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深圳市明華澳漢科技股份有限公司

Shenzhen Mingwah Aohan High Technology Corporation Limited *

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 8301)

SUPPLEMENTAL ANNOUNCEMENT ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to (a) the announcement of Shenzhen Mingwah Aohan High Technology Corporation Limited* (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 31 March 2020 in relation to the unaudited annual results of the Group for the year ended 31 December 2019 (the “**Announcement**”) and (b) the announcement (the “**Audited Annual Results Announcement**”) and the annual report (the “**Annual Report**”) of the Company both dated 30 June 2020 in relation to the audited annual results of the Group for the year ended 31 December 2019 (the “**2019 Annual Results**”).

The board of directors (the “**Board**”) of the Company is pleased to announce that as at the date of this announcement, the Company’s external auditors, KTC PARTNERS CPA LIMITED, has completed its audit of the 2019 Annual Results. The audited 2019 Annual Results were approved by the Board on 30 June 2020. The Board wishes to provide additional information to the shareholders and potential investors of the Company in relation to the Audited Annual Results Announcement.

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

The auditing process for the 2019 Annual Results had not been completed as at the date of publication of the Announcement. Since subsequent adjustments have been made to the unaudited annual results of the Group contained in the Announcement upon completion of the auditing process, shareholders and potential investors of the Company are advised to pay attention to certain differences between the unaudited annual results of the Group disclosed in the Announcement and the audited 2019 Annual Results of the Group disclosed in the Audited Annual Results Announcement. Set forth below are the details and reasons for the differences in such financial information:

* For identification purposes only

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited Annual Results 2019 RMB'000	Unaudited Annual Results disclosed in the Announcement 2019 RMB'000	Difference RMB'000	<i>Notes</i>
Revenue	50,273	47,312	2,961	1
Cost of sales	(45,223)	(39,847)	(5,376)	2
Other income	1,152	1,153	(1)	
Impairment losses under expected credit loss model	(15,133)	–	(15,133)	3
Impairment loss on intangible assets	(8,915)	(8,915)	–	
Impairment loss on interests in joint ventures	(4,972)	–	(4,972)	4
Distribution and selling expenses	(179)	(179)	–	
General and administrative expenses	(12,606)	(14,999)	2,393	5
Finance costs	(1,071)	(793)	(278)	
Share of loss of joint ventures	(2)	(8)	6	
Income tax expense	(751)	(751)	–	
Exchange differences arising on translation of foreign operations	(463)	(43)	(420)	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Audited Annual Results 2019 RMB'000	Unaudited Annual Results disclosed in the Announcement 2019 RMB'000	Difference RMB'000	<i>Notes</i>
Non-current assets				
Property, plant and equipment	386	387	(1)	
Right-of-use assets	797	–	797	6
Interests in joint ventures	1	9,967	(9,966)	7
Current assets				
Inventories	9,418	9,418	–	
Trade and other receivables	53,826	67,214	(13,388)	8
Bank balances and cash	231	231	–	
Current liabilities				
Trade and other payables	(61,808)	(74,491)	12,683	9
Income tax payable	(2,178)	(2,085)	(93)	
Lease liabilities	(292)	–	(292)	10
Other borrowings	(15,556)	(7,003)	(8,553)	11
Amounts due to shareholders	(5,149)	(3,649)	(1,500)	12
Non-current liabilities				
Lease liabilities	(507)	–	(507)	10
Capital and reserves				
Share capital	(80,000)	(80,000)	–	
Reserves	101,178	80,358	20,820	13
Non-controlling interests	(347)	(347)	–	

Notes:

- 1 The difference was mainly due to understatement of sales.
- 2 The difference was mainly due to reclassification from general and administrative expenses of approximately RMB3,264,000 and understatement of cost of sales.
- 3 The difference was mainly due to provision for impairment loss on trade and other receivables made.
- 4 The difference was mainly due to provision for impairment loss made.
- 5 The difference was mainly due to reclassification to cost of sales of approximately RMB3,264,000 and underprovision of auditors' remuneration.
- 6 The difference was mainly due to addition of right-of use assets upon adoption of HKFRS 16.
- 7 The difference was mainly due to reclassification of joint ventures to other receivables of approximately RMB5,000,000 and provision for impairment loss of approximately RMB4,972,000 made.

- 8 The difference was mainly due to reclassification from joint ventures of approximately RMB5,000,000, provision for impairment loss of approximately RMB15,133,000 made and reclassification to other payables.
- 9 The difference was mainly due to reclassification to other borrowings of approximately RMB8,553,000, reclassification to amounts due to shareholders of approximately RMB1,500,000, and reclassification from other receivables.
- 10 The difference was mainly due to addition of lease liabilities upon adoption of HKFRS 16.
- 11 The difference was mainly due to reclassification from trade and other payables of approximately RMB8,553,000.
- 12 The difference was mainly due to reclassification from trade and other payables of approximately RMB1,500,000.
- 13 The difference was mainly due to adjustment for additional loss for the year amounted to approximately RMB20,820,000.

AUDITOR'S AGREEMENT ON THE 2019 ANNUAL RESULTS

Following the adjustments described in Notes (1) to (13) above, the Company's external auditor, KTC PARTNERS CPA LIMITED, has agreed on the 2019 Annual Results (including the financial figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto). The audited 2019 Annual Results have been reviewed by the audit committee of the Company and were approved by the Board on 30 June 2020.

PUBLICATION OF ANNUAL REPORT

The Company published the Annual Report for the year ended 31 December 2019 on 30 June 2020.

By order of the Board
Shenzhen Mingwah Aohan High Technology Corporation Limited*
Zhang Tao
Chairman

Hong Kong, 6 July 2020

As at the date hereof, the executive Directors are Mr. Zhang Tao, Mr. Lang Yu and Mr. Liu Jianfeng, the non-executive Director is Mr. Zhou Liang Hao, and the independent non-executive Directors are Mr. Yu Xiuyang and Mr. Wei Wei.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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