



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

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

**2022**  
**Interim Report**



Save Oil,  
 Save Minerals,  
 Fresh Air,  
 Green Future

**Tomorrow Starts Here**

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 Aluminum Electrolytic Capacitors

**X-CON®**  
 Conductive Polymer  
 Aluminum Solid Capacitors

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 Multilayer Polymer Capacitors



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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

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 (Chapter 588 of the laws of Hong Kong))

### 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 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  
17/F, Far East Finance Centre  
16 Harcourt Road, Hong Kong

**Corporate Website**

[www.manyue.com](http://www.manyue.com)

**Investor Relations Contact**

E-mail: [ir@manyue.com](mailto:ir@manyue.com)

**Stock Code**

00894





# Management Discussion and Analysis

## FINANCIAL HIGHLIGHTS

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

## 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.

## Management Discussion and Analysis

### 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 (“R&D”) 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.





## Management Discussion and Analysis

### 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 R&D 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.

# 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 as of 30 June 2022 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 2022 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 2022





## Unaudited Consolidated Statement of Profit or Loss

	Note	Six months ended 30 June	
		2022 HK\$'000	2021 HK\$'000
<b>Revenue</b>	6, 7	<b>989,716</b>	1,034,591
Cost of sales		<b>(825,147)</b>	(857,838)
<b>Gross profit</b>		<b>164,569</b>	176,753
Other income	8	<b>3,478</b>	6,630
Other net gains/(losses)	9	<b>6,217</b>	(1,652)
Selling and distribution costs		<b>(33,599)</b>	(35,557)
Administrative expenses		<b>(89,853)</b>	(90,018)
Net impairment loss on trade and other receivables		<b>(173)</b>	(3,388)
<b>Operating profit</b>	10	<b>50,639</b>	52,768
Finance costs	11	<b>(18,218)</b>	(17,763)
Finance income	12	<b>3,744</b>	3,031
Share of results of joint ventures		<b>1,008</b>	5,528
<b>Profit before tax</b>		<b>37,173</b>	43,564
Income tax	13	<b>(8,430)</b>	(6,630)
<b>Profit for the period</b>		<b>28,743</b>	36,934
Profit/(loss) attributable to:			
Equity holders of the Company		<b>30,404</b>	37,445
Non-controlling interests		<b>(1,661)</b>	(511)
<b>Profit for the period</b>		<b>28,743</b>	36,934
<b>Earnings per share attributable to equity holders of the Company:</b>	14		
Basic		<b>6.39 HK cents</b>	7.87 HK cents
Diluted		<b>6.39 HK cents</b>	7.87 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	
	2022 HK\$'000	2021 HK\$'000
<b>Profit for the period</b>	<b>28,743</b>	36,934
<b>Other comprehensive income:</b>		
Item that will not be reclassified subsequently to profit or loss:		
Assets revaluation surplus, net of tax	<b>1,702</b>	2,790
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	<b>(113,413)</b>	25,766
<b>Other comprehensive income for the period, net of tax</b>	<b>(111,711)</b>	28,556
<b>Total comprehensive income for the period</b>	<b>(82,968)</b>	65,490
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Company	<b>(79,009)</b>	65,740
Non-controlling interests	<b>(3,959)</b>	(250)
<b>Total comprehensive income for the period</b>	<b>(82,968)</b>	65,490

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





## Unaudited Consolidated Statement of Financial Position

	Note	At 30 June 2022 (Unaudited) HK\$'000	At 31 December 2021 (Audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	16	593,875	652,103
Construction in progress	16	84,972	69,323
Prepaid land premium	17	58,013	61,494
Investment properties	18	159,549	163,526
Intangible assets		952	1,143
Investments in joint ventures		210,955	220,611
Machinery under installation	16	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
Total non-current assets		1,445,808	1,497,181
<b>Current assets</b>			
Inventories		800,709	786,660
Trade receivables	19	797,858	775,875
Prepayments, deposits and other receivables	19	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
Total current assets		2,033,112	1,949,152
<b>Current liabilities</b>			
Trade and bills payables	20	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	21	1,163,918	1,074,962
Dividends payable		43	43
Lease liabilities		21,859	23,081
Total current liabilities		1,786,254	1,657,514

## Unaudited Consolidated Statement of Financial Position

	Note	At 30 June 2022 (Unaudited) HK\$'000	At 31 December 2021 (Audited) HK\$'000
<b>Net current assets</b>		<b>246,858</b>	291,638
<b>Total assets less current liabilities</b>		<b>1,692,666</b>	1,788,819
<b>Non-current liabilities</b>			
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
Total non-current liabilities		<b>86,005</b>	99,190
<b>Net assets</b>		<b>1,606,661</b>	1,689,629
<b>Capital and reserves</b>			
Share capital	22	47,555	47,555
Reserves	23	1,523,969	1,602,978
<b>Equity attributable to equity holders of the Company</b>		<b>1,571,524</b>	1,650,533
<b>Non-controlling interests</b>		<b>35,137</b>	39,096
<b>Total equity</b>		<b>1,606,661</b>	1,689,629

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		
<b>Balance at 1 January 2022</b>	<b>47,555</b>	<b>1,602,978</b>	<b>1,650,533</b>	<b>39,096</b>	<b>1,689,629</b>
Profit/(loss) for the period	–	30,404	30,404	(1,661)	28,743
Other comprehensive income:					
Item that will not be reclassified subsequently to profit or loss:					
Assets revaluation surplus, net of tax	–	1,702	1,702	–	1,702
Item that may be reclassified subsequently to profit or loss:					
Currency translation differences	–	(111,115)	(111,115)	(2,298)	(113,413)
Total comprehensive income for the period ended 30 June 2022	–	(79,009)	(79,009)	(3,959)	(82,968)
<b>Balance at 30 June 2022</b>	<b>47,555</b>	<b>1,523,969</b>	<b>1,571,524</b>	<b>35,137</b>	<b>1,606,661</b>
	Attributable to equity holders of the Company				
	Share capital HK\$'000	Reserves HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
<b>Balance at 1 January 2021</b>	<b>47,555</b>	<b>1,457,867</b>	<b>1,505,422</b>	<b>40,625</b>	<b>1,546,047</b>
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
<b>Balance at 30 June 2021</b>	<b>47,555</b>	<b>1,523,607</b>	<b>1,571,162</b>	<b>40,375</b>	<b>1,611,537</b>

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

## Unaudited Condensed Consolidated Cash Flow Statement

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Operating activities</b>		
Cash generated from/(used in) operations	<b>51,390</b>	(47,187)
Tax refunded	–	2,539
Tax paid	<b>(8,961)</b>	(4,899)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>42,429</b>	(49,547)
<b>Investing activities</b>		
Purchases of property, plant and equipment	<b>(40,230)</b>	(43,401)
Prepayments on purchases of property, plant and equipment	<b>(8,894)</b>	(10,539)
Other cash flows arising from investment activities	<b>(7,707)</b>	(164)
<b>Net cash outflow from investing activities</b>	<b>(56,831)</b>	(54,104)
<b>Financing activities</b>		
Proceeds from new bank and other borrowings	<b>999,580</b>	1,121,403
Repayment of bank and other borrowings	<b>(892,658)</b>	(1,030,253)
Capital element of lease rentals paid	<b>(11,780)</b>	(10,916)
Interest element of lease rentals paid	<b>(1,217)</b>	(1,659)
Interest paid	<b>(18,373)</b>	(16,997)
<b>Net cash inflow from financing activities</b>	<b>75,552</b>	61,578
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>61,150</b>	(42,073)
Cash and cash equivalents at beginning of period	<b>215,732</b>	263,486
Effect of foreign exchange rate changes	<b>(6,478)</b>	1,602
<b>Cash and cash equivalents at end of period</b>	<b>270,404</b>	223,015
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	<b>258,711</b>	218,363
Time deposits with original maturity of less than three months when placed	<b>11,693</b>	4,652
<b>Cash and cash equivalents at end of period</b>	<b>270,404</b>	223,015

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 23 August 2022.

### 2 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 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 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.

## 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 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.

### 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 2021.





## 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 2021.

#### (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 2022			Carrying amount at 30 June 2022 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	376,847	–	376,847	376,847
Other payables and accrued liabilities	127,764	–	127,764	127,764
Due to joint ventures	60,990	–	60,990	60,990
Bank and other borrowings	1,173,771	78	1,173,849	1,163,918
Lease liabilities	23,614	29,996	53,610	49,443
Dividends payable	43	–	43	43
	<b>1,763,029</b>	<b>30,074</b>	<b>1,793,103</b>	<b>1,779,005</b>

## Notes to the Unaudited Consolidated Financial Statements

### 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) Liquidity Risk (Continued)

	31 December 2021			Carrying amount at 31 December 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	305,683	–	305,683	305,683
Other payables and accrued liabilities	143,612	–	143,612	143,612
Due to joint ventures	76,256	–	76,256	76,256
Bank and other borrowings	1,072,737	8,604	1,081,341	1,074,962
Lease liabilities	25,439	39,878	65,317	61,922
Dividends payable	43	–	43	43
	1,623,770	48,482	1,672,252	1,662,478

#### (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 2022.

	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	–	–	45,697	45,697
Financial assets at fair value through profit or loss – current	14	–	–	14
	<b>14</b>	<b>–</b>	<b>45,697</b>	<b>45,711</b>

The following table presents the Group's financial assets that were measured at fair value at 31 December 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	–	–	37,709	37,709
Financial assets at fair value through profit or loss – current	14	–	–	14
	<b>14</b>	<b>–</b>	<b>37,709</b>	<b>37,723</b>

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	
	2022	2021
	HK\$'000	HK\$'000
At 1 January	37,709	33,081
Additions	7,821	–
Changes in fair value recognised in profit or loss during the Period	791	1,602
Exchange realignment	(624)	206
At 30 June	45,697	34,889

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 2022 and 31 December 2021.





## 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.

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:

	<b>For the six months ended 30 June 2022</b>		
	<b>Manufacturing, selling and distribution of electronic components HK\$'000</b>	<b>Investments HK\$'000</b>	<b>Total HK\$'000</b>
Segment revenue from external customers	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 <sup>1</sup>	(123,625)	–	(123,625)
Operating profit	48,460	2,179	50,639
Operating profit margin (%)	4.9%	N/A	5.1%

## Notes to the Unaudited Consolidated Financial Statements

### 6 SEGMENT INFORMATION (CONTINUED)

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 <sup>1</sup>	(128,963)	–	(128,963)
Operating profit	48,284	4,484	52,768
Operating profit margin (%)	4.7%	N/A	5.1%

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

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

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.



## 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	
	2022	2021
	HK\$'000	HK\$'000
<b>Revenue from external customers by geographical locations</b>		
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
	<b>989,716</b>	<b>1,034,591</b>

	At 30 June	At 31 December
	2022	2021
	HK\$'000	HK\$'000
<b>Non-current assets by physical locations (excluding deferred tax assets and financial assets at fair value through profit or loss)</b>		
Hong Kong	109,826	109,186
Mainland China	1,273,467	1,334,368
Other countries	201	191
	<b>1,383,494</b>	<b>1,443,745</b>

## 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:

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

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

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





## Notes to the Unaudited Consolidated Financial Statements

### 9 OTHER NET GAINS/(LOSSES)

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

### 10 OPERATING PROFIT

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

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

## Notes to the Unaudited Consolidated Financial Statements

### 11 FINANCE COSTS

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

### 12 FINANCE INCOME

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





## Notes to the Unaudited Consolidated Financial Statements

### 13 INCOME TAX

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

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.

### 14 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.

## Notes to the Unaudited Consolidated Financial Statements

### 15 DIVIDENDS

The Board does not recommend interim dividend for the Period (30 June 2021: 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	
	2022	2021
	HK\$'000	HK\$'000
Opening net carrying amount at 1 January	721,426	690,973
Additions:		
Owned property, plant and equipment	44,480	53,806
Right-of-use assets	1,670	2,410
Surplus on revaluation	2,335	3,732
Disposals	(20,344)	(15)
Depreciation:		
Owned property, plant and equipment	(29,248)	(32,145)
Right-of-use assets	(11,497)	(11,236)
Exchange realignment	(29,975)	6,910
Closing net carrying amount at 30 June	678,847	714,435

(b) The amount of machinery under installation expected to be transferred to property, plant and equipment is HK\$97,472,000 (31 December 2021: HK\$99,504,000).

### 17 PREPAID LAND PREMIUM

	Six months ended 30 June	
	2022	2021
	HK\$'000	HK\$'000
Opening net carrying amount at 1 January	61,494	61,305
Amortisation	(807)	(796)
Exchange realignment	(2,674)	701
Closing net carrying amount at 30 June	58,013	61,210





## Notes to the Unaudited Consolidated Financial Statements

### 18 INVESTMENT PROPERTIES

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Opening net carrying amount at 1 January	<b>163,526</b>	159,860
(Loss)/gain on fair value adjustment	<b>(93)</b>	1,138
Exchange realignment	<b>(3,884)</b>	984
Closing net carrying amount at 30 June	<b>159,549</b>	161,982

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 2021. 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 Gains/(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

### 18 INVESTMENT PROPERTIES (CONTINUED)

	Fair value measurements at 30 June 2022 categorised into		
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>Recurring fair value measurements</b>			
Investment properties			
– Completed residential properties – Mainland China	–	–	2,409
– Completed industrial property – Mainland China	–	–	17,376
– Completed commercial properties – Hong Kong	–	–	75,100
– Under development commercial property – Mainland China	–	–	64,664
	–	–	159,549
	Fair value measurements at 31 December 2021 categorised into		
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
<b>Recurring fair value measurements</b>			
Investment properties			
– Completed residential properties – Mainland China	–	–	2,520
– Completed industrial property – Mainland China	–	–	18,269
– Completed commercial properties – Hong Kong	–	–	75,100
– Under development commercial property – Mainland China	–	–	67,637
	–	–	163,526

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

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

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:

	<b>At 30 June 2022</b>	At 31 December 2021
	<b>HK\$'000</b>	HK\$'000
1-3 months	<b>712,361</b>	642,450
4-6 months	<b>77,158</b>	125,266
7-12 months	<b>6,022</b>	3,923
Over 1 year	<b>2,317</b>	4,236
	<b>797,858</b>	775,875

## 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:

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

### 21 BANK AND OTHER BORROWINGS

	<b>At 30 June 2022 HK\$'000</b>	At 31 December 2021 HK\$'000
Bank and other borrowings, unsecured, with repayable on demand clause, repayable:		
Within one year	<b>1,161,918</b>	1,061,385
In the second year	<b>1,000</b>	12,077
In the third to fifth years, inclusive	<b>1,000</b>	1,500
	<b>1,163,918</b>	1,074,962
Portion classified as current liabilities	<b>(1,163,918)</b>	(1,074,962)
Non-current portion	-	-





## 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	
	2022	2021
	HK\$'000	HK\$'000
Opening balance at 1 January	1,074,962	1,024,517
New borrowings	999,580	1,121,403
Repayments of borrowings	(892,658)	(1,030,253)
Exchange realignment	(17,966)	3,513
Closing balance at 30 June	1,163,918	1,119,180

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 2022 and 31 December 2021, none of the covenants relating to drawn down facilities had been breached.

### 22 SHARE CAPITAL

	At 30 June 2022	At 31 December 2021
	HK\$'000	HK\$'000
<b>Authorised:</b>		
1,000,000,000 ordinary shares of HK\$0.10 each	100,000	100,000
<b>Issued and fully paid:</b>		
475,547,534 (31 December 2021: 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 2022 and 30 June 2022	475,547,534	47,555	165,458	213,013
At 1 January 2021 and 30 June 2021	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
<b>Balance at 1 January 2022</b>	165,458	2,800	99,819	266,426	63,297	(162)	1,005,340	1,602,978
Profit for the period	-	-	-	-	-	-	30,404	30,404
Other comprehensive income:								
Item that will not be reclassified subsequently to profit or loss:								
Asset revaluation surplus, net of tax	-	-	1,702	-	-	-	-	1,702
Item that may be reclassified subsequently to profit or loss:								
Currency translation differences	-	-	-	(111,115)	-	-	-	(111,115)
Total comprehensive income for the period ended 30 June 2022	-	-	1,702	(111,115)	-	-	30,404	(79,009)
<b>Balance at 30 June 2022</b>	165,458	2,800	101,521	155,311	63,297	(162)	1,035,744	1,523,969

	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
<b>Balance at 1 January 2021</b>	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
<b>Balance at 30 June 2021</b>	165,458	2,800	104,465	221,458	62,846	(162)	966,742	1,523,607



## Notes to the Unaudited Consolidated Financial Statements

### 24 CAPITAL COMMITMENTS

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

	<b>At 30 June 2022</b>	At 31 December 2021
	<b>HK\$'000</b>	HK\$'000
Contracted, but not provided for:		
Plant and machinery	<b>62,045</b>	55,907
Buildings	<b>683</b>	714
Land	<b>1,192</b>	1,247
	<b>63,920</b>	57,868

### 25 RELATED PARTY TRANSACTIONS

As at 30 June 2022, 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:

	<b>Six months ended 30 June 2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
Purchases of raw materials <sup>1</sup>	<b>39,105</b>	59,140
Lease rental payments <sup>2</sup>	<b>7,280</b>	7,189
Interest income <sup>3</sup>	<b>2,821</b>	2,786

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 2022, the Group recognised a right-of-use asset and a lease liability of HK\$18,816,000 and HK\$20,375,000 respectively (30 June 2021: a right-of-use asset and a lease liability of HK\$32,234,000 and HK\$34,110,000 respectively).
- The interest was charged at a rate of 4.90% (30 June 2021: 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:

	<b>At 30 June 2022 HK\$'000</b>	At 31 December 2021 HK\$'000
Share of net assets	<b>210,955</b>	220,611
Loans to a joint venture <sup>1</sup>	<b>172,064</b>	170,184
Due from joint ventures <sup>2</sup>	<b>22,966</b>	30,678
Due to joint ventures <sup>2</sup>	<b>60,990</b>	76,256

Notes:

1. Except for the loans amounting to HK\$143,244,000 (31 December 2021: HK\$141,365,000), which are interest-bearing at a rate of 4.9% (30 June 2021: 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:

	<b>Six months ended 30 June 2022 HK\$'000</b>	2021 HK\$'000
Salaries and allowances	<b>6,406</b>	8,697
Pension scheme contributions	<b>27</b>	27
Total remuneration for key management personnel	<b>6,433</b>	8,724





## Corporate Governance and Other Information

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

As at 30 June 2022, 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 <sup>1</sup>	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 2022, 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 2022, 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 2022, 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 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

### CHANGE IN INFORMATION OF A DIRECTOR

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information of a Director, as notified to the Company, subsequent to the date of the 2021 annual report are set out below:

	Stock Code	Effective Date
<b>Mr. Mar Selwyn</b>		
<ul style="list-style-type: none"> <li>China Everbright Environment Group Limited – Resigned as an independent non-executive director</li> </ul>	257	18 May 2022
<ul style="list-style-type: none"> <li>PanAsialum Holdings Company Limited – Resigned as a senior adviser to the board</li> </ul>	2078	30 June 2022
<ul style="list-style-type: none"> <li>Minmetals Land Limited – Resigned as an independent non-executive director</li> </ul>	230	1 July 2022

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 during 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 2022 have been reviewed by the Audit Committee.

These 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 HKICPA.

### INTERIM DIVIDEND

The Board does not recommend interim dividend for the Period (30 June 2021: 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 formats. Electronic copy is available for download, at no charge, on the Company's website at [www.manyue.com](http://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 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, 23 August 2022





## Glossary

Audit Committee	audit committee of the Company
Board	board of directors of the Company
Company	Man Yue Technology Holdings Limited
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, the lawful currency of Hong Kong
MLPC	Multi-layer Polymer Capacitors
Period	six months ended 30 June 2022
Polymer Caps	Polymer Aluminum Solid Capacitors
RMB	Renminbi, the lawful currency of the People's Republic of China
SFO	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
Stock Exchange	The Stock Exchange of Hong Kong Limited
US\$	United States dollar, the lawful currency of the United States of America
%	per cent