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

(Incorporated in Bermuda with limited liability)

(Stock Code: 00894)

ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2020

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change
	2020	2019	
	HK\$'000	HK\$'000	
Revenue	667,810	566,503	+17.9%
Gross profit	94,645	112,125	-15.6%
EBITDA	44,973	87,046	-48.3%
(Loss)/profit attributable to equity holders	(17,750)	27,071	N/A
(Loss)/earnings per share	(3.73) HK cents	5.69 HK cents	N/A

INTERIM RESULTS

The board of directors (the “Board”) of Man Yue Technology Holdings Limited (the “Company”) is pleased to submit the unaudited interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2020 (the “Period”).

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Six months ended 30 June	
		2020 HK\$'000	2019 HK\$'000
Revenue	4 & 5	667,810	566,503
Cost of sales		<u>(573,165)</u>	<u>(454,378)</u>
Gross profit		94,645	112,125
Other income	6	701	8,552
Other net (losses)/gains	7	(354)	10,666
Selling and distribution costs		(26,290)	(27,759)
Administrative expenses		(66,251)	(71,503)
Net impairment loss on trade and other receivables		<u>(1,610)</u>	<u>–</u>
Operating profit	8	841	32,081
Changes in fair values of derivative financial instruments	9	(11)	(179)
Finance costs	10	(23,057)	(18,787)
Finance income	11	2,834	2,664
Share of results of joint ventures		<u>4,643</u>	<u>14,733</u>
(Loss)/profit before tax		(14,750)	30,512
Income tax	12	<u>(2,170)</u>	<u>(5,976)</u>
(Loss)/profit for the period		<u>(16,920)</u>	<u>24,536</u>
(Loss)/profit attributable to:			
Equity holders of the Company		(17,750)	27,071
Non-controlling interests		<u>830</u>	<u>(2,535)</u>
(Loss)/profit for the period		<u>(16,920)</u>	<u>24,536</u>
(Loss)/earnings per share attributable to equity holders of the Company:	13		
Basic		(3.73) HK cents	5.69 HK cents
Diluted		<u>(3.73) HK cents</u>	<u>5.69 HK cents</u>

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

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
(Loss)/profit for the period	(16,920)	24,536
Other comprehensive income:		
Item that may be reclassified subsequently to profit or loss:		
Currency translation differences	<u>(43,166)</u>	<u>(9,428)</u>
Other comprehensive income for the period, net of tax	<u>(43,166)</u>	<u>(9,428)</u>
Total comprehensive income for the period	<u>(60,086)</u>	<u>15,108</u>
Total comprehensive income attributable to:		
Equity holders of the Company	<u>(60,937)</u>	18,219
Non-controlling interests	<u>851</u>	<u>(3,111)</u>
Total comprehensive income for the period	<u>(60,086)</u>	<u>15,108</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 June 2020 (Unaudited) HK\$'000	At 31 December 2019 (Audited) HK\$'000
	Note		
Non-current assets			
Property, plant and equipment		653,476	666,340
Prepaid land premium		57,214	59,084
Investment properties		156,708	158,256
Intangible assets		1,425	1,521
Investments in joint ventures		168,020	167,215
Prepayments on purchases of property, plant and equipment		79,934	74,521
Financial assets at fair value through profit or loss		24,444	24,433
Loan to a joint venture		135,844	133,908
Other prepayments		5,344	5,430
Deferred tax assets		12,786	10,299
		1,295,195	1,301,007
Current assets			
Inventories		592,578	595,600
Trade receivables	15	699,461	657,884
Prepayments, deposits and other receivables	15	107,846	106,303
Due from joint ventures		31,205	29,884
Financial assets at fair value through profit or loss		16	17
Net defined benefit retirement assets		712	701
Tax recoverable		1,563	1,701
Cash and cash equivalents		227,752	225,715
		1,661,133	1,617,805
Current liabilities			
Trade and bills payables	16	313,176	254,770
Other payables and accrued liabilities and contract liabilities		108,280	105,404
Due to joint ventures		40,939	36,822
Derivative financial instruments		–	245
Tax payables		10,873	11,989
Bank loans		1,015,978	975,677
Dividends payable		43	43
Lease liabilities		18,445	17,091
		1,507,734	1,402,041
Net current assets		153,399	215,764
Total assets less current liabilities		1,448,594	1,516,771

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

	At 30 June 2020 (Unaudited) HK\$'000	At 31 December 2019 (Audited) HK\$'000
Non-current liabilities		
Provision for long service payments	77	77
Deferred tax liabilities	43,559	43,817
Deferred income	9,374	9,706
Lease liabilities	<u>60,125</u>	<u>66,858</u>
 Total non-current liabilities	 <u>113,135</u>	 <u>120,458</u>
 Net assets	 <u>1,335,459</u>	 <u>1,396,313</u>
 Capital and reserves		
Share capital	47,555	47,555
Reserves	<u>1,251,093</u>	<u>1,312,030</u>
 Equity attributable to equity holders of the Company	 1,298,648	 1,359,585
Non-controlling interests	<u>36,811</u>	<u>36,728</u>
 Total equity	 <u>1,335,459</u>	 <u>1,396,313</u>

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

The interim financial results set out in this announcement do not constitute the Group's interim financial statements for the six months ended 30 June 2020 but are extracted from those interim financial statements.

These interim financial statements for the six months ended 30 June 2020 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 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

These interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

These interim financial statements are unaudited, but have been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA.

2 CHANGES IN ACCOUNTING POLICIES

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

- Amendments to HKFRS 3 *Definition of a Business*
- Amendment to HKFRS 16 *Covid-19-Related Rent Concessions*

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

Amendments to HKFRS 3 *Definition of a Business*

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The amendments to HKFRS 3 do not have any material impact on the Group's financial statements.

Amendment to HKFRS 16 Covid-19-Related Rent Concessions

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic (“COVID-19-related rent concessions”) are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The amendment to HKFRS 16 does not have any material impact on the Group’s financial statements.

3 ESTIMATE

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 2019.

4 SEGMENT INFORMATION

As substantial business operations of the Group relate to the manufacturing, selling and distribution of electronic components, the Group’s executive team, which is considered as the Chief Operating Decision Maker (the “CODM”, comprising all Executive Directors and being headed by the Managing Director of the Company), makes decisions about resources allocation and performance assessment based on the entity-wide financial information. Accordingly, there is only one single reportable segment for the Group. Set out below is a summary list of key performance indicators reviewed by the CODM on a regular basis:

	Six months ended 30 June	
	2020	2019
	HK\$’000	HK\$’000
Revenue	667,810	566,503
Gross profit	94,645	112,125
Gross profit margin (%)	14.2%	19.8%
EBITDA ¹	44,973	87,046
EBITDA margin (%)	6.7%	15.4%
Operating expenses ²	94,151	99,262
Operating expenses/revenue (%)	14.1%	17.5%
(Loss)/profit for the period	(16,920)	24,536
Net (loss)/profit margin (%)	(2.5%)	4.3%

Notes:

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

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	
	2020	2019
	HK\$'000	HK\$'000
Revenue from external customers by geographical locations		
Hong Kong	45,516	40,808
Mainland China	454,932	372,249
Taiwan	94,382	85,640
Southeast Asia	21,244	18,302
Korea	1,091	1,422
United States	9,175	10,183
Europe	37,165	27,671
Other countries	4,305	10,228
	<u>667,810</u>	<u>566,503</u>
	At 30 June	At 31 December
	2020	2019
	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	114,304	114,790
Mainland China	1,143,441	1,151,251
Other countries	220	234
	<u>1,257,965</u>	<u>1,266,275</u>

5 REVENUE

The principal activities of the Group are the manufacturing and trading of electronic components and raw materials.

Revenue represents the net value of goods sold, after allowances for trade returns and discounts.

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

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15		
Manufacturing and trading of electronic components	<u>667,810</u>	<u>566,503</u>

Disaggregation of revenue from contracts with customers by geographical markets is disclosed in Note 4. All revenue is recognised at a single point in time.

6 OTHER INCOME

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Loss on disposal of property, plant and equipment	(3,058)	(111)
Scrap sales	159	2,293
Government subsidies	1,280	2,863
Rental income generated from investment properties	929	1,175
Others	1,391	2,332
	<u>701</u>	<u>8,552</u>

7 OTHER NET (LOSSES)/GAINS

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Dividend income	1	2
Fair value gains on investment properties	–	13,379
Net foreign exchange losses	(833)	(2,589)
Fair value gains/(losses) on financial assets at fair value through profit or loss	188	(126)
Others	290	–
	<u>(354)</u>	<u>10,666</u>

8 OPERATING PROFIT

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

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Depreciation charge:		
Owned property, plant and equipment	26,642	29,189
Right-of-use assets	9,170	7,592
Amortisation of prepaid land premium	734	791
Amortisation of intangible assets	120	175
	<u>36,666</u>	<u>47,747</u>

9 CHANGES IN FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Fair value losses on interest rate swaps	<u>(11)</u>	<u>(179)</u>

At 30 June 2020, all interest rate swap contracts were expired.

10 FINANCE COSTS

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Interest expense on bank loans	21,859	16,696
Interest expense on lease liabilities	1,842	1,558
Others	<u>370</u>	<u>533</u>
	24,071	18,787
Less: Interest expenses capitalised into construction in progress	<u>(1,014)</u>	<u>–</u>
	<u><u>23,057</u></u>	<u><u>18,787</u></u>

11 FINANCE INCOME

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Interest income from loan to a joint venture	2,445	2,332
Interest income from time deposits and bank balances	<u>389</u>	<u>332</u>
	<u><u>2,834</u></u>	<u><u>2,664</u></u>

12 INCOME TAX

	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
Current tax:		
Hong Kong	93	96
Outside Hong Kong	<u>4,074</u>	<u>2,657</u>
	4,167	2,753
Deferred tax	<u>(1,997)</u>	<u>3,223</u>
Total tax charge for the period	<u><u>2,170</u></u>	<u><u>5,976</u></u>

Hong Kong Profits Tax has been provided at the rate of 16.5% (30 June 2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the Period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

In accordance with the relevant tax rules and regulations in Mainland China, three (30 June 2019: two) of the Group's subsidiaries in Mainland China enjoy a preferential tax rate of 15% (30 June 2019: 15%). Other subsidiaries of the Group in Mainland China are subject to income taxes at a statutory rate of 25% (30 June 2019: 25%).

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

13 (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on the loss for the Period attributable to equity holders of the Company of HK\$17,750,000 (30 June 2019: profit of HK\$27,071,000), and the weighted average number of 475,548,000 (30 June 2019: 475,548,000) ordinary shares in issue during the Period.

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

The diluted (loss)/earnings per share is the same as the basic (loss)/earnings per share as the Company's share options outstanding during the Period and the period ended 30 June 2019 were anti-dilutive ordinary shares.

14 DIVIDENDS

The Board has resolved not to declare interim dividend for the Period (30 June 2019: Nil).

15 TRADE AND OTHER RECEIVABLES

	At 30 June 2020 HK\$'000	At 31 December 2019 HK\$'000
Trade receivables	738,747	697,380
Loss allowance	(39,286)	(39,496)
	699,461	657,884
Prepayments, deposits and other receivables	107,846	106,303
	807,307	764,187

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\$1,967,000 (31 December 2019: HK\$2,892,000) 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 2020 HK\$'000	At 31 December 2019 HK\$'000
1-3 months	592,308	504,766
4-6 months	83,353	127,966
7-12 months	21,555	16,350
Over 1 year	2,245	8,802
	699,461	657,884

16 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 2020 HK\$'000	At 31 December 2019 HK\$'000
Trade payables:		
1-3 months	237,578	218,866
4-6 months	45,123	10,564
7-12 months	10,519	11,897
Over 1 year	14,356	5,214
	307,576	246,541
Bills payables	5,600	8,229
	313,176	254,770

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

The significant adverse impact of the COVID-19 pandemic causing production interruption and the slowdown in business activities which led to substantial financial losses incurred by the Group in the first quarter of 2020, notwithstanding a strong recovery in sales in the second quarter of 2020 giving rise to an overall increase in revenue of 17.9% as compared with that of in the same period in 2019. Resulting from this, the Group's gross profit for the Period dropped to HK\$94,645,000, representing a decrease of 15.6% when compared with that of the corresponding period last year of HK\$112,125,000 and eventually, recorded a loss attributable to shareholders of the Company of HK\$17,750,000 for the Period as compared with a net profit attributable to shareholders of the Company of HK\$27,071,000 for the same period in 2019.

BUSINESS REVIEW

Market Overview

The outbreak of COVID-19 since January this year hammered all industries in the world. Commercial activities were almost halted in the global. Travel restrictions were executed among countries. Governmental authorities operated with limited services. The pandemic not only changed the daily lives of people but also transformed the mode of working. Online retailing became mainstream purchasing channel and working from home became normality. The persistence of trade dispute between China and the United States continued to cast shadow on the economy of the future, the COVID-19 fear and the incredulous oil crash further deepened the concern of economic recession. Facing the threat of jobs cut, the consumers' sentiment as well as the overall demand in electronics market had been inevitably undermined.

Despite such adverse challenges in the first half of 2020, the Group managed to record an increase in revenue for the Period by 17.9% to HK\$667,810,000, when compared with that of the corresponding period last year of HK\$566,503,000. This was mainly attributable to the Group's successful business strategy of establishing a multi-product platform in various industries and in particular, benefitting from the surging demand in computer end market due to the work-from-home arrangement and home-based learning during the COVID-19 outbreak.

Operation Review

The outbreak of COVID-19 has a huge impact on the manufacturing industries. In order to comply with the government rules for the prevention and spread of COVID-19, the Group's production facilities in Mainland China had a temporary suspension of production during the initial stage of the pandemic in the first quarter of 2020. To cope with this, the Group had undertaken initiatives to invest additional resources to provide protective equipment to employees and implemented certain health and safety measures and hence our manufacturing plants were able to resume operation from early March 2020 though efficiency was definitely affected during the hard times. Thanks to the professionalism of our staff and the support of our customers and suppliers, all manufacturing plants were able to restore normality and sales volume jumped sharply in the second quarter this year.

In response to the difficult operating environment, the Group has implemented more stringent cost control measures and increased automation in production in order to remain cost-effectiveness and enhance operational efficiency. In addition, the Group has continuously focused on development of new products and technology to achieve product diversification, as well as closely monitoring the market situation and making necessary adjustments to its business strategies and operations.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2020, the Group's cash and cash equivalents amounted to HK\$227,752,000 (31 December 2019: HK\$225,715,000), most of which were either denominated in United States dollars, Renminbi or Hong Kong dollars. Total outstanding bank borrowings of the Group amounted to HK\$1,015,978,000 (31 December 2019: HK\$975,677,000) which comprised mainly bank loans and trade finance facilities.

As at 30 June 2020, the net gearing ratio (a ratio of the sum of total bank borrowings less cash and cash equivalents then divided by total equity) of the Group was 59.0% (31 December 2019: 53.7%).

As at 30 June 2020, the net current assets of the Group were HK\$153,399,000 (31 December 2019: HK\$215,764,000), which comprised current assets of HK\$1,661,133,000 (31 December 2019: HK\$1,617,805,000) and current liabilities of HK\$1,507,734,000 (31 December 2019: HK\$1,402,041,000), representing a current ratio of 1.10 (31 December 2019: 1.15).

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

OUTLOOK AND PROSPECTS

Trade and political tensions between China and the United States are unlikely to be resolved in the second half of 2020. Furthermore, the resurgence of COVID-19 continues to hit the global economy. Given the current high degree of uncertainty, the Group will continue to pursue cost saving measures, enhance operational efficiency through technology and increased process automation and strengthen strategic alliances with its customers. The advocate of diversification of customers and products enables the Group to weather through a tough first half of 2020 with a revenue growth of 17.9% when compared with that of in the first half of 2019. As a result, the Group is cautiously optimistic about its upcoming business development, to stay still in the market and be resilient to manage the market changes.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 June 2020, the Group employed 47 staff in Hong Kong (31 December 2019: 47) and employed a total work force of 2,420 (31 December 2019: 2,610) inclusive of all staff in Mainland China and overseas offices. The Group's remuneration policy is built on the principle of equitability with incentive-based, motivating, performance-oriented and market competitive remuneration packages for its employees. Remuneration packages are reviewed on a regular basis. Apart from salary, other staff benefits include provident fund contributions, medical insurance coverage and performance-based bonuses.

PURCHASE, SALE OR REDEMPTION OF SHARES OF THE COMPANY

During the six months ended 30 June 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with the applicable code provisions of the Corporate Governance Code (the "Corporate Governance Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company has adopted the code provisions as its own code of corporate governance practices throughout the Period with the exception of the following deviation:

Pursuant to Code Provision A.4.1, non-executive directors and independent non-executive directors should be appointed for a specific term. Currently, all the Independent Non-executive Directors of the Company are not appointed for a specific term but are subject to the requirement of retirement by rotation at the annual general meetings of the Company under Bye-law 87 of the Bye-laws of the Company.

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

COMPLIANCE WITH THE MODEL CODE

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

AUDIT COMMITTEE AND SCOPE OF WORK OF KPMG

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2020 have been reviewed by the Audit Committee of the Company.

The interim financial statements for the six months ended 30 June 2020 are unaudited, but have been reviewed by the Company's auditor, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants, whose review report is included in the interim report sent to shareholders.

INTERIM DIVIDEND

The Board has resolved not to declare interim dividend for the Period (30 June 2019: Nil).

PUBLICATION OF 2020 INTERIM RESULTS AND INTERIM REPORT

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

The interim report of the Company containing all the information, as required by the Listing Rules, will be dispatched to shareholders and published on the websites of HKEXnews and the Company on or before Wednesday, 30 September 2020.

APPRECIATION

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

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

Hong Kong, 28 August 2020

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