



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

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

Interim Report 2021



Save Oil, Save Minerals,
Fresh Air, Green Future

Tomorrow Starts Here

SAMXON®
Aluminum Electrolytic Capacitors

X-CON®
Conductive Polymer
Aluminum Solid Capacitors

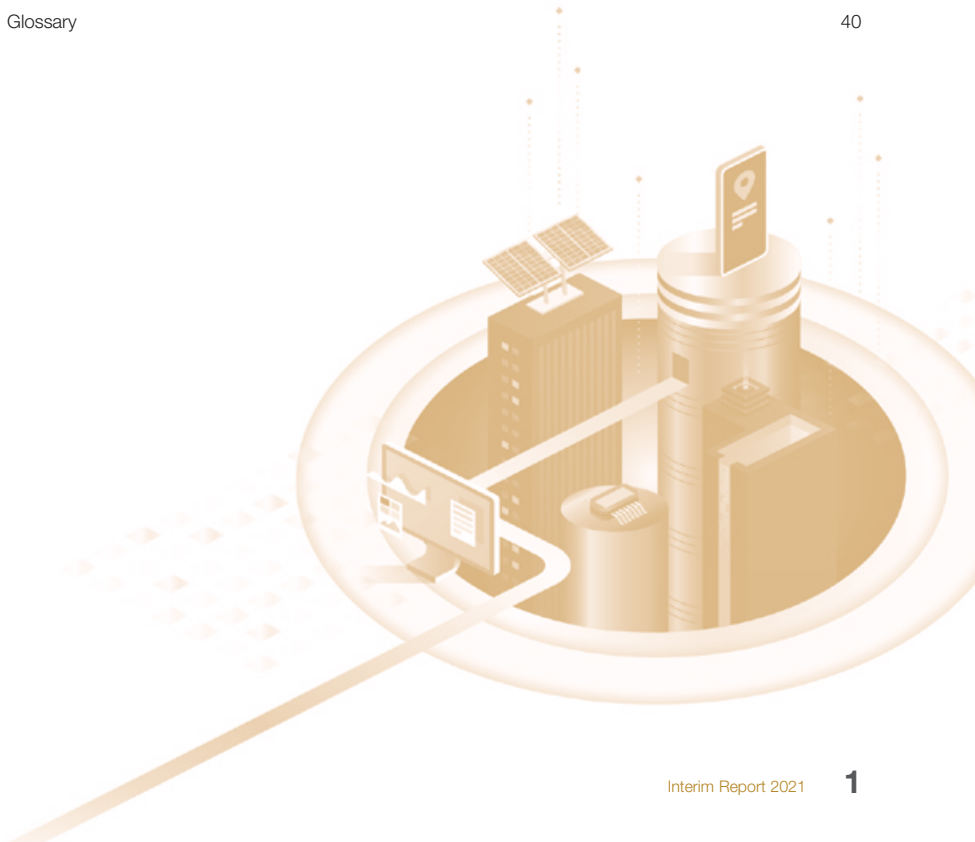
XLPC®
Metallized Polymer Capacitors



This report is printed on environmentally friendly paper

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Corporate Information

Board of Directors

Executive Directors

Kee Chor Lin (*Chairman*)
Chan Yu Ching, Eugene (*Managing Director*)
Chan Tat Cheong, Alan

Independent Non-executive Directors

Li Sau Hung, Eddy *GBS, JP*
Lo Kwok Kwei, David
Mar, Selwyn

Audit Committee

Mar, Selwyn (*Chairman*)
Li Sau Hung, Eddy *GBS, JP*
Lo Kwok Kwei, David

Remuneration Committee

Lo Kwok Kwei, David (*Chairman*)
Kee Chor Lin
Li Sau Hung, Eddy *GBS, JP*

Nomination Committee

Li Sau Hung, Eddy *GBS, JP* (*Chairman*)
Kee Chor Lin
Chan Yu Ching, Eugene
Lo Kwok Kwei, David
Mar, Selwyn

Company Secretary

Chan Tat Cheong, Alan

Auditor

KPMG (Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance)

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited
CTBC Bank Co., Ltd.

Registered Office

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Principal Place of Business

Unit 03, 6/F., Harbour Centre Tower 2
8 Hok Cheung Street, Hung Hom
Kowloon, Hong Kong

Corporate Information

**Principal Share Registrar and
Transfer Office**

MUFG Fund Services (Bermuda) Limited
4th floor North, Cedar House
41 Cedar Avenue
Hamilton HM12, Bermuda

**Branch Share Registrar and
Transfer Office**

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East, Hong Kong

Corporate Website

www.manyue.com

Investor Relations Contact

E-mail: ir@manyue.com

Stock Code

00894



Management Discussion and Analysis

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2021	2020	
	HK\$'000	HK\$'000	
Revenue	1,034,591	667,810	+54.9%
Gross profit	176,753	94,645	+86.8%
EBITDA	105,629	44,973	+134.9%
Profit/(loss) attributable to shareholders	37,445	(17,750)	N/A
Earnings/(loss) per share	7.87 HK cents	(3.73) HK cents	N/A

FINANCIAL RESULTS

Riding on the recovery from the COVID-19 pandemic's impact which gave rise to economic resurgence in business activities, the Group's revenue for the Period had recorded a strong growth of 54.9% to HK\$1,034,591,000 as compared with that of the corresponding period last year. Benefiting from the economies of scale in production mainly due to the surge in revenue, gross profit for the Period amounted to HK\$176,753,000, representing an increase of 86.8% when compared with that of the corresponding period of HK\$94,645,000 in the previous year. Gross profit margin had also improved from 14.2% recorded in the corresponding period of 2020 to 17.1% for the Period. Following the sharp rise in gross profit, the Group had a turnaround financial performance for the Period with a net profit attributable to shareholders of the Company of HK\$37,445,000 in contrast with a net loss attributable to shareholders of the Company of HK\$17,750,000 for the corresponding period in 2020.

BUSINESS REVIEW

Market Overview

According to a market research conducted by The Business Research Company, a market research and intelligence company, in January 2021, the global electronic components market is expected to grow from US\$337.12 billion in 2020 to US\$378.68 billion in 2021 at a CAGR of 12.3%. The market is expected to reach US\$509.06 billion in 2025 at a CAGR of 8%. Nowadays, more devices are going "smart" or "artificial intelligent" which can bring efficiency, convenience and accuracy to life. Such phenomenon creates more opportunities for the growth of the electronic components market in a wide range of applications, such as automotive, communication technology, industrial technology, household electronic appliances, IoT and others. Adaption of IoT and the new norm of post-pandemic remote lifestyle become the key drivers of the surging market demand for electronic components. Resulting from the booming demand for electronic components, the Group has been able to capture this market opportunity with its multi-products platform such as E-Caps, Polymer Caps, MLPC and EDLC and has successfully achieved a robust growth in revenue of 54.9% as compared to the same period of last year.

The automotive industry will have an augmented demand for electronic components, owing to the expected growth in the need of electric vehicles and autonomous-driving cars over the coming years. As such, the Group has continuously focused on the development of new products to capture the business opportunities arising from this market sector.

Management Discussion and Analysis

Operation Review

Following the revitalisation of the electronic market mainly caused by the increasing demand for digitalisation catalysed by the COVID-19 pandemic, the Group had been able to achieve a rapid sales growth of 54.9% for the Period by its penetration into the global supply chain of various market sectors as well as leading customers in the industries. Furthermore, the Group's results had made a turnaround to a net profit attributable to shareholders of the Company of HK\$37,445,000 for the Period from a net loss attributable to shareholders of the Company of HK\$17,750,000 for the same period in 2020. The remarkable results were mainly attributable to the increase in revenue and improvement in gross profit margin resulting from the enjoyment of economies of scale in production.

The Group's multi-products platform continue to be the essential components for the use in a wide range of electronic products and applications. During the Period, the Group had kept abreast of the latest market trend for its product development with a strong business focus towards prosperous market sectors such as AI, IoT, cloud computing, new energy vehicles and consumer electronics and thus enabling it to capture larger and more sizable orders. In order to stay at the forefront of technology and maintain its prominent market position in the industry, the Group has endlessly devoted enormous research and development effort in product innovation and advancement of production competence.

Facing the challenge of rising production costs mainly resulted from the robust economic recovery in China, the Group has exerted extra effort in improving the competitiveness of its pioneering and high quality products by way of enhancing the efficiency of production processes as well as implementing stringent cost control measures with an aim to boost its profitability.

In order to cater for the potential sales growth ahead resulting from the surging market demand of electronic components, the Group's new manufacturing facility in Qingyuan High-tech Industrial Development Zone in Guangdong is expected to commence operation towards end of this year with an aim to further expand its production capacity.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, the Group's cash and cash equivalents amounted to HK\$223,015,000 (as at 31 December 2020: HK\$263,486,000), 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\$1,119,180,000 (as at 31 December 2020: HK\$1,024,517,000) which comprised mainly bank loans and trade finance facilities.

As at 30 June 2021, the net gearing ratio (a ratio of the sum of total bank and other borrowings less cash and cash equivalents then divided by total equity) of the Group was 55.6% (as at 31 December 2020: 49.2%).

As at 30 June 2021, net working capital (calculated as current assets less current liabilities) was HK\$268,197,000, representing an increase of HK\$14,355,000 as compared with that of HK\$253,842,000 as at 31 December 2020. The current ratio (calculated as divide current assets by current liabilities) was 1.16 times as at 30 June 2021, as compared with that of 1.16 times as at 31 December 2020.





Management Discussion and Analysis

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. The Group will closely monitor its overall foreign exchange exposure with a view to safeguarding the Group from exchange rate risks.

OUTLOOK AND PROSPECTS

Global prospects are improving but performance diverges strongly across countries. According to the Economic Outlook issued by Organisation for Economic Co-operation and Development in May 2021, the global economic growth is expected to be 5.8% in 2021. The unbalanced growth across countries is largely dependent on the effectiveness of COVID-19 vaccination programs and public health policies.

The GDP expanded significant by 18.3% in the first quarter of 2021 and subsequently grew by 7.9% in the second quarter of 2021 year-on-year, albeit a low base effect in the first half of 2020 in China. Though it is believed that the post-pandemic growth has peaked, China is still expected to be one of the major contributors to the world's GDP growth in 2021. Since the Group has already established a strong foothold in China over the years, it would certainly be beneficial to the Group resulting from the robust growth of China's economy as domestic customers will regard the Group as the primary choice for their local sourcing.

Following the gradual recovery of global economy, industrial enterprises would resume their pre-pandemic agenda of automation and digitalisation of their business processes. Devices and smart objects with actuation capabilities such as robots, drones, smart sensors, and automated guided vehicles can be used to reduce human errors, increase automation and improve work quality. As a result, big data management, 5G mobile networking, new energy vehicles, cloud computing as well as AI will be the key drivers for accelerating the market demand for electronic components market. By leveraging on its shrewd market acumen, strong product innovation capabilities, solid global presence as well as diversified customer base and product portfolio, the Group is well positioned to capture these enormous market opportunities. In view of the robust demand of electronic components driven by the latest emerging market sectors, the Group's new production plant in Qingyuan, Guangdong will be expected to come into operation by end of this year.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2021, the Group employed a total of 3,392 employees (as at 31 December 2020: 2,767). 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.

Report on Review of Interim Financial Statements



REVIEW REPORT TO THE BOARD OF DIRECTORS OF MAN YUE TECHNOLOGY HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the interim financial statements set out on pages 8 to 35, which comprises the consolidated statement of financial position of Man Yue Technology Holdings Limited (the “Company”) as of 30 June 2021 and the related consolidated statement of profit or loss, statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of interim financial statements to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial statements and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of these statements.

SCOPE OF REVIEW

We conducted our review 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. A review of interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements as at 30 June 2021 are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 *Interim Financial Reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

Hong Kong, 24 August 2021



Unaudited Consolidated Statement of Profit or Loss

	Note	Six months ended 30 June	
		2021 HK\$'000	2020 HK\$'000
Revenue	6, 7	1,034,591	667,810
Cost of sales		(857,838)	(573,165)
Gross profit		176,753	94,645
Other income	8	6,630	701
Other net losses	9	(1,652)	(354)
Selling and distribution costs		(35,557)	(26,290)
Administrative expenses		(90,018)	(66,251)
Net impairment loss on trade and other receivables		(3,388)	(1,610)
Operating profit	10	52,768	841
Changes in fair values of derivative financial instruments	11	–	(11)
Finance costs	12	(17,763)	(23,057)
Finance income	13	3,031	2,834
Share of results of joint ventures		5,528	4,643
Profit/(loss) before tax		43,564	(14,750)
Income tax	14	(6,630)	(2,170)
Profit/(loss) for the period		36,934	(16,920)
Profit/(loss) attributable to:			
Equity holders of the Company		37,445	(17,750)
Non-controlling interests		(511)	830
Profit/(loss) for the period		36,934	(16,920)
Earnings/(loss) per share attributable to equity holders of the Company:	15		
Basic		7.87 HK cents	(3.73) HK cents
Diluted		7.87 HK cents	(3.73) HK cents

The notes on pages 14 to 35 form part of these interim financial statements.

Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Profit/(loss) for the period	36,934	(16,920)
Other comprehensive income:		
Item that will not be reclassified subsequently to profit or loss:		
Assets revaluation surplus, net of tax	2,790	-
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	25,766	(43,166)
Other comprehensive income for the period, net of tax	28,556	(43,166)
Total comprehensive income for the period	65,490	(60,086)
Total comprehensive income attributable to:		
Equity holders of the Company	65,740	(60,937)
Non-controlling interests	(250)	851
Total comprehensive income for the period	65,490	(60,086)

The notes on pages 14 to 35 form part of these interim financial statements.



Unaudited Consolidated Statement of Financial Position

		At 30 June 2021 (Unaudited) HK\$'000	At 31 December 2020 (Audited) HK\$'000
	Note		
Non-current assets			
Property, plant and equipment	17	714,435	690,973
Prepaid land premium	18	61,210	61,305
Investment properties	19	161,982	159,860
Intangible assets		1,251	1,368
Investments in joint ventures		202,639	194,142
Prepayments on purchases of property, plant and equipment		95,957	93,902
Financial assets at fair value through profit or loss		34,889	33,081
Loans to a joint venture		156,572	152,358
Other prepayments		5,772	5,718
Deferred tax assets		15,929	15,283
Total non-current assets		1,450,636	1,407,990
Current assets			
Inventories		733,036	677,260
Trade receivables	20	836,723	761,567
Prepayments, deposits and other receivables	20	132,501	118,524
Due from joint ventures		20,608	20,580
Financial assets at fair value through profit or loss		14	14
Net defined benefit retirement assets		752	746
Tax recoverable		-	2,440
Cash and cash equivalents		223,015	263,486
Total current assets		1,946,649	1,844,617
Current liabilities			
Trade and bills payables	21	306,583	346,126
Other payables and accrued liabilities and contract liabilities		158,489	129,412
Due to joint ventures		55,973	56,619
Tax payables		16,089	13,738
Bank and other borrowings	22	1,119,180	1,024,517
Dividends payable		43	43
Lease liabilities		22,095	20,320
Total current liabilities		1,678,452	1,590,775

Unaudited Consolidated Statement of Financial Position

	Note	At 30 June 2021 (Unaudited) HK\$'000	At 31 December 2020 (Audited) HK\$'000
Net current assets		268,197	253,842
Total assets less current liabilities		1,718,833	1,661,832
Non-current liabilities			
Provision for long service payments		77	77
Deferred tax liabilities		51,073	49,478
Deferred income		9,974	10,018
Lease liabilities		46,172	56,212
Total non-current liabilities		107,296	115,785
Net assets		1,611,537	1,546,047
Capital and reserves			
Share capital	23	47,555	47,555
Reserves	24	1,523,607	1,457,867
Equity attributable to equity holders of the Company		1,571,162	1,505,422
Non-controlling interests		40,375	40,625
Total equity		1,611,537	1,546,047

The notes on pages 14 to 35 form part of these interim financial statements.



Unaudited Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company			Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Reserves HK\$'000	Total HK\$'000		
Balance at 1 January 2021	47,555	1,457,867	1,505,422	40,625	1,546,047
Profit/(loss) for the period	-	37,445	37,445	(511)	36,934
Other comprehensive income:					
Item that will not be reclassified subsequently to profit or loss:					
Assets revaluation surplus, net of tax	-	2,790	2,790	-	2,790
Item that may be reclassified subsequently to profit or loss:					
Currency translation differences	-	25,505	25,505	261	25,766
Total comprehensive income for the period ended 30 June 2021	-	65,740	65,740	(250)	65,490
Balance at 30 June 2021	47,555	1,523,607	1,571,162	40,375	1,611,537

	Attributable to equity holders of the Company			Non- controlling interests HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Reserves HK\$'000	Total HK\$'000		
Balance at 1 January 2020	47,555	1,312,030	1,359,585	36,728	1,396,313
(Loss)/profit for the period	-	(17,750)	(17,750)	830	(16,920)
Other comprehensive income:					
Item that may be reclassified subsequently to profit or loss:					
Currency translation differences	-	(43,187)	(43,187)	21	(43,166)
Total comprehensive income for the period ended 30 June 2020	-	(60,937)	(60,937)	851	(60,086)
Deregistration of a subsidiary	-	-	-	(768)	(768)
Balance at 30 June 2020	47,555	1,251,093	1,298,648	36,811	1,335,459

The notes on pages 14 to 35 form part of these interim financial statements.

Unaudited Condensed Consolidated Cash Flow Statement

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Operating activities		
Cash (used in)/generated from operations	(47,187)	37,524
Tax refunded	2,539	27
Tax paid	(4,899)	(4,826)
Net cash (outflow)/inflow from operating activities	(49,547)	32,725
Investing activities		
Purchases of property, plant and equipment	(43,401)	(30,974)
Prepayments on purchases of property, plant and equipment	(10,539)	(9,993)
Other cash flows arising from investment activities	(164)	2,983
Net cash outflow from investing activities	(54,104)	(37,984)
Financing activities		
Proceeds from new bank and other borrowings	1,121,403	1,050,605
Repayment of bank and other borrowings	(1,030,253)	(1,007,588)
Capital element of lease rentals paid	(10,916)	(8,495)
Interest element of lease rentals paid	(1,659)	(1,842)
Interest paid	(16,997)	(22,229)
Other cash flows arising from financing activities	-	(256)
Net cash inflow from financing activities	61,578	10,195
Net (decrease)/increase in cash and cash equivalents	(42,073)	4,936
Cash and cash equivalents at beginning of period	263,486	225,715
Effect of foreign exchange rate changes	1,602	(2,899)
Cash and cash equivalents at end of period	223,015	227,752
Analysis of balances of cash and cash equivalents		
Cash and bank balances	218,363	222,751
Time deposits with original maturity of less than three months when placed	4,652	5,001
Cash and cash equivalents at end of period	223,015	227,752

The notes on pages 14 to 35 form part of these interim financial statements.

Notes to the Unaudited Consolidated Financial Statements

1 GENERAL INFORMATION

The principal activities of the Company and its subsidiaries are the manufacturing and trading of electronic components and raw materials.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company has its primary listing on the Stock Exchange.

These interim financial statements are presented in Hong Kong dollars, unless otherwise stated. These interim financial statements have been approved for issue by the Board on 24 August 2021.

2 BASIS OF PREPARATION

These interim financial statements for the six months ended 30 June 2021 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 2020 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

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 2020 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.

Notes to the Unaudited Consolidated Financial Statements

3 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the current accounting period:

- Amendments to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021*
- Amendment to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 *Interest Rate Benchmark Reform – Phase 2*

Other than the amendment to HKFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended HKFRSs are discussed below:

Amendments to HKFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021 (2021 amendment)*

The Group previously applied the practical expedient in HKFRS 16 such that as lessee it was not required to assess whether rent concessions occurring as a direct consequence of the COVID-19 pandemic were lease modifications, if the eligibility conditions are met. One of these conditions requires the reduction in lease payments affect only payments originally due on or before a specified time limit. The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022.

The amendments to HKFRS 16 do not have any material impact on the Group's financial statements.

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 *Interest Rate Benchmark Reform – Phase 2*

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates ("IBOR reform").

These amendments do not have any material impact on the Group's financial statements.

4 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 2020.



Notes to the Unaudited Consolidated Financial Statements

5 FINANCIAL RISK MANAGEMENT

(a) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), liquidity risk and credit risk.

These interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2020.

(b) Liquidity Risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	30 June 2021			Carrying amount at 30 June 2021 HK\$'000
	Contractual undiscounted cash flow			
	Within 1 year or on demand HK\$'000	Over 1 year HK\$'000	Total HK\$'000	
Trade and bills payables	306,583	–	306,583	306,583
Other payables and accrued liabilities	130,611	–	130,611	130,611
Due to joint ventures	55,973	–	55,973	55,973
Bank and other borrowings	1,143,232	509	1,143,741	1,119,980
Lease liabilities	24,697	50,350	75,047	68,267
Dividends payable	43	–	43	43
	1,661,139	50,859	1,711,998	1,681,457

Notes to the Unaudited Consolidated Financial Statements

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Liquidity Risk (Continued)

	31 December 2020			Carrying amount at 31 December 2020 HK\$'000
	Contractual undiscounted cash flow			
	Within 1 year or on demand HK\$'000	Over 1 year HK\$'000	Total HK\$'000	
Trade and bills payables	346,126	–	346,126	346,126
Other payables and accrued liabilities	113,051	–	113,051	113,051
Due to joint ventures	56,619	–	56,619	56,619
Bank and other borrowings	1,036,469	1,405	1,037,874	1,024,517
Lease liabilities	23,286	61,134	84,420	76,532
Dividends payable	43	–	43	43
	<u>1,575,594</u>	<u>62,539</u>	<u>1,638,133</u>	<u>1,616,888</u>

(c) Fair Value Hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs



Notes to the Unaudited Consolidated Financial Statements

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Fair Value Hierarchy (Continued)

The following table presents the Group's financial assets that were measured at fair value at 30 June 2021.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at fair value through profit or loss – non-current	–	–	34,889	34,889
Financial assets at fair value through profit or loss – current	14	–	–	14
	14	–	34,889	34,903

The following table presents the Group's financial assets that were measured at fair value at 31 December 2020.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at fair value through profit or loss – non-current	–	–	33,081	33,081
Financial assets at fair value through profit or loss – current	14	–	–	14
	14	–	33,081	33,095

There were no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments and no change in valuation techniques during the Period.

Notes to the Unaudited Consolidated Financial Statements

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Fair Value Hierarchy (Continued)

Level 3 financial assets at fair value through profit or loss were measured at fair value using a discounted cash flow approach. The movement during the Period in the balance of Level 3 fair value measurement is as below:

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
At 1 January	33,081	24,433
Changes in fair value recognised in profit or loss during the Period	1,602	188
Exchange realignment	206	(177)
At 30 June	34,889	24,444

For majority of Level 3 financial instruments, the Group obtains independent valuations from independent professionally qualified valuers and bank at least twice every year, which is in line with the Group's reporting dates.

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from fair values as at 30 June 2021 and 31 December 2020.



Notes to the Unaudited Consolidated Financial Statements

6 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	
	2021	2020
	HK\$'000	HK\$'000
Revenue	1,034,591	667,810
Gross profit	176,753	94,645
Gross profit margin (%)	17.1%	14.2%
EBITDA ¹	105,629	44,973
EBITDA margin (%)	10.2%	6.7%
Operating expenses ²	128,963	94,151
Operating expenses/revenue (%)	12.5%	14.1%
Profit/(loss) for the period	36,934	(16,920)
Net profit/(loss) margin (%)	3.6%	(2.5%)

Notes:

1. EBITDA represents the earnings before interest expenses, tax, depreciation and amortisation.
2. Operating expenses represent the expenditure that the Group incurs as a result of performing its normal business operations, including selling and distribution costs, administrative expenses and net impairment loss on trade and other receivables.

Notes to the Unaudited Consolidated Financial Statements

6 SEGMENT INFORMATION (CONTINUED)

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

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Revenue from external customers by geographical locations		
Hong Kong	45,408	45,516
Mainland China	775,478	454,932
Taiwan	122,619	94,382
Southeast Asia	33,915	21,244
Korea	1,442	1,091
United States	11,470	9,175
Europe	35,456	37,165
Other countries	8,803	4,305
	1,034,591	667,810

	At 30 June	At 31 December
	2021	2020
	HK\$'000	HK\$'000
Non-current assets by physical locations (excluding deferred tax assets and financial assets at fair value through profit or loss)		
Hong Kong	110,291	109,912
Mainland China	1,289,319	1,249,504
Other countries	208	210
	1,399,818	1,359,626



Notes to the Unaudited Consolidated Financial Statements

7 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.

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

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Manufacturing and trading of electronic components	1,034,591	667,810

Disaggregation of revenue from contracts with customers by geographical markets is disclosed in Note 6. All revenue is recognised at a single point in time.

8 OTHER INCOME

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Losses on disposal of property, plant and equipment	(7)	(3,058)
Scrap sales	580	159
Government subsidies	2,380	1,280
Rental income generated from investment properties	1,744	929
Others	1,933	1,391
	6,630	701

Notes to the Unaudited Consolidated Financial Statements

9 OTHER NET LOSSES

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Dividend income	–	1
Fair value gain on investment properties	1,138	–
Net foreign exchange losses	(4,380)	(833)
Fair value gains on financial assets at fair value through profit or loss	1,602	188
Others	(12)	290
	(1,652)	(354)

10 OPERATING PROFIT

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

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Depreciation charge:		
Owned property, plant and equipment	32,145	26,642
Right-of-use assets	11,236	9,170
Amortisation of prepaid land premium	796	734
Amortisation of intangible assets	125	120
Write-down of inventories	5,637	14,200
Reversal of write-down of inventories	(1,330)	(3,839)
Net impairment loss on trade and other receivables:		
Additional impairment loss recognised	4,067	2,746
Impairment loss reversed	–	(2,061)
(Gain)/loss on reimbursement right assets	(679)	925

11 CHANGES IN FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Fair value loss on interest rate swaps	–	(11)

At 30 June 2021, all interest rate swap contracts were expired.



Notes to the Unaudited Consolidated Financial Statements

12 FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Interest expense on bank and other borrowings	16,622	21,859
Interest expense on lease liabilities	1,659	1,842
Others	375	370
	18,656	24,071
Less: Interest expenses capitalised into construction in progress	(893)	(1,014)
	17,763	23,057

13 FINANCE INCOME

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Interest income from loan to a joint venture	2,786	2,445
Interest income from time deposits and bank balances	245	389
	3,031	2,834

Notes to the Unaudited Consolidated Financial Statements

14 INCOME TAX

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	769	93
Outside Hong Kong	6,249	4,074
	7,018	4,167
Deferred tax	(388)	(1,997)
Total tax charge for the period	6,630	2,170

Hong Kong Profits Tax has been provided at the rate of 16.5% (30 June 2020: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

In accordance with the relevant tax rules and regulations in Mainland China, three (30 June 2020: three) of the Company's subsidiaries in Mainland China enjoy a preferential tax rate of 15% (30 June 2020: 15%). Other subsidiaries of the Group in Mainland China are subject to income taxes at a statutory rate of 25% (30 June 2020: 25%).

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

15 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\$37,445,000 (30 June 2020: loss of HK\$17,750,000), and the weighted average number of 475,548,000 (30 June 2020: 475,548,000) ordinary shares in issue during the Period.

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

The diluted earnings per share is the same as the basic earnings per share as there were no potential dilutive ordinary shares in issue during the Period.

The diluted loss per share was the same as the basic loss per share as the Company's share options outstanding during the period ended 30 June 2020 were anti-dilutive ordinary shares.

Notes to the Unaudited Consolidated Financial Statements

16 DIVIDENDS

The Board does not recommend interim dividend for the Period (30 June 2020: Nil).

17 PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Opening net carrying amount at 1 January	690,973	666,340
Additions:		
Owned property, plant and equipment	53,806	35,277
Right-of-use assets	2,410	3,948
Surplus on revaluation	3,732	–
Disposals	(15)	(7,602)
Depreciation:		
Owned property, plant and equipment	(32,145)	(26,642)
Right-of-use assets	(11,236)	(9,170)
Exchange realignment	6,910	(8,675)
Closing net carrying amount at 30 June	714,435	653,476

18 PREPAID LAND PREMIUM

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Opening net carrying amount at 1 January	61,305	59,084
Amortisation	(796)	(734)
Exchange realignment	701	(1,136)
Closing net carrying amount at 30 June	61,210	57,214

Notes to the Unaudited Consolidated Financial Statements

19 INVESTMENT PROPERTIES

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Opening net carrying amount at 1 January	159,860	158,256
Gain on fair value adjustment	1,138	–
Exchange realignment	984	(1,548)
Closing net carrying amount at 30 June	161,982	156,708

The Group obtains independent valuations for its investment properties at least twice annually. During the Period, the valuations were performed by Ravia Global Appraisal Advisory Limited, an independent professionally qualified valuer using the same valuation techniques as were used by the valuers when carrying out the valuations at 31 December 2020. At the end of each reporting period, the Directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The Directors determine a property's value within a range of reasonable fair value estimates.

Fair value adjustment of investment properties is included in "Other Net Losses" in the consolidated statement of profit or loss (Note 9).

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 *Fair Value Measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs



Notes to the Unaudited Consolidated Financial Statements

19 INVESTMENT PROPERTIES (CONTINUED)

	Fair value measurements at 30 June 2021 categorised into		
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurements			
Investment properties			
– Completed residential properties – Mainland China	–	–	2,380
– Completed industrial property – Mainland China	–	–	18,042
– Completed commercial properties – Hong Kong	–	–	75,100
– Under development commercial property – Mainland China	–	–	66,460
	–	–	161,982
	Fair value measurements at 31 December 2020 categorised into		
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
Recurring fair value measurements			
Investment properties			
– Completed residential properties – Mainland China	–	–	2,305
– Completed industrial property – Mainland China	–	–	17,550
– Completed commercial properties – Hong Kong	–	–	74,300
– Under development commercial property – Mainland China	–	–	65,705
	–	–	159,860

There were no transfers among Level 1, 2 and 3 during the Period.

Notes to the Unaudited Consolidated Financial Statements

20 TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 June 2021 HK\$'000	At 31 December 2020 HK\$'000
Trade receivables	880,758	801,307
Loss allowance	(44,035)	(39,740)
	836,723	761,567
Prepayments, deposits and other receivables	132,501	118,524
	969,224	880,091

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\$3,065,000 (31 December 2020: HK\$2,386,000) 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 2021 HK\$'000	At 31 December 2020 HK\$'000
1-3 months	698,075	614,583
4-6 months	128,724	129,666
7-12 months	8,616	11,733
Over 1 year	1,308	5,585
	836,723	761,567



Notes to the Unaudited Consolidated Financial Statements

21 TRADE AND BILLS PAYABLES

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

	At 30 June 2021 HK\$'000	At 31 December 2020 HK\$'000
Trade payables:		
1-3 months	238,257	258,300
4-6 months	31,073	57,540
7-12 months	9,182	12,430
Over 1 year	13,673	12,570
	292,185	340,840
Bills payables	14,398	5,286
	306,583	346,126

22 BANK AND OTHER BORROWINGS

	At 30 June 2021 HK\$'000	At 31 December 2020 HK\$'000
Bank and other borrowings, unsecured, with repayable on demand clause, repayable:		
Within one year	1,088,904	972,145
In the second year	28,276	32,439
In the third to fifth years, inclusive	2,000	19,933
	1,119,180	1,024,517
Portion classified as current liabilities	(1,119,180)	(1,024,517)
Non-current portion	-	-

Notes to the Unaudited Consolidated Financial Statements

22 BANK AND OTHER BORROWINGS (CONTINUED)

Movement in bank and other borrowings is analysed as follows:

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Opening balance at 1 January	1,024,517	975,677
New borrowings	1,121,403	1,050,605
Repayments of borrowings	(1,030,253)	(1,007,588)
Exchange realignment	3,513	(2,716)
Closing balance at 30 June	1,119,180	1,015,978

The Group is required to comply with certain restrictive financial covenants, including, inter alia, interest coverage ratios, net debt to EBITDA ratios and finance charge to EBITDA ratios. As at 30 June 2021, none of the covenants relating to drawn down facilities had been breached.

As at 31 December 2020, the Group breached two covenant requirements in certain bank loans of HK\$372,041,000 from two banks. The Group obtained waiver letters issued by the banks before the end of the reporting period for one-off waiver from strict compliance with the covenant requirements.

Notes to the Unaudited Consolidated Financial Statements

23 SHARE CAPITAL

	At 30 June 2021 HK\$'000	At 31 December 2020 HK\$'000
Authorised:		
1,000,000,000 ordinary shares of HK\$0.10 each	100,000	100,000
Issued and fully paid:		
475,547,534 (31 December 2020: 475,547,534) ordinary shares of HK\$0.10 each	47,555	47,555

A summary of the transactions involving the Company's share capital is as follows:

	Number of shares in issue	Issued capital HK\$'000	Share premium HK\$'000	Total HK\$'000
At 1 January 2021 and 30 June 2021	475,547,534	47,555	165,458	213,013
At 1 January 2020 and 30 June 2020	475,547,534	47,555	165,458	213,013

All share options were lapsed on 14 September 2020.

Notes to the Unaudited Consolidated Financial Statements

24 RESERVES

	Share premium HK\$'000	Contributed surplus HK\$'000	Asset revaluation reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Mainland China reserve funds HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance at 1 January 2021	165,458	2,800	101,675	195,953	62,846	(162)	929,297	1,457,867
Profit for the period	-	-	-	-	-	-	37,445	37,445
Other comprehensive income:								
Item that will not be reclassified subsequently to profit or loss:								
Asset revaluation surplus, net of tax	-	-	2,790	-	-	-	-	2,790
Item that may be reclassified subsequently to profit or loss:								
Currency translation differences	-	-	-	25,505	-	-	-	25,505
Total comprehensive income for the period ended 30 June 2021	-	-	2,790	25,505	-	-	37,445	65,740
Balance at 30 June 2021	165,458	2,800	104,465	221,458	62,846	(162)	966,742	1,523,607

	Share premium HK\$'000	Share option reserve HK\$'000	Contributed surplus HK\$'000	Asset revaluation reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Mainland China reserve funds HK\$'000	Other reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
Balance at 1 January 2020	165,458	1,621	2,800	102,573	73,282	62,846	(162)	903,612	1,312,030
Loss for the period	-	-	-	-	-	-	-	(17,750)	(17,750)
Other comprehensive income:									
Item that may be reclassified subsequently to profit or loss:									
Currency translation differences	-	-	-	-	(43,187)	-	-	-	(43,187)
Total comprehensive income for the period ended 30 June 2020	-	-	-	-	(43,187)	-	-	(17,750)	(60,937)
Employee share option scheme:									
Share options forfeited	-	(237)	-	-	-	-	-	237	-
Balance at 30 June 2020	165,458	1,384	2,800	102,573	30,095	62,846	(162)	886,099	1,251,093

Notes to the Unaudited Consolidated Financial Statements

25 CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	At 30 June	At 31 December
	2021	2020
	HK\$'000	HK\$'000
Contracted, but not provided for:		
Plant and machinery	68,910	51,160
Buildings	694	3,947
Land	1,211	1,211
	70,815	56,318

26 RELATED PARTY TRANSACTIONS

As at 30 June 2021, Man Yue Holdings Inc. had a 44.09% equity interest in the Company as the single largest shareholder. The ultimate controlling party of the Company is Ms Kee Chor Lin, the Chairman of the Company.

(a) During the Period, the Group had the Following Material Transactions with Its Joint Ventures:

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
Purchases of raw materials ¹	59,140	11,795
Lease rental payments ²	7,189	5,573
Interest income received ³	2,786	2,445

Notes:

- The above purchases of raw materials were determined on basis as agreed by both parties and were conducted in the normal course of business.
- The Group entered into a lease in respect of the factory premises in Mainland China from a joint venture. The amount of rental payable by the Group under the lease is RMB1,000,330 per month, which was determined with reference to mark-to-market yield. At 30 June 2021, the Group recognised a right-of-use asset and a lease liability of HK\$32,234,000 and HK\$34,110,000 respectively (30 June 2020: a right-of-use asset and a lease liability of HK\$41,108,000 and HK\$42,521,000 respectively).
- The interest was charged at a rate of 4.90% (30 June 2020: 4.90%) per annum.

Notes to the Unaudited Consolidated Financial Statements

26 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Period/Year-end Balances with the Group's Joint Ventures:

	At 30 June 2021 HK\$'000	At 31 December 2020 HK\$'000
Share of net assets	202,639	194,142
Loans to a joint venture ¹	156,572	152,358
Due from joint ventures ²	20,608	20,580
Due to joint ventures ²	(55,973)	(56,619)

Notes:

1. Except for the loans amounting to HK\$127,753,000 (31 December 2020: HK\$123,539,000), which are interest-bearing at a rate of 4.90% (30 June 2020: 4.90%) per annum, the remaining loans to the joint venture are unsecured, interest-free and repayable on demand.
2. The amounts due from and due to joint ventures are unsecured, interest-free and repayable per trading credit terms.

(c) Remuneration for Key Management Personnel of the Group:

	Six months ended 30 June 2021 HK\$'000	2020 HK\$'000
Salaries and allowances	8,697	7,720
Pension scheme contributions	27	95
Total remuneration for key management personnel	8,724	7,815

27 IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic since early 2020 has brought about additional uncertainties in the Group's operating environment and has impacted the Group's operations and financial position.

The Group has been closely monitoring the impact of the developments on the group's business and has put in place contingency measures.



Corporate Governance and Other Information

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests and short positions of the Directors or chief executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long positions in ordinary shares and underlying shares of the Company:

Directors	Capacity	Nature of interest	Number of shares held	Approximate percentage of the Company's issued share capital
Kee Chor Lin ¹	Interest of controlled corporation	Corporate	209,689,667	44.09%
Kee Chor Lin	Beneficial owner	Personal	51,634,334	10.86%
			<u>261,324,001</u>	<u>54.95%</u>
Chan Yu Ching, Eugene	Beneficial owner	Personal	4,716,666	0.99%

Note:

- These shares are held by Man Yue Holdings Inc., a company wholly and beneficially owned by Ms Kee Chor Lin, the Chairman of the Company.

Save as disclosed above and as disclosed under the section "Directors' Rights to Acquire Shares or Debentures", as at 30 June 2021, none of the Directors or chief executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Corporate Governance and Other Information

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2021, the interests and short positions of persons, other than Directors or chief executive of the Company, being 5% or more in the interest in the issued share capital of the Company as recorded in the register of interests required to be kept under Section 336 of Part XV of the SFO, are set out as below:

Long positions:

Name	Capacity and nature of interest	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Man Yue Holdings Inc.	Personal/Beneficial owner	209,689,667	44.09%

Save as disclosed above, as at 30 June 2021, no person, other than the Directors or chief executive of the Company, whose interests are set out in the section "Directors' and Chief Executive's Interests And Short Positions in Shares, Underlying Shares and Debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as disclosed under the section "Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures" above, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

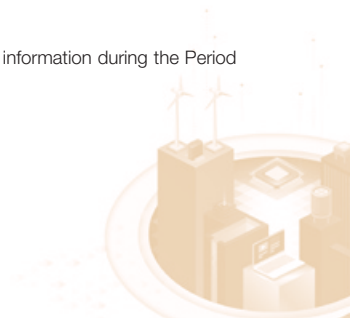
During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

CHANGE IN INFORMATION OF DIRECTOR

Pursuant to Rule 13.51(B)(1) of the Listing Rules, a change in information of a Director, as notified to the Company, subsequent to the date of the 2020 annual report is set out below:

Mr Mar, Selwyn resigned from the office of independent non-executive director of PanAsialum Holdings Company Limited with effect from 23 July 2021. He will remain as a senior adviser to the board of PanAsialum Holdings Company Limited.

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





Corporate Governance and Other Information

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 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 meetings of the Company under Bye-law 87 of the Bye-laws of the Company.

Save as disclosed above, the Company considers that sufficient measures have been taken to ensure that corporate governance practices of the Company were in line with the code provisions as contained in the Corporate Governance Code throughout the Period.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code 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 2021 have been reviewed by the Audit Committee of the Company.

These interim financial statements for the six months ended 30 June 2021 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.

INTERIM DIVIDEND

The Board does not recommend interim dividend for the Period (30 June 2020: Nil).

Corporate Governance and Other Information

PUBLICATION OF INTERIM REPORT

This interim report is printed in both English and Chinese, and is available for electronic and print format. Electronic copy is available for download, at no charge, on the Company's website at www.manyue.com. Existing shareholders of the Company will receive a free printed report by post by the Company's branch share registrar and transfer office. Potential investors who are interested in knowing more about the Company may download the interim report from the Company's website or to request a printed copy by giving a notice in writing to the Company or the Company's branch share registrar and transfer office, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

APPRECIATION

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

Kee Chor Lin

Chairman

Hong Kong, 24 August 2021





Glossary

AI	artificial intelligence
Audit Committee	audit committee of the Company
Board	board of directors of the Company
Bye-laws	bye-laws of the Company
CAGR	compound annual growth rate
Company	Man Yue Technology Holdings Limited
Corporate Governance Code	Corporate Governance Code
COVID-19	coronavirus disease
Director(s)	director(s) of the Company
EBITDA	earnings before interest expenses, tax, depreciation and amortisation
E-Caps	Aluminum Electrolytic Capacitors
EDLC	Electric Double Layer Capacitors
GDP	gross domestic product
Group	Company and its subsidiaries
HK	Hong Kong Special Administrative Region of the People's Republic of China
HK\$	Hong Kong dollar
HKICPA	Hong Kong Institute of Certified Public Accountants
IoT	Internet of Things
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
MLPC	Multi-layer Polymer Capacitors
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers
Period	six months ended 30 June 2021
Polymer Caps	Polymer Aluminum Solid Capacitors
RMB	Renminbi
SFO	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Stock Exchange	The Stock Exchange of Hong Kong Limited
%	per cent