

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



Miji Joy in the kitchen

Interim Report **2021**

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Madam Maeck Can Yue  
*(Chairperson and Chief Executive Officer)*  
Mr. Walter Ludwig Michel  
Mr. Wu Huizhang

#### Independent Non-executive Directors

Mr. Wang Shih-fang  
Mr. Yan Chi Ming  
Mr. Hooi Hing Lee  
Mr. Gu Qing  
Mr. Li Wei

### COMMITTEES OF THE BOARD

#### Audit Committee

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

#### Remuneration Committee

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

#### Nomination Committee

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

### COMPANY SECRETARY

Ms. Ho Wing Yan

### AUTHORISED REPRESENTATIVES

Madam Maeck Can Yue  
Ms. Ho Wing Yan

### COMPLIANCE ADVISOR

Dakin Capital Limited  
Suites 4505–06, 45/F  
Tower 1, Lippo Center  
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](http://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 2021 (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.

2021 is very meaningful to the Group as it marks the 20th anniversary for its business presence in China. The global economy and consumer confidence are also on the path of gradual recovery from the outbreak of the novel coronavirus. During the Interim Period, the Group was active in promoting its brands and products. In March 2021, the Group participated in China’s top home appliances show, namely the Appliance & Electronics World Expo (the “**AWE**”) in Shanghai, where the Group and other famous brands of home appliances presented their latest products and demonstrated how digital technologies were incorporated into their products to enhance the quality of life of consumers. The Group’s new products in 2021 were based on the new Chinese kitchen concept composing of five major elements: “healthy”, “safe”, “technology”, “intelligent” and “joy”. These products are customized to suit the cooking style of Chinese consumers and they are equipped with the latest technologies that can promote a healthy lifestyle and make cooking easier and more enjoyable. The Group received positive response to its new products, and it received the AWE innovation award for its Star 3 hybrid hob. The favorable market response provided incentives for the Group to work even harder to develop better products for consumers.

Social media has become a more popular and effective communication and marketing channel. To keep up with the latest market trend, the Group formed a social media department which is responsible to create online content to promote the Group and its products on the social media platforms. The Group believes that the aforesaid marketing activities will bring positive results in the near future.

During the Interim Period, the Group’s revenue for the Interim Period decreased by 30.2% to RMB67.9 million as compared with RMB97.3 million for the six months ended 30 June 2020. The Group recorded a net loss of RMB16.2 million for the Interim Period, primarily attributable to the decrease in revenue from television platforms and the recognition of an exchange loss.

Product quality and brand awareness are critical to the Group’s long-term success. The Group will continue to devote more time and effort to improve product quality, 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.

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 80% of the total revenue for the Interim Period. The Group's total revenue for the Interim Period amounted to approximately RMB67.9 million.

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

	Six months ended 30 June			
	2021		2020	
	RMB'000	% of total revenue	RMB'000	% of total revenue
Hobs and stoves (Radiant)	56,554	83.3	80,622	82.9
Hobs and stoves (Induction)	1,642	2.5	2,764	2.8
Pots and pans	4,764	7.0	7,227	7.4
Others (Note)	4,914	7.2	6,666	6.9
Total	67,874	100.0	97,279	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 2021 and 2020, 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			
	2021		2020	
	RMB'000	% of total revenue	RMB'000	% of total revenue
<b>Direct Sales</b>				
Consignment stores	21,765	32.1	17,578	18.1
Corporate clients	1,256	1.9	270	0.3
Television platform	24,512	36.1	63,379	65.1
Subtotal	47,533	70.1	81,227	83.5
<b>Distributors</b>				
Online platform	16,248	23.9	12,781	13.1
Physical sales locations	4,093	6.0	3,271	3.4
Subtotal	20,341	29.9	16,052	16.5
Total	67,874	100.0	97,279	100.0

### Consignment stores

During the Interim Period, the Group's direct sales revenue from consignment stores increased by 23.9% to RMB21.8 million from RMB17.6 million for the six months ended 30 June 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 Interim Period.

### Corporate clients

During the Interim Period, the Group's sales revenue from corporate clients increased by 333.3% to RMB1.3 million from RMB0.3 million for the six months ended 30 June 2020. The increase in sales revenue from corporate clients was because the Group had more purchase orders from property developers.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Television platform

During the Interim Period, the Group's direct sales revenue from television platforms decreased by 61.4% to RMB24.5 million from RMB63.4 million for the six months ended 30 June 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 platform

During the Interim Period, the Group's sales revenue from online platforms operated by the Group's distributors increased by 26.6% to RMB16.2 million from RMB12.8 million for the six months ended 30 June 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.

### Physical sales locations

During the Interim Period, the Group's sales revenue from physical sales locations increased by 24.2% to RMB4.1 million from RMB3.3 million for the six months ended 30 June 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 Interim Period.

### Gross profit and gross profit margin

The Group's gross profit margin for the Interim Period remained relatively stable at 49.4% as compared with 50.0% for the six months ended 30 June 2020. 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			
	2021		2020	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin
Hobs and stoves (Radiant)	27,896	49.3	40,168	49.8
Hobs and stoves (Induction)	769	46.8	1,329	48.1
Pots and pans	2,390	50.2	3,696	51.1
Others (Note)	2,493	50.7	3,466	52.0
Total	33,548	49.4	48,659	50.0

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 remained relatively stable at RMB3.1 million for the Interim Period as compared with RMB2.8 million for the six months ended 30 June 2020.

### Other gains and losses

Other gains and losses mainly comprised exchange differences. The Group recognised an exchange loss of RMB0.4 million for the Interim Period as compared with an exchange gain of RMB1.2 million for the six months ended 30 June 2020.

### 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 20.0% to RMB38.7 million as compared with RMB48.4 million for the six months ended 30 June 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 of land use rights and amortisation of intangible assets, and other miscellaneous administrative expenses. Administrative expenses for the Interim Period decreased by 13.9% to RMB9.9 million from RMB11.5 million for the six months ended 30 June 2020. The decrease in administrative expenses for the Interim Period was primarily attributable to the decrease in employee benefit expenses.

### Research and development expenses

Research and development expenses for the Interim Period remained relatively stable at RMB5.1 million as compared with RMB5.2 million for the six months ended 30 June 2020.

### Finance income

Finance income represents bank interest income. For the Interim Period, the Group's finance income decreased to RMB0.04 million from RMB0.3 million for the six months ended 30 June 2020, mainly attributable to the decrease in funds put in term deposits.

### Finance costs

For the Interim Period, the Group's finance costs decreased by 38.5% to RMB0.8 million as compared with RMB1.3 million for the six months ended 30 June 2020, primarily attributable to the decrease in borrowings.





## MANAGEMENT DISCUSSION AND ANALYSIS

### Income tax expense

For the Interim Period, the Group's income tax expense decreased to approximately RMB0.03 million from RMB0.3 million for the six months ended 30 June 2020, primarily attributable to the decrease in assessable profits.

### Net loss

For the reasons mentioned above, the Group recorded a net loss of RMB16.2 million and a net loss margin of 23.8% for the Interim Period as compared with a net loss of RMB12.3 million and a net loss margin of 12.7% for the six months ended 30 June 2020.

### 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 2021, the Group had net current assets of approximately RMB113.2 million (31 December 2020: RMB129.1 million), cash and cash equivalents amounted to approximately RMB48.1 million (31 December 2020: RMB48.2 million) and borrowings amounted to approximately RMB29.0 million (31 December 2020: RMB33.0 million). The Group's cash and cash equivalents and borrowings as at 30 June 2021 were mainly denominated in RMB. As at 30 June 2021, the Group had floating rate borrowings amounting to approximately RMB29.0 million (31 December 2020: RMB32.3 million) and fixed rate borrowings amounting to nil (31 December 2020: RMB0.7 million). The weighted average interest rate of the Group's borrowings as at 30 June 2021 was approximately 4.3% (31 December 2020: 5.0%) per annum.

As at 30 June 2021, the Group had a current ratio of 3.2 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 30 June 2021 and 31 December 2020, the Group did not have any available unutilised banking facilities.

## CAPITAL COMMITMENTS

As at 30 June 2021, the Group did not have any significant capital commitments (31 December 2020: nil).

## CONTINGENT LIABILITIES

As at 30 June 2021, the Group did not have any material contingent liabilities or guarantees (31 December 2020: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### PLEDGE OF ASSETS

As at 30 June 2021, the Group pledged land use rights and buildings with carrying amount of approximately RMB18.3 million to secure its borrowings of approximately RMB29.0 million.

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

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

On 17 January 2020, Miji Electronics and Appliances (Shanghai) Ltd. (“Miji Shanghai”), an indirect wholly owned subsidiary of the Company, entered into a cooperation agreement with 上海米之海企業發展有限公司 (Shanghai Mizihai Enterprise Development Co., Ltd.\*) (the “JV Partner”) for the formation of a joint venture company. This joint venture company is intended for the acquisition of a land parcel in Shanghai Xinzhuang Industrial Zone for the construction of production plant, office, research and development center, staff quarter and other ancillary facilities (the “Shanghai Project”). For details of the formation of this joint venture company, please refer to the announcement dated 17 January 2020.

On 4 September 2020, Miji Shanghai and the JV Partner have entered into a termination agreement and a share transfer agreement. Pursuant to the termination agreement, the cooperation agreement dated 17 January 2020 entered into between Miji Shanghai and the JV Partner has been terminated after the completion of the several events. Pursuant to the share transfer agreement, the JV Partner has transferred its 40% equity interest in the joint venture company to Miji Shanghai at a consideration of RMB1. After completion of the termination agreement and the share transfer agreement, the joint venture company has become a wholly-owned subsidiary of the Company. For details of the termination of the formation of the joint venture company, please refer to the announcement dated 4 September 2020.

As at the date of this report, the Company has decided to terminate the Shanghai Project and focus on its business operations.

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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2021, the Group had a total of 222 employees (31 December 2020: 227 employees), whose remunerations and benefits are determined based on market rates, government policies and individual performance.

### USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

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 economic conditions during the outbreak of COVID-19, the Board considered that it would be in the best interests of the Company and its shareholders to stop opening new retail stores and showrooms as they might 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 30 June 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 30 June 2021:

Intended use of Net Proceeds	Original	Revised	Utilised	Unutilised	Expected timeline for fully utilising the unutilised Net Proceeds after the revised allocation
	allocation of Net Proceeds (approximately)	allocation of Net Proceeds (as disclosed in the Announcement) (approximately)	amount of Net Proceeds up to 30 June 2021 (approximately)	amount of Net Proceeds up to 30 June 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
<b>Total</b>	<b>HK\$76.2 million</b>	<b>HK\$76.2 million</b>	<b>HK\$76.2 million</b>	<b>-</b>	

# 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 12 to 34, 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 2021 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 a summary of significant accounting policies and other explanatory notes. 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 2021

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2021

	Note	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	5	67,874	97,279
Cost of sales	8	(34,326)	(48,620)
<b>Gross profit</b>		<b>33,548</b>	48,659
Other income	6	3,070	2,847
Other (losses)/gains, net	7	(357)	1,213
Selling and distribution expenses	8	(38,650)	(48,444)
Administrative expenses	8	(9,938)	(11,526)
Research and development expenses	8	(5,126)	(5,195)
Reversal of provision/(provision) for impairment loss on financial assets		418	(575)
<b>Operating loss</b>		<b>(17,035)</b>	(13,021)
Finance income		39	340
Finance costs		(782)	(1,338)
Finance costs, net		(743)	(998)
Share of profit of associates, net	11	1,641	1,977
<b>Loss before income tax</b>		<b>(16,137)</b>	(12,042)
Income tax expense	9	(32)	(292)
<b>Loss for the period</b>		<b>(16,169)</b>	(12,334)
<b>(Loss)/profit attributable to:</b>			
Owners of the Company		(16,789)	(13,030)
Non-controlling interests		620	696
		<b>(16,169)</b>	(12,334)

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 2021

	Note	Six months ended 30 June	
		2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Other comprehensive (loss)/income:			
<i>Items that may be reclassified to profit or loss</i>			
Currency translation differences		(56)	15
Other comprehensive (loss)/income for the period, net of tax		(56)	15
<b>Total comprehensive loss for the period</b>		<b>(16,225)</b>	(12,319)
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company		(16,845)	(13,015)
Non-controlling interests		620	696
<b>Total comprehensive loss for the period</b>		<b>(16,225)</b>	(12,319)
<b>Loss per share attributable to owners of the Company for the period</b>			
Basic and diluted (RMB cents)	10	(1.12)	(0.87)

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 2021

	Note	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	18,532	20,757
Right-of-use assets	13	3,169	2,813
Land use rights	14	8,689	8,795
Investments in associates	11	19,233	17,592
Intangible assets	15	867	1,022
Deferred income tax assets		183	212
		<b>50,673</b>	51,191
<b>Current assets</b>			
Inventories	16	69,250	66,814
Trade receivables	17	26,051	52,501
Other receivables, deposits and prepayments		20,620	27,652
Cash and cash equivalents		48,119	48,184
		<b>164,040</b>	195,151
<b>Total assets</b>		<b>214,713</b>	246,342
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	18	12,561	12,561
Share premium	18	72,173	72,173
Reserves		67,170	84,015
		<b>151,904</b>	168,749
Non-controlling interests		4,822	4,202
<b>Total equity</b>		<b>156,726</b>	172,951

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 2021

	Note	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		1,735	1,710
Borrowings	20	5,366	5,676
		<b>7,101</b>	7,386
<b>Current liabilities</b>			
Trade and other payables	19	21,915	26,155
Borrowings	20	23,611	27,289
Lease liabilities		2,139	1,972
Amount due to an associate	22	401	4,450
Amount due to a non-controlling interest		–	1,004
Contract liabilities		2,391	4,652
Current income tax liabilities		429	483
		<b>50,886</b>	66,005
<b>Total liabilities</b>		<b>57,987</b>	73,391
<b>Total equity and liabilities</b>		<b>214,713</b>	246,342

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)					
<b>Balance as at 1 January 2020</b>	12,561	72,173	105,120	4,988	194,842
(Loss)/profit for the period	-	-	(13,030)	696	(12,334)
Other comprehensive income:					
Currency translation differences	-	-	15	-	15
<b>Total comprehensive (loss)/income for the six months ended 30 June 2020</b>	-	-	(13,015)	696	(12,319)
<b>Balance as at 30 June 2020</b>	12,561	72,173	92,105	5,684	182,523
(Unaudited)					
<b>Balance as at 1 January 2021</b>	<b>12,561</b>	<b>72,173</b>	<b>84,015</b>	<b>4,202</b>	<b>172,951</b>
(Loss)/profit for the period	-	-	(16,789)	620	(16,169)
Other comprehensive loss:					
Currency translation differences	-	-	(56)	-	(56)
<b>Total comprehensive (loss)/income for the six months ended 30 June 2021</b>	-	-	(16,845)	620	(16,225)
<b>Balance as at 30 June 2021</b>	<b>12,561</b>	<b>72,173</b>	<b>67,170</b>	<b>4,822</b>	<b>156,726</b>

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

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Cash flows from operating activities</b>		
Net cash generated from/(used in) operations	6,072	(20,215)
Income tax paid	(57)	(1,811)
<b>Net cash generated from/(used in) operating activities</b>	<b>6,015</b>	<b>(22,026)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	–	(1,980)
Interest received	41	340
Dividend received from an associate	–	765
Prepayment for purchase of property, plant and equipment	–	(610)
<b>Net cash generated from/(used in) investing activities</b>	<b>41</b>	<b>(1,485)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(779)	(1,338)
Proceeds from bank borrowings	23,000	13,000
Repayment of bank borrowings	(26,988)	(28,233)
Payment for lease liabilities, principal portion	(1,370)	(1,547)
<b>Net cash used in financing activities</b>	<b>(6,137)</b>	<b>(18,118)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(81)</b>	<b>(41,629)</b>
Cash and cash equivalents as at 1 January	48,184	86,709
Effect of exchange difference	16	1,267
<b>Cash and cash equivalents as at 30 June</b>	<b>48,119</b>	<b>46,347</b>

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.

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 2021 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 2020, 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 2020, 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.

### (a) New standards, amended standards and interpretations adopted by the Group

A number of amended standards and framework became applicable for the current reporting period:

Amendments to HKFRS 9, HKAS 39, Interest Rate Benchmark Reform – Phase 2  
HKFRS 7, HKFRS 4 and HKFRS 16

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 2 ACCOUNTING POLICIES *(Continued)*

**(b) New standards, amendments to standards and interpretations issued but not yet effective and have not been early adopted by the Group**

Certain new and amended standards have been issued but not yet to be effective for the financial year beginning 1 January 2021 and have not been early adopted by the Group:

		<b>Effective for accounting periods beginning on or after</b>
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 HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors of the Group are of the opinion that the adoption of the above new standard and amendments to existing standards would not have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group intends to adopt the above new standards and amendments to existing standards when they become effective.



## 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 2020.

There have been no changes in the risk management policies since 31 December 2020.

#### 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 2021.

The carrying values of the Group's current financial assets, including trade and other receivables and cash and cash equivalents, and current financial liabilities, including trade payables, other payables and accruals, approximate their fair values due to their short maturities. The carrying amounts of non-current trade and other receivables 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 2020.

## 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 2021 and 2020. 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 RMB36,817,000 (31 December 2020: RMB38,674,000) of the Group are located in the PRC as at 30 June 2021. Revenue of RMB67,674,000 (2020: RMB97,024,000) are derived from external customers in the PRC for the six months ended 30 June 2021.

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Revenue</b>		
Sales of goods	67,874	97,279
<b>Timing of revenue recognition</b>		
At a point in time	67,874	97,279

### 6 OTHER INCOME

The Group's other income recognised during the six months ended 30 June 2021 are as follows:

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Other income:		
– Government grant	335	709
– Licensing income from an associate	1,841	1,837
– Management fee from an associate	381	220
– Sundry income	513	81
	3,070	2,847

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 7 OTHER (LOSSES)/GAINS, NET

	Six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Exchange (losses)/gains, net	(357)	1,213

### 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	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Cost of materials used	33,231	45,192
Auditor's remuneration	333	362
Amortisation of intangible assets	140	90
Depreciation of property, plant and equipment	2,209	1,476
Depreciation of right-of-use assets	1,206	1,670
Depreciation of land use rights	106	107
Employee benefit expenses (including directors' emoluments)	14,500	15,158
Consignment fee	12,283	24,604
Short-term leases expenses	231	220

## 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 on 23 October 2020 and the Certificate will be expired on 11 November 2023.

The Group is entitled to a tax relief from the tax authority in the PRC on eligible research and development cost incurred for the six months ended 30 June 2021 and 2020. The Group can claim an extra 75% tax deduction based on those eligible research and development cost incurred at an applicable tax rate. It is credited to the condensed consolidated interim statement of comprehensive income during the period in which they are incurred.

#### (iv) Corporate income tax in Germany

The Group did not have any assessable profit in Germany during the six months ended 30 June 2021 and 2020.

#### (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	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Current income tax	45	315
Deferred income tax	(13)	(23)
	<b>32</b>	292

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

#### a) 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	
	2021 (Unaudited)	2020 (Unaudited)
Loss attributable to owners of the Company (RMB'000)	(16,789)	(13,030)
Weighted average number of ordinary shares in issue	1,500,000,000	1,500,000,000
Basic loss per share (RMB cents)	(1.12)	(0.87)

#### b) 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 (six months ended 30 June 2020: same).

## 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)	
<b>For the six months ended 30 June 2020</b>	
As at 1 January 2020	7,246
Share of profit	1,977
Dividend received	(765)
As at 30 June 2020	8,458
(Unaudited)	
<b>For the six months ended 30 June 2021</b>	
As at 1 January 2021	17,592
Share of profit	1,641
As at 30 June 2021	19,233

### 12 PROPERTY, PLANT AND EQUIPMENT

	RMB'000
(Unaudited)	
<b>For the six months ended 30 June 2020</b>	
Net book value as at 1 January 2020	20,478
Additions	1,980
Disposals	(250)
Depreciation (Note 8)	(1,476)
Currency translation difference	10
Net book value as at 30 June 2020	20,742
(Unaudited)	
<b>For the six months ended 30 June 2021</b>	
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

## 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:

	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
<b>Right-of-use assets</b>		
Non-current	<b>3,169</b>	2,813

Additions to the right-of-use assets during the six months ended 30 June 2021 were RMB1,562,000 (six months ended 30 June 2020: Nil). There was no modification of a lease during the six months ended 30 June 2021 and 2020.

#### (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:

	<b>Six months ended 30 June</b>	
	<b>2021 RMB'000 (Unaudited)</b>	2020 RMB'000 (Unaudited)
Depreciation charge of right-of-use assets (Note 8)	<b>1,206</b>	1,670
Interest expense	<b>110</b>	176

The total cash outflow for leases (including interest portion) in the six months ended 30 June 2021 is RMB1,711,000 (six months ended 30 June 2020: RMB1,943,000).

## 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)	
<b>For the six months ended 30 June 2020</b>	
Net book value as at 1 January 2020	9,005
Depreciation (Note 8)	(107)
Net book value as at 30 June 2020	8,898
(Unaudited)	
<b>For the six months ended 30 June 2021</b>	
Net book value as at 1 January 2021	8,795
Depreciation (Note 8)	(106)
Net book value as at 30 June 2021	8,689

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)	
<b>For the six months ended 30 June 2020</b>	
Net book value as at 1 January 2020	870
Amortisation (Note 8)	(90)
Currency translation difference	1
Net book value as at 30 June 2020	781
(Unaudited)	
<b>For the six months ended 30 June 2021</b>	
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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 16 INVENTORIES

	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
Parts and components	<b>7,561</b>	7,680
Finished goods	<b>61,689</b>	59,134
	<b>69,250</b>	66,814

### 17 TRADE RECEIVABLES

	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
Trade receivables	<b>27,846</b>	54,715
Loss allowance	<b>(1,795)</b>	(2,214)
Trade receivables, net	<b>26,051</b>	52,501

As at 30 June 2021, the ageing analysis of the trade receivables, net of provision, based on invoice date is as follows:

	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
Trade receivables, net analysed by invoice date:		
1-30 days	<b>11,061</b>	19,054
31-60 days	<b>1,213</b>	10,875
61-90 days	<b>2,548</b>	7,863
Over 90 days	<b>11,229</b>	14,709
	<b>26,051</b>	52,501

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 18 SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Nominal value of ordinary shares HKD'000
<b>Authorised:</b>		
(Unaudited)		
Ordinary shares of HKD0.01 each		
As at 1 January 2020, 30 June 2020, 1 January 2021 and 30 June 2021	<b>10,000,000,000</b>	<b>100,000</b>

	Number of shares	Nominal value of ordinary shares HKD'000	Equivalent nominal value of ordinary shares RMB'000	Share premium RMB'000
<b>Issued:</b>				
(Unaudited)				
As at 1 January 2020, 30 June 2020, 1 January 2021 and 30 June 2021	<b>1,500,000,000</b>	<b>15,000</b>	<b>12,561</b>	<b>72,173</b>

### 19 TRADE AND OTHER PAYABLES

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Trade payables (Note (a))	<b>12,628</b>	14,213
Other payables and accruals	<b>9,287</b>	11,942
	<b>21,915</b>	26,155

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 19 TRADE AND OTHER PAYABLES (Continued)

Note:

(a) **Trade payables**

As at 30 June 2021, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
1–30 days	9,006	10,101
31–60 days	1,342	3,485
61–90 days	1,500	270
Over 90 days	780	357
	<b>12,628</b>	14,213

### 20 BORROWINGS

	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
<b>Current</b>		
Borrowings	<b>23,611</b>	27,289
<b>Non-current</b>		
Borrowings	<b>5,366</b>	5,676
	<b>28,977</b>	32,965

As at 30 June 2021, the borrowings amounting to RMB28,977,000 were carried at floating rate (31 December 2020: RMB32,269,000 and RMB696,000 were carried at floating rate and fixed rate respectively). The weighted average interest rate are 4.3% (31 December 2020: 5.0%) per annum.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 20 BORROWINGS *(Continued)*

An analysis of the Group's borrowing into principal amounts is as follow:

	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
Borrowings – unsecured	–	3,715
Borrowings – secured	<b>28,977</b>	29,269
	<b>28,977</b>	32,984
Adjusted by: unamortised loan arrangement fees	–	(19)
	<b>28,977</b>	32,965

As at 30 June 2021, borrowings of RMB28,977,000 (31 December 2020: RMB29,269,000) were secured by the land use rights and buildings of the Group with total carrying value of RMB18,283,000 (31 December 2020: RMB18,725,000).

As at 30 June 2021, the Group's borrowings were repayable as follows:

	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
Within 6 months	<b>301</b>	26,988
Between 6 and 12 months	<b>23,310</b>	301
Between 1 and 2 years	<b>648</b>	629
Between 2 and 5 years	<b>2,188</b>	2,125
Over 5 years	<b>2,530</b>	2,922
	<b>28,977</b>	32,965



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 20 BORROWINGS (Continued)

As at 30 June 2021, the contractual maturities of the Group's non-derivative financial liabilities are as follows:

(Audited)

<b>Contractual maturities of financial liabilities</b>	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
<b>As at 31 December 2020</b>	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-derivatives</b>							
Trade and other payables	18,679	–	–	–	–	18,679	18,679
Borrowings	27,194	473	946	2,838	3,232	34,683	32,965
Amount due to an associate	4,450	–	–	–	–	4,450	4,450
Amount due to a non-controlling interest	1,004	–	–	–	–	1,004	1,004
Lease liabilities	1,341	784	1,770	–	–	3,895	3,682
<b>Total non-derivatives</b>	<b>52,668</b>	<b>1,257</b>	<b>2,716</b>	<b>2,838</b>	<b>3,232</b>	<b>62,711</b>	<b>60,780</b>

(Unaudited)

<b>Contractual maturities of financial liabilities</b>	Less than 6 months	6 – 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
<b>As at 30 June 2021</b>	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Non-derivatives</b>							
Trade and other payables	16,056	–	–	–	–	16,056	16,056
Borrowings	473	23,473	946	2,838	2,760	30,490	28,977
Amount due to an associate	401	–	–	–	–	401	401
Lease liabilities	1,138	1,167	1,620	161	–	4,086	3,874
<b>Total non-derivatives</b>	<b>18,068</b>	<b>24,640</b>	<b>2,566</b>	<b>2,999</b>	<b>2,760</b>	<b>51,033</b>	<b>49,308</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

### 21 DIVIDENDS

No dividend was declared by the Company during the six months ended 30 June 2021 and 2020.

### 22 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 financial period:

Name of the related parties	Relationship with the Group
Miji Xuanshang Intelligence Home Appliances (Shanghai) Company Limited ("Miji Xuanshang")	Associate of the Group

#### (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	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
<b>Sales of goods to</b>		
– Miji Xuanshang	27	69
<b>Purchases of goods from</b>		
– Miji Xuanshang	5,543	7,481
<b>Licensing income from</b>		
– Miji Xuanshang	1,887	1,947
<b>Service income from</b>		
– Miji Xuanshang	377	220

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

### 22 RELATED PARTIES BALANCES AND TRANSACTIONS *(Continued)*

#### (c) Balances with the related party

	<b>30 June 2021 RMB'000 (Unaudited)</b>	31 December 2020 RMB'000 (Audited)
<b>Amount due to an associate</b>		
Miji Xuanshang (note (i))	<b>401</b>	4,450

Note:

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

## 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 2021, 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. Walter Ludwig Michel ("Mr. Michel") (Note 3)	Interest of spouse	397,700,000 (L)	26.51%
Mr. Wu Huizhang ("Mr. Wu")	Beneficial owner	375,000,000 (L)	25%

#### Interest in associated corporation of the Company, Wide Big Investment Limited ("Wide Big")

Name of Director	Capacity/nature of interest	Number of Shares held (Note 1)	Percentage of shareholding in the associated corporation
Madam Maeck (Note 2)	Beneficial owner	1,000,000 (L)	100%
Mr. Michel (Note 3)	Interest of spouse	1,000,000 (L)	100%

Notes:

- The letter "L" denotes long position of the shares.
- 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.
- Mr. Michel is the spouse of Madam Maeck. Accordingly, Mr. Michel is deemed to be interested in the 397,700,000 ordinary shares of the Company held by Madam Maeck through Wide Big by virtue of the SFO.



## OTHER INFORMATION

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 2021, 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 2021 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.

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

As at 30 June 2021, 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%

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.

Save as disclosed above, as at 30 June 2021, 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.

## OTHER INFORMATION

### 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.

### 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 2021 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 2021 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 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 Interim Period.



## OTHER INFORMATION

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.

## EVENT AFTER THE REPORTING PERIOD

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:

Two of the executive Directors, namely Madam Maeck Can Yue and Mr. Walter Ludwig Michel, have entered into a service contract with the Company for a term of three years commencing from 24 June 2018 to 23 June 2021, which can be terminated by either party giving not less than one month's notice in writing. The specific term of the executive Directors has been renewed for a term of three years commencing from 24 June 2021 to 23 June 2024.

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 2020 to 23 June 2021, 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 2021 to 23 June 2022.

One of the independent non-executive Director, namely Mr. Gu Qing, have entered into a service contract with the Company for a term of one year commencing from 21 May 2020 to 20 May 2021, 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 21 May 2021 to 20 May 2022.

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

Hong Kong, 18 August 2021