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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 2024**

**FINANCIAL HIGHLIGHTS**

	Six months ended 30 June		Change
	2024	2023	
	HK\$'000	HK\$'000	
Revenue	<b>815,977</b>	761,975	+7.1%
Gross profit	<b>133,039</b>	102,474	+29.8%
EBITDA	<b>68,704</b>	53,615	+28.1%
Profit/(loss) attributable to shareholders	<b>2,756</b>	(15,368)	N/A
Earnings/(loss) per share	<b>0.58 HK cent</b>	(3.23) 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 2024 (the “Period”).

## UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>	4, 5	<b>815,977</b>	761,975
Cost of sales		<u>(682,938)</u>	<u>(659,501)</u>
<b>Gross profit</b>		<b>133,039</b>	102,474
Other income	6	<b>3,842</b>	4,223
Other net (loss)/gains	7	<b>(49)</b>	3,348
Selling and distribution costs		<b>(26,117)</b>	(25,954)
Administrative expenses		<u>(78,469)</u>	<u>(80,819)</u>
<b>Operating profit</b>	8	<b>32,246</b>	3,272
Finance costs	9	<b>(25,852)</b>	(28,216)
Finance income	10	<b>3,222</b>	3,713
Share of results of joint ventures		<u>(2,483)</u>	<u>6,094</u>
<b>Profit/(loss) before tax</b>		<b>7,133</b>	(15,137)
Income tax	11	<u>(4,741)</u>	<u>(2,641)</u>
<b>Profit/(loss) for the period</b>		<u><b>2,392</b></u>	<u>(17,778)</u>
Profit/(loss) attributable to:			
Equity holders of the Company		<b>2,756</b>	(15,368)
Non-controlling interests		<u>(364)</u>	<u>(2,410)</u>
<b>Profit/(loss) for the period</b>		<u><b>2,392</b></u>	<u>(17,778)</u>
<b>Earnings/(loss) per share attributable to equity holders of the Company:</b>	12		
Basic		<b>0.58 HK cent</b>	(3.23) HK cents
Diluted		<u><b>0.58 HK cent</b></u>	<u>(3.23) HK cents</u>

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Profit/(loss) for the period</b>	<u>2,392</u>	<u>(17,778)</u>
<b>Other comprehensive income:</b>		
Item that will not be reclassified subsequently to profit or loss:		
Assets revaluation surplus, net of tax	3,890	69,311
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	<u>(22,228)</u>	<u>(83,153)</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>(18,338)</u>	<u>(13,842)</u>
<b>Total comprehensive income for the period</b>	<u><u>(15,946)</u></u>	<u><u>(31,620)</u></u>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	(14,273)	(28,674)
Non-controlling interests	<u>(1,673)</u>	<u>(2,946)</u>
<b>Total comprehensive income for the period</b>	<u><u>(15,946)</u></u>	<u><u>(31,620)</u></u>

## UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2024 (Unaudited) HK\$'000	At 31 December 2023 (Audited) HK\$'000
	Note		
<b>Non-current assets</b>			
Property, plant and equipment		550,081	582,451
Construction in progress		57,559	46,730
Prepaid land premium		10,191	10,452
Investment properties		372,403	373,858
Intangible assets		434	575
Investments in joint ventures		195,247	199,337
Machinery under installation		62,967	50,773
Financial assets at fair value through profit or loss		37,562	38,340
Loans to a joint venture		179,318	179,724
Other prepayments		5,349	5,380
Deferred tax assets		18,211	17,891
		1,489,322	1,505,511
Total non-current assets		1,489,322	1,505,511
<b>Current assets</b>			
Inventories		633,768	616,169
Trade receivables	14	697,437	628,772
Prepayments, deposits and other receivables	14	144,893	136,933
Due from joint ventures		22,989	22,940
Financial assets at fair value through profit or loss		14	9,073
Cash and cash equivalents		209,886	249,720
		1,708,987	1,663,607
Total current assets		1,708,987	1,663,607
<b>Current liabilities</b>			
Trade and bills payables	15	364,587	234,582
Other payables and accrued liabilities and contract liabilities		101,073	112,328
Due to joint ventures		59,783	59,727
Tax payable		15,749	21,970
Bank and other borrowings		970,547	1,027,846
Dividends payable		43	43
Lease liabilities		22,947	23,285
		1,534,729	1,479,781
Total current liabilities		1,534,729	1,479,781

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

	<b>At 30 June 2024 (Unaudited) HK\$'000</b>	<b>At 31 December 2023 (Audited) HK\$'000</b>
<b>Net current assets</b>	<u>174,258</u>	<u>183,826</u>
<b>Total assets less current liabilities</b>	<u>1,663,580</u>	<u>1,689,337</u>
<b>Non-current liabilities</b>		
Provision for long service payments	77	77
Deferred tax liabilities	75,143	74,451
Deferred income	8,228	8,432
Lease liabilities	43,981	56,187
Bank and other borrowings	<u>6,232</u>	<u>4,325</u>
<b>Total non-current liabilities</b>	<u>133,661</u>	<u>143,472</u>
<b>Net assets</b>	<u>1,529,919</u>	<u>1,545,865</u>
<b>Capital and reserves</b>		
Share capital	47,555	47,555
Reserves	<u>1,454,989</u>	<u>1,469,262</u>
<b>Equity attributable to equity holders of the Company</b>	<u>1,502,544</u>	<u>1,516,817</u>
<b>Non-controlling interests</b>	<u>27,375</u>	<u>29,048</u>
<b>Total equity</b>	<u>1,529,919</u>	<u>1,545,865</u>

# NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

## 1 BASIS OF PREPARATION

The interim results set out in this preliminary announcement do not constitute the Group's interim financial report for the six months ended 30 June 2024 but are extracted from that interim financial report.

These interim financial statements for the six months ended 30 June 2024 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 (the "Stock Exchange"), 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 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 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 2023 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 amendments to HKFRSs issued by the HKICPA to these interim financial statements for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* ("2020 amendments")
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants* ("2022 amendments")
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

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 2023.

### 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 2024 are as follows:

	<b>For the six months ended 30 June 2024</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	815,977	–	815,977
Segment gross profit	133,039	–	133,039
Gross profit margin (%)	16.3%	N/A	16.3%
Other income	1,055	2,787	3,842
Other net gains/(loss)	8,983	(9,032)	(49)
Operating expenses <sup>1</sup>	(104,586)	–	(104,586)
Operating profit/(loss)	38,491	(6,245)	32,246
Operating profit margin (%)	<u>4.7%</u>	<u>N/A</u>	<u>4.0%</u>

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

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

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
<b>Operating profit</b>	<b>32,246</b>	3,272
Finance costs	(25,852)	(28,216)
Finance income	3,222	3,713
Share of results of joint ventures	<u>(2,483)</u>	<u>6,094</u>
<b>Profit/(loss) before tax</b>	<b><u>7,133</u></b>	<b><u>(15,137)</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 and administrative expenses.



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>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue from external customers by geographical locations</b>		
Hong Kong	40,239	38,891
Mainland China	620,439	532,460
Taiwan	81,856	73,341
Southeast Asia	29,460	25,458
Korea	6,132	2,503
The United States of America	9,629	34,658
Europe	20,596	39,142
Other countries	7,626	15,522
	<u>815,977</u>	<u>761,975</u>
	<b>At 30 June</b>	<b>At 31 December</b>
	<b>2024</b>	<b>2023</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	111,311	112,681
Mainland China	1,321,094	1,330,438
Others	1,144	6,161
	<u>1,433,549</u>	<u>1,449,280</u>

## 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>2024</b>	<b>2023</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>815,977</b>	<b>761,975</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>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
(Loss)/gains on disposal of property, plant and equipment	<b>(2,629)</b>	12
Scrap sales	<b>1</b>	172
Government subsidies	<b>261</b>	34
Rental income generated from investment properties	<b>2,787</b>	1,261
Others	<b>3,422</b>	2,744
	<b>3,842</b>	4,223

## 7 OTHER NET (LOSS)/GAINS

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Fair value gain on investment properties	<b>674</b>	123
Net foreign exchange gains	<b>13,345</b>	2,879
Fair value (loss)/gains on financial assets at fair value through profit or loss	<b>(9,706)</b>	787
Others	<b>(4,362)</b>	(441)
	<b>(49)</b>	3,348

## 8 OPERATING PROFIT

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Depreciation charge:		
Owned property, plant and equipment	24,802	27,829
Right-of-use assets	10,618	11,828
Amortisation of prepaid land premium	188	763
Amortisation of intangible assets	111	116
Write-down of inventories	1,751	2,516
Net reversal of expected credit loss on trade and other receivables:		
Additional expected credit loss recognised	61	–
Expected credit loss reversed	–	(1,426)
(Gain)/loss on reimbursement right assets	(158)	1,112
	<u>                    </u>	<u>                    </u>

## 9 FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Interest expense on bank and other borrowings	25,061	28,620
Interest expense on lease liabilities	1,375	733
	<u>                    </u>	<u>                    </u>
	26,436	29,353
Less: Interest expenses capitalised into construction in progress	(584)	(1,137)
	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>
	25,852	28,216
	<u>                    </u>	<u>                    </u>

## 10 FINANCE INCOME

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Interest income from loan to a joint venture	2,692	2,764
Interest income from time deposits and bank balances	530	637
Interest income from a financial asset	—	312
	<u>3,222</u>	<u>3,713</u>

## 11 INCOME TAX

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Current tax:		
Outside Hong Kong	<u>4,948</u>	<u>3,702</u>
Deferred tax	<u>(207)</u>	<u>(1,061)</u>
Total tax charge for the period	<u>4,741</u>	<u>2,641</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 2024 and 2023.

In accordance with the relevant tax rules and regulations in Mainland China, four (30 June 2023: four) of the Company's subsidiaries in Mainland China enjoy a preferential tax rate of 15% (30 June 2023: 15%). Other subsidiaries of the Group in Mainland China are subject to income taxes at a statutory rate of 25% (30 June 2023: 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 EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit for the Period attributable to equity holders of the Company of HK\$2,756,000 (30 June 2023: loss attributable to equity holders of the Company of HK\$15,368,000), and the weighted average number of 475,547,534 (30 June 2023: 475,547,534) ordinary shares in issue during the Period.

The diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share as there were no potential dilutive ordinary shares in issue during the Period and for the six months ended 30 June 2023.

## 13 DIVIDENDS

The Board does not recommend interim dividend for the Period (30 June 2023: Nil).

## 14 TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Trade receivables	735,366	667,016
Loss allowance	<u>(37,929)</u>	<u>(38,244)</u>
	<b>697,437</b>	628,772
Prepayments, deposits and other receivables	<u>144,893</u>	<u>136,933</u>
	<b><u>842,330</u></b>	<b><u>765,705</u></b>

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\$1,878,000 (31 December 2023: HK\$1,720,000) 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 2024 HK\$'000	At 31 December 2023 HK\$'000
1-3 months	593,265	522,234
4-6 months	90,720	87,722
7-12 months	11,405	15,198
Over 1 year	<u>2,047</u>	<u>3,618</u>
	<b><u>697,437</u></b>	<b><u>628,772</u></b>

## 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 2024 HK\$'000</b>	At 31 December 2023 HK\$'000
Trade payables:		
– 1-3 months	<b>297,067</b>	156,596
– 4-6 months	<b>38,496</b>	47,210
– 7-12 months	<b>3,229</b>	12,626
– Over 1 year	<b>14,804</b>	16,175
	<b>353,596</b>	232,607
Bills payables	<b>10,991</b>	1,975
	<b>364,587</b>	234,582

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL RESULTS

The financial results for the six months ended 30 June 2024 were encouraging which reflected the Group's strategic initiatives and operational efficiencies starting to turn into effect. The Group's revenue increased by 7.1% for the six months ended 30 June 2024, as compared with that of in the corresponding period in 2023, indicating a steady business growth and market demand for its products. This uptick in revenue was further accentuated by an improvement in the gross profit margin, which increased by 2.9 percentage points, from 13.4% to 16.3%.

The improvement in gross profit margin was attributable to a combination of factors. First, the change in the sales product mix enabling the Group to focus on products with higher profitability. In addition, stringent cost control measures and optimization of resource allocation had been effectively implemented. The effectiveness of cost control measures were clearly demonstrated by the noticeable reduction in operating expenses as a percentage of sales. By implementing strategic budgeting, streamlining production processes, and identifying areas for cost savings, the Group had effectively streamlined its overall operating costs. This reduction was evident in improving the profitability of the Group as well as ensuring more resources could be channeled towards growth and innovation, solidifying a strong financial foundation for the future and strengthening the Group's competitive position in the market.

Facing persistently high-interest rates in Hong Kong, the Group had decided to revamp its bank loan portfolio to optimize its overall finance costs. As such, the Group had taken a proactive approach to lessen its bank borrowings. By doing so, the Group had managed to reduce its overall interest expenses to 3.2% of its revenue for the six months ended 30 June 2024, as compared with 3.7% of its revenue for the corresponding period of 2023.

The implementation of strategic measures and cost control initiatives had enabled the Group to turn around from a net loss attributable to shareholders of the Company (the "Shareholders") of approximately HK\$15,368,000 in the first half of 2023, to a slight profit attributable to Shareholders of approximately HK\$2,756,000 for the six months ended 30 June 2024. The turnaround has not only echoed the positive impact of these efforts but also positioned the Group for future business sustainability.

## **BUSINESS REVIEW**

### **Market Overview**

Market recovery is slower than expected, yet there are momentum and growth in the demand for passive electronic components. The Group had still managed to achieve a steady growth in revenue of 7.1% for the six months ended 30 June 2024, as compared with that of in the corresponding period in 2023; and the growth in revenue was even more encouraging at 15.1% as compared with that of in the second half of 2023. The electronics market is evolving at a fast pace which drives the potential growth in various technology applications and in particular, those in relation to artificial intelligence (“AI”). Despite the sluggish economic environment, the transformative potential of AI across various industries remains a bright spot. According to a market research published by Statista, a research company, in June 2024, the market for AI grew beyond US\$184 billion in 2024, a considerable jump of nearly US\$50 billion compared to 2023. This staggering growth is expected to continue with the market racing past US\$826 billion in 2030. We believe that this will be a pivotal growth driver for the electronics industry as well as the Group since our products can be widely used. This adoption would be set to drive the demand for capacitors which are essential components for powering advanced electronics. As AI systems become more complex and widespread, there is a growing need for applications with high reliability and efficient energy storage. Capacitors are critical in stabilizing the power supply, filtering noise, and managing energy in AI-driven devices and data centers. High-performance computing hardware, integral to AI applications, demands capacitors that can handle higher loads and ensure operational stability. Furthermore, the expansion of IoT devices, autonomous vehicles, and smart infrastructures, all relying on AI, would further amplify the demand for sophisticated capacitors. This surge in AI-driven technologies will likely spur innovation and growth in the capacitors’ market in order to meet the increasing requirements for performance and reliability. Consequently, we are well-positioned to capture this expanding market by leveraging on AI’s continued adoption to fuel its growth and innovation.

### **Operation Review**

The financial performance turnaround in the first half of the year has showcased the Group’s strong adaptability and strategic efforts in navigating a complex business environment. This has further positioned the Group for future business growth. Moreover, the Group’s diversified customer and product mix has been crucial to its business development, along with a steadfast focus on research and development (“R&D”), which can strengthen its product and technological innovation. The Group’s ongoing commitment to investing in R&D is crucial for staying at the forefront of this technology generation. Focusing on R&D has positioned the Group to capitalize on the technological advancements which can help to seize long-term business growth opportunities. Owing to the diversified and wide spectrum of product platform available to customers of the Group, coupled with the competence in R&D which allows the Group to innovate products and solutions that can echo in the market demand precisely. During the six months ended 30 June 2024, the Group has continued enforcing strict cost control measures and prudent cash flow management to boost its profitability while maintaining a healthy liquidity and financial stability.



## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 June 2024, the Group's cash and cash equivalents amounted to HK\$209,886,000 (as at 31 December 2023: HK\$249,720,000), 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\$976,779,000 (as at 31 December 2023: HK\$1,032,171,000) which comprised mainly bank loans and trade finance facilities.

As at 30 June 2024, the net gearing ratio was 50.1%, which was calculated based on the amount of net debt position (sum of total bank and other borrowings less cash and cash equivalents) as a percentage of total equity of the Group (as at 31 December 2023: 50.6%).

As at 30 June 2024, net working capital (calculated as current assets less current liabilities) was HK\$174,258,000, representing a decrease of HK\$9,568,000 as compared with that of HK\$183,826,000 as at 31 December 2023. The current ratio (calculated as current assets/current liabilities) was 1.11 times as at 30 June 2024, as compared with that of 1.12 times as at 31 December 2023.

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**

Despite various short-term challenges that we have previously encountered, there is a trend towards a gradual recovery of the global economy. According to the world economic outlook update released by the International Monetary Fund ("IMF") in July 2024, the global growth is projected to be in line with the April 2024 World Economic Outlook forecast, at 3.2% and 3.3% in 2024 and 2025 respectively. Among all major economies, China, being the key market focus of the Group, is projected to grow at 5.0% in 2024 and 4.5% 2025. Undoubtedly, economic recovery may still take longer than anticipated due to various uncontrollable factors such as apathetic consumer spending, uncertain year-long geopolitical tension and volatile interest rates environment. Despite all these, the Group would continue to penetrate into high-growth markets such as AI, renewable energy systems, power storage and robotic devices by leveraging on its expertise and innovation to deliver cutting-edge solutions. The Group would also continue to emphasize on maintaining a balanced product mix, ensuring diversification across various segments to maximize its overall profitability. By focusing on both emerging technologies and established product lines, the Group would aim to sustain a robust business growth and adapt to market dynamics. We believe that this strategic approach would accentuate the commitments in meeting our customer needs while driving long-term success in an ever-evolving industry landscape.

## **EMPLOYMENT AND REMUNERATION POLICY**

As at 30 June 2024, the Group employed a total of 2,482 employees (as at 31 December 2023: 2,200). 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 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

## **CHANGE IN INFORMATION OF DIRECTOR**

Pursuant to Rule 13.51(B)(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), a change in information of a Director, as notified to the Company, subsequent to the date of the 2023 annual report is set out below:

Mr. Yung Wing Ki, Samuel, *GBS, MH, JP*, was awarded the Gold Bauhinia Star in 2024 by the Government of the Hong Kong Special Administrative Region.

Save as disclosed above, there had been no other changes in the Directors' information during the Period and up to the date of this announcement.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has complied with the applicable code provisions of the Corporate Governance Code contained in Appendix C1 to 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 C3 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 2024 have been reviewed by the Audit Committee of the Company.

These interim financial statements for the six months ended 30 June 2024 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 2023: Nil).

## **PUBLICATION OF 2024 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 Monday, 30 September 2024.

## **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, 23 August 2024

*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 Mr. Lo Kwok Kwei, David, Mr. Mar, Selwyn and Mr. Yung Wing Ki, Samuel.*