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 2017

RESULTS HIGHLIGHTS

- Revenue increased to HK$538,466,000 from HK$403,448,000 for the Corresponding Period
- Gross profit margin was 21.3%, compared with 15.4% for the Corresponding Period
- EBITDA was HK$74,012,000, representing an EBITDA margin of 13.7%, compared with 6.2% for the Corresponding Period
- Profit for the Period was HK$19,537,000, compared with a loss of HK$28,552,000 for the Corresponding Period
- Net gearing ratio was 40.5%, compared with 41.8% as at 31 December 2016
- Net assets per share was HK$2.91, compared with HK$2.76 per share as at 31 December 2016

INTERIM RESULTS

On behalf of the Board of Directors (the "Board") of Man Yue Technology Holdings Limited (the "Company"), I am pleased to present the unaudited interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2017 (the "Period") together with the comparative figures for the corresponding period in 2016 (the "Corresponding Period").

UNAUDITED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
		2017	2016
	Note	***HK$'000***	*HK$'000*
Revenue	*3 & 4*	**538,466**	403,448
Cost of sales		**(423,696)**	(341,127)
Gross profit		**114,770**	62,321
Other income		**3,772**	3,172
Other gains, net		**17,004**	3,743
Selling and distribution costs		**(28,080)**	(23,057)
Administrative expenses		**(61,869)**	(61,386)
Impairment loss on trade and other receivables		**(1,915)**	(1,340)
Operating profit/(loss)	*5*	**43,682**	(16,547)
Changes in fair values of derivative financial instruments	*6*	**(3,554)**	(3,216)
Finance costs	*7*	**(15,028)**	(13,286)
Interest revenue	*7*	**2,000**	2,661
Share of results of joint ventures		**153**	6,977
Share of results of an associate		**–**	(2,646)
Profit/(loss) before tax		**27,253**	(26,057)
Income tax	*8*	**(7,716)**	(2,495)
Profit/(loss) for the period		**19,537**	(28,552)
Profit/(loss) attributable to:			
– Equity holders of the Company		**18,859**	(28,513)
– Non-controlling interests		**678**	(39)
Profit/(loss) for the period		**19,537**	(28,552)
Profit/(loss) per share attributable to equity holders of the Company	*9*		
– Basic		**3.97 HK cents**	(6.00) HK cents
– Diluted		**3.97 HK cents**	(6.00) HK cents

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Profit/(loss) for the period	**19,537**	(28,552)
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
– Changes in fair values of available-for-sale investments	**–**	(274)
– Currency translation differences	**63,866**	(41,329)
Other comprehensive income/(loss) for the period, net of tax	**63,866**	(41,603)
Total comprehensive income/(loss) for the period	**83,403**	(70,155)
Total comprehensive income/(loss) attributable to:		
– Equity holders of the Company	**79,512**	(70,032)
– Non-controlling interests	**3,891**	(123)
Total comprehensive income/(loss) for the period	**83,403**	(70,155)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	At 30 June 2017 (Unaudited) *HK$'000*	At 31 December 2016 (Audited) *HK$'000*
Non-current assets			
Property, plant and equipment		**580,984**	625,220
Prepaid land premium		**66,949**	65,699
Investment properties		**134,054**	150,396
Intangible assets		**2,429**	2,401
Investments in joint ventures		**100,473**	96,461
Prepayments on purchases of property, plant and equipment		**58,448**	56,570
Financial assets at fair value through profit or loss		**18,256**	14,462
Loans to a joint venture		**104,017**	100,077
Other prepayments		**1,793**	1,768
Deferred tax assets		**16,170**	16,400
Total non-current assets		**1,083,573**	1,129,454
Current assets			
Inventories		**540,710**	456,560
Trade receivables	*11*	**489,998**	480,920
Prepayments, deposits and other receivables		**162,999**	86,715
Due from joint ventures		**18,100**	26,782
Financial assets at fair value through profit or loss		**39**	45
Net defined benefit retirement assets		**934**	879
Tax recoverable		**777**	2,921
Time deposits with banks		**5,464**	7,775
Cash and cash equivalents		**231,637**	283,116
Total current assets		**1,450,658**	1,345,713
Current liabilities			
Trade and bills payables	*12*	**207,708**	183,419
Other payables and accrued liabilities		**89,460**	93,429
Due to joint ventures		**28,574**	19,751
Derivative financial instruments		**4,440**	3,875
Tax payable		**4,292**	5,333
Bank loans	*13*	**584,136**	559,815
Dividends payable		**43**	43
Total current liabilities		**918,653**	865,665

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	**At 30 June 2017 (Unaudited)** ***HK$'000***	At 31 December 2016 (Audited) *HK$'000*
Net current assets		**532,005**	480,048
Total assets less current liabilities		**1,615,578**	1,609,502
Non-current liabilities			
Bank loans	*13*	**185,578**	249,933
Derivative financial instruments		**4,924**	4,119
Provision for long service payments		**188**	188
Deferred tax liabilities		**32,309**	32,084
Deferred income		**10,776**	10,603
Total non-current liabilities		**233,775**	296,927
Net assets		**1,381,803**	1,312,575
Equity			
Share capital		**47,555**	47,555
Reserves		**1,266,653**	1,194,855
Equity attributable to equity holders of the Company		**1,314,208**	1,242,410
Non-controlling interests		**67,595**	70,165
Total equity		**1,381,803**	1,312,575

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

This unaudited consolidated interim financial information for the six months ended 30 June 2017 has 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"). The unaudited consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim financial information has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2017 annual financial statements. Details of any changes in accounting policies are set out in note 2.

2 ACCOUNTING POLICIES

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments has had material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial information.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period except for early adoption of HKFRS 9 *Financial Instruments*.

HKFRS 9 *Financial Instruments*

The Group has early adopted HKFRS 9 *Financial Instruments* issued in July 2014 with a date of initial application of 1 January 2017. The requirements of HKFRS 9 represent a significant change from HKAS 39 *Financial instruments: Recognition and Measurement*.

The key changes to the Group's accounting policies resulting from its adoption of HKFRS 9 are summarised below.

As a result of the adoption of HKFRS 9, the Group adopted consequential amendments to HKAS 1 *Presentation of Financial Statements* which requires impairment of financial assets to be presented in a separate line item in the income statement and statement of comprehensive income. Previously, the Group's approach was to include the impairment of trade receivables in administrative expenses. Additionally, the Group adopted consequential amendments to HKFRS 7 *Financial instruments: Disclosures* that are applied to disclosures about 2017 but generally have not been applied to comparative information.

i Classification of financial assets and financial liabilities

HKFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under HKFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous HKAS 39 categories of held to maturity, loans and receivables and available for sale. Under HKFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

The adoption of HKFRS 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

ii ***Impairment of financial assets***

HKFRS 9 replaces the 'incurred loss' model in HKAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost and debt investments at FVOCI, but not to investments in equity instrument. Under HKFRS 9, credit losses are recognised earlier than under HKAS 39.

iii ***Transition***

The general principle of HKFRS 9 is to apply the standard retrospectively in accordance with HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. For the new classification and measurement requirements, the Group has elected for the exception from the requirement to restate comparative information as set out in the transitional provisions. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Changes in accounting policies resulting from the adoption of HKFRS 9 (2014) have been applied retrospectively, as described below.

– Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of HKFRS 9 are recognised in retained earnings as at 1 January 2017. Also, the available-for-sale investments revaluation reserve was transferred to retained earnings as a result of adopting HKFRS 9. Accordingly, the information presented for 2016 does not generally reflect the requirements of HKFRS 9 and therefore is not comparable to the information presented for 2017 under HKFRS 9.

– As an exception, the following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

  • The determination of the business model within which a financial asset is held.

  • The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

The following table summarises the impact, net of tax, of transition to HKFRS 9 on reserves and retained earnings at 1 January 2017.

	Impact of adopting HKFRS 9 at 1 January 2017 *HK$'000*
Available-for-sale investments revaluation reserve	
Closing balance under HKAS 39 (31 December 2016)	1,879
Reclassification of available-for-sale investments revaluation reserve under HKFRS 9	(1,879)
Opening balance under HKFRS 9 (1 January 2017)	–
Retained earnings	
Closing balance under HKAS 39 (31 December 2016)	792,985
Recognition of expected credit losses under HKFRS 9	(7,714)
Reclassification of available-for-sale investments revaluation reserve under HKFRS 9	1,879
Opening balance under HKFRS 9 (1 January 2017)	787,150

3 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	
	2017	2016
	HK$'000	*HK$'000*
Revenue	**538,466**	403,448
Gross profit	**114,770**	62,321
Gross profit margin *(%)*	**21.3%**	15.4%
EBITDA (i)	**74,012**	25,093
EBITDA margin *(%)*	**13.7%**	6.2%
Operating expenses (ii)	**91,864**	85,783
Operating expenses/Revenue *(%)*	**17.1%**	21.3%
Profit/(loss) for the period	**19,537**	(28,552)
Net profit/(loss) margin *(%)*	**3.6%**	(7.1%)

	At 30 June	At 31 December
	2017	2016
	HK$'000	*HK$'000*
Total assets	**2,534,231**	2,475,167
Equity attributable to equity holders of the Company	**1,314,208**	1,242,410
Inventories (finished goods only)	**187,420**	164,258
Inventory turnover days (finished goods only)	**76**	73
Trade receivables	**489,998**	480,920
Trade receivables turnover days	**159**	178
Trade and bills payables	**207,708**	183,419
Trade and bills payables turnover days	**84**	81
Total interest-bearing debt	**769,714**	809,748
Cash and cash equivalents	**231,637**	283,116
Time deposits over three months to maturity when placed	**5,464**	7,775
Net debt	**532,613**	518,857
Net gearing ratio *(%)*	**40.5%**	41.8%

Note:

(i) EBITDA represents the earnings before interest expenses, tax, depreciation and amortisation.

(ii) 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 impairment loss on trade and other receivables.

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

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Revenue from external customers by geographical locations		
Hong Kong	**42,323**	54,125
The People's Republic of China (the "PRC")	**283,252**	225,286
Taiwan	**130,808**	55,225
Southeast Asia	**10,105**	11,514
Korea	**2,569**	1,742
United States	**17,149**	17,725
Europe	**27,285**	16,331
Other countries	**24,975**	21,500
	538,466	403,448

	At 30 June	At 31 December
	2017	2016
	HK$'000	*HK$'000*
Non-current assets by physical locations (excluded deferred tax assets and financial instruments)		
Hong Kong	**75,779**	136,065
The PRC	**973,041**	962,328
Other countries	**327**	199
	1,049,147	1,098,592

4 REVENUE

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

An analysis of revenue is as follows:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Manufacturing and trading of electronic components	**538,466**	402,919
Trading of raw materials	**–**	529
	538,466	403,448

5 OPERATING PROFIT/(LOSS)

An analysis of the amounts presented as operating items in the financial information is given below:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**30,879**	36,688
Amortisation of prepaid land premium	**752**	788
Amortisation of intangible assets	**100**	388

6 CHANGES IN FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Fair value losses on interest rate swaps	**3,554**	3,216

At 30 June 2017, 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 expenses for the periods covered by these contracts.

7 FINANCE COSTS AND INTEREST REVENUE

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Interest expenses on bank loans	**(13,525)**	(11,913)
Others	**(1,503)**	(1,373)
	(15,028)	(13,286)
Interest revenue from loan to a joint venture	**1,728**	2,174
Interest revenue from time deposits and bank balances	**272**	487
	2,000	2,661

8 INCOME TAX

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**784**	614
Outside Hong Kong	**6,761**	2,098
	7,545	2,712
Deferred tax	**171**	(217)
Total tax charge for the period	**7,716**	2,495

Hong Kong Profits Tax has been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period. Taxes on assessable profits 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 the PRC, certain of the Company's subsidiaries in the PRC enjoy tax exemptions. All subsidiaries in the PRC are subject to income taxes at applicable rates ranging from 15% to 25%.

9 PROFIT/(LOSS) PER SHARE

The calculation of basic profit/(loss) per share is based on the profit for the Period attributable to equity holders of the Company of HK$18,859,000 (for the Corresponding Period: loss of HK$28,513,000), and the weighted average number of 475,548,000 (for the Corresponding Period: 475,566,000) ordinary shares in issue during the Period.

Diluted profit/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Diluted profit/(loss) per share for the Period and the Corresponding Period were the same as the basic profit/(loss) per share as the Company's share options outstanding during the Period and the period ended 30 June 2016 did not have dilutive potential ordinary shares.

10 DIVIDENDS

The Board has resloved not to declare interim dividend for the Period (for the Corresponding Period: Nil).

11 TRADE RECEIVABLES

	At 30 June 2017 HK$'000	At 31 December 2016 HK$'000
Trade receivables	**523,596**	504,047
Provisions for impairment of trade receivables	**(33,598)**	(23,127)
	489,998	480,920

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 minimize 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 as at the end of the Period, based on the payment due date and net of provisions for impairment, is as follows:

	At 30 June 2017 HK$'000	At 31 December 2016 HK$'000
Current and within payment terms:	**396,278**	352,154
1-3 months past due	**64,856**	102,278
4-6 months past due	**15,078**	11,144
7-12 months past due	**3,844**	3,496
Over 1 year past due	**9,942**	11,848
	489,998	480,920

12 TRADE AND BILLS PAYABLES

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

	At 30 June 2017 *HK$'000*	At 31 December 2016 *HK$'000*
Trade payables:		
1-3 months	**147,258**	141,491
4-6 months	**24,096**	21,968
7-12 months	**7,561**	3,381
Over 1 year	**14,078**	10,438
	192,993	177,278
Bills payables	**14,715**	6,141
	207,708	183,419

13 BANK LOANS

	At 30 June 2017 *HK$'000*	At 31 December 2016 *HK$'000*
Analysed into:		
Bank loans, unsecured, repayable:		
Within one year, with reference to the repayment schedule	**584,136**	544,815
Within one year, related to borrowings with breached covenants	**–**	15,000
In the second year	**118,609**	224,218
In the third to fifth years, inclusive	**66,969**	25,715
	769,714	809,748
Portion classified as current liabilities	**(584,136)**	(559,815)
Non-current portion	**185,578**	249,933

Movement in bank loans is analysed as follows:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Opening balance, 1 January	**809,748**	813,575
Acquisition of a subsidiary	**–**	22,315
New borrowings	**316,032**	481,061
Repayments of borrowings	**(356,520)**	(297,929)
Exchange realignment	**454**	167
Closing balance, 30 June	**769,714**	1,019,189

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The Group's revenue for the six months ended 30 June 2017 had recorded a strong growth of 33.5% to HK$538,466,000 as compared with the Corresponding Period in last year. The increase was mainly attributable to a successful change in the group's business strategy as well as the gradual recovery of the global economy which had a positive impact on the electronics industry.

Benefiting from the economies of scale in production resulting from the surge in revenue, gross profit for the Period amounted to HK$114,770,000, representing an increase of 84.2% when compared with that of the Corresponding Period of HK$62,321,000. Gross profit margin had also improved significantly to 21.3% from 15.4% of the Corresponding Period.

Following the sharp rise in gross profit as well as fair value gains on investment properties, the Group had a turnaround financial performance for the Period with a profit for the Period of HK$19,537,000 in contrast with a loss of HK$28,552,000 for the Corresponding Period.

BUSINESS REVIEW

Market overview

In the first half of 2017, the global economy showed signs of recovery and in particular, the People's Republic of China (the "PRC"), had undergone a solid economic growth leading to a good sentiment in the electronics market. Well-known for its high quality products and well-established customer network, the Group has remained as one of the major global suppliers in the electronic components' segment. The Group's major products, Aluminum Electrolytic Capacitors ("E-Caps"), Conductive Polymer Aluminum Solid Capacitors ("Polymer Caps"), Multi-layer Polymer Capacitors ("MLPC") and Electric Double Layer Capacitors ("EDLC"), have been widely used in various electronic products and energy saving applications. This year, the Group has further implemented its global supply chain diversification and customer-orientated product development strategy, and successfully achieved a strong growth in revenue.

Following the PRC government's strong commitment in environmental protection, the Group believes that the development of new energy related industries will continue to be an inevitable trend in the Mainland China. Since the Group is one of the very few suppliers with the capability to produce Energy Storage System ("ESS") products comprising EDLC and EDLC modules, and related solutions for energy-saving and storage applications, the Group is therefore well positioned to capture the business opportunities in this market sector.

Operation review

Over all these years, the Group has been recognized as a major global supplier of several critical electronic components, namely E-Caps, Polymer Caps, EDLC, EDLC modules, Power Film Capacitors and MLPC. During the Period, revenue of the Group surged by over 33% mainly due to its change in business strategy by focusing on potential emerging market sectors as well as customers with market leadership. This allows the Group to keep abreast of the latest market trend for its product development and thus enabling it to capture larger and more sizable orders. In addition, the Group has also focused more on advanced high value-added products in order to enhance profitability as well as the research, development and promotion of new innovative products which can suit the forthcoming market need in terms of emerging high volume.

In view of the booming new energy related industries in both the global and the PRC market, the Group has been committed in developing its ESS product series and applications. The Group's ESS product series are applicable in areas including new energy vehicles, smart grid, wind turbine and energy regeneration system for rail transportation and port crane. Trial orders have already been placed by various industry leaders to test the products on site. The Group is currently working diligently on each customer's specifications for longer term collaborations.

On 3 January 2017, the Group further increased its equity shareholding in a non-wholly owned Taiwanese subsidiary, Luminous Town Electric Co., Ltd ("Luminous Town"), by 3.99% at a consideration of TWD26,680,000. As a result, the Group has currently an effective shareholding in Luminous Town of 62.89% as at 30 June 2017.

On 8 May 2017, Searange Investment Limited, a wholly-owned subsidiary of the Group, sold an investment property at China Aerospace Centre, No. 143 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong at a consideration of HK$75,000,000. The disposal would provide a good opportunity for the Group to realize its investment at a gain, and to further enhance its financial position with more working capital and other possible investment opportunities.

On 19 June 2017, the Group entered into a non-legally binding memorandum of understanding with an independent third party which is a company whose shares are listed on the Shenzhen Stock Exchange in respect of a possible disposal of assets held by its wholly-owned subsidiary used for the production of aluminum foil in China in return for an issue of shares by the latter party. Further announcement in relation to this transaction will be made to the public as and when necessary.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2017, the Group has cash and cash equivalents of HK$231,637,000 (31 December 2016: HK$283,116,000) and time deposits over three months to maturity when placed of HK$5,464,000 (31 December 2016: HK$7,775,000), 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$769,714,000 (31 December 2016: HK$809,748,000) 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$584,136,000 and HK$185,578,000 respectively (31 December 2016: HK$559,815,000 and HK$249,933,000 respectively).

Total interest-bearing borrowings of the Group as at 30 June 2017 comprising bank loans and trade finance facilities were HK$769,714,000 (31 December 2016: HK$809,748,000). 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 2017, the net gearing ratio (a ratio of the sum of total bank borrowings less cash and cash equivalents and time deposits with banks then divided by total equity) of the Group was 40.5% (31 December 2016: 41.8%).

As at 30 June 2017, the net current assets of the Group were HK$532,005,000 (31 December 2016: HK$480,048,000), which comprised of current assets of HK$1,450,658,000 (31 December 2016: HK$1,345,713,000) and current liabilities of HK$918,653,000 (31 December 2016: HK$865,665,000), representing a current ratio of 1.58 (31 December 2016: 1.55).

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 currency risk that may arise from the fluctuation of exchange rates between Hong Kong dollars, Renminbi, United States dollars and Japanese Yen. In order to mitigate this risk, the Group had entered into foreign currency forward contracts to manage its foreign currency exposure.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2017, the Group employed 56 staff in Hong Kong (31 December 2016: 62) and employed a total work force of 2,645 (31 December 2016: 2,574) inclusive of all its staff in the PRC 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 payments, other staff benefits include provident fund contributions, medical insurance coverage and performance-based bonuses.

OUTLOOK AND PROSPECTS

Continuing the modest growth trend in the first half of 2017, global and China economies are expected to keep on an upturn path in the second half. Noticing the robust market demand of certain electronic products, the Group will, on one hand, continue to penetrate the global supply chain of those emerging markets while remaining its focus on the international leading electronic brands, in order to boost sales volume and profitability. On the other hand, the Group will pursue its strong commitment in research and development so as to uphold its product innovation and competitiveness. In order to optimise its operating efficiency, the Group will continuously re-assess its business structure and resource allocation.

The PRC government has shown great determination in environmental protection via energy saving and reduction of carbon emission. The Group shares the same vision with the central government and invested in the development of ESS product series over the past years. The Group is delighted that several applications of EDLC and EDLC modules have been well-received by the market and entered the stage of commercialisation. As a result, the Group is optimistic that it is well positioned to capture the ample business opportunities arsing from this emerging market sector.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

OTHER CHANGES IN DIRECTORS' INFORMATION

There have been some changes in Directors' information during the Period which are reported as follows:

1. Mr Mar, Selwyn was appointed as an independent non-executive director, and a member of each of the audit committee, remuneration committee, nomination committee and independent committee of PanAsialum Holdings Limited ("PanAsialum") with effect from 8 February 2017. He was re-designated as the chairman of the audit committee of PanAsialum with effect from 11 February 2017; and

2. Mr Chan Yu Ching, Eugene was appointed as a director of Zhu Hai Higrand Electronics Technology Co. Ltd. (stock code: 871447) which was listed on the National Equities Exchange and Quotations on 16 May 2017.

Save as disclosed above, there had not been any other changes to Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

CHANGE OF ADDRESS OF HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The address of head office and principal place of business of the Company in Hong Kong was changed to Unit 03, 6/F., Harbour Centre Tower 2, 8 Hok Cheung Street, Hung Hom, Kowloon, Hong Kong with effect from 11 May 2017.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Group has complied with the applicable code provisions of the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix 14 of 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 Company's Bye-laws.

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 during the Period.

COMPLIANCE WITH THE MODEL CODE

The Group 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.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company has reviewed this interim results for the Period and the Company's external auditor, KPMG, has conducted a review of the interim financial information of the Group for the Period 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 (for the Corresponding Period: Nil).

PUBLICATION OF 2017 INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (http://www.hkexnews.hk) and the Company (http://www.manyue.com).

The interim report of the Company for the Period containing all the information, as required by the Listing Rules, will be dispatched to the shareholders and published on the websites of the Stock Exchange and the Company on or before Friday, 29 September 2017.

APPRECIATION

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

On behalf of the Board
Man Yue Technology Holdings Limited
Kee Chor Lin
Chairman

Hong Kong, 18 August 2017

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.