

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



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)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2021
AND
CONTINUED SUSPENSION OF TRADING**

The board (the “**Board**”) of directors (the “**Directors**”) of Shenzhen Mingwah Aohan High Technology Corporation Limited* (深圳市明華澳漢科技股份有限公司) (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited interim results of the Group for the six months ended 30 June 2021. This announcement, containing the full text of the interim report of the Company for the six months ended 30 June 2021 (the “**2021 Interim Report**”), complies with the relevant content requirements of Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited in relation to preliminary announcements of the interim results. The 2021 Interim Report will be dispatched to the shareholders of the Company, and available for viewing on the “Latest Listed Company Information” page on the GEM website at www.hkgem.com and on the “Investor” page of the Company’s website at www.mwcard.com in due course.

CONTINUED SUSPENSION OF TRADING

References are made to the announcements of the Company dated 2, 3, 11 and 17 November 2020, 11 February, 11 May 2021 and 11 and 18 August 2021 (the “**Announcements**”) in relation to, among other things, the suspension of trading in the shares of the Company. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

* For identification purposes only

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 12 November 2020 and will remain suspended until the Company fulfills the Resumption Guidance.

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

Shenzhen, the PRC, 30 August 2021

As at the date of this announcement, the executive Director is Mr. Liu Jianfeng; the non-executive Directors are Mr. Zhang Tao and Mr. Zhou Liang Hao; and the independent non-executive Directors are Mr. Yu Xiuyang and Mr. Chan Chun Kit.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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.

This announcement will remain on the website of the GEM of The Stock Exchange of Hong Kong Limited at www.hkgem.com on the “Latest Listed Company Information” page for at least 7 days from the date of its posting.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

This report, for which the directors (the “Directors”) of Shenzhen Mingwah Aohan High Technology Corporation Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) 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 report 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 report misleading.

BOARD OF DIRECTORS (THE “BOARD”)

Executive Directors

Mr. Liu Jianfeng
Mr. Lang Yu (retired on 30 June 2021)

Non-Executive Directors

Mr. Zhang Tao (*Chairman*)
(re-designated from executive Director
to non-executive Director on 11 May 2021)
Mr. Zhou Liang Hao

Independent Non-Executive Directors

Mr. Yu Xiuyang
Mr. Wei Wei (retired on 30 June 2021)
Mr. Chan Chun Kit

Supervisors

Mr. Zhou Jie (retired on 16 May 2021) (*Note 1*)
Mr. You Xiaohua
Ms. Huang Sanhuan

AUDIT COMMITTEE

Mr. Chan Chun Kit (*Chairman*)
Mr. Yu Xiuyang
Mr. Wei Wei (retired on 30 June 2021)

NOMINATION COMMITTEE

Mr. Zhang Tao (*Chairman*)
Mr. Yu Xiuyang
Mr. Chan Chun Kit

REMUNERATION COMMITTEE

Mr. Yu Xiuyang (*Chairman*)
Mr. Wei Wei (retired on 30 June 2021)
Mr. Chan Chun Kit

CHIEF EXECUTIVE OFFICER

Mr. Zhang Tao (resigned on 11 May 2021)

COMPANY SECRETARY

Ms. Leung Hoi Yan

COMPLIANCE OFFICER

Mr. Zhang Tao (ceased to act on 11 May 2021)
Mr. Liu Jianfeng (appointed on 11 May 2021)

AUTHORIZED REPRESENTATIVES

Ms. Leung Hoi Yan
Mr. Zhang Tao (ceased to act on 11 May 2021)
Mr. Liu Jianfeng (appointed on 11 May 2021)

AUDITOR

KTC Partners CPA Limited

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 5D, JINRUN BUILDING (金潤大廈)
SHEN NAN Avenue 6019, Futian District
Shenzhen, Guangdong Province
The People's Republic of China
Zip Code: 518000

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 12, 12/F., Tower A
New Mandarin Plaza
No. 14 Science Museum Road
Tsim Sha Tsui, Kowloon
Hong Kong

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKERS

China Minsheng Bank
Ping An Bank

COMPANY'S WEBSITE

www.mwcard.com

GEM STOCK CODE

8301

Note 1: Pursuant to article 13.02 of articles of association of the Company, Mr. Zhou still performs his duties as the supervisor of the Company (the "Supervisor") until a new Supervisor is elected by the shareholders of the Company at a general meeting.

HIGHLIGHTS

- For the six months ended 30 June 2021, unaudited revenue was RMB Nil as compared to approximately RMB10,154,000 of the corresponding period in 2020. The loss attributable to owners of the Company for the six months ended 30 June 2021 was approximately RMB1,538,000 (2020: approximately RMB466,000).
- Loss per share of the Group was approximately RMB0.19 cents for the six months ended 30 June 2021.

To all shareholders,

The Board is pleased to announce the unaudited condensed consolidated financial results of the Group for the three months and six months ended 30 June 2021 together with comparative figures for the corresponding period in 2020, as follows:

THE FINANCIAL STATEMENTS**Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

For the three months and six months ended 30 June 2021 and 30 June 2020

	For the three months ended 30 June		For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Revenue	-	204	-	10,154
Cost of sales	-	-	-	(9,500)
Gross profit	-	204	-	654
Other income	-	-	-	22
Distribution and selling expenses	-	(13)	-	(39)
General and administrative expenses	(410)	(937)	(1,327)	(2,346)
Gain on deregistration of a subsidiary	-	-	-	1,659
Reversal of impairment loss on other receivables	-	81	-	81
Finance cost	-	(401)	(211)	(450)
Loss before taxation	(410)	(1,066)	(1,538)	(419)
Income tax expenses	-	(9)	-	(47)
Loss for the period attributable to owners of the Company	(410)	(1,075)	(1,538)	(466)
Other comprehensive income for the period	28	(602)	-	(885)
Total comprehensive income for the period attributable to owners of the Company	(382)	(1,677)	(1,538)	(1,351)
Dividend	-	-	-	-
Loss per share				
- Basic (cents)	(0.05)	(0.13)	(0.19)	(0.05)
- Diluted (cents)	N/A	N/A	N/A	N/A

Unaudited Condensed Consolidated Statement of Financial Position

At 30 June 2021

	At 30 June 2021 RMB'000 (Unaudited)	At 31 December 2020 RMB'000 (Audited)
Non-current assets		
Property, plant and equipment	35	45
Right-of-use assets	423	498
Interest in joint ventures	1	1
	459	544
Current assets		
Trade and other receivables and deposits	3,109	5,671
Bank balances and cash	285	470
	3,394	6,141
Current liabilities		
Trade and other payables	12,152	12,107
Income tax payable	2,195	2,195
Lease liabilities	227	301
Amount due to a related party	7,464	7,464
Amounts due to shareholders	5,191	5,191
Amount due to a director	399	399
Other borrowings	6,753	6,753
	34,381	34,410
Net current liabilities	(30,987)	(28,269)
Total assets less current liabilities	(30,528)	(27,725)
Non-current liabilities		
Lease liabilities	206	206
Net liabilities	(30,734)	(27,931)

Unaudited Condensed Consolidated Statement of Financial Position (Continued)

At 30 June 2021

	At 30 June 2021 RMB'000 (Unaudited)	At 31 December 2020 RMB'000 (Audited)
Capital and reserves		
Share Capital	80,000	80,000
Reserves	(110,734)	(107,931)
Equity attributable to owners of the Company	(30,734)	(27,931)
Non-controlling interests	-	-
Capital deficiency	(30,734)	(27,931)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Attributable to owners of the Company								
	Share capital	Share premium	Statutory surplus reserve	Statutory public welfare fund	Translation reserve	Accumulated losses	Total	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2020	80,000	71,974	5,040	2,411	(1,360)	(179,243)	(21,178)	347	(20,831)
Loss for the period	-	-	-	-	-	(466)	(466)	-	(466)
Other comprehensive loss for the period	-	-	-	-	(885)	-	(885)	-	(885)
Deregistration of a subsidiary	-	-	(321)	(160)	-	481	-	(347)	(347)
At 30 June 2020	80,000	71,974	4,719	2,251	(2,245)	(179,228)	(22,529)	-	(22,529)
At 1 January 2021	80,000	71,975	4,720	2,250	(1,161)	(185,715)	(27,931)	-	(27,931)
Loss for the period	-	-	-	-	-	(1,538)	(1,538)	-	(1,538)
Other comprehensive loss for the period	-	-	-	-	(1,265)	-	(1,265)	-	(1,265)
At 30 June 2021	80,000	71,975	4,720	2,250	(2,426)	(187,253)	(30,734)	-	(30,734)

Unaudited Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash (used in)/generated from operating activities	(111)	7,664
Net cash generated from investing activities	–	228
Net cash used in financing activities	(74)	(7,959)
Net decrease in cash and cash equivalents	(185)	(67)
Cash and cash equivalents at beginning of the period	470	231
Cash and cash equivalents at end of the period		
– represented by bank balances and cash	285	164

Notes to the Condensed Financial Statements

1. GENERAL

The Company was established and registered as a joint stock company with limited liability in the People's Republic of China (the "PRC") and its H shares are listed on the GEM of the Stock Exchange.

The Group is principally engaged in (i) the provision of application development services and the sale of IC cards, magnetic cards, related equipment and application systems, and (ii) trading of liquor products.

The unaudited condensed consolidated financial statements are presented in Renminbi ("RMB") which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The unaudited condensed consolidated results of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and Hong Kong Accounting Standards ("HKAS") (collectively "HKFRSs"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules").

The accounting policies adopted in preparing the unaudited condensed consolidated results for the six months ended 30 June 2021 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020, except for the change in accounting policies due to the revised HKFRSs and HKASs, which are described in Note 3.

The condensed consolidated results for the six months ended 30 June 2021 are unaudited but have been reviewed by the audit committee of the Company.

The Group has not early adopted the new and revised standards and amendments to standards that have been issued but are not yet effective for the six months ended 30 June 2021.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings.

In the current period, the Group has adopted all the new and revised IFRSs that are relevant to its operations and effective for its accounting year beginning on 1 January 2021.

The application of the new and revised standards in the current interim period has had no material impact on the amounts reported in these condensed consolidated financial statements and/or disclosures set in these condensed consolidated financial statement.

4. REVENUE

Revenue represents the gross invoiced value of goods sold, net of value added tax, sale returns and discounts to outside customers. Disaggregation of revenue from contracts with customers by major products is as follows:

	For the three months ended 30 June		For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Sales of card and card related products	–	87	–	87
Sales of liquor products	–	117	–	10,067
	–	204	–	10,154
Timing of revenue recognition At a point in time	–	204	–	10,154

5. SEGMENTAL INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods sold or services delivered or provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segment of the Group.

Specifically, the Company's reportable segments under HKFRS 8 are as follows:

- Card and card related products – provision for application development services and trading of IC and magnetic cards and application systems, card and card related products
- Liquor products – trading of liquor products

Segmental information about the business is presented below:

For the six months ended 30 June 2021

	Card and card related products RMB'000 (Unaudited)	Liquor products RMB'000 (Unaudited)	Consolidated RMB'000 (Unaudited)
Segment revenue			
Sales to external customers	–	–	–
Segment results	(1,264)	(4)	(1,268)
Unallocated corporates income and expense			(270)
Loss from operations			(1,538)
Loss before taxation			(1,538)

5. **SEGMENTAL INFORMATION (Continued)**

For the six months ended 30 June 2020

	Card and card related products RMB'000 (Unaudited)	Liquor products RMB'000 (Unaudited)	Consolidated RMB'000 (Unaudited)
Segment revenue			
Sales to external customers	87	10,067	10,154
Segment results	(1,213)	524	(689)
Unallocated corporates income and expense			270
Loss from operations			(419)
Loss before taxation			(419)

6. **LOSS BEFORE TAXATION**

Loss before taxation has been arrived at after charging:

	For the three months ended 30 June		For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
Depreciation of property, plant and equipment	4	31	8	39

7. INCOME TAX EXPENSE

The expense represents enterprise income tax in the PRC.

	For the three months ended 30 June		For the six months ended 30 June	
	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)	2021 RMB'000 (Unaudited)	2020 RMB'000 (Unaudited)
PRC enterprise income tax				
Current period	–	9	–	47

PRC enterprise income tax of the Group is calculated at the applicable rate of 25% (2020: 25%) on estimated assessable profits.

The Group did not have any significant unprovided deferred taxation as at 30 June 2021 and 30 June 2020.

8. DIVIDEND

No dividend was paid during the period. The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2021 (2020: Nil).

9. LOSS PER SHARE

The calculation of the basic earnings per share for the six months ended 30 June 2021 is based on the unaudited net loss attributable to owners of the Company for the relevant period of approximately RMB1,538,000 (2020: loss of RMB466,000) and the weighted average number of 800,000,000 shares (2020: 800,000,000 shares).

Diluted loss per share is not presented as there were no potential ordinary shares outstanding during the relevant periods.

10. TRADE RECEIVABLES

Details of the aging analysis are as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
1 to 90 days	–	–
91 to 180 days	–	–
181 to 365 days	–	595
Over 365 days	401	–
	401	595

11. TRADE AND OTHER PAYABLES

The following is an aging analysis of trade and other payables presented based on the invoice date at the end of the reporting period was as follows:

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
1–90 days	–	–
91–180 days	–	–
181–365 days	–	–
Over 365 days	127	127
Trade payables	127	127
Value-added tax payable	7,264	7,264
Accrued expenses and other payables	4,761	4,716
	12,152	12,107

The fair value of the Group's trade and other payables at 30 June 2021 and 31 December 2020 approximates to the corresponding carrying amount.

12. SHARE CAPITAL

	Number of shares '000	Nominal value		Total RMB'000
		Domestic shares RMB'000	H shares RMB'000	
Registered, issued and fully paid:				
At 31 December 2020 (Audited)				
and at 30 June 2021 (Unaudited)	800,000	59,980	20,020	80,000

13. CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 30 June 2021 and 31 December 2020.

14. CAPITAL COMMITMENTS

	30 June 2021 RMB'000 (Unaudited)	31 December 2020 RMB'000 (Audited)
Capital contribution to joint ventures	5,000	5,000

15. EVENT AFTER THE REPORTING PERIOD

As at date of report, the Group has no significant events after the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Operations Review

During the six months ended 30 June 2021 (the “period under review”), the Group has been principally engaged in the business of (i) the provision of application development services and the sale of IC cards, magnetic card related equipment and application systems in the People’s Republic of China (the “PRC”) (the “Card and Related Products Business”); and (ii) the trading of liquor products in the PRC (the “Wine Business”).

The beginning of 2021 continued with the challenges brought about by the on-going epidemic (the “COVID-19 Epidemic”) associated with a novel coronavirus (the “COVID-19”), which has spread across China and other countries and adversely affected the economy, infrastructure and livelihood of the people in the PRC and worldwide. Whilst the Group’s overall operation and business for the period under review was adversely affected due to the COVID-19 Epidemic, the Company has taken the opportunity to carefully re-evaluate its existing business operations and resources while taking into account its own competitive strengths and the inevitable shift in industry and market trends in adapting to the COVID-19 situation. In addition to taking debt recovery actions with the view to strengthen the Company’s cash position, the Company during this transition period has been patiently refining its business strategies and planning on how to effectively allocate its resources when suitable business opportunities arise so as to achieve sustainable business development.

THE CARD AND RELATED PRODUCTS BUSINESS

During the period under review, the Group’s Card and Related Products Business continued to face the adverse market environment and intensified competition. As a result and coupled with the continued impact due to the COVID-19 Epidemic, no revenue (2020: RMB87,000) attributable to the Card and Related Products Business was recorded for the six months ended 30 June 2021 because the Group did not perform any contract for its application system and application development services.

THE WINE BUSINESS

The Group commenced its Wine Business in the last quarter of 2016 with a view to diversify its income source and enhance its financial performance. For furtherance of its Wine Business, the Group (i) entered into strategic partnership with Googut Wine & Spirits Co, Ltd* (歌德盈香股份有限公司) (“Googut”, together with its subsidiaries the “Googut Group”) in 2016; (ii) formed two joint venture companies respectively in the PRC and Hong Kong in 2017; and (iii) entered into a memorandum of understanding and the strategic cooperation agreement with Googut in 2017. The Googut Group is a professional and integrated operator of alcoholic beverage which has well established distribution channel and broad customer base in the PRC.

The ongoing COVID-19 Epidemic, in particular the resurgence of confirmed COVID-19 cases in China during in early 2021, has brought disruption to the wine distribution channel in China and worldwide resulting in a significant decrease in demand in wine products and change in purchasing behaviour of end-customers. As a result, no revenue attributable to the Wine Business for the six months ended 30 June 2021 (2020: approximately RMB10,067,000) and no segment profit of the Wine Business for the six months ended 30 June 2021 (2020: approximately RMB524,000) were recognised for the period under review.

In light of the above, the Board will continue to adjust its strategy and explore further business opportunities of the Group's Wine Business and review the performance of the distribution channels and make necessary adjustments as and when necessary.

Financial Review

REVENUE, COST OF SALES, GROSS PROFIT

During the period under review, the Group recorded a revenue of RMB Nil, representing a decrease of 100% as compared with the revenue of approximately RMB10,154,000 in the corresponding period of the previous year; whilst the Group's cost of sales for the six months ended 30 June 2021 also decreased by 100% to RMB Nil (2020: approximately RMB9,500,000).

The gross profit of the Group for the six months ended 30 June 2021 amounted to RMB Nil, with a decrease of 100% as compared with the gross profit of approximately RMB654,000 in the corresponding period of the previous year due to the significant decrease in revenue. The gross profit margin for the six months ended 30 June 2021 was not applicable (2020: 6.4%) as the Group did not record any revenue for the period under review due to the reason as stated above.

ADMINISTRATIVE AND OTHER OPERATING COSTS

For the six months ended 30 June 2021, no distribution and selling expenses was recorded by the Group, representing a decrease by 100% from approximately RMB2,346,000 for the corresponding period of the previous year. The decrease was mainly due to the lack of activities in distribution and sales of products during the period under review.

For the six months ended 30 June 2021, the Group's general and administrative expenses decreased by approximately 43.4% to approximately RMB1,327,000 (2020: approximately RMB2,346,000). The decrease was primarily due to continued implementation of cost control measures resulting in the decrease of staff costs, and overall decrease in corporate activities during the period under review.

For the six months ended 30 June 2021, the Group's finance cost decreased by approximately 53.1% to approximately RMB211,000 as compared to approximately RMB450,000 for the corresponding period in the previous year. These financial costs represented the interests on borrowing from independent third parties and interest on lease liabilities for the period under review.

During the period under review, the income tax expense was nil (2020: approximately RMB47,000).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Financial Position

As at 30 June 2021, the Group's net liabilities were approximately RMB30,734,000 (31 December 2020: approximately RMB27,931,000). The increase in net liabilities was mainly attributable to the decrease in the carrying amount of the Group's property, plant and equipment, the trade and other receivables and the bank balance and cash.

Current liabilities as at 30 June 2021 comprise of (a) trade and other payables of approximately RMB12,152,000 (31 December 2020: approximately RMB12,107,000); (b) income tax payable of approximately RMB2,195,000 (31 December 2020: approximately RMB2,195,000); (c) lease liabilities of approximately RMB227,000 (31 December 2020: approximately RMB301,000); (d) other borrowings of approximately RMB6,753,000 (31 December 2020: approximately RMB6,753,000); (e) amount due to a related company of approximately RMB7,464,000 (31 December 2020: approximately RMB7,464,000); (f) amount due to shareholders of approximately RMB5,191,000 (31 December 2020: approximately RMB5,191,000); and (g) amount due to a director of approximately RMB399,000 (31 December 2020: approximately RMB399,000).

Current assets as at 30 June 2021 comprise of (a) trade and other receivables and deposits of approximately RMB3,109,000 (31 December 2020: approximately RM5,671,000); and (b) bank balances and cash of approximately RMB285,000 (31 December 2020: approximately RMB470,000). The Group did not have any inventories as at 30 June 2021 (31 December 2020: RMB Nil).

CAPITAL COMMITMENTS

Details of capital commitments are set out in Note 14 to this interim report.

FINANCIAL RESOURCES

As at 30 June 2021, the Group had bank balances and cash of approximately RMB285,000. The Company intends to finance the Group's future operations, capital expenditure and other capital requirements with the existing cash and bank balances and bank facilities as and when necessary.

GEARING RATIO

The gearing ratio of the Group was not applicable as the Group had a net working capital deficiency as at 30 June 2021 (31 December 2020: Not applicable due to the Group's net working capital deficiency).

OUTLOOK

The Group's business, financial position and results of operations during the period under review was continuously being affected by the COVID-19 Epidemic.

In view of the uncertainties brought by the COVID-19 Epidemic, the Group will continue to review the operation and evaluate the performance of the Card and Related Products Business and the Wine Business.

Although it has been challenging for the Company in face of such adverse external factors impacting its business operations, the Company believed that careful reviewing and strategising during this transitional period is a key to further develop its business sustainability. In the meanwhile, the Company has also been engaging in negotiations with potential strategic or cooperative partners with business opportunities in line with the Company's business strategies. The Group will continue to patiently monitor the situation in relation to the COVID-19 Epidemic and cautiously adjust its strategy to explore further business opportunities, review the performance of its distribution channels and make necessary adjustments as and when required.

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2021, the Company had not pledged any assets for banking facilities.

FOREIGN EXCHANGE EXPOSURE

Since most of the income and expenditure of the Group were received and paid in RMB which is the local currency of the place where the Group principally operates in, the Directors do not consider that the Group was significantly exposed to any foreign currency exchange risk.

LITIGATIONS

As at 30 June 2021, there was no significant legal claims against the Group.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 30 June 2021.

SIGNIFICANT INVESTMENT HELD

The Group did not have any significant investment held as at 30 June 2021.

SUSPENSION OF TRADING

Reference is made to the announcements of the Company dated 2, 3, 11 and 17 November 2020, 11 February 2021, 11 May 2021 and 11 and 18 August 2021. The trading in the Shares on GEM of the Stock Exchange has been suspended with effect from 12 November 2020 and will remain suspended until the Company fulfills the Resumption Guidance.

DISCLOSURE OF INTERESTS

1. Directors', chief executives' and supervisors' interest in shares, underlying shares and debentures of the Company and its associated corporations

As at 30 June 2021, none of the Directors, supervisors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or required to be entered in the register pursuant to Section 352 of the SFO, or required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

2. Substantial shareholders' and other persons interests and short positions in the shares and underlying shares of the Company

So far as the Directors are aware, as at 30 June 2021, the persons or companies (not being a director, chief executive or supervisor of the Company) have interests and/or short positions in the shares or underlying shares of the Company which fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept under section 336 of the SFO are listed as follows:

Name of substantial shareholder	Nature of interest	Number and class of securities (Note 1)	Approximate percentage of shares in the same class	Approximate percentage of total registered share capital
Googut	Beneficial owner	228,240,000 domestic shares (L) (Note 2)	38.05%	28.53%
Shanghai Beiyuan Enterprises Limited* (上海北燕實業有限公司) ("Shanghai Beiyuan")	Beneficial owner	172,640,000 domestic shares (L)	28.78%	21.58%
Zheng Qi (鄭琪) (Note 3)	Interest in controlled corporation	172,640,000 domestic shares (L)	28.78%	21.58%

Name of substantial shareholder	Nature of interest	Number and class of securities (Note 1)	Approximate percentage of shares in the same class	Approximate percentage of total registered share capital
Zhang Nan	Beneficial owner	110,000,000 domestic shares (L)	18.34%	13.75%
Zhuoyu Hengtai (Beijing) Safety Equipment Company Limited ("Zhuoyu Hengtai")	Beneficial owner	58,240,000 domestic shares (L) (Note 2)	9.71%	7.28%
Shenzhen Gangao Huijin Investment Company Limited	Beneficial owner	33,800,000 domestic shares (L)	5.64%	4.23%
Guo Fan	Beneficial owner	31,460,000 domestic shares (L)	5.25%	3.93%
Princes MB Asset Management Corp.	Beneficial owner	11,416,000 H shares (L)	5.70%	1.43%

Notes:

- The letter "L" denotes the shareholders' long position in the shares of the Company.
- Based on the information provided by the relevant person(s), Googut was interested in (i) 170,000,000 domestic shares which were beneficially owned by Googut; and (ii) 58,240,000 domestic shares which were the subject matter of an equity transfer agreement dated 21 August 2019 entered into between Googut and Zhuoyu Hengtai. As at 30 June 2021, these 58,240,000 domestic shares were held by Zhuoyu Hengtai, subject to the completion of the equity transfer agreement.
- Mr. Zheng Qi owned 80% of the shares of Shanghai Baiyan. By virtue of the SFO, Mr. Zheng Qi is deemed to be interested in the shares of the Company held by Shanghai Baiyan.

* For identification purposes only

Save as disclosed above, as at 30 June 2021, the Company had not been notified by any person who had any interests and/or short positions in the shares or underlying shares of the Company which fall to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept under section 336 of the SFO.

DISCLOSURE OF INFORMATION ON DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in the information of the Directors, supervisors and chief executives are as follows:

1. Mr. Zhang Tao (a) resigned as the chief executive officer of the Company; (b) ceased to be the compliance officer of the Company for the purpose of Rule 5.19 of the GEM Listing Rules (the "Compliance Officer") and an authorised representative of the Company for the purpose of Rule 5.24 of the GEM Listing Rules (the "LR Authorised Representative"); and (c) was re-designated from an executive Director to a non-executive Director with effect from 11 May 2021.
2. Mr. Liu Jianfeng was appointed as the Compliance Officer and the LR Authorised Representative with effect from 11 May 2021.
3. Mr. Zhou Jie retired as a Supervisor with effect from 16 May 2021. Pursuant to article 13.02 of articles of association of the Company, Mr. Zhou still performs his duties as the Supervisor until a new Supervisor is elected by the shareholders of the Company at a general meeting.
4. Mr. Lang Yu retired as an executive Director with effect from the conclusion of the annual general meeting of the Company held on 30 June 2021 (the "AGM").
5. Mr. Wei Wei retired as an independent non-executive Director and ceased to be members of the audit committee and remuneration committee of the Company with effect from the conclusion of the AGM.

SHARE OPTION SCHEME

The Company has not granted or issued any option up to 30 June 2021.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the period under review was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

COMPETING INTERESTS AND CONFLICT OF INTEREST

None of the Directors or the management shareholders of the Company or their respective associates (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Company or has other conflicts of interest with the Group during the period under review.

DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") pursuant to the requirements in Rule 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by Directors. Having made specific enquiry with all Directors, the Directors confirmed that they had complied with the required standard set out in the Model Code during the six months ended 30 June 2021.

The Company has adopted a code of conduct regarding securities transactions by the relevant employees of the Group who are considered likely to be in possession of unpublished price sensitive information of the Group on no less exacting terms than the Model Code in relation to their dealings in the securities of the Company pursuant to code provision A.6.4 of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules. To the best knowledge and belief of the Directors, all relevant employees have complied with the required standard of such code.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") has reviewed with the management the accounting principles and practices adopted by the Company and discussed internal controls and financial reporting matters. The Audit Committee has also reviewed the unaudited interim results of the Company for the six months ended 30 June 2021 and is of the opinion that such statements comply with the applicable accounting standards, the GEM Listing Rules and legal requirements and that adequate disclosure have been made.

NON-COMPLIANCE WITH RULES 5.05(1) AND 5.28 OF THE GEM LISTING RULES

Following Mr. Wei Wei's retirement as an independent non-executive Director with effect from the conclusion of the AGM on 30 June 2021, the number of independent non-executive Directors falls below the minimum number required under Rule 5.05(1) of the GEM Listing Rules and the number of members of the Audit Committee falls below the minimum number required under Rule 5.28 of the GEM Listing Rules.

The Company will endeavour to identify suitable candidate to fill the vacancy within 3 months from the effective date of Mr. Wei Wei's retirement pursuant to the GEM Listing Rules. The Company will make further announcement(s) as and when appropriate.

CORPORATE GOVERNANCE

The Board has adopted the CG Code. Continuous efforts are made to review and enhance the Group's internal controls and procedures in light of changes in regulations and developments of best practices. Maintaining high standards of corporate governance practices is not only complying with the provisions but also enhancing corporate performance and accountability. The Company has complied with the CG Code throughout the six months ended 30 June 2021, except for the following deviations:

- (a) In respect of the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Zhang Tao ("Mr. Zhang") served as both the chairman of the Board (the "Chairman") and the chief executive officer of the Company (the "CEO") since the appointment of Mr. Zhang as the CEO on 8 February 2018. Due to Mr. Zhang's intention to concentrate on his own business engagement, Mr. Zhang resigned as the CEO with effect from 11 May 2021. The Company will endeavour to identify suitable candidate to fill the vacancy after the resignation of Mr. Zhang as CEO.
- (b) In respect of the code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should attend general meetings. Mr. Zhou Liang Hao did not attend the AGM due to his other business engagements.
- (c) In respect of the code provision C.1.3 of the CG Code, unless it is inappropriate to assume that the Company will continue in business, the directors should prepare the accounts on a going concern basis. The Directors are aware of material uncertainties that may cast doubt on the Company's going concern as stated in the independent auditors' report contained in the annual report of the Company for the year ended 31 December 2020 (the "2020 Annual Report") (for details please refer to the independent auditor's report set out on pages 41 to 43 of the 2020 Annual Report). In preparing the consolidated financial statements for the year ended 31 December 2020, the Directors have given careful consideration to the future liquidity of the Group and adopted the going concern in view of the effectiveness of its cost control measures, the expected recovery of trade receivables from customers or debtors, and the availability of external bank facilities, and the Group has continued to (a) implement cost control and inventory management measures to avoid incurring unnecessary cost and expenses; (b) implement debt recovery measures to strengthen the Group's cash position, (c) liaise with substantial shareholders of the Company to obtain financial assistance; and (d) liaise with external bankers to obtain bank facilities as and when necessary, as to enable it to meet its liabilities when they fall due and carry on its business without a significant impact or restrictions to its operations.

Should the Group be unable to continue as a going concern, adjustments would have to be made to the consolidated financial statements to adjust the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The consolidated financial statements for the year ended 31 December 2020 do not include any of these adjustments that would result from the failure to continue to operate as a going concern.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

INTERIM DIVIDEND

The Board does not declare an interim dividend for the six months ended 30 June 2021 (2020: Nil).

DIRECTORS

As at the date of this report, the executive Director is Mr. Liu Jianfeng; the non-executive Directors are Mr. Zhang Tao and Mr. Zhou Liang Hao; and the independent non-executive Directors are Mr. Yu Xiuyang and Mr. Chan Chun Kit.

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

Shenzhen, the PRC, 30 August 2021