 2022: Nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **FINANCIAL RESULTS**

Despite the COVID-19 pandemic gradually coming to an end in the first quarter of 2023, the global economic recovery did not meet the anticipated level and the economic growth remained sluggish. The continued downturn in the economic climate resulting from the trade conflict between China and the United States, high interest and inflation rates as well as various economic sanctions had seriously affected the consumer sentiment and resulted in an ongoing inventory destocking cycle across the electronics industry which inevitably led to a decline in demand for the Group's products. As a result, the Group recorded a revenue of approximately HK\$761,975,000 for the Period, representing a drop of 23.0% as compared with that of the corresponding period in 2022. Due to the decline in revenue, the gross profit of the Group decreased by 37.7% for the Period, from approximately HK\$164,569,000 to approximately HK\$102,474,000. Gross profit margin also dropped by 3.2 percentage points, from 16.6% to 13.4%. Furthermore, the aggressive interest rate hikes during the Period had caused our finance cost increased by 54.9% as compared with that in the same period of 2022, from approximately HK\$18,218,000 to HK\$28,216,000. Consequently, the Group in turn recorded a net loss attributable to shareholders of the Company (the "Shareholders") of approximately HK\$15,368,000 for the Period, as compared with a net profit attributable to the Shareholders for the corresponding period in 2022 of approximately HK\$30,404,000.

### **BUSINESS REVIEW**

#### **Market Overview**

The elevated inflation rate, interest rate hike and geopolitical turmoil have slowed down the global economic recovery and impacted the supply chain discipline as well as consumer behaviour. Customers become more conservative in placing orders and consumers also become more cautious on their spending. As a result, the overall demand for the Group's products, which are the crucial components for all electronic products, are relatively weak and our revenue has been inevitably affected. According to a market research conducted by Gartner Inc., an information technology research and advisory company, the worldwide shipments of total devices (computers, tablets and mobile phones) are projected to decline by 4.4% in 2023, after a double-digit drop in shipments of 11.9% in 2022. Nevertheless, the continuously evolving electronic sector with introduction of new technologies such as 5G, the Internet of Things (IoT), artificial intelligence (AI), robotic and cloud computing would create more business opportunities for the growth of the electronic components market in a wide range of applications in the long-run. In response to the challenging market and operating environment, the Group would strive to remain its primary business focus on diversified and emerging market sectors as well as customers with market leadership. The Group's business development strategy of establishing a multi-product platform, such as aluminum electrolytic capacitors ("E-Caps"), polymer aluminum solid capacitors ("Polymer Caps"), multi-layer polymer capacitors ("MLPC") and electric double layer capacitors ("EDLC") would help to overcome this rough tide.

## Operation Review

Amid all the unfavourable factors such as the trade conflict between China and the United States, soaring interest and inflation rates as well as various economic sanctions inherent in the global economy and market demand, the Group was in no exception of suffering from a 23.0% decrease in revenue for the Period as the buyers of electronic components were prudent to make new orders and tended to maintain a low level of inventory. Nevertheless, resulting from the Group's diversified customer and product mix, the decline in revenue for the Period was relatively mild. During the Period, the Group was able to maintain strong business relationships with its market-leading customers and had devoted all its effort in the research and development of new innovative components and materials with an aim to stay at the forefront of technology and the industry. In view of the uncertain and challenging business environment, the Group would adopt a series of more stringent cost control measures and a prudent cash flow management so as to ensure the healthiness of its liquidity and financial position.

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2023, the Group's cash and bank balances amounted to HK\$299,607,000 (as at 31 December 2022: HK\$311,869,000), most of which were either denominated in United States dollars, Renminbi or Hong Kong dollars. Total outstanding bank and other borrowings of the Group amounted to HK\$1,115,257,000 (as at 31 December 2022: HK\$1,094,513,000) which comprised mainly bank loans and trade finance facilities.

As at 30 June 2023, the net gearing ratio was 55.3%, which was calculated based on the amount of net debt position (sum of total bank and other borrowings less cash and bank balances) as a percentage of total equity of the Group (as at 31 December 2022: 52.0%).

As at 30 June 2023, net working capital (calculated as current assets less current liabilities) was HK\$141,182,000, representing a drop of HK\$59,026,000 as compared with that of HK\$200,208,000 as at 31 December 2022. The current ratio (calculated as current assets/current liabilities) was 1.09 times as at 30 June 2023, as compared with that of 1.12 times as at 31 December 2022.

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. The Group is aware of the potential foreign exchange 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**

Looking ahead to the second half of 2023, the prospect for the recovery of global economy remains bleak. According to the world economic outlook update released by the International Monetary Fund (“IMF”) in July 2023, the global economic growth is projected to fall from an estimated 3.5% in 2022 to 3.0% in both 2023 and 2024. Undoubtedly, the global economy is less predictable in the forthcoming years. The Group, however, remains cautiously optimistic in its business prospect as it is well equipped with a strong competence in the research and development of new materials and innovative products, decade of operational excellence, solid global presence as well as diversified customer and product portfolio. The Group will continue to closely monitor the changes in the operating environment and grasp the business opportunities arising from the market changes. Lastly, the Group will maintain its financial discipline to cope with the ever-changing global economic cycle and sustain its on-going business development.

## **EMPLOYMENT AND REMUNERATION POLICY**

As at 30 June 2023, the Group employed a total of 2,426 employees (as at 31 December 2022: 2,501). 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 2023, 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 contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) during 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 to the Listing Rules as a 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 2023 have been reviewed by the Audit Committee of the Company.

These interim financial statements for the six months ended 30 June 2023 are unaudited, but have been reviewed by the Company'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 HKICPA, whose review report will be included in the interim report which will be sent to the Shareholders.

## **INTERIM DIVIDEND**

The Board does not recommend interim dividend for the Period (30 June 2022: Nil).

## **PUBLICATION OF 2023 INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the websites of HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.manyue.com](http://www.manyue.com)).

The interim report of the Company containing all the information for the Period, as required by the Listing Rules, will be dispatched to the Shareholders and published on the websites of HKEXnews and the Company on or before Thursday, 28 September 2023.

## **APPRECIATION**

The Board would like to take this opportunity to express its sincere gratitude to all our employees for their loyalty and dedication and for 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, 25 August 2023

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