

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Miji International Holdings Limited
米技國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1715)

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL HIGHLIGHTS

	Year ended 31 December	
	2021	2020
Revenue (<i>RMB'000</i>)	143,873	189,380
Gross profit (<i>RMB'000</i>)	65,270	94,986
Gross profit margin (%)	45.4%	50.2%
Net loss for the year (<i>RMB'000</i>)	(43,894)	(19,950)
Loss per share		
– Basic and diluted (<i>RMB cents</i>)	(2.96)	(1.41)

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of Miji International Holdings Limited (the “**Company**”) announces the consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2021 (the “**Reporting Period**”). These results have been reviewed by the Company’s audit committee (the “**Audit Committee**”).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	<i>Notes</i>	2021 RMB'000	2020 <i>RMB'000</i>
Revenue	3	143,873	189,380
Cost of sales	4	(78,603)	(94,394)
Gross profit		65,270	94,986
Other income		4,829	5,352
Other (losses)/gains, net		(812)	3,255
Selling and distribution expenses	4	(73,015)	(93,604)
Administrative expenses	4	(27,173)	(20,335)
Research and development expenses	4	(10,535)	(10,685)
Net impairment losses on financial assets		(129)	(1,407)
Operating loss		(41,565)	(22,438)
Finance income		92	539
Finance costs		(1,511)	(2,451)
Finance costs, net		(1,419)	(1,912)
Share of net (loss)/profit of associates		(736)	4,679
Loss before income tax		(43,720)	(19,671)
Income tax expense	5	(174)	(279)
Loss for the year		(43,894)	(19,950)
Other comprehensive (loss)/income: <i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		(102)	23
Total comprehensive loss for the year		(43,996)	(19,927)

	<i>Notes</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
(Loss)/profit attributable to:			
Owners of the Company		(44,353)	(21,128)
Non-controlling interests		459	1,178
		<u>(43,894)</u>	<u>(19,950)</u>
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(44,455)	(21,105)
Non-controlling interests		459	1,178
		<u>(43,996)</u>	<u>(19,927)</u>
Loss per share attributable to owners of the Company for the year			
Basic and diluted (<i>RMB cents</i>)	6	<u>(2.96)</u>	<u>(1.41)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	<i>Notes</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
ASSETS			
Non-current assets			
Property, plant and equipment		18,763	20,757
Right-of-use assets		3,632	2,813
Land use rights		8,585	8,795
Investments in associates		7,348	17,592
Intangible assets		715	1,022
Deferred income tax assets		83	212
Deposits		753	–
		<u>39,879</u>	<u>51,191</u>
Current assets			
Inventories		64,823	66,814
Trade receivables	7	31,489	52,501
Other receivables, deposits and prepayments		16,194	27,652
Amount due from an associate		8	–
Restricted bank deposit	8	237	–
Cash and cash equivalents	8	32,346	48,184
		<u>145,097</u>	<u>195,151</u>
Assets classified as held for sale		<u>5,747</u>	–
Total assets		<u>190,723</u>	<u>246,342</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		12,561	12,561
Share premium		72,173	72,173
Reserves		39,534	84,015
		<u>124,268</u>	<u>168,749</u>
Non-controlling interests		<u>(120)</u>	<u>4,202</u>
Total equity		<u>124,148</u>	<u>172,951</u>

	<i>Notes</i>	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
LIABILITIES			
Non-current liabilities			
Lease liabilities		1,282	1,710
Borrowings		5,047	5,676
		<u>6,329</u>	<u>7,386</u>
Current liabilities			
Trade and other payables	9	26,278	26,155
Borrowings		23,629	27,289
Lease liabilities		2,958	1,972
Amount due to an associate		–	4,450
Amount due to a non-controlling interest		3,509	1,004
Contract liabilities		3,422	4,652
Current income tax liabilities		450	483
		<u>60,246</u>	<u>66,005</u>
Total liabilities		<u>66,575</u>	<u>73,391</u>
Total equity and liabilities		<u>190,723</u>	<u>246,342</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 16 May 2017 as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands. The address of the Company's registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, the Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively the "Group") mainly engages in the development, manufacturing and selling of kitchen appliances in the People's Republic of China (the "PRC").

The Company commenced its listing on the Main Board of The Stock Exchange of Hong Kong Limited on 16 July 2018.

The consolidated financial statements are presented in thousands of units of Renminbi ("RMB'000") unless otherwise stated.

2 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") and the requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared on a historical cost basis.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2021:

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

The amendments listed above did not have any impact on the amounts recognised in prior year and are not expected to significantly affect the current or future periods.

(b) New and revised HKFRSs issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2021 and have not been early adopted by the Group. The management is in the process of assessing the impact of these standards to the Group.

		Effective for accounting periods beginning on or after
Accounting Guideline 5 (revised)	Revised Accounting Guideline 5 Merger	1 January 2022
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to HKFRS 3, HKAS 16 and HKAS 37	Narrow-scope amendments	1 January 2022
Amendments to HKAS 37	Onerous Contracts – Cost Fulfilling a Contract	1 January 2022
Amendments to HKFRS 3	Reference to the Conceptual Framework	1 January 2022
Annual Improvements Projects	Annual Improvements to HKFRSs 2018-2020 (amendments)	1 January 2022
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17	Insurance Contracts	1 January 2023
Amendments to HK Interpretation 5	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2023
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8	Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

3 SEGMENT INFORMATION AND REVENUE

The chief operating decision-makers have been identified as the directors of the Company. Management has determined the operating segments based on the information reviewed by the directors for the purpose of allocating resources and assessing performance. The only component in internal reporting to the directors is the Group's development, manufacturing and selling of kitchen appliances. In this regard, management considers there is only one operating segment under the requirements of HKFRS 8 Operating Segment.

The Group's activities are mainly carried out in the PRC and a majority of the Group's assets and liabilities of the operating companies are located in the PRC. As at 31 December 2021, non-current assets of RMB31,894,000 (2020: RMB38,674,000) of the Group were located in the PRC. For the year ended 31 December 2021, revenue of RMB142,795,000 (2020: RMB188,276,000) was derived from external customers in the PRC. Revenues of approximately RMB35,910,000 (2020: RMB80,694,000 and RMB29,363,000) were derived from one (2020: two) individual external customers, each of which contributed more than 10% of Group's revenue.

(a) **Revenue from contracts with customers**

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Revenue		
Sales of goods	<u>143,873</u>	<u>189,380</u>
Timing of revenue recognition		
At a point in time	<u>143,873</u>	<u>189,380</u>

(b) **Liabilities related to contracts with customers**

The Group has recognised the following liabilities related to contracts with customers:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Contract liabilities – sales of goods (<i>Notes</i>)	<u>3,422</u>	<u>4,652</u>

Notes:

(i) ***Significant changes in contract assets and liabilities***

Contract liabilities for sales of goods have decreased by RMB1,230,000 as a result of the satisfaction of performance obligations and a decrease in overall contract activity.

(ii) ***Revenue recognised in relation to contract liabilities***

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Revenue recognised that was included in the contract liabilities balance at the beginning of the year		
Sales of goods	<u>4,652</u>	<u>720</u>

4 EXPENSES BY NATURE

Expenses included in cost of sales, selling and distribution expenses, research and development expenses and administrative expenses are analysed as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Cost of materials used	73,301	87,668
Auditor's remuneration		
– Audit services	1,324	1,747
– Non-audit services	–	–
Legal and professional fees	5,381	3,849
Depreciation of property, plant and equipment	4,180	3,540
Depreciation of right-of-use assets	2,144	3,413
Depreciation and amortisation of land use rights	210	210
Amortisation of intangible assets	277	243
Employee benefit expenses (including directors' emoluments)	30,108	25,634
Consignment fee	25,377	46,190
Short-term lease expenses	1,628	882
Decoration expenses	3,573	3,379
Advertising and promotion expenses	8,686	10,600
Product design and inspection fee	3,290	3,058
Sundry expenses of consignment stores	6,258	7,344
Travelling and entertainment expenses	2,021	2,547
Transportation expenses	4,963	5,643
Donation expenses	1,100	–
Office expenses	2,097	1,781
Exhibition expenses	3,444	1,662
Utilities expenses	1,223	700
Others	8,741	8,928
	<hr/>	<hr/>
Total cost of sales, selling and distribution expenses, research and development expenses and administrative expenses	189,326	219,018

5 INCOME TAX EXPENSES

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profits arising in Hong Kong during the years ended 31 December 2021 and 2020.

Taxes on profits assessable in the PRC have been calculated at the prevailing tax rates, based on existing legislation, interpretations and practices in respect thereof. The PRC corporate income tax rate of all the PRC subsidiaries during the years ended 31 December 2021 and 2020, was 25% except for Miji Electronics and Appliances (Shanghai) Ltd (“**Miji Shanghai**”) whose corporate income tax rate was 15% as Miji Shanghai has obtained the High New Technology Enterprise Certificate.

The amount of income tax expense charged to the consolidated statement of profit or loss represents:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Current income tax	45	336
Deferred income tax	129	(57)
	<hr/>	<hr/>
	174	279

6 LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holder of the Company by the weighted average number of ordinary shares in issue during the year.

	2021	2020
Loss attributable to owners of the Company (<i>RMB'000</i>)	<u>(44,353)</u>	<u>(21,128)</u>
Weighted average number of ordinary shares in issue	<u>1,500,000,000</u>	<u>1,500,000,000</u>
Basic loss per share (<i>RMB cents</i>)	<u>(2.96)</u>	<u>(1.41)</u>

(b) Diluted

Diluted loss per share were the same as the basic loss per share as there were no potential dilutive ordinary shares in existence during both years presented.

7 TRADE RECEIVABLES

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Trade receivables	33,832	54,715
Less: loss allowance	<u>(2,343)</u>	<u>(2,214)</u>
	<u>31,489</u>	<u>52,501</u>

The carrying amounts of the trade receivables approximate their fair value and are denominated in RMB.

The Group's credit terms to trade receivables are generally 30 to 365 days. The ageing analysis of the gross trade receivables, based on invoice date, is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
0–30 days	22,052	19,055
31–60 days	3,255	10,875
61–90 days	417	7,863
Over 90 days	<u>8,108</u>	<u>16,922</u>
	<u>33,832</u>	<u>54,715</u>

8 RESTRICTED BANK DEPOSIT AND CASH AND CASH EQUIVALENTS

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
Restricted bank deposit (<i>Note</i>)	237	–
Cash and cash equivalents		
– Cash at bank	32,273	48,100
– Cash on hand	73	84
	<hr/>	<hr/>
Total cash and bank balances	<u>32,583</u>	<u>48,184</u>

Note: As at 31 December 2021, RMB237,000 are restricted deposits held at bank as a security for bank borrowings of the Group (2020: Nil).

9 TRADE PAYABLES

As at 31 December 2021, the ageing analysis of the trade payables, based on invoice date, is as follows:

	2021 <i>RMB'000</i>	2020 <i>RMB'000</i>
1–30 days	12,039	10,101
31–60 days	3,221	3,485
61–90 days	527	270
Over 90 days	385	357
	<hr/>	<hr/>
	<u>16,172</u>	<u>14,213</u>

10 DIVIDENDS

No dividend was declared by the Company for the years ended 31 December 2021 and 2020.

11 EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (i) Subsequent to the reporting period, the Group entered into a sales and purchase agreement to dispose of its 33% equity interest in Sky Asia to an independent third party at a consideration of HK\$4,500,000. Upon completion, the Group will cease to have any equity interest in Sky Asia.
- (ii) During the ongoing COVID-19 pandemic, a series of precautionary and control measures have recently been and continued to be implemented across the country/region. The Group continue to pay close attention to the development of the COVID-19 pandemic and evaluate its impact on the financial position and operating results of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND BUSINESS STRATEGY

During the Reporting Period, the Group continues to develop, manufacture and sell premium kitchen appliances with a major focus on the PRC market. The Group distributes its products across the PRC through various sales channels comprising mainly of distributors, consignment sales, television platforms, online platforms and corporate clients.

During the Reporting Period, the Group has been expanding both offline and online sales channels to reach more consumers and attract consumer awareness of its brands and products. The Group used to rely on consignment stores in department stores and distributors to sell its products offline. To expand its offline sales channels, the Group set up new mega retail stores and membership stores. For the expansion of online sales channels, the Group increased the use of social media platforms to promote and sell its products. The strategy to expand both offline and online sales channels led to higher sales revenue from consignment stores, physical sales locations and online platforms as compared with 2020. However, sales revenue from television platforms significantly declined as consumers spent more time outdoors following the relaxation of quarantine measures and social media is becoming a more popular channel to attract consumers. In the second half of 2021, the Group was suffering from the negative impact of surging raw material prices, which reduced the Group's gross profit margin. Overall, the Group's revenue for the Reporting Period decreased by 24.0% to RMB143.9 million as compared with RMB189.4 million for the year ended 31 December 2020. The Group's net loss for the Reporting Period increased to RMB43.9 million from RMB20.0 million for the year ended 31 December 2020, primarily attributable to the decrease in sales revenue from television platforms and gross profit margin.

To deal with the above situation, the Group optimised its distribution network by allocating more resources to the sales channels that have greater development potential and higher profit margin, such as Tiktok and Wechat social media stores. The optimisation of distribution network is showing a positive effect, which enables the Group to further stabilize the business in the market.

Product quality and brand awareness are essential to the Group's long-term success and the Group can keep this in a quite stable high level. The Group will continue to devote more time and effort to diversify product style and functionality with an aim to create better products to suit the needs of customers. At the same time, the Group will be active in marketing to promote its brands and products through different channels and take effort to expand the new sales channels. The Group will also explore the possibilities to expand the sales of its products to other geographical regions that can generate attractive returns for the shareholders.

Looking ahead, the Group will remain prudent on business development and continue to implement appropriate measures to improve sales performance and reduce costs of business operations.

FINANCIAL REVIEW

Revenue

Revenue by product categories

The Group derives its revenue from the sales of (i) radiant hobs and stoves; (ii) induction hobs and stoves; (iii) pots and pans; and (iv) other small kitchen appliances and kitchen cabinets. Radiant hobs and stoves is the Group's major product type, contributing 79.3% of our total revenue for the Reporting Period. The Group's total revenue for the Reporting Period amounted to approximately RMB143.9 million.

Set out below is a breakdown of revenue by product categories for the Reporting Period:

	Year ended 31 December			
	2021		2020	
	<i>RMB'000</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>% of total revenue</i>
Hobs and stoves (Radiant)	114,034	79.3	150,313	79.4
Hobs and stoves (Induction)	6,592	4.6	10,277	5.4
Pots and pans	7,073	4.9	9,664	5.1
Others (<i>Note</i>)	16,174	11.2	19,126	10.1
Total	<u>143,873</u>	<u>100.0</u>	<u>189,380</u>	<u>100.0</u>

Note: Others include small kitchen appliances such as hoods, kettles, bakery ovens and kitchen cabinets.

Revenue by geographical regions

During the Reporting Period, the Group's revenue was substantially derived in the PRC.

Revenue by sales channels

The Group sells its products through various channels, mainly including its consignment stores, sales to corporate clients, sales from television platforms and online platforms and physical sales locations operated by the Group's distributors. Set out below is a breakdown of revenue by sales channels for the Reporting Period:

	Year ended 31 December			
	2021		2020	
	<i>RMB'000</i>	<i>% of total revenue</i>	<i>RMB'000</i>	<i>% of total revenue</i>
Direct Sales				
Consignment stores	34,605	24.1	29,353	15.5
Corporate clients	1,956	1.4	2,238	1.2
Television platforms	54,871	38.1	121,589	64.2
Subtotal	91,432	63.6	153,180	80.9
Distributors				
Online platforms	34,660	24.1	25,753	13.6
Physical sales locations	17,781	12.3	10,447	5.5
Subtotal	52,441	36.4	36,200	19.1
Total	143,873	100.0	189,380	100.0

Consignment stores

During the Reporting Period, the Group's direct sales revenue from consignment stores increased by 17.7% to RMB34.6 million from RMB29.4 million for the year ended 31 December 2020. After the relaxation of quarantine measures implemented by the PRC government, business operations of the consignment stores resumed normal and the number of customers that purchased the Group's products from consignment stores increased during the Reporting Period. The Group also expanded its offline sales channels by setting up consignment stores and counters in shopping malls, mega retail stores and membership stores, which further increased the sales revenue from consignment stores.

Corporate clients

During the Reporting Period, the Group's sales revenue from corporate clients decreased by 9.1% to RMB2.0 million from RMB2.2 million for the year ended 31 December 2020. The decrease in sales revenue from corporate clients was because the Group had fewer purchase orders from property developers.

Television platforms

During the Reporting Period, the Group's direct sales revenue from television platforms decreased by 54.9% to RMB54.9 million from RMB121.6 million for the year ended 31 December 2020, as consumers spent more time outdoors following the relaxation of quarantine measures and social media platform is becoming a more popular sales and marketing platform.

Online platforms

During the Reporting Period, the Group's sales revenue from online platforms operated by the Group's distributors increased by 34.5% to RMB34.7 million from RMB25.8 million for the year ended 31 December 2020. The increase in sales revenue from online platforms operated by the Group's distributors was attributable to the gradual improvement in global economy and the increase in personal expenditure of consumers. The Group also increased the use of social media platforms to promote its products, which further increased the sales revenue from online platforms.

Physical sales locations

During the Reporting Period, the Group's sales revenue from physical sales locations increased by 71.2% to RMB17.8 million from RMB10.4 million for the year ended 31 December 2020. After the relaxation of quarantine measures implemented by the PRC government, business operations of the physical sales locations resumed normal and the number of customers that purchased the Group's products from physical sales locations increased during the Reporting Period.

Gross profit and gross profit margin

The Group's gross profit margin decreased to 45.4% for the Reporting Period as compared with 50.2% for the year ended 31 December 2020 because the prices of raw materials have been increasing in the second half of 2021. Set out below is a breakdown of gross profit and gross profit margin by product categories for the Reporting Period:

	Year ended 31 December			
	2021		2020	
	Gross profit <i>RMB'000</i>	Gross profit margin %	Gross profit <i>RMB'000</i>	Gross profit margin %
Hobs and stoves (Radiant)	52,904	46.4	75,821	50.4
Hobs and stoves (Induction)	2,901	44.0	5,079	49.4
Pots and pans	3,002	42.4	4,677	48.4
Others (<i>Note</i>)	6,463	40.0	9,409	49.2
Total	<u>65,270</u>	<u>45.4</u>	<u>94,986</u>	<u>50.2</u>

Note: Others include small kitchen appliances such as hoods, kettles, bakery ovens and kitchen cabinets.

Other income

Other income mainly includes government grant, licensing and management fee income from an associate and sundry income. The Group's other income for the Reporting Period decreased by 11.1% to RMB4.8 million for the Reporting Period from RMB5.4 million for the year ended 31 December 2020. Such decrease was primarily attributable to the decrease in government grant and licensing income from an associate.

Other (losses)/gains, net

Other (losses)/gains, net mainly comprised gain on partial disposal of investment in an associate, net exchange loss and loss on disposal of property, plant and equipment. The Group recorded other loss of RMB0.8 million for the Reporting Period as opposed to other gain of RMB3.3 million for the year ended 31 December 2020. During the Reporting Period, the Group recognised an exchange loss of RMB1.0 million (2020: RMB2.6 million) and it did not have any gain on disposal of an associate (2020: RMB5.8 million).

Selling and distribution expenses

Selling and distribution expenses mainly represent consignment fee for the Group's direct sales through consignment stores and television platforms, sundry expenses of consignment stores, employee benefits expenses of sales and marketing staff, business travelling and entertainment expenses, advertising and promotion expenses, rental expenses and transportation expenses for delivery of products to customers. Selling and distribution expenses for the Reporting Period decreased by 22.0% to RMB73.0 million as compared with RMB93.6 million for the year ended 31 December 2020. This was primarily attributable to the decrease in consignment fees along with the decreased proportion of sales through television platform.

Administrative expenses

Administrative expenses mainly represent salaries and benefits of our administrative and management staff, general office expenses, rental expenses, legal and professional fees, depreciation of property, plant and equipment, depreciation and amortisation of land use rights and intangible assets and other miscellaneous administrative expenses. Administrative expenses for the Reporting Period increased by 33.5% to RMB27.1 million from RMB20.3 million for the year ended 31 December 2020. The increase in administrative expenses for the Reporting Period was primarily attributable to the increase in employee benefit expenses and donation.

Research and development expenses

Research and development expenses for the Reporting Period remained relatively stable at RMB10.5 million as compared with RMB10.7 million for the year ended 31 December 2020.

Finance income

For the Reporting Period, the Group's finance income decreased by 80.0% to RMB0.1 million from RMB0.5 million for the year ended 31 December 2020, mainly attributable to the decrease in funds put in term deposits.

Finance costs

For the Reporting Period, the Group's finance costs decreased by 40.0% to RMB1.5 million as compared with RMB2.5 million for the year ended 31 December 2020, primarily attributable to the decrease in borrowings.

Share of net (loss)/profit of associates

For the Reporting Period, the Group's share of net loss of associates amounted to RMB0.7 million as opposed to a share of net profit of associates of RMB4.7 million for the year ended 31 December 2020, primarily due to the increase in the loss contributed from an associate.

Income tax expenses

The Group's income tax expenses for the Reporting Period amounted to RMB0.2 million as compared with RMB0.3 million for the year ended 31 December 2020. The decrease in income tax expenses was primarily attributable to the decrease in assessable profits during the Reporting Period.

Net loss

As a result of the above factors, the Group's net loss for the Reporting Period increased to RMB43.9 million from RMB20.0 million for the year ended 31 December 2020. The Group's net loss margin for the Reporting Period also increased to 30.5% from 10.5% for the year ended 31 December 2020.

Dividend

The Board does not recommend the payment of a final dividend for the Reporting Period (31 December 2020: nil).

CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING

The Company's shares were successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 July 2018. There has been no change in the capital structure of the Group since then.

The Group funds its business and working capital requirements by using a balanced mix of internal resources and bank. The funding mix will be adjusted depending on the costs of funding and the actual needs of the Group.

As at 31 December 2021, the Group had net current assets of RMB90.6 million (31 December 2020: RMB129.1 million), cash and cash equivalents amounted to RMB32.3 million (31 December 2020: RMB48.2 million) and borrowings amounted to RMB28.7 million (31 December 2020: RMB33.0 million). The Group's cash and cash equivalents as at 31 December 2021 were mainly denominated in RMB and HKD. As at 31 December 2021, the Group's borrowings (denominated in RMB) amounting to RMB28.7 million and nil (31 December 2020: RMB32.3 million and RMB0.7 million) carried interest at floating rate and fixed rate respectively. The weighted average interest rates are 5.1% (2020: 5.0%) per annum.

As at 31 December 2021, the Group had a current ratio of 2.5 times (31 December 2020: 3.0 times) and gearing ratio of 0.2 (calculated by dividing total debt by total equity) (31 December 2020: 0.2).

As at 31 December 2021, the Group did not have any available unutilised banking facilities (31 December 2020: nil).

RESTRICTED BANK DEPOSIT

As at 31 December 2021, the Group had restricted bank deposit of RMB0.2 million (31 December 2020: nil).

CAPITAL COMMITMENTS

As at 31 December 2021, the Group did not have any significant capital commitments (31 December 2020: nil).

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any material contingent liabilities or guarantees (31 December 2020: nil).

PLEDGE OF ASSETS

As at 31 December 2021, the Group pledged land use rights and buildings with carrying amount of RMB17.8 million to secure its borrowings of RMB28.7 million.

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS, SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 22 October 2021 (after trading hours), Miji Electronics and Appliances (Shanghai) Ltd. (the “**Purchaser**”), an indirect wholly-owned subsidiary of the Company, and 上海甬興塑膠有限公司 (Shanghai Yongxing Plastic Company Limited*) (the “**Vendor**”) entered into a sale and purchase agreement, pursuant to which the Purchaser agreed to acquire, and the Vendor agreed to sell 49% equity interest held by the Vendor in 上海米技甬興電器有限公司 (Shanghai Miji Yongxing Electrical Appliances Company Limited*) (“**Miji Yongxing**”), at the consideration of RMB2,450,000. This transaction was completed on 22 December 2021 and Miji Yongxing became an indirect wholly-owned subsidiary of the Company upon completion. For details of this transaction, please refer to the Company’s announcements dated 22 October 2021 and 22 December 2021.

On 31 December 2021 (after trading hours), the Vendor and two individual purchasers entered into a disposal agreement, pursuant to which the Vendor conditionally agreed to sell, and those two individual purchasers conditionally agreed to acquire, in aggregate 40% equity interest held by the Vendor in 米技炫尚智能家用電器(上海)有限公司 (Miji Xuanshang Intelligence Home Appliances (Shanghai) Company Limited*), at the consideration of RMB12,000,000. This transaction was completed in February 2022. For details of this transaction, please refer to the Company’s announcement dated 31 December 2021.

Saved as disclosed herein, during the Reporting Period, the Group did not have any material acquisitions and disposals of assets, subsidiaries, associates or joint ventures.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

Saved as disclosed in this announcement, during the Reporting Period, the Group did not make any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Saved as disclosed herein, as at 31 December 2021, the Group does not have any future plans for material investments and capital assets.

FOREIGN EXCHANGE RISKS

Our Group's foreign exchange risk mainly relates to fluctuations in exchange rates of RMB against our assets and liabilities in currencies other than RMB, and these may affect our operation results. Our Group does not have a hedging policy. However, our management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

EMPLOYEES, REMUNERATION POLICY AND TRAINING

As at 31 December 2021, the Group had a total of 248 staff (31 December 2020: 227 employees), whose remunerations and benefits are determined based on market rates, government policies and individual performance. The Group provides comprehensive training and development opportunities to its employees on a regular basis. The trainings are arranged according to needs of employees, which were identified annually by individual departments.

The China employees of the Group are required to participate in a central pension scheme (the “**Defined Contribution Schemes**”) operated by the local municipal government, which these subsidiaries are required to contribute a certain percentage, which was pre-determined by the local municipal government, of the sum of basic salary and allowance of employees to the Defined Contribution Schemes. The contributions by the Group for the Defined Contribution Schemes are charged to the statement of profit or loss as they become payable in accordance with the relevant rules of the respective schemes.

The Group's contributions to the Defined Contribution Schemes vest fully and immediately with the employees. Accordingly, (i) for each of the two years ended 31 December 2020 and 31 December 2021, there was no forfeiture of contributions under the Defined Contribution Schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Schemes as at 31 December 2020 and 2021.

For each of the two years ended 31 December 2020 and 2021, the Group did not have any defined benefit plan.

USE OF PROCEEDS FROM IPO

The Shares were listed on the Main Board of the Stock Exchange on 16 July 2018. The net proceeds from the initial public offering, net of underwriting commissions and other relevant expenses, amounted to approximately HK\$76.2 million (the “**Net Proceeds**”). On 6 August 2020, the Company made an announcement (the “**Announcement**”) and the Board resolved to change the use of unutilised Net Proceeds in the sum of HK\$12.6 million, which was originally intended for the establishment of showrooms in major cities of the PRC. The outbreak of the COVID-19 had significant adverse impact on the global economy and consumer confidence. Under the existing economic conditions, the Board considers that it would be in the best interests of the Company and its shareholders to stop opening new retail stores and showrooms as they may not be able to generate sufficient revenue to cover operating costs, such as rental expenses and labour costs. Instead, it would be more appropriate to adjust the initial business development plan and re-allocate the unutilised Net Proceeds for the (i) repayment of borrowings; (ii) expansion and strengthening of sales and marketing capacities; and (iii) development and diversification of product portfolio of hobs and stoves. Please refer to the Announcement for details of the change in the use of unutilised Net Proceeds.

As at 31 December 2021, the Company utilised HK\$76.2 million or 100.0% of the Net Proceeds. Set out below is the breakdown of the use of the Net Proceeds up to 31 December 2021:

Intended use of Net Proceeds	Original allocation of Net Proceeds (approximately)	Revised	Utilised	Unutilised	Expected timeline for fully utilising the unutilised Net Proceeds after the revised allocation
		allocation of Net Proceeds (as disclosed in the Announcement) (approximately)	amount of Net Proceeds up to 31 December 2021 (approximately)	amount of Net Proceeds up to 31 December 2021 (approximately)	
Establish showrooms in major cities of the PRC	HK\$24.5 million	HK\$11.9 million	HK\$11.9 million	–	N/A
Repayment of bank loans	HK\$18.2 million	HK\$23.2 million	HK\$23.2 million	–	N/A
Expand and strengthen sales and marketing capacities	HK\$18.1 million	HK\$21.7 million	HK\$21.7 million	–	N/A
Develop and diversify product portfolio of hobs and stoves	HK\$2.7 million	HK\$6.7 million	HK\$6.7 million	–	N/A
Conduct project of 米技電爐具智能化服務平台建設 (Establishment of Smart Service Platform for Miji Electric Stoves*)	HK\$5.3 million	HK\$5.3 million	HK\$5.3 million	–	N/A
General working capital	HK\$7.4 million	HK\$7.4 million	HK\$7.4 million	–	N/A
Total	HK\$76.2 million	HK\$76.2 million	HK\$76.2 million	–	

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries for the year ended 31 December 2021.

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST IN COMPETING INTERESTS OR CONFLICT OF INTEREST

For the Reporting Period, the Directors are not aware of any business or interest of the Directors, the substantial shareholders of the Company and their respective associates (as defined in The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**")) that competes or is likely to compete, either directly or indirectly, with the business of the Group and any other conflicts of interests which any such person has or may have with the Company.

SHARE OPTION SCHEME

The Group has adopted a share option scheme pursuant to which the Company may grant options to eligible persons. The maximum number of shares which may be issued upon exercise of all options to be granted under this share option scheme and any other schemes of the Group shall not in aggregate exceed 150,000,000, being 10% of the shares in issue as at 16 July 2018. There is no option outstanding, granted, exercised, cancelled and lapsed during the Reporting Period.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as its code of conduct regarding Directors' securities transactions upon successful listing and all Directors have confirmed, upon specific enquiry made, that they complied with the Model Code for the Reporting Period.

CORPORATE GOVERNANCE

The Board adopted a set of corporate governance practices which aligns with or is more restrictive than the requirements set out in the Corporate Governance Code (the "**CG Code**"), contained in Appendix 14 to the Listing Rules. Except for code provision A.2.1, the Board is of the view that the Company has complied with the code provisions set out in the CG Code for the Reporting Period.

Code provision A.2.1 of the CG Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current organisation structure of the Company, Madam Maeck is our chairperson and chief executive officer. With her extensive experience in the industry, the Directors believe that vesting the roles of both chairperson and chief executive officer in the same person provides the Company with strong and consistent leadership, allowing effective and efficient planning and implementation of business decisions and strategies, and is beneficial to the business prospects and management of the Group. Although Madam Maeck performs both the roles of chairperson and chief executive officer, the division of responsibilities between the chairperson and chief executive officer is clearly established. In general, the chairperson is responsible for supervising the functions and performance of the Board, while the chief executive officer is responsible for the management of the business of the Group. The two roles are performed by Madam Maeck distinctly. Further, the current structure does not impair the balance of power and authority between the Board and management of the Company given the appropriate delegation of the power of the Board and the effective functions of the independent non-executive Directors.

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report of the Company's annual report.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 23 June 2022 to Wednesday, 29 June 2022 (both days inclusive), during which period no transfer of the shares will be effected. The holders of shares whose names appear on the register of members of the Company on Wednesday, 29 June 2022 will be entitled to attend and vote at the annual general meeting of the Company. In order to qualify for attending and voting at the annual general meeting of the Company or any adjournment thereof, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Wednesday, 22 June 2022.

AUDIT COMMITTEE

The Audit Committee was established with terms of reference in compliance with the CG Code. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, financial reporting system, risk management and internal control systems, and has reviewed the Group's annual results for the Reporting Period. The Audit Committee is of the view that the consolidated financial statements have been prepared in accordance with the applicable standards, the Listing Rules and the statutory provisions and sufficient disclosures have been made.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of this announcement of the Group's results for the Reporting Period have been agreed by the Company's external auditor, PricewaterhouseCoopers ("PwC"), to the amounts set out in the Group's audited consolidated financial statements for the Reporting Period. The work performed by PwC in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by PwC on this announcement.

EVENTS AFTER THE REPORTING PERIOD

On 15 March 2022 (after trading hours), the Company and Lucky Stone Investments Limited (the "**Purchaser**") entered into a disposal agreement, pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to acquire 33% issued shares of the Sky Asia Construction Engineering Limited ("**Target Company**") owned by the Company, at the consideration of HK\$4,500,000 in accordance with the terms and conditions of the disposal agreement. Immediately upon completion of this transaction, the Company will cease to own any issued shares of the Target Company. For further details of this transaction, please refer to the announcements made by the Company on 15 March 2022.

During the ongoing COVID-19 pandemic, a series of precautionary and control measures have been and continued to be implemented across the country/region. The Group continue to pay close attention to the development of the COVID-19 pandemic and evaluate its impact on the financial position and operating results of the Group.

Save as disclosed herein, the Group does not have any important events after the year ended 31 December 2021 and up to the date of this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (<http://www.mijiholdings.com>). The annual report of the Company for the Reporting Period will be dispatched to shareholders of the Company and published on the aforementioned websites in due course.

By order of the Board
Miji International Holdings Limited
Madam Maeck Can Yue
Chairperson and Executive Director

Hong Kong, 30 March 2022

As at the date of this announcement, the executive Directors are Madam Maeck Can Yue, Mr. Walter Ludwig Michel and Mr. Wu Huizhang; the independent non-executive Directors are Mr. Wang Shih-fang, Mr. Yan Chi Ming, Mr. Hooi Hing Lee, Mr. Gu Qing and Mr. Li Wei.

* *For identification purpose only*