



Miji Joy in the kitchen

Interim Report 2022

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



**Design
Germany**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Madam Maeck Can Yue
(Chairperson and Chief Executive Officer)
Mr. Wu Huizhang

Independent Non-executive Directors

Mr. Wang Shih-fang
Mr. Yan Chi Ming
Mr. Hooi Hing Lee
Mr. Gu Qing (retired on 29 June 2022)
Mr. Li Wei

COMMITTEES OF THE BOARD

Audit Committee

Mr. Hooi Hing Lee *(Chairperson)*
Mr. Wang Shih-fang
Mr. Yan Chi Ming
Mr. Li Wei

Remuneration Committee

Mr. Yan Chi Ming *(Chairperson)*
Mr. Wang Shih-fang
Mr. Hooi Hing Lee

Nomination Committee

Madam Maeck Can Yue *(Chairperson)*
Mr. Wang Shih-fang
Mr. Hooi Hing Lee

COMPANY SECRETARY

Ms. Ho Wing Yan

AUTHORISED REPRESENTATIVES

Madam Maeck Can Yue
Ms. Ho Wing Yan

COMPLIANCE ADVISOR

Dakin Capital Limited
Suite 3509
35/F, Tower 2, Lippo Tower
89 Queensway
Hong Kong

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

REGISTERED OFFICE IN CAYMAN ISLANDS

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEAD OFFICE IN THE PRC

West Building No. 2
3585 Sanlu Road
Pujiang Industrial Zone
Caohejing Hi-tech Park
Shanghai
China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2703
27/F Shui On Centre
No. 6-8 Harbour Road
Wan Chai
Hong Kong

PRINCIPAL BANKS

Bank of China
Shanghai Rural Commercial Bank
China Construction Bank Corporation
Bank of Shanghai
DBS Bank (Hong Kong) Limited

SHARE REGISTRARS AND TRANSFER OFFICES

Hong Kong

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Cayman Islands

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

STOCK NAME

MIJI INTL HLDGS

STOCK CODE

1715

WEBSITE

www.mijiholdings.com

BUSINESS REVIEW AND PROSPECTS

The board (the “Board”) of directors (the “Directors”) of Miji International Holdings Limited (the “Company”) announces the unaudited interim consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2022 (the “Interim Period”). These results have been reviewed by the Company’s audit committee (the “Audit Committee”), and PricewaterhouseCoopers, the external auditor of the Group.

BUSINESS OVERVIEW AND OUTLOOK

During the Interim 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.

There was a new wave of novel coronavirus (“COVID-19”) infections in Shanghai during the Interim Period. The PRC government implemented lockdown measures in Shanghai in order to contain the spread of COVID-19 therein. The Group’s principal business operations are in Shanghai. As a result of the implementation of the lockdown measures, the business operations of the Group and its business partners in Shanghai had been suspended for approximately 2.5 months, causing an adverse impact on the Group’s financial results for the Interim Period. The Group’s revenue for the Interim Period decreased by 36.8% to RMB42.9 million as compared with RMB67.9 million for the six months ended 30 June 2021. The Group recorded a net loss of RMB18.3 million for the Interim Period.

The Group has already fully resumed its business operations. It has also taken swift actions to reduce the adverse impact caused by the COVID-19 pandemic, such as closing down consignment stores with poor sales performance, enhancing the management of distributors, providing more training and support to distributors and designing new products and product combinations for different sales channels.

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. The Group will also explore potential opportunities that can diversify its business operations and create value for the Group and its shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

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 over 70% of the total revenue for the Interim Period. The Group's total revenue for the Interim Period amounted to approximately RMB42.9 million.

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

	Six months ended 30 June			
	2022		2021	
	RMB'000	% of total revenue	RMB'000	% of total revenue
Hobs and stoves (Radiant)	32,452	75.6	56,554	83.3
Hobs and stoves (Induction)	2,254	5.2	1,642	2.5
Pots and pans	2,516	5.9	4,764	7.0
Others (Note)	5,721	13.3	4,914	7.2
Total	42,943	100.0	67,874	100.0

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

Revenue by geographical regions

During the six months ended 30 June 2022 and 2021, the Group's revenue was substantially derived in the PRC.

MANAGEMENT DISCUSSION AND ANALYSIS

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 Interim Period:

	Six months ended 30 June			
	2022		2021	
	RMB'000	% of total revenue	RMB'000	% of total revenue
Direct Sales				
Consignment stores	11,058	25.8	21,765	32.1
Corporate clients	1,977	4.6	1,256	1.9
Television platform	18,731	43.6	24,512	36.1
Subtotal	31,766	74.0	47,533	70.1
Distributors				
Online platform	8,464	19.7	16,248	23.9
Physical sales locations	2,713	6.3	4,093	6.0
Subtotal	11,177	26.0	20,341	29.9
Total	42,943	100.0	67,874	100.0

Consignment stores

During the Interim Period, the Group's direct sales revenue from consignment stores decreased by 49.1% to RMB11.1 million from RMB21.8 million for the six months ended 30 June 2021, primarily attributable to the quarantine measures implemented by the PRC government including temporary closure of consignment stores or reduced hours of operation.

Corporate clients

During the Interim Period, the Group's sales revenue from corporate clients increased by 53.8% to RMB2.0 million from RMB1.3 million for the six months ended 30 June 2021, primarily attributable to increase in sales orders from PRC property developers.

MANAGEMENT DISCUSSION AND ANALYSIS

Television platform

During the Interim Period, the Group's direct sales revenue from television platforms decreased by 23.7% to RMB18.7 million from RMB24.5 million for the six months ended 30 June 2021, primarily attributable to the quarantine measures implemented by the PRC government that adversely affected the sales and delivery of products to the customers.

Online platform

During the Interim Period, the Group's sales revenue from online platforms operated by the Group's distributors decreased by 47.5% to RMB8.5 million from RMB16.2 million for the six months ended 30 June 2021. The decrease in sales revenue from online platforms operated by the Group's distributors was attributable to the quarantine measures implemented by the PRC government that adversely affected the sales and delivery of products to the customers.

Physical sales locations

During the Interim Period, the Group's sales revenue from physical sales locations decreased by 34.1% to RMB2.7 million from RMB4.1 million for the six months ended 30 June 2021, primarily attributable to the quarantine measures implemented by the PRC government including temporary closure of physical sales locations or reduced hours of operations.

Gross profit and gross profit margin

The Group's gross profit margin decreased to 44.7% for the Interim Period from 49.4% for the six months ended 30 June 2021, primarily attributable to the rising costs of raw materials. Set out below is a breakdown of gross profit and gross profit margin by product categories for the Interim Period:

	Six months ended 30 June			
	2022		2021	
	Gross profit RMB'000	Gross profit margin %	Gross profit RMB'000	Gross profit margin %
Hobs and stoves (Radiant)	14,792	45.6	27,896	49.3
Hobs and stoves (Induction)	974	43.2	769	46.8
Pots and pans	1,065	42.3	2,390	50.2
Others (Note)	2,348	41.0	2,493	50.7
Total	19,179	44.7	33,548	49.4

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

MANAGEMENT DISCUSSION AND ANALYSIS

Other income

Other income mainly includes government grant, licensing income, management fee and sundry income. The Group's other income decreased by 48.4% to RMB1.6 million for the Interim Period as compared from RMB3.1 million for the six months ended 30 June 2021, primarily attributable to the decrease in licensing income from an associate.

Other gains and losses

Other gains and losses mainly comprised exchange differences and net gain on investments. The Group recognised exchange gains and a net gain on investments of RMB3.9 million for the Interim Period as compared with an exchange loss of RMB0.4 million for the six months ended 30 June 2021.

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, salaries, performance bonuses and 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 Interim Period decreased by 41.6% to RMB22.6 million as compared with RMB38.7 million for the six months ended 30 June 2021. 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 of land use right and amortisation of intangible assets, and other miscellaneous administrative expenses. Administrative expenses for the Interim Period increased by 28.3% to RMB12.7 million from RMB9.9 million for the six months ended 30 June 2021. The increase in administrative expenses for the Interim Period was primarily attributable to the increase in employee benefit expenses and legal and professional fee.

Research and development expenses

Research and development expenses for the Interim Period decreased by 17.6% to RMB4.2 million from RMB5.1 million for the six months ended 30 June 2021, primarily due to cost control measures implemented by the Group.

Finance income

Finance income represents bank interest income. For the Interim Period, the Group's finance income slightly decreased to RMB0.03 million from RMB0.04 million for the six months ended 30 June 2021.

Finance costs

For the Interim Period, the Group's finance costs decreased by 25.0% to RMB0.6 million as compared with RMB0.8 million for the six months ended 30 June 2021, primarily attributable to the decrease in borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

Income tax expenses

For the Interim Period, the Group's income tax expenses increased to approximately RMB0.1 million from RMB0.03 million for the six months ended 30 June 2021.

Net loss

For the reasons mentioned above, the Group recorded a net loss of RMB18.3 million and a net loss margin of 42.7% for the Interim Period as compared with a net loss of RMB16.2 million and a net loss margin of 23.8% for the six months ended 30 June 2021.

Dividend

The Board does not declare the payment of dividend for the Interim Period.

CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

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

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

As at 30 June 2022, the Group had net current assets of approximately RMB82.8 million (31 December 2021: RMB90.6 million), cash and cash equivalents amounted to approximately RMB35.8 million (31 December 2021: RMB32.3 million) and borrowings amounted to approximately RMB25.4 million (31 December 2021: RMB28.7 million). The Group's cash and cash equivalents and borrowings as at 30 June 2022 were mainly denominated in RMB. As at 30 June 2022, the Group had floating rate borrowings amounting to approximately RMB25.4 million (31 December 2021: RMB28.7 million). The weighted average interest rate of the Group's borrowings as at 30 June 2022 was approximately 4.9% (31 December 2021: 5.1%) per annum.

As at 30 June 2022, the Group had a current ratio of 2.6 times (31 December 2021: 2.5 times) and gearing ratio of 0.2 (calculated by dividing total debt by total equity) (31 December 2021: 0.2).

As at 30 June 2022 and 31 December 2021, the Group did not have any available unutilised banking facilities.

RESTRICTED BANK DEPOSITS

As at 30 June 2022, the Group had restricted bank deposits of RMB0.2 million (31 December 2021: RMB0.2 million).

CAPITAL COMMITMENTS

As at 30 June 2022, the Group did not have any significant capital commitments (31 December 2021: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

As at 30 June 2022, the Group did not have any material contingent liabilities or guarantees (31 December 2021: nil).

PLEDGE OF ASSETS

As at 30 June 2022, the Group pledged land use rights and buildings with carrying amount of approximately RMB17.4 million (31 December 2021: RMB17.8 million) to secure its borrowings of approximately RMB25.4 million (31 December 2021: RMB28.7 million).

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

On 15 March 2022 (after trading hours), the Company and Lucky Stone Investments Limited (the “Purchaser”) entered into the Disposal Agreement, pursuant to which the Company conditionally agreed to sell, and the Purchaser conditionally agreed to acquire 33% issued shares of Sky Asia Construction Engineering Limited (the “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. The Company ceased to own any issued shares of the Target Company upon completion of this transaction. For further details of this transaction, please refer to the announcements made by the Company on 15 March 2022.

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

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the Interim Period, the Group does not have any significant investments.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Saved as disclosed herein, during the Interim Period, the Group currently does not have any other future plans for material investments or capital assets.

FOREIGN EXCHANGE RISKS

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

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2022, the Group had a total of 228 employees (31 December 2021: 248 employees), whose remunerations and benefits are determined based on market rates, government policies and individual performance.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



羅兵咸永道

To the Board of Directors of Miji International Holdings Limited

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 11 to 32, which comprises the condensed consolidated interim statement of financial position of Miji International Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2022 and the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity and the condensed consolidated interim statement of cash flows for the six-month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information 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 of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review 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 this report.

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 information consists of making inquiries, 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 information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 18 August 2022

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Note	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue	5	42,943	67,874
Cost of sales	8	(23,764)	(34,326)
Gross profit		19,179	33,548
Other income	6	1,622	3,070
Other gains/(losses), net	7	3,854	(357)
Selling and distribution expenses	8	(22,608)	(38,650)
Administrative expenses	8	(12,669)	(9,938)
Research and development expenses	8	(4,246)	(5,126)
(Provision)/reversal of provision for impairment loss on financial assets		(2,306)	418
Operating loss		(17,174)	(17,035)
Finance income		32	39
Finance costs		(621)	(782)
Finance costs, net		(589)	(743)
Share of (loss)/profit of associates, net	11	(393)	1,641
Loss before income tax		(18,156)	(16,137)
Income tax expense	9	(117)	(32)
Loss for the period		(18,273)	(16,169)
(Loss)/profit attributable to:			
Owners of the Company		(18,207)	(16,789)
Non-controlling interests		(66)	620
		(18,273)	(16,169)

The above condensed consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Note	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Other comprehensive loss:			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		(21)	(56)
Other comprehensive loss for the period, net of tax		(21)	(56)
Total comprehensive loss for the period		(18,294)	(16,225)
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(18,228)	(16,845)
Non-controlling interests		(66)	620
Total comprehensive loss for the period		(18,294)	(16,225)
Loss per share attributable to owners of the Company for the period			
Basic and diluted (RMB cents)	10	(1.21)	(1.12)

The above condensed consolidated interim statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	12	16,684	18,763
Right-of-use assets	13	2,402	3,632
Land use rights	14	8,480	8,585
Investment in associates	11	–	7,348
Intangible assets	15	577	715
Deferred income tax assets		–	83
Deposits		128	753
		28,271	39,879
Current assets			
Inventories	16	60,922	64,823
Trade receivables	17	18,666	31,489
Other receivables, deposits and prepayments		19,933	16,194
Amount due from an associate		–	8
Restricted bank deposit		237	237
Cash and cash equivalents		35,754	32,346
		135,512	145,097
Assets classified as held for sale	18	–	5,747
Total assets		163,783	190,723
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	19	12,561	12,561
Share premium	19	72,173	72,173
Reserves		21,306	39,534
		106,040	124,268
Non-controlling interests		(186)	(120)
Total equity		105,854	124,148

The above condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Note	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities	13	472	1,282
Borrowings	21	4,718	5,047
Deferred tax liabilities		35	–
		5,225	6,329
Current liabilities			
Trade and other payables	20	24,583	26,278
Borrowings	21	20,648	23,629
Lease liabilities	13	2,312	2,958
Amount due to the then non-controlling interest		2,450	3,509
Contract liabilities		2,265	3,422
Current income tax liabilities		446	450
		52,704	60,246
Total liabilities		57,929	66,575
Total equity and liabilities		163,783	190,723

The above condensed consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Share capital RMB'000	Share premium RMB'000	Reserves RMB'000	Non- controlling interests RMB'000	Total RMB'000
(Unaudited)					
Balance as at 1 January 2021	12,561	72,173	84,015	4,202	172,951
(Loss)/profit for the period	–	–	(16,789)	620	(16,169)
Other comprehensive loss:					
Currency translation differences	–	–	(56)	–	(56)
Total comprehensive (loss)/income for the six months ended 30 June 2021	–	–	(16,845)	620	(16,225)
Balance as at 30 June 2021	12,561	72,173	67,170	4,822	156,726
(Unaudited)					
Balance as at 1 January 2022	12,561	72,173	39,534	(120)	124,148
Loss for the period	–	–	(18,207)	(66)	(18,273)
Other comprehensive loss:					
Currency translation differences	–	–	(21)	–	(21)
Total comprehensive loss for the six months ended 30 June 2022	–	–	(18,228)	(66)	(18,294)
Balance as at 30 June 2022	12,561	72,173	21,306	(186)	105,854

The above condensed consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Note	Six months ended 30 June	
		2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Cash flows from operating activities			
Net cash (used in)/generated from operations		(5,981)	6,072
Income tax paid		(3)	(57)
Net cash (used in)/generated from operating activities		(5,984)	6,015
Cash flows from investing activities			
Purchase of property, plant and equipment		(106)	–
Interest received		32	41
Proceeds from disposal of interest in an associate	11	3,662	–
Proceeds from disposal of assets classified as held for sale	18	12,000	–
Net cash generated from investing activities		15,588	41
Cash flows from financing activities			
Interest paid		(621)	(779)
Dividend paid to the then non-controlling interest		(1,059)	–
Proceeds from bank borrowings		7,000	23,000
Repayment of bank borrowings		(10,310)	(26,988)
Payment for lease liabilities, principal portion		(1,456)	(1,370)
Net cash used in financing activities		(6,446)	(6,137)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents as at 1 January		32,346	48,184
Effect of exchange difference		250	16
Cash and cash equivalents as at 30 June		35,754	48,119

The above condensed consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 GENERAL INFORMATION AND BASIS OF PRESENTATION

1.1 General information of the Group

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, Cayman Islands.

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

The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 16 July 2018.

There was a new wave of COVID-19 infections in Shanghai during the six months ended 30 June 2022. The PRC government implemented lockdown measures in Shanghai in order to contain the spread of COVID-19 therein. The Group's principal business operations are in Shanghai, as a result of the implementation of the lockdown measures, the business operations of the Group and its business partners in Shanghai had been suspended for approximately 2.5 months, causing an adverse impact on the Group's financial results for the six months ended 30 June 2022.

This condensed consolidated interim financial information is presented in Renminbi ("RMB"), unless otherwise stated.

1.2 Basis of preparation

The condensed consolidated interim financial information of the Group for the six months ended 30 June 2022 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

This condensed consolidated interim financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this condensed consolidated interim financial information should be read in conjunction with the annual consolidated financial statements of the Group for the year ended 31 December 2021, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

2 ACCOUNTING POLICIES

The accounting policies applied are consistent with those as described in the annual consolidated financial statements for the year ended 31 December 2021, except for estimation of income tax and the adoption of new and amended standards and framework as set out below. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

2 ACCOUNTING POLICIES *(Continued)*

(a) New standards and amendments adopted by the Group

A number of new standards and amendments became applicable for the current reporting period:

Accounting Guideline 5 (revised)	Revised Accounting Guideline 5 Merger Accounting for Common Control combinations
Amendments to HKAS 16 Amendments to HKFRS 3, HKAS 16 and HKAS 37	Property, Plant and Equipment – Proceeds before Intended Use Narrow-scope amendments
Amendments to HKAS 37 Amendments to HKFRS 3	Onerous Contracts – Cost Fulfilling a Contract Reference to the Conceptual Framework
Annual Improvements Projects	Annual Improvements to HKFRSs 2018-2020 (amendments)

The adoption of the amendments listed above did not have material impact on the Group's accounting policies and financial statements.

(b) New standards, amendments to standards and interpretations not yet adopted and revised HKFRSs issued but not yet effective

Certain new and amended standards have been issued but not yet to be effective for the financial year beginning 1 January 2022 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current	1 January 2023
HKFRS 17 and Amendments to HKFRS 17	Insurance Contracts	1 January 2023
HK Interpretation 5 (2020)	Presentation of Financial Statements – 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

Management is in the process of assessing the financial impact of the above new and amended standards but is not yet in a position to state whether they will result in substantial changes to the Group's significant accounting policies and the presentation of its financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including cash flow and fair value interest rate risk), credit risk, and liquidity risk.

The condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021.

There have been no changes in the risk management policies since 31 December 2021.

3.2 Fair value estimation

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the six months ended 30 June 2022.

The carrying values of the Group's current financial assets, including trade and other receivables and deposits, restricted bank deposit and cash and cash equivalents, and current financial liabilities, including trade and other payables, lease liabilities and current borrowings, approximate their fair values due to their short maturities. The carrying amounts of the non-current borrowings approximate their fair values as they bear floating interest rate. The carrying amounts of non-current deposits approximate their fair values which are estimated based on the discounted cash flows.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements 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 for the year ended 31 December 2021.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

5 SEGMENT REVENUE AND INFORMATION

The chief operating decision-makers have been identified as the executive directors of the Group. Management has determined the operating segments based on the information reviewed by the executive directors for the purpose of allocating resources and assessing performance. The only component in internal reporting to the executive directors is the Group's development, manufacturing and selling of kitchen appliance for the six months ended 30 June 2022 and 2021. 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 the majority of the Group's assets and liabilities are located in the PRC. Non-current assets of RMB27,948,000 (31 December 2021: RMB31,894,000) of the Group are located in the PRC as at 30 June 2022. Revenues of approximately RMB14,154,000 (2021: RMB40,718,000) were derived from one (2021: three) individual external customers, each of which contributed more than 10% of Group's revenue.

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Revenue		
Sales of goods	42,943	67,874
Timing of revenue recognition		
At a point in time	42,943	67,874

6 OTHER INCOME

The Group's other income recognised during the six months ended 30 June 2022 are as follows:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Other income:		
– Government grant (Note)	191	335
– Licensing income	1,124	1,841
– Management fee	220	381
– Sundry income	87	513
	1,622	3,070

Note: The amounts mainly represent the Group's entitlements to government subsidies as an incentive to the Group for the devotion of resources in brand promotion. There are no unfulfilled conditions or other contingencies attaching to these grants.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7 OTHER GAINS/(LOSSES), NET

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Exchange gains/(losses), net	894	(357)
Gain on disposal of assets classified as held for sale (Note 18)	6,253	–
Loss on disposal of investment in an associate (Note 11)	(3,293)	–
	3,854	(357)

8 EXPENSES BY NATURE

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

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Cost of materials used	21,530	33,231
Auditor's remuneration	428	333
Amortisation of intangible assets	133	140
Depreciation of property, plant and equipment	2,177	2,209
Depreciation of right-of-use assets	1,230	1,206
Depreciation of land use rights	105	106
Employee benefit expenses (including directors' emoluments)	13,107	14,500
Consignment fee	7,781	12,283
Short-term leases expenses	265	231

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9 INCOME TAX EXPENSE

(i) Cayman Islands profits tax

The Company is not subject to any taxation in the Cayman Islands.

(ii) Hong Kong profits tax

No provision for Hong Kong profits tax has been made as the Group does not have any assessable profits in Hong Kong during the period.

(iii) The PRC enterprise income tax (“EIT”)

Under the Enterprise Income Tax Law of the PRC (the “New EIT Law”), the applicable income tax rate for the Group’s entities in the PRC, except for Miji Electronics and Appliances (Shanghai) Ltd (“Miji Shanghai”), is 25%.

Pursuant to the New EIT Law, with respect to a new and high technology enterprise, the tax levied on income of Miji Shanghai will be charged at a preferential rate of 15% after obtaining the High New Technology Enterprise Certificate (the “Certificate”) and completing the tax reduction and exemption filing with the tax authorities. Miji Shanghai renewed the Certificate which will be expired on 11 November 2023.

(iv) Corporate income tax in Germany

The Group did not have any assessable profit in Germany during the six months ended 30 June 2022 and 2021.

(v) Withholding tax on distributed profits

Pursuant to the New EIT Law, a 10% withholding tax is levied on dividends declared by the PRC companies to their foreign investors. Deferred income tax liabilities have not been established for withholding tax that would be payable on certain profits of PRC subsidiaries to be repatriated and distributed by way of dividends as the Directors consider that the timing of the reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the future.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

9 INCOME TAX EXPENSE *(Continued)*

(vi) Tax expense for the period

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Current income tax	–	45
Deferred income tax	117	(13)
	117	32

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

10 LOSS PER SHARE

(i) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period:

	Six months ended 30 June	
	2022 (Unaudited)	2021 (Unaudited)
Loss attributable to owners of the Company (RMB'000)	(18,207)	(16,789)
Weighted average number of ordinary shares in issue	1,500,000,000	1,500,000,000
Basic loss per share (RMB cents)	(1.21)	(1.12)

(ii) Diluted

Diluted loss per share is the same as the basic loss per share as there were no potential dilutive ordinary shares in existence during the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11 INVESTMENT IN ASSOCIATES

The carrying amount of the investment in associates have changed as follows:

	RMB'000
(Unaudited)	
For the six months ended 30 June 2021	
As at 1 January 2021	17,592
Share of profit	1,641
As at 30 June 2021	19,233
(Unaudited)	
For the six months ended 30 June 2022	
As at 1 January 2022	7,348
Share of loss	(393)
Disposal of interest in an associate	(6,955)
As at 30 June 2022	-

During the period ended 30 June 2022, the Group disposed of its 33% equity interest in Sky Asia Construction Engineering Limited ("Sky Asia") to an independent third party at a consideration of HK\$4,500,000 (equivalent to RMB3,662,000). A loss on disposal of investment in an associate of RMB3,293,000 has been recognised in other gains/(losses), net in the condensed consolidated interim statement of comprehensive income.

12 PROPERTY, PLANT AND EQUIPMENT

	RMB'000
(Unaudited)	
For the six months ended 30 June 2021	
Net book value as at 1 January 2021	20,757
Depreciation (Note 8)	(2,209)
Currency translation difference	(16)
Net book value as at 30 June 2021	18,532
(Unaudited)	
For the six months ended 30 June 2022	
Net book value as at 1 January 2022	18,763
Additions	106
Depreciation (Note 8)	(2,177)
Currency translation difference	(8)
Net book value as at 30 June 2022	16,684

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

13 RIGHT-OF-USE ASSETS

(i) Amounts recognised in the condensed consolidated interim statement of financial position

The condensed consolidated interim statement of financial position shows the following balances relating to the leases in respect of office premises and warehouses:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Right-of-use assets		
Office premises and warehouses	2,402	3,632
Lease liabilities		
Current	2,312	2,958
Non-current	472	1,282
	2,784	4,240

No additions to the right-of-use assets during the six months ended 30 June 2022 (six months ended 30 June 2021: RMB1,562,000).

(ii) Amounts recognised in the condensed consolidated interim statement of comprehensive income

The condensed consolidated interim statement of comprehensive income shows the following amounts relating to the leases in respect of office premises and warehouses:

	Six months ended 30 June	
	2022 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)
Depreciation charge of right-of-use assets (Note 8)	1,230	1,206
Interest expense	90	110

The total cash outflow for leases (including interest portion) in the six months ended 30 June 2022 is RMB1,811,000 (six months ended 30 June 2021: RMB1,711,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

14 LAND USE RIGHTS

The Group's interests in land use rights represent a right-of-use asset for land and their net carrying values are analysed as follows:

	RMB'000
(Unaudited)	
For the six months ended 30 June 2021	
Net book value as at 1 January 2021	8,795
Depreciation (Note 8)	(106)
Net book value as at 30 June 2021	8,689
(Unaudited)	
For the six months ended 30 June 2022	
Net book value as at 1 January 2022	8,585
Depreciation (Note 8)	(105)
Net book value as at 30 June 2022	8,480

The Group's land use rights are located in the PRC and are held on leases with terms between 47 to 50 years. Depreciation of the Group's land use rights has been charged to administrative expenses.

15 INTANGIBLE ASSETS

	RMB'000
(Unaudited)	
For the six months ended 30 June 2021	
Net book value as at 1 January 2021	1,022
Amortisation (Note 8)	(140)
Currency translation difference	(15)
Net book value as at 30 June 2021	867
(Unaudited)	
For the six months ended 30 June 2022	
Net book value as at 1 January 2022	715
Amortisation (Note 8)	(133)
Currency translation difference	(5)
Net book value as at 30 June 2022	577

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

16 INVENTORIES

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Parts and components	5,728	6,989
Finished goods	55,194	57,834
	60,922	64,823

17 TRADE RECEIVABLES

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade receivables	23,315	33,832
Loss allowance	(4,649)	(2,343)
Trade receivables, net	18,666	31,489

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 180 days.

As at 30 June 2022, the ageing analysis of gross trade receivables, based on invoice date is as follows:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade receivables, by invoice date:		
0-30 days	9,766	22,052
31-60 days	98	3,255
61-90 days	1,056	417
Over 90 days	12,395	8,108
	23,315	33,832

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

18 ASSETS CLASSIFIED AS HELD FOR SALE

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Investment in an associate Miji Xuanshang Intelligence Home Appliances (Shanghai) Company Limited ("Miji Xuanshang")	–	5,747

During the year ended 31 December 2021, the Group has entered into a sale and purchase agreement to dispose of its 40% equity interest in Miji Xuanshang with a carrying amount of RMB5,747,000 to independent third parties at an aggregate cash consideration of RMB12,000,000. As such, the investment in an associate were transferred to assets classified as held for sale as at 31 December 2021. The transaction was completed in February 2022 and the Group recognised a gain on disposal of assets classified as held for sale amounted to RMB6,253,000.

19 SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Nominal value of ordinary shares HKD'000
Authorised: (Unaudited) Ordinary shares of HKD0.01 each As at 1 January 2021, 30 June 2021, 1 January 2022 and 30 June 2022	10,000,000,000	100,000

	Number of shares	Nominal value of ordinary shares HKD'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000
Issued: (Unaudited) As at 1 January 2021, 30 June 2021, 1 January 2022 and 30 June 2022	1,500,000,000	15,000	12,561	72,173

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

20 TRADE AND OTHER PAYABLES

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Trade payables (Note (a))	12,823	16,172
Other payables and accruals	11,760	10,106
	24,583	26,278

Trade payables and other payables approximate their fair values and were mainly denominated in RMB.

Note:

(a) Trade payables

As at 30 June 2022, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
1–30 days	10,869	12,039
31–60 days	–	3,221
61–90 days	5	527
Over 90 days	1,949	385
	12,823	16,172

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

21 BORROWINGS

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Current		
Borrowings	20,648	23,629
Non-current		
Borrowings	4,718	5,047
	25,366	28,676

As at 30 June 2022, the borrowings amounting to RMB25,366,000 were carried at floating rate (31 December 2021: RMB28,676,000 were carried at floating rate). The weighted average interest rate are 4.9% (31 December 2021: 5.1%) per annum.

As at 30 June 2022, borrowings of RMB25,366,000 (31 December 2021: RMB28,676,000) were secured by the land use rights and buildings of the Group with total carrying value of RMB17,406,000 (31 December 2021: RMB17,845,000).

As at 30 June 2022, the Group's borrowings were repayable as follows:

	30 June 2022 RMB'000 (Unaudited)	31 December 2021 RMB'000 (Audited)
Within 6 months	13,319	23,310
Between 6 and 12 months	7,329	319
Between 1 and 2 years	687	667
Between 2 and 5 years	2,320	2,253
Over 5 years	1,711	2,127
	25,366	28,676

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

22 DIVIDENDS

No dividend was declared by the Company during the six months ended 30 June 2022 and 2021.

23 RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties are those parties that have the ability to control, jointly control or exert significant influence over the other party in holding power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Parties are also considered to be related if they are subject to common control or joint control. Related parties may be individuals or other entities.

- (a) The directors of the Company are of the view that the following companies was related party that had transactions or balances with the Group during the six months ended 30 June 2022 and 2021:

Name of the related parties	Relationship with the Group
Miji Xuanshang	Associate of the Group

During the year ended 31 December 2021, the Group has entered into a sale and purchase agreement to dispose of its 40% equity interest in Miji Xuanshang. The transaction has completed in February 2022 and Miji Xuanshang ceased to be an associate of the Group upon the completion of the transaction (Note 18).

(b) Transactions with related party

Save as disclosed elsewhere in the interim financial information, during the period, the following transactions were carried out with the related party at terms mutually agreed by both parties:

	Six months ended 30 June 2022 RMB'000 (Unaudited)	Six months ended 30 June 2021 RMB'000 (Unaudited)
Transactions with Miji Xuanshang		
Sales of goods	59	27
Purchases of goods	1,968	5,543
Licensing income	378	1,841
Service income	73	381

The pricing of these transactions was determined based on mutual negotiation between the Group and the related party.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

23 RELATED PARTIES BALANCES AND TRANSACTIONS *(Continued)*

(c) Balances with the related party

	31 December 2021 RMB'000 (Audited)
Amount due to an associate	
Miji Xuanshang (Note (i))	8

Note:

- (i) These balances were trading in nature, unsecured, interest free and denominated in RMB.

24 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group entered into a capital injection agreement with certain independent third parties to inject capital of RMB5,400,000 into Guangzhou Ant Cloud Technology Co., Ltd. ("Guangzhou Ant"). Upon completion of such capital injection, the Group will hold 35% equity interest in Guangzhou Ant.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2022, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying shares and debentures of the Company or 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 for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), and Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) are as follows:

Interest in the Company

Name of Director	Capacity/nature of interest	Number of Shares held (Note 1)	Percentage of shareholding in the Company (Approximate)
Madam Maeck Can Yue ("Madam Maeck") (Note 2)	Interest in a controlled corporation	397,700,000 (L)	26.51%
Mr. Wu Huizhang ("Mr. Wu") (Note 3)	Interest in a controlled corporation	375,000,000 (L)	25%

Notes:

1. The letter "L" denotes long position of the shares.
2. The issued shares of Wide Big is wholly-owned by Madam Maeck. Accordingly, Madam Maeck is deemed to be interested in the 397,700,000 ordinary shares of the Company held by Wide Big by virtue of the SFO.
3. The issued shares of Seashore Global is wholly-owned by Mr. Wu. Accordingly, Mr. Wu is deemed to be interested in the 375,000,000 ordinary shares of the Company held by Seashore Global by virtue of the SFO.

Save as disclosed above, none of the Directors or chief executive of the Company and/or any of their respective associates had any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporations as at 30 June 2022, 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 Part XV of the SFO or the Model Code.

ARRANGEMENT FOR DIRECTORS TO PURCHASE SHARES OR DEBENTURES

Saved as disclosed in this report, at no time from the Listing Date up to 30 June 2022 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director of the Company or their respective spouses or minor children, or were such rights exercised by them, or was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, the following persons (other than the interests of the Directors or chief executives of the Company as disclosed above) had interests or short positions in the ordinary shares of the Company or underlying shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name	Capacity/nature of interest	Number of Shares held (Note 1)	Percentage of shareholding in the Company (Approximate)
Wide Big (Note 2)	Beneficial owner	397,700,000 (L)	26.51%
Mr. Ke Fusheng (Note 3)	Person having a security interest in shares	397,700,000 (L)	26.51%
Seashore Global (Note 4)	Beneficial owner	375,000,000 (L)	25%

Notes:

1. The letter "L" denotes long position of the shares.
2. The issued shares of Wide Big is wholly-owned by Madam Maeck who is deemed to be interested in the shares held by Wide Big by virtue of the SFO.
3. On 25 January 2021, Madam Maeck signed an agreement to pledge a total of 397,700,000 ordinary shares of the Company to Mr. Ke Fusheng as security for loan facilities provided to Madam Maeck.
4. The issued shares of Seashore Global is wholly-owned by Mr. Wu who is deemed to be interested in the shares held by Seashore Global by virtue of the SFO.

Save as disclosed above, as at 30 June 2022, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "Share Option Scheme") on 24 June 2018. The purpose of which is to motivate the relevant participants to optimise their future contributions to the Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such participants who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of the Group.

During the Interim Period, no share option was granted, exercised, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme.

OTHER INFORMATION

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Interim Period.

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

For the Interim 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 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.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the unaudited condensed consolidated interim financial information and the interim results for the six months ended 30 June 2022 and discussed the related financial matters with the Board. The unaudited condensed consolidated interim financial information and the interim results of the Group for the six months ended 30 June 2022 has been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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 Interim 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 C.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 Interim Period.

Code provision C.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.

OTHER INFORMATION

EVENT AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Group entered into a capital injection agreement with certain independent third parties to inject capital of RMB5,400,000 into Guangzhou Ant. Upon completion of such capital injection, the Group will hold 35% equity interest in Guangzhou Ant.

Save as disclosed above, no significant events affecting the Group have occurred since the end of the reporting period.

DISCLOSURE OF INFORMATION ON DIRECTORS

Pursuant to rule 13.51B(1) of the Listing Rules, the changes of information on the Directors are as follows:

Three of the independent non-executive Directors, namely Mr. Wang Shih-fang, Mr. Yan Chi Ming and Mr. Hooi Hing Lee, have entered into a service contract with the Company for a term of one year commencing from 24 June 2021 to 23 June 2022, which can be terminated by either party giving not less than one month's notice in writing. The specific term of the independent non-executive Directors has been renewed for a term of one year commencing from 24 June 2022 to 23 June 2023.

One of the independent non-executive Director, namely Mr. Li Wei, have entered into a service contract with the Company for a term of one year commencing from 25 January 2021 to 24 January 2022, which can be terminated by either party giving not less than one month's notice in writing. The specific term of the independent non-executive Director has been renewed for a term of one year commencing from 25 January 2022 to 24 January 2023.

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

Hong Kong, 18 August 2022