

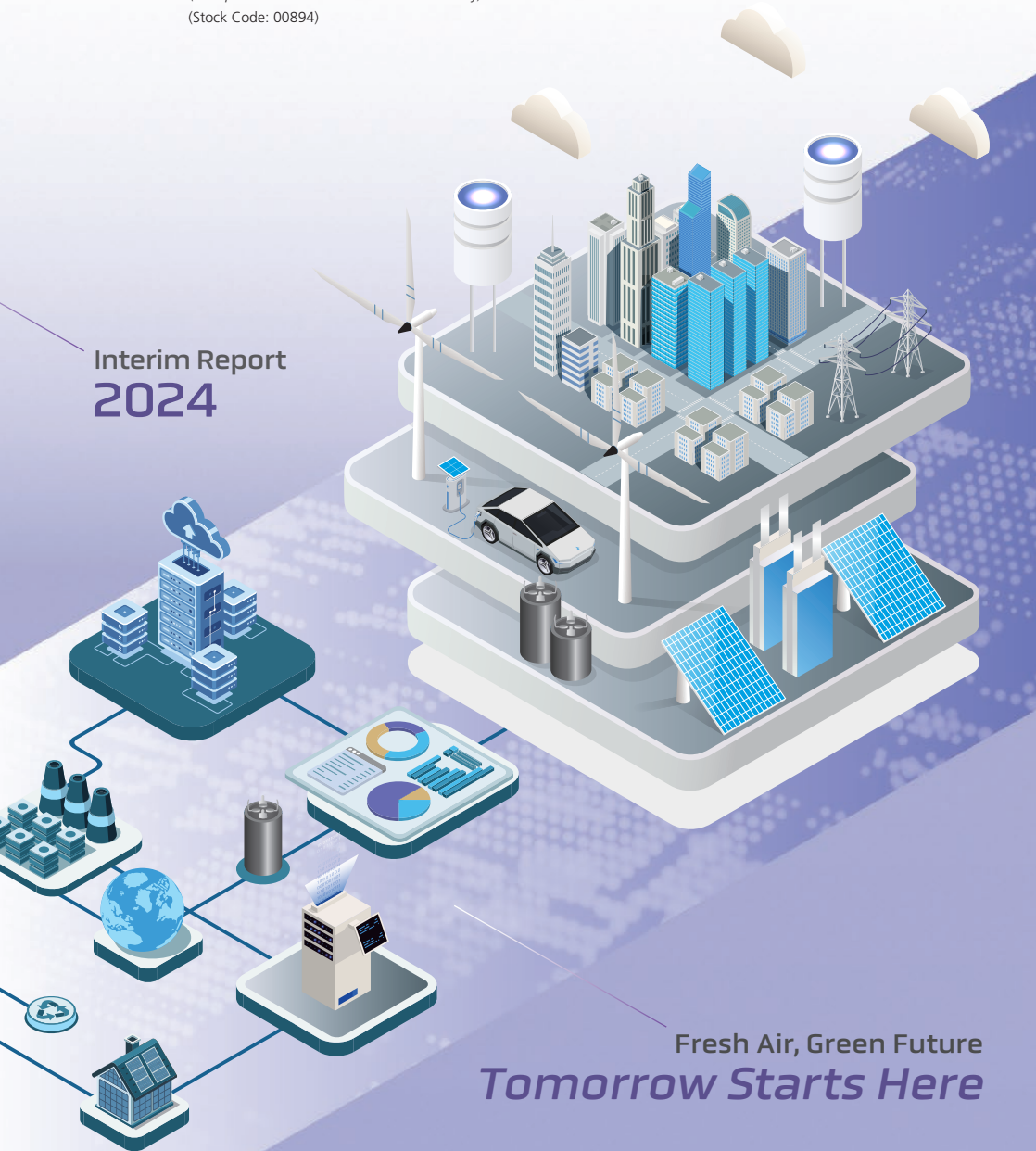


MAN YUE TECHNOLOGY HOLDINGS LIMITED 萬裕科技集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00894)

Interim Report 2024



Fresh Air, Green Future
Tomorrow Starts Here

SAMXON[®]
Aluminum Electrolytic Capacitors

X-CON[®]
Conductive Polymer
Aluminum Solid Capacitors

XLPC[®]
Multilayer Multilayer 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 (*Finance Director and Company Secretary*)

Independent Non-executive Directors

Lo Kwok Kwei, David
Mar, Selwyn
Yung Wing Ki, Samuel *GBS, MH, JP*

Audit Committee

Mar, Selwyn (*Chairman*)
Lo Kwok Kwei, David
Yung Wing Ki, Samuel *GBS, MH, JP*

Remuneration Committee

Lo Kwok Kwei, David (*Chairman*)
Kee Chor Lin
Yung Wing Ki, Samuel *GBS, MH, JP*

Nomination Committee

Yung Wing Ki, Samuel *GBS, MH, JP*
(elected as chairman on 26 March 2024)
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 Accounting and Financial Reporting Council Ordinance)

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
United Overseas Bank Limited

Registered Office

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Principal Place of Business

Unit 3402, 34th Floor, Cosco Tower
Grand Millennium Plaza
No. 183 Queen's Road Central
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
17/F, Far East Finance Centre
16 Harcourt Road, 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
	2024	2023	
	HK\$'000	HK\$'000	
Revenue	815,977	761,975	+7.1%
Gross profit	133,039	102,474	+29.8%
EBITDA	68,704	53,615	+28.1%
Profit/(loss) attributable to shareholders	2,756	(15,368)	N/A
Earnings/(loss) per share	0.58 HK cent	(3.23) HK cents	N/A

FINANCIAL RESULTS

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

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

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

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



Management Discussion and Analysis

BUSINESS REVIEW

Market Overview

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

Operation Review

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

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2024, the Group's cash and cash equivalents amounted to HK\$209,886,000 (as at 31 December 2023: HK\$249,720,000), most of which were either denominated in United States dollars, Renminbi or Hong Kong dollars. Total outstanding bank and other borrowings of the Group amounted to HK\$976,779,000 (as at 31 December 2023: HK\$1,032,171,000) which comprised mainly bank loans and trade finance facilities.

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

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

The Group's financial statements are presented in Hong Kong dollars. However, most of the Group's transactions were conducted in Hong Kong dollars, Renminbi, United States dollars and Japanese Yen. The Group is aware of the potential foreign exchange risk that may arise from the fluctuation of exchange rates between Hong Kong dollars, Renminbi, United States dollars and Japanese Yen. The Group will closely monitor its overall foreign exchange exposure with a view to safeguarding the Group from exchange rate risks.

OUTLOOK AND PROSPECTS

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

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2024, the Group employed a total of 2,482 employees (as at 31 December 2023: 2,200). The Group's remuneration policy is built on the principle of equitability with incentive-based, motivating, performance-oriented and market competitive remuneration packages for its employees. Remuneration packages are reviewed on a regular basis. Apart from salary, other staff benefits include provident fund contributions, medical insurance coverage and performance-based bonuses.



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 33, which comprises the consolidated statement of financial position of Man Yue Technology Holdings Limited as of 30 June 2024 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 2024 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, 23 August 2024



Unaudited Consolidated Statement of Profit or Loss

	Note	Six months ended 30 June	
		2024	2023
		HK\$'000	HK\$'000
Revenue	6, 7	815,977	761,975
Cost of sales		(682,938)	(659,501)
Gross profit		133,039	102,474
Other income	8	3,842	4,223
Other net (loss)/gains	9	(49)	3,348
Selling and distribution costs		(26,117)	(25,954)
Administrative expenses		(78,469)	(80,819)
Operating profit	10	32,246	3,272
Finance costs	11	(25,852)	(28,216)
Finance income	12	3,222	3,713
Share of results of joint ventures		(2,483)	6,094
Profit/(loss) before tax		7,133	(15,137)
Income tax	13	(4,741)	(2,641)
Profit/(loss) for the period		2,392	(17,778)
Profit/(loss) attributable to:			
Equity holders of the Company		2,756	(15,368)
Non-controlling interests		(364)	(2,410)
Profit/(loss) for the period		2,392	(17,778)
Earnings/(loss) per share attributable to equity holders of the Company:			
Basic	14	0.58 HK cent	(3.23) HK cents
Diluted		0.58 HK cent	(3.23) HK cents

The notes on pages 14 to 33 form part of these interim financial statements.



Unaudited Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

The notes on pages 14 to 33 form part of these interim financial statements.



Unaudited Consolidated Statement of Financial Position

	Note	At 30 June 2024 (Unaudited) HK\$'000	At 31 December 2023 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	16	550,081	582,451
Construction in progress	16	57,559	46,730
Prepaid land premium	17	10,191	10,452
Investment properties	18	372,403	373,858
Intangible assets		434	575
Investments in joint ventures		195,247	199,337
Machinery under installation	16	62,967	50,773
Financial assets at fair value through profit or loss		37,562	38,340
Loans to a joint venture		179,318	179,724
Other prepayments		5,349	5,380
Deferred tax assets		18,211	17,891
Total non-current assets		1,489,322	1,505,511
Current assets			
Inventories		633,768	616,169
Trade receivables	19	697,437	628,772
Prepayments, deposits and other receivables	19	144,893	136,933
Due from joint ventures		22,989	22,940
Financial assets at fair value through profit or loss		14	9,073
Cash and cash equivalents		209,886	249,720
Total current assets		1,708,987	1,663,607
Current liabilities			
Trade and bills payables	20	364,587	234,582
Other payables and accrued liabilities and contract liabilities		101,073	112,328
Due to joint ventures		59,783	59,727
Tax payable		15,749	21,970
Bank and other borrowings	21	970,547	1,027,846
Dividends payable		43	43
Lease liabilities		22,947	23,285
Total current liabilities		1,534,729	1,479,781



Unaudited Consolidated Statement of Financial Position

	Note	At 30 June 2024 (Unaudited) HK\$'000	At 31 December 2023 (Audited) HK\$'000
Net current assets		174,258	183,826
Total assets less current liabilities		1,663,580	1,689,337
Non-current liabilities			
Provision for long service payments		77	77
Deferred tax liabilities		75,143	74,451
Deferred income		8,228	8,432
Lease liabilities		43,981	56,187
Bank and other borrowings	21	6,232	4,325
Total non-current liabilities		133,661	143,472
Net assets		1,529,919	1,545,865
Capital and reserves			
Share capital	22	47,555	47,555
Reserves	23	1,454,989	1,469,262
Equity attributable to equity holders of the Company		1,502,544	1,516,817
Non-controlling interests		27,375	29,048
Total equity		1,529,919	1,545,865

The notes on pages 14 to 33 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 2024	47,555	1,469,262	1,516,817	29,048	1,545,865
Profit for the period	–	2,756	2,756	(364)	2,392
Other comprehensive income:					
Item that will not be reclassified subsequently to profit or loss:					
Assets revaluation surplus, net of tax	–	3,890	3,890	–	3,890
Item that may be reclassified subsequently to profit or loss:					
Currency translation differences	–	(20,919)	(20,919)	(1,309)	(22,228)
Total comprehensive income for the period ended 30 June 2024	–	(14,273)	(14,273)	(1,673)	(15,946)
Balance at 30 June 2024	47,555	1,454,989	1,502,544	27,375	1,529,919

	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 2023	47,555	1,426,029	1,473,584	32,422	1,506,006
Loss for the period	–	(15,368)	(15,368)	(2,410)	(17,778)
Other comprehensive income:					
Item that will not be reclassified subsequently to profit or loss:					
Assets revaluation surplus, net of tax	–	69,311	69,311	–	69,311
Item that may be reclassified subsequently to profit or loss:					
Currency translation differences	–	(82,617)	(82,617)	(536)	(83,153)
Total comprehensive income for the period ended 30 June 2023	–	(28,674)	(28,674)	(2,946)	(31,620)
Balance at 30 June 2023	47,555	1,397,355	1,444,910	29,476	1,474,386

The notes on pages 14 to 33 form part of these interim financial statements.



Unaudited Condensed Consolidated Cash Flow Statement

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Operating activities		
Profit/(loss) before tax	7,133	(15,137)
Finance costs	25,852	27,483
(Increase)/decrease in inventories	(25,748)	24,742
(Increase)/decrease in trade receivables	(75,660)	57,167
Increase/(decrease) in trade and bills payables	134,361	(36,615)
Decrease in other payables and accrued liabilities	(10,128)	(25,859)
Others	25,525	(1,350)
Cash generated from operations	81,335	30,431
Tax paid	(2,121)	(8,496)
Net cash inflow from operating activities	79,214	21,935
Investing activities		
Purchases of property, plant and equipment	(30,109)	(20,892)
Other cash flows arising from investment activities	3,078	(2,605)
Net cash outflow from investing activities	(27,031)	(23,497)
Financing activities		
Proceeds from new bank and other borrowings	1,146,708	1,231,551
Repayment of bank and other borrowings	(1,198,986)	(1,195,790)
Increase in pledged bank deposits	-	(32,538)
Capital element of lease rentals paid	(11,381)	(11,293)
Interest element of lease rentals paid	(1,375)	(733)
Interest paid	(25,061)	(28,620)
Net cash outflow from financing activities	(90,095)	(37,423)
Net decrease in cash and cash equivalents	(37,912)	(38,985)
Cash and cash equivalents at beginning of period	249,720	311,869
Effect of foreign exchange rate changes	(1,922)	(5,815)
Cash and cash equivalents at end of period	209,886	267,069
Analysis of balances of cash and cash equivalents		
Cash and bank balances	209,886	299,607
Less: Pledged bank deposits	-	(32,538)
Cash and cash equivalents as stated in the consolidated cash flow statements at end of period	209,886	267,069

The notes on pages 14 to 33 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 of Hong Kong Limited (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 on 23 August 2024 by the Board.

2 BASIS OF PREPARATION

These interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

These interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in Note 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 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

These interim financial statements are unaudited, but have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the HKICPA. KPMG's independent review report to the Board of Directors is included on page 7.



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 to these interim financial statements for the current accounting period:

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

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in these interim financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

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 2023.

Notes to the Unaudited Consolidated Financial Statements

5 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

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

The following table presents the Group's financial assets that were measured at fair value at 30 June 2024.

	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	–	–	37,562	37,562
Financial assets at fair value through profit or loss – current	14	–	–	14
	14	–	37,562	37,576

The following table presents the Group's financial assets that were measured at fair value at 31 December 2023.

	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	–	–	38,340	38,340
Financial assets at fair value through profit or loss – current	14	–	9,059	9,073
	14	–	47,399	47,413

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 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

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	
	2024	2023
	HK\$'000	HK\$'000
At 1 January	47,399	46,515
Changes in fair value recognised in profit or loss during the Period	(9,706)	787
Exchange realignment	(131)	(370)
At 30 June	37,562	46,932

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 2024 and 31 December 2023.



Notes to the Unaudited Consolidated Financial Statements

6 SEGMENT INFORMATION

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

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

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

The segment results for the six months ended 30 June 2024 are as follows:

	For the six months ended 30 June 2024		
	Manufacturing, selling and distribution of electronic components HK\$'000	Investments HK\$'000	Total HK\$'000
Segment revenue from external customers	815,977	-	815,977
Segment gross profit	133,039	-	133,039
Gross profit margin (%)	16.3%	N/A	16.3%
Other income	1,055	2,787	3,842
Other net gains/(loss)	8,983	(9,032)	(49)
Operating expenses ¹	(104,586)	-	(104,586)
Operating profit/(loss)	38,491	(6,245)	32,246
Operating profit margin (%)	4.7%	N/A	4.0%



Notes to the Unaudited Consolidated Financial Statements

6 SEGMENT INFORMATION (CONTINUED)

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

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

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

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

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 and administrative expenses.



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	
	2024	2023
	HK\$'000	HK\$'000
Revenue from external customers by geographical locations		
Hong Kong	40,239	38,891
Mainland China	620,439	532,460
Taiwan	81,856	73,341
Southeast Asia	29,460	25,458
Korea	6,132	2,503
The United States of America	9,629	34,658
Europe	20,596	39,142
Other countries	7,626	15,522
	815,977	761,975

	At 30 June	At 31 December
	2024	2023
	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	111,311	112,681
Mainland China	1,321,094	1,330,438
Others	1,144	6,161
	1,433,549	1,449,280



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. 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	
	2024	2023
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Manufacturing and trading of electronic components	815,977	761,975

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



Notes to the Unaudited Consolidated Financial Statements

9 OTHER NET (LOSS)/GAINS

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

10 OPERATING PROFIT

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

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



Notes to the Unaudited Consolidated Financial Statements

11 FINANCE COSTS

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

12 FINANCE INCOME

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



Notes to the Unaudited Consolidated Financial Statements

13 INCOME TAX

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

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group did not generate any assessable profits arising in Hong Kong during the six months ended 30 June 2024 and 2023.

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

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

14 EARNINGS/(LOSS) PER SHARE

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

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



Notes to the Unaudited Consolidated Financial Statements

15 DIVIDENDS

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

16 PROPERTY, PLANT AND EQUIPMENT, CONSTRUCTION IN PROGRESS AND MACHINERY UNDER INSTALLATION

(a) Movements in Property, Plant and Equipments and Construction in Progress

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Opening net carrying amount at 1 January	629,181	647,385
Additions:		
Owned property, plant and equipment	18,081	22,224
Right-of-use assets	88	12,047
Surplus/(deficit) on revaluation	4,032	(13,048)
Disposals	(2,888)	(371)
Transfer to investment properties (Note)	–	(22,474)
Depreciation:		
Owned property, plant and equipment	(24,802)	(27,829)
Right-of-use assets	(10,618)	(11,828)
Exchange realignment	(5,434)	(18,389)
Closing net carrying amount at 30 June	607,640	587,717

Note: During the six months ended 30 June 2023, the Group transferred an owner-occupied property in Mainland China to investment properties (Note 18).

(b) As at 30 June 2024, the amount of machinery under installation expected to be transferred to property, plant and equipment is HK\$62,967,000 (31 December 2023: HK\$50,773,000).

17 PREPAID LAND PREMIUM

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Opening net carrying amount at 1 January	10,452	54,796
Transfer to investment properties (Note)	–	(12,174)
Amortisation	(188)	(763)
Exchange realignment	(73)	(1,171)
Closing net carrying amount at 30 June	10,191	40,688

Note: During the six months ended 30 June 2023, the Group transferred an owner-occupied property in Mainland China to investment properties (Note 18).



Notes to the Unaudited Consolidated Financial Statements

18 INVESTMENT PROPERTIES

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Opening net carrying amount at 1 January	373,858	154,560
Transfer from property, plant and equipment (Note 16)	–	22,474
Transfer from prepaid land premium (Note 17)	–	12,174
Asset revaluation surplus for the property, plant and equipment and prepaid land premium on the date of change in use	–	105,897
Gain on fair value adjustment (Note 9)	674	123
Exchange realignment	(2,129)	(8,360)
Closing net carrying amount at 30 June	372,403	286,868

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 2023. 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 (loss)/gains" 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

18 INVESTMENT PROPERTIES (CONTINUED)

	Fair value measurements at 30 June 2024 categorised into		
	Level 1	Level 2	Level 3
	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurements			
Investment properties			
– Completed residential properties – Mainland China	–	–	2,454
– Completed industrial properties – Mainland China	–	–	16,379
– Completed commercial properties – Hong Kong	–	–	72,960
– Under development properties – Mainland China	–	–	60,591
– Under development industrial complexes – Mainland China	–	–	220,019
	–	–	372,403

	Fair value measurements at 31 December 2023 categorised into		
	Level 1	Level 2	Level 3
	HK\$'000	HK\$'000	HK\$'000
Recurring fair value measurements			
Investment properties			
– Completed residential properties – Mainland China	–	–	2,483
– Completed industrial property – Mainland China	–	–	16,293
– Completed commercial properties – Hong Kong	–	–	73,800
– Under development commercial property – Mainland China	–	–	61,024
– Under development industrial complexes – Mainland China	–	–	220,258
	–	–	373,858

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

Notes to the Unaudited Consolidated Financial Statements

19 TRADE RECEIVABLES AND PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

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

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

Credit risk was hedged mainly through credit insurance policies. Where the Group has the benefit of credit insurance, a separate asset is recognised for any expected reimbursement that would be virtually certain if a claim was to be made. As at the end of the reporting period, HK\$1,878,000 (31 December 2023: HK\$1,720,000) is included within "prepayments, deposits and other receivables" in current assets in respect of such expected reimbursements.

The Group categorises its trade receivables based on the ageing. Future cash flow for each group of trade receivables are estimated on the basis of historical loss experience, adjusted to effects of current conditions of each customer as well as forward looking information. For trade receivables relating to accounts which are long overdue with significant amounts or known insolvencies, they are assessed individually for impairment.

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

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
1-3 months	593,265	522,234
4-6 months	90,720	87,722
7-12 months	11,405	15,198
Over 1 year	2,047	3,618
	697,437	628,772



Notes to the Unaudited Consolidated Financial Statements

20 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 2024 HK\$'000	At 31 December 2023 HK\$'000
Trade payables:		
– 1-3 months	297,067	156,596
– 4-6 months	38,496	47,210
– 7-12 months	3,229	12,626
– Over 1 year	14,804	16,175
	353,596	232,607
Bills payables	10,991	1,975
	364,587	234,582

21 BANK AND OTHER BORROWINGS

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Bank and other borrowings, unsecured, with repayable on demand clause, repayable:		
– Within one year	920,377	978,704
– In the second year	34,858	27,983
– In the third to fifth years, inclusive	21,544	25,484
	976,779	1,032,171
Portion classified as current liabilities	(970,547)	(1,027,846)
Non-current portion	6,232	4,325



Notes to the Unaudited Consolidated Financial Statements

21 BANK AND OTHER BORROWINGS (CONTINUED)

Movement in bank and other borrowings is analysed as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Opening balance at 1 January	1,032,171	1,094,513
New borrowings	1,146,708	1,231,551
Repayments of borrowings	(1,198,986)	(1,195,790)
Exchange realignment	(3,114)	(15,017)
Closing balance at 30 June	976,779	1,115,257

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 2024, the Group breached two covenant requirements (31 December 2023: three) in certain bank loans of HK\$315,381,000 (31 December 2023: HK\$378,862,000) from two banks (31 December 2023: three). As at 30 June 2024, the Group obtained waiver letter issued by the banks after the end of the reporting period for one-off waiver from strict compliance with the covenant requirements. Accordingly, the loans were classified as current liabilities as at 30 June 2024.

22 SHARE CAPITAL

	At 30 June 2024	At 31 December 2023
	HK\$'000	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 2023: 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 2024 and 30 June 2024	475,547,534	47,555	165,458	213,013
At 1 January 2023 and 30 June 2023	475,547,534	47,555	165,458	213,013



Notes to the Unaudited Consolidated Financial Statements

23 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 2024	165,458	2,800	184,734	1,033	69,639	(162)	1,045,760	1,469,262
Profit for the period	-	-	-	-	-	-	2,756	2,756
Other comprehensive income:								
Item that will not be reclassified subsequently to profit or loss:								
Asset revaluation surplus, net of tax	-	-	3,890	-	-	-	-	3,890
Item that may be reclassified subsequently to profit or loss:								
Currency translation differences	-	-	-	(20,919)	-	-	-	(20,919)
Total comprehensive income for the period ended 30 June 2024	-	-	3,890	(20,919)	-	-	2,756	(14,273)
Balance at 30 June 2024	165,458	2,800	188,624	(19,886)	69,639	(162)	1,048,516	1,454,989
	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 2023	165,458	2,800	104,142	42,468	74,150	(162)	1,037,173	1,426,029
Loss for the period	-	-	-	-	-	-	(15,368)	(15,368)
Other comprehensive income:								
Item that will not be reclassified subsequently to profit or loss:								
Asset revaluation surplus, net of tax	-	-	69,311	-	-	-	-	69,311
Item that may be reclassified subsequently to profit or loss:								
Currency translation differences	-	-	-	(82,617)	-	-	-	(82,617)
Total comprehensive income for the period ended 30 June 2023	-	-	69,311	(82,617)	-	-	(15,368)	(28,674)
Balance at 30 June 2023	165,458	2,800	173,453	(40,149)	74,150	(162)	1,021,805	1,397,355



Notes to the Unaudited Consolidated Financial Statements

24 CAPITAL COMMITMENTS

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

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Contracted, but not provided for:		
– Plant and machinery	43,784	44,710

25 RELATED PARTY TRANSACTIONS

As at 30 June 2024, 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 2024 HK\$'000	2023 HK\$'000
Purchases of raw materials ¹	4,690	19,488
Lease rental payments ²	6,615	6,792
Interest income ³	2,692	2,764

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 2024, the Group recognised a right-of-use asset and a lease liability of HK\$40,867,000 and HK\$39,797,000 respectively (30 June 2023: a right-of-use asset and a lease liability of HK\$5,818,000 and HK\$6,447,000 respectively).
- The interest was charged at a rate of 4.90% (30 June 2023: 4.90%) per annum.



Notes to the Unaudited Consolidated Financial Statements

25 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Period/year-end balances with the Group's joint ventures:

	At 30 June 2024 HK\$'000	At 31 December 2023 HK\$'000
Share of net assets	195,247	199,337
Loans to a joint venture ¹	179,318	179,724
Due from joint ventures ²	22,989	22,940
Due to joint ventures ²	(59,783)	(59,727)

Notes:

1. Except for the loans amounting to HK\$150,249,000 (31 December 2023: HK\$150,656,000), which are interest-bearing at a rate of 4.90% (31 December 2023: 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 2024 HK\$'000	2023 HK\$'000
Salaries and allowances	6,432	6,349
Pension scheme contributions	27	27
Total remuneration for key management personnel	6,459	6,376



Corporate Governance and Other Information

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

As at 30 June 2024, 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 Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong) ("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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

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

Director	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" below, as at 30 June 2024, none of the Directors or chief executive of the Company 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 2024, 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 2024, 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 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

CHANGE IN INFORMATION OF DIRECTOR

Pursuant to Rule 13.51(B)(1) of the Listing Rules, a change in information of a Director, as notified to the Company, subsequent to the date of the 2023 annual report is set out below:

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

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

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions of the Corporate Governance Code contained in Appendix C1 to the Listing Rules during the Period.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as a code of conduct regulating Directors' dealings in securities of the Company. After having made specific enquiries by the Company, all Directors have confirmed that they have fully complied with the Model Code throughout the Period.



Corporate Governance and Other Information

AUDIT COMMITTEE AND SCOPE OF WORK OF KPMG

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 have been reviewed by the Audit Committee of the Company.

These interim financial statements for the six months ended 30 June 2024 are unaudited, but have been reviewed by the Company's auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the HKICPA.

INTERIM DIVIDEND

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

PUBLICATION OF INTERIM REPORT

This interim report is printed in both English and Chinese, and is available for electronic and printed formats. 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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

APPRECIATION

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

Kee Chor Lin

Chairman

Hong Kong, 23 August 2024