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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 2022

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2022	2021	
	HK\$'000	HK\$'000	
Revenue	989,716	1,034,591	-4.3%
Gross profit	164,569	176,753	-6.9%
EBITDA	97,067	105,629	-8.1%
Profit attributable to shareholders	30,404	37,445	-18.8%
Earnings per share	6.39 HK cents	7.87 HK cents	-18.8%

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 2022 (the “Period”).

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 June	
	Note	2022	2021
		HK\$'000	HK\$'000
Revenue	4, 5	989,716	1,034,591
Cost of sales		<u>(825,147)</u>	<u>(857,838)</u>
Gross profit		164,569	176,753
Other income	6	3,478	6,630
Other net gains/(losses)	7	6,217	(1,652)
Selling and distribution costs		(33,599)	(35,557)
Administrative expenses		(89,853)	(90,018)
Net impairment loss on trade and other receivables		<u>(173)</u>	<u>(3,388)</u>
Operating profit	8	50,639	52,768
Finance costs	9	(18,218)	(17,763)
Finance income	10	3,744	3,031
Share of results of joint ventures		<u>1,008</u>	<u>5,528</u>
Profit before tax		37,173	43,564
Income tax	11	<u>(8,430)</u>	<u>(6,630)</u>
Profit for the period		<u>28,743</u>	<u>36,934</u>
Profit/(loss) attributable to:			
Equity holders of the Company		30,404	37,445
Non-controlling interests		<u>(1,661)</u>	<u>(511)</u>
Profit for the period		<u>28,743</u>	<u>36,934</u>
Earnings per share attributable to equity holders of the Company:	12		
Basic		6.39 HK cents	7.87 HK cents
Diluted		<u>6.39 HK cents</u>	<u>7.87 HK cents</u>

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

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Profit for the period	28,743	36,934
Other comprehensive income:		
Item that will not be reclassified subsequently to profit or loss:		
Assets revaluation surplus, net of tax	1,702	2,790
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	<u>(113,413)</u>	<u>25,766</u>
Other comprehensive income for the period, net of tax	<u>(111,711)</u>	<u>28,556</u>
Total comprehensive income for the period	<u>(82,968)</u>	<u>65,490</u>
Total comprehensive income attributable to:		
Equity holders of the Company	(79,009)	65,740
Non-controlling interests	<u>(3,959)</u>	<u>(250)</u>
Total comprehensive income for the period	<u>(82,968)</u>	<u>65,490</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2022 (Unaudited) HK\$'000	At 31 December 2021 (Audited) HK\$'000
	Note		
Non-current assets			
Property, plant and equipment		593,875	652,103
Construction in progress		84,972	69,323
Prepaid land premium		58,013	61,494
Investment properties		159,549	163,526
Intangible assets		952	1,143
Investments in joint ventures		210,955	220,611
Machinery under installation		97,472	99,504
Financial assets at fair value through profit or loss		45,697	37,709
Loans to a joint venture		172,064	170,184
Other prepayments		5,642	5,857
Deferred tax assets		16,617	15,727
		1,445,808	1,497,181
Total non-current assets		1,445,808	1,497,181
Current assets			
Inventories		800,709	786,660
Trade receivables	14	797,858	775,875
Prepayments, deposits and other receivables	14	140,448	139,431
Due from joint ventures		22,966	30,678
Financial assets at fair value through profit or loss		14	14
Net defined benefit retirement assets		713	762
Cash and cash equivalents		270,404	215,732
		2,033,112	1,949,152
Total current assets		2,033,112	1,949,152
Current liabilities			
Trade and bills payables	15	376,847	305,683
Other payables and accrued liabilities and contract liabilities		142,715	157,474
Due to joint ventures		60,990	76,256
Tax payable		19,882	20,015
Bank and other borrowings		1,163,918	1,074,962
Dividends payable		43	43
Lease liabilities		21,859	23,081
		1,786,254	1,657,514
Total current liabilities		1,786,254	1,657,514
Net current assets		246,858	291,638
Total assets less current liabilities		1,692,666	1,788,819

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

	At 30 June 2022 (Unaudited) HK\$'000	At 31 December 2021 (Audited) HK\$'000
Non-current liabilities		
Provision for long service payments	77	77
Deferred tax liabilities	48,947	50,282
Deferred income	9,397	9,990
Lease liabilities	27,584	38,841
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Total non-current liabilities	86,005	99,190
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Net assets	1,606,661	1,689,629
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Capital and reserves		
Share capital	47,555	47,555
Reserves	1,523,969	1,602,978
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Equity attributable to equity holders of the Company	1,571,524	1,650,533
Non-controlling interests	35,137	39,096
	<hr/>	<hr/>
Total equity	1,606,661	1,689,629
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NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

These interim financial statements for the six months ended 30 June 2022 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 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 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 2021 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 this interim financial statements for the current accounting period:

- Amendments to HKAS 16, Property, plant and equipment: Proceeds before intended use
- Amendments to HKAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract

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 HKAS 16, Property, plant and equipment: Proceeds before intended use

The amendments prohibit an entity from deducting the proceeds from selling items produced before that asset is available for use from the cost of an item of property, plant and equipment. Instead, the sales proceeds and the related costs should be included in profit and loss. The amendments do not have a material impact on these financial statements as the Group does not sell items produced before an item of property, plant and equipment is available for use.

Amendments to HKAS 37, Provisions, contingent liabilities and contingent assets: Onerous contracts – cost of fulfilling a contract

The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Previously, the Group included only incremental costs when determining whether a contract was onerous. In accordance with the transitional provisions, the Group has applied the new accounting policy to contracts for which it has not yet fulfilled all its obligations at 1 January 2022, and has concluded that none of them is onerous.

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 2021.

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.

During the year ended 31 December 2021, 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 respective financial results that were reported as part of other segment in previous periods' financial statements are now separately reported to the CODM as one single operating segment for the purpose of resource allocation and performance assessment. Following the change in the composition of the Group's operating segments that in turn results in a change in the reportable segments, the segment information for the six months ended 30 June 2021 has been restated.

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 2022 are as follows:

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

The segment results for the six months ended 30 June 2021 (restated) are as follows:

	For the six months ended 30 June 2021 (restated)		
	Manufacturing, selling and distribution of electronic components HK\$'000	Investments HK\$'000	Total HK\$'000
Segment revenue from external customers	1,034,591	–	1,034,591
Segment gross profit	176,753	–	176,753
Gross profit margin (%)	17.1%	N/A	17.1%
Other income	4,886	1,744	6,630
Other net (losses)/gains	(4,392)	2,740	(1,652)
Operating expenses ¹	(128,963)	–	(128,963)
Operating profit	48,284	4,484	52,768
Operating profit margin (%)	<u>4.7%</u>	<u>N/A</u>	<u>5.1%</u>

A reconciliation of operating profit to profit before tax is provided as follows:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Operating profit	50,639	52,768
Finance costs	(18,218)	(17,763)
Finance income	3,744	3,031
Share of results of joint ventures	<u>1,008</u>	<u>5,528</u>
Profit before tax	<u>37,173</u>	<u>43,564</u>

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:

- 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.

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	
	2022	2021
	HK\$'000	HK\$'000
Revenue from external customers by geographical locations		
Hong Kong	75,387	45,408
Mainland China	715,586	775,478
Taiwan	78,453	122,619
Southeast Asia	29,555	33,915
Korea	4,698	1,442
United States	31,400	11,470
Europe	42,817	35,456
Other countries	11,820	8,803
	<u>989,716</u>	<u>1,034,591</u>
	At 30 June	At 31 December
	2022	2021
	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	109,826	109,186
Mainland China	1,273,467	1,334,368
Other countries	201	191
	<u>1,383,494</u>	<u>1,443,745</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:

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Manufacturing and trading of electronic components	<u>989,716</u>	<u>1,034,591</u>

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

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Losses on disposal of property, plant and equipment	(2,983)	(7)
Scrap sales	1,498	580
Government subsidies	985	2,380
Rental income generated from investment properties	1,481	1,744
Others	<u>2,497</u>	<u>1,933</u>
	<u>3,478</u>	<u>6,630</u>

7 OTHER NET GAINS/(LOSSES)

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Fair value (loss)/gain on investment properties	(93)	1,138
Net foreign exchange gains/(losses)	5,519	(4,380)
Fair value gains on financial assets at fair value through profit or loss	791	1,602
Others	<u>–</u>	<u>(12)</u>
	<u>6,217</u>	<u>(1,652)</u>

8 OPERATING PROFIT

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

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Depreciation charge:		
Owned property, plant and equipment	29,248	32,145
Right-of-use assets	11,497	11,236
Amortisation of prepaid land premium	807	796
Amortisation of intangible assets	124	125
Write-down of inventories	4,314	5,637
Reversal of write-down of inventories	(2,013)	(1,330)
Net impairment loss on trade and other receivables:		
Additional impairment loss recognised	6,608	4,067
Impairment loss reversed	(7,269)	–
Loss/(gain) on reimbursement right assets	834	(679)
	<u>834</u>	<u>(679)</u>

9 FINANCE COSTS

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Interest expense on bank and other borrowings	18,234	16,622
Interest expense on lease liabilities	1,217	1,659
Others	138	375
	<u>19,589</u>	<u>18,656</u>
Less: Interest expenses capitalised into construction in progress	(1,371)	(893)
	<u>18,218</u>	<u>17,763</u>

10 FINANCE INCOME

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Interest income from loan to a joint venture	2,821	2,786
Interest income from time deposits and bank balances	617	245
Interest income from a financial asset	306	–
	<u>3,744</u>	<u>3,031</u>

11 INCOME TAX

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	–	769
Outside Hong Kong	9,753	6,249
	<u>9,753</u>	<u>7,018</u>
Deferred tax	(1,323)	(388)
Total tax charge for the period	<u>8,430</u>	<u>6,630</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% (30 June 2021: 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, four (30 June 2021: four) of the Company's subsidiaries in Mainland China enjoy a preferential tax rate of 15% (30 June 2021: 15%). Other subsidiaries of the Group in Mainland China are subject to income taxes at a statutory rate of 25% (30 June 2021: 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 PER SHARE

The calculation of basic earnings per share is based on the profit for the Period attributable to equity holders of the Company of HK\$30,404,000 (30 June 2021: HK\$37,445,000), and the weighted average number of 475,547,534 (30 June 2021: 475,547,534) ordinary shares in issue during the Period.

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 and for the six months ended 30 June 2021.

13 DIVIDENDS

The Board does not recommend interim dividend for the Period (30 June 2021: Nil).

14 TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
Trade receivables	839,394	818,072
Loss allowance	<u>(41,536)</u>	<u>(42,197)</u>
	797,858	775,875
Prepayments, deposits and other receivables	<u>140,448</u>	<u>139,431</u>
	<u>938,306</u>	<u>915,306</u>

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

Credit risk was hedged mainly through credit insurance policies. Where the Group has the benefit of credit insurance, a separate asset is recognised for any expected reimbursement that would be virtually certain if a claim was to be made. As at the end of the reporting period, HK\$3,113,000 (31 December 2021: HK\$3,420,000) 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 2022 HK\$'000	At 31 December 2021 HK\$'000
1-3 months	712,361	642,450
4-6 months	77,158	125,266
7-12 months	6,022	3,923
Over 1 year	2,317	4,236
	<u>797,858</u>	<u>775,875</u>

15 TRADE AND BILLS PAYABLES

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

	At 30 June 2022 HK\$'000	At 31 December 2021 HK\$'000
Trade payables:		
1-3 months	299,153	260,883
4-6 months	49,474	25,399
7-12 months	3,184	4,831
Over 1 year	8,044	5,306
	<u>359,855</u>	<u>296,419</u>
Bills payables	16,992	9,264
	<u>376,847</u>	<u>305,683</u>

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

Interruptions in business activities due to COVID-19 pandemic in the second quarter of 2022 had imposed an adverse impact on the global supply chain. As triggered by the temporary lockdown of some cities in China, goods delivery had been slowed down as some factories of our customers were temporarily closed. As a result, the revenue of the Group for the Period recorded a slight drop of 4.3%, from HK\$1,034,591,000 to HK\$989,716,000. Impacted by the decrease in revenue, the gross profit of the Group decreased by 6.9% for the Period, from HK\$176,753,000 to HK\$164,569,000. Gross profit margin was slightly dragged down by 0.5 percentage point, from 17.1% to 16.6%. As such, net profit attributable to the shareholders of the Company for the Period was HK\$30,404,000, representing a drop of 18.8% as compared with that of the corresponding period in 2021.

BUSINESS REVIEW

Market Overview

According to a market research conducted by IMARC Group in June 2022, an independent market research company, the global passive electronic components market reached US\$34.11 billion in 2021 and is expected to reach US\$46.87 billion by 2027, exhibiting a compound annual growth rate (“CAGR”) of 5.44% during 2021-2027. We believe that the growth in demand for passive electronic components is driven by various factors such as the increasing adoption of Internet of Things (“IoT”), artificial intelligence (“AI”), 5G mobile networks, blockchain, new energy vehicles and devices, robots and cloud computing. Despite the disruption in supply chain due to another hit of COVID-19 as well as global geopolitical tension and worldwide inflation during the Period, the Group managed to record only a slight drop of 4.3% in revenue. This is mainly attributable to the Group’s successful business strategy of establishing a multi-product platform such as E-Caps, Polymer Caps, MLPC and EDLC coupled with a diversified customer portfolio in various industries which have safeguarded the Group from global economic fluctuations while laying a solid foundation for a sustainable long-term business growth.

Operation Review

During the Period, the operation of the Group was exceptionally challenging. It is expected that such situation would continue given a mix of adverse and complicated factors currently shaking some major economies. In order to cope with the foreseeable challenges, the Group has cautiously planned and streamlined its production – from allocation of resources and manpower to diversifying product and customer portfolio. The Group had strategically achieved sales growth for certain products by penetrating into new and existing customers, despite a slight decline of 4.3% in the overall revenue during the Period. High quality and innovative products have always been the competitive edge of the Group and we would continue to exert extra effort in research and development in order to capture the latest market trend. Facing with the recent volatile global economy, the Group would continue to implement stringent cost control measures with an aim to maintain its profitability.

Management of the Group is still confident with the market potential in the long-run regardless the recent short term turmoils. In order to enlarge our market share, the Group's new manufacturing facility in Qingyuan High-tech Industrial Development Zone in Guangdong, China, is expected to commence operation in late 2022.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2022, the Group's cash and cash equivalents amounted to HK\$270,404,000 (as at 31 December 2021: HK\$215,732,000), 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\$1,163,918,000 (as at 31 December 2021: HK\$1,074,962,000) which comprised mainly bank loans and trade finance facilities.

As at 30 June 2022, the net gearing ratio was 55.6%, 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 2021: 50.9%).

As at 30 June 2022, net working capital (calculated as current assets less current liabilities) was HK\$246,858,000, representing a drop of HK\$44,780,000 as compared with that of HK\$291,638,000 as at 31 December 2021. The current ratio (calculated as current assets/current liabilities) was 1.14 times as at 30 June 2022, as compared with that of 1.18 times as at 31 December 2021.

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

Year 2022 has begun with some significant events, such as the re-imposition of pandemic restrictions and real estate crisis in China, coupled with the geopolitical tension between Russia and Ukraine which may seriously affect the global economy. Such headwind would further hit the already weakened economic sentiment caused by COVID-19 and even bring more uncertainties and volatilities to the global economy – surge in energy prices, disruption of supply chain, higher-than-expected inflation rate worldwide and rising of interest rate by the Federal Reserve faster ever than before. Amid all the uncertainties in the global market, the Group has to be extremely cautious and react swiftly to any changes to the macro environment in the upcoming second half of 2022 and beyond.

According to the World Economic Outlook released by the International Monetary Fund (“IMF”) in April 2022, the projected global GDP growth in 2022 had been moderated to 3.6%, representing a 0.8 percentage point lower as compared to its previous projection back in January 2022. In July 2022, IMF had further revised down its expectation on the global GDP growth in 2022 to 3.2%, representing a 0.4 percentage point lower as compared to its projection three months ago. In the same release in July 2022, IMF had downgraded the expected growth in China in 2022 by 1.1 percentage points to 3.3%. All these downward moderations on 2022 outlook have reflected that the potential economic crisis may appear worldwide.

Notwithstanding the economic outlook remains shadowed by uncertainties and volatilities, we believe that the Group has already established a solid foundation for its businesses by providing a multi-product platform to a wide range of customers in different industries, ranging from consumer electronics to industrial infrastructures so as to cope with the adverse impacts. Furthermore, the Group has been well-positioned to take advantage of the irreversible trend on digital transformation such as remote work arrangements, e-commerce, video conferencing, on-line shopping which all involve enormous demand for electronic components.

Looking forward, while staying extra conservative and cautious in formulating strategies and planning capacity expansion so as to withstand the existing international headwind, the Group is confident and optimistic on the long term development of its businesses. The Group will continue to penetrate into the global supply chain of emerging market sectors and reach out to leading customers in various industries. Furthermore, the Group would pursue a strong commitment in research and development in order to stay at the forefront of technology development and the industry.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2022, the Group employed a total of 2,886 employees (as at 31 December 2021: 2,999). 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 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions of the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the Period.

COMPLIANCE WITH THE MODEL CODE

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

AUDIT COMMITTEE AND SCOPE WORK OF KPMG

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2022 have been reviewed by the Audit Committee of the Company.

The interim financial statements for the six months ended 30 June 2022 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 Hong Kong Institute of Certified Public Accountants, whose review report is included in the interim report sent to shareholders.

INTERIM DIVIDEND

The Board does not recommend interim dividend for the Period (30 June 2021: Nil).

PUBLICATION OF 2022 INTERIM RESULTS AND INTERIM REPORT

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

The interim report of the Company containing all the information, as required by the Listing Rules, will be dispatched to shareholders and published on the websites of HKEXnews and the Company on or before Friday, 30 September 2022.

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.

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

Hong Kong, 23 August 2022

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