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

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1715)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

FINANCIAL HIGHLIGHTS

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
Revenue *(RMB'000)*	**138,022**	98,573
Gross profit *(RMB'000)*	**79,383**	53,082
Gross profit margin *(%)*	**57.5**	53.9
Net profit for the period *(RMB'000)*	**6,822**	7,318
Earnings per share		
– Basic and diluted *(RMB cents)*	**0.55**	0.64

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Miji International Holdings Limited (the "**Company**") is pleased to announce the unaudited interim consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2018 (the "**Interim Period**"). These results have been reviewed by PricewaterhouseCoopers, the external auditor of the Group, and the Company's audit committee (the "**Audit Committee**").

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2018

		Six months ended 30 June	
		2018	2017
		RMB'000	*RMB'000*
	Notes	**(Unaudited)**	(Unaudited)
Revenue	3	**138,022**	98,573
Cost of sales	4	**(58,639)**	(45,491)
Gross profit		**79,383**	53,082
Other income		**2,083**	1,296
Other gains/(losses), net		**87**	(171)
Selling and distribution expenses	4	**(52,343)**	(28,591)
Administrative expenses	4	**(15,503)**	(9,693)
Research and development expenses	4	**(4,894)**	(6,401)
Operating profit		**8,813**	9,522
Finance income		**35**	216
Finance costs		**(952)**	(290)
Finance costs, net		**(917)**	(74)
Share of profit of an associate		**1,018**	87
Profit before income tax		**8,914**	9,535
Income tax expenses	5	**(2,092)**	(2,217)
Profit for the period		**6,822**	7,318
Profit attributable to:			
Owners of the Company		**6,170**	7,402
Non-controlling interests		**652**	(84)
		6,822	7,318

	Notes	**Six months ended 30 June** **2018** ***RMB'000*** **(Unaudited)**	2017 *RMB'000* (Unaudited)
Other comprehensive (loss)/income:			
Items that may be reclassified to profit or loss			
Currency translation differences		**(34)**	183
Other comprehensive (loss)/income for the period, net of tax		**(34)**	183
Total comprehensive income for the period		**6,788**	7,501
Total comprehensive income attributable to:			
Owners of the Company		**6,136**	7,585
Non-controlling interests		**652**	(84)
Total comprehensive income for the period		**6,788**	7,501
Earnings per share attributable to owners of the Company for the period			
Basic and diluted	6	**0.55 cents**	0.64 cents

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Notes	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
ASSETS			
Non-current assets			
Land use right and property, plant and equipment		**7,989**	7,623
Investment in an associate		**5,022**	4,925
Intangible assets		**931**	1,040
Deferred income tax assets		**–**	104
		13,942	13,692
Current assets			
Inventories		**55,761**	44,959
Trade receivables	7	**72,374**	43,205
Other receivables, deposits and prepayments		**23,367**	18,212
Cash and cash equivalents		**17,247**	61,585
		168,749	167,961
Total assets		**182,691**	181,653
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**9,328**	1
Reserves		**60,671**	63,862
		69,999	63,863
Non-controlling interests		**3,114**	4,647
Total equity		**73,113**	68,510
LIABILITIES			
Non-current liability			
Deferred income tax liabilities		**40**	–

	Notes	30 June 2018 RMB'000 (Unaudited)	31 December 2017 RMB'000 (Audited)
Current liabilities			
Trade and other payables	8	**65,371**	63,086
Borrowings		**33,000**	40,000
Amount due to an associate		**1,487**	148
Amounts due to non-controlling interests		**2,185**	2
Contract liabilities		**6,463**	–
Advance receipts from customers		**–**	5,988
Current income tax liabilities		**1,032**	3,919
		109,538	113,143
Total liabilities		**109,578**	113,143
Total equity and liabilities		**182,691**	181,653

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2018

1 BASIS OF PRESENTATION

The condensed consolidated interim financial information of the Group for the six months ended 30 June 2018 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.

The condensed consolidated interim financial information should be read in conjunction with the Prospectus of Miji International Holdings Limited dated 29 June 2018, which included the combined financial statements of the Group for the year ended 31 December 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

2 ACCOUNTING POLICIES

Except as described below, the accounting policies adopted are consistent with all the periods presented unless otherwise stated.

2.1 New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of adopting the following standards:

- HKFRS 9 Financial Instruments
- HKFRS 15 Revenue from Contracts with Customers

The following amendments to existing standards are effective to the Group for accounting periods beginning on or after 1 January 2018 but did not result in any significant impact on the results and financial position of the Group. No retrospective adjustments are required.

HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKAS 28 (Amendments)	Investment in Associates and Joint Ventures
HKAS 40 (Amendments)	Transfers of Investment Property
Annual improvement project	Annual Improvements 2014-2016 Cycle
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

The following new standards, amendments to standards and interpretations are mandatory for accounting periods beginning on or after 1 January 2019.

		Effective for accounting periods beginning on or after
HKFRS 9 (Amendments)	Prepayment Features with Negative Compensation	1 January 2019
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments	1 January 2019
HKFRS 16	Leases	1 January 2019
HKFRS 17	Insurance Contracts	1 January 2021
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate and Joint Venture	To be determined

3 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 2017 and 2018. 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 RMB13,295,000 and RMB12,951,000 of the Group are located in the PRC as at 30 June 2018 and 31 December 2017, respectively. Revenue of RMB137,345,000 and RMB97,233,000 are derived from external customers in the PRC for the six months ended 30 June 2018 and 2017.

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue		
Sales of goods	**138,022**	98,573
Timing of revenue recognition		
At a point in time	**138,022**	98,573

4 EXPENSES BY NATURE

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

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of material used	**55,483**	43,293
Auditor's remuneration		
– Audit services	**295**	180
Legal and professional fee	**558**	398
Amortisation and depreciation	**892**	877
Employee benefit expenses (including directors' emoluments)	**16,051**	15,413
Consignment fee	**27,177**	8,748
Operating lease rentals	**1,680**	1,447
Decoration expenses	**1,462**	703
Advertising and promotion expenses	**5,493**	5,440
Listing expenses	**6,044**	2,176
Product consultation fee	**720**	1,057
Sundry expenses of consignment stores	**2,566**	1,231
Travelling and entertainment expenses	**2,074**	1,512
Office expenses	**1,578**	1,017
Repair and maintenance expenses	**1,072**	564
Transportation expenses	**2,796**	1,219
Others	**5,438**	4,901
Total cost of sales, selling and distribution expenses, research and development expenses and administrative expenses	**131,379**	90,176

5 INCOME TAX EXPENSES

	Six months ended 30 June	
	2018	2017
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current income tax	**1,996**	2,123
Deferred income tax	**96**	94
	2,092	2,217

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. The estimated average annual tax rate used for the six months ended 30 June 2018 is 23.5%, compared to 23.2% for the six months ended 30 June 2017.

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 2018 and 2017. The Group can claim an extra 50% 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 years in which they are incurred.

6 EARNINGS PER SHARE

a) Basic

	Six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company *(RMB)*	**6,170,000**	7,402,000
Weighted average number of ordinary shares in issue	**1,124,999,906**	1,124,999,901
Basic earnings per share *(RMB cents)*	**0.55**	0.64

The weighted average number of ordinary shares for such purpose has been retrospectively adjusted for the effects of the issue of Shares in connection with the reorganisation and the capitalisation of shares.

b) Diluted

Diluted earnings per share were the same as the basic earnings per share as there were no potential dilutive ordinary shares in existence during the six months ended 30 June 2018 and 2017.

7 TRADE RECEIVABLES

At 30 June 2018 and 31 December 2017, the ageing analysis of the trade receivables, net of provision, based on invoice date is as follows:

	30 June 2018	31 December 2017
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Trade debtors analysed by invoice date:		
1–30 days	**58,325**	37,621
31–60 days	**2,714**	1,714
61–90 days	**4,717**	255
Over 90 days	**6,618**	3,615
	72,374	43,205

8 TRADE PAYABLES

At 30 June 2018 and 31 December 2017, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	30 June 2018	31 December 2017
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
1–30 days	**21,688**	24,325
31–60 days	**6,491**	5,887
61–90 days	**3,782**	3,915
Over 90 days	**1,679**	126
	33,640	34,253

9 DIVIDENDS

No dividend was declared by the Company during the six months ended 30 June 2018 and 2017.

10 EVENTS AFTER THE BALANCE SHEET DATE

On 16 July 2018, pursuant to the initial public offering, the Company issued a total of 375,000,000 shares at the price of HK$0.30 per share.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW AND OUTLOOK

The Group develops, manufactures and sells premium kitchen appliances to middle-class and upper-middle class customers. According to the research report prepared by China Insights Consultancy Limited ("**CIC**"), the Group was the largest premium radiant stove manufacturer and supplier in the PRC in 2017 in terms of the retail sales value of the PRC's premium radiant stove market.

The Group's products mainly include radiant and induction hobs and stoves. Its core brands are "Miji Design" (德國米技), "Miji Home" (米技生活) and "Miji Pro" (米技商用). For the manufacturing of its hobs and stoves, the Group has two factories located in Shanghai, the PRC and one production workshop in Germany with an aggregate gross floor area of approximately 9,100 sq.m. All of the Group's hobs and stoves comply with the relevant safety standards and mandatory registration requirements in the PRC and Germany.

The Group's products are mainly sold in the PRC. 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. It also sells some products in Germany through Amazon Germany.

For the Interim Period, the Group's revenue increased by approximately 40.0% to RMB138.0 million as compared with RMB98.6 million for the six months ended 30 June 2017. The Group's net profit for the Interim Period (excluding the impact of listing expenses) also increased by approximately 35.5% to RMB12.9 million as compared with RMB9.5 million for the six months ended 30 June 2017.

Going forward, the Group's business growth will be driven by (i) an expanding base of middle-class consumers; (ii) increasing adoption of western-style kitchen appliances and stronger health awareness; (iii) expanding online and offline channels; and (iv) increasing demand for well-decorated residential units in the PRC.

According to the research report prepared by CIC, it is expected that the retail sales value of premium radiant stoves will increase from RMB1,312.1 million in 2018 to RMB2,434.3 million in 2022, representing a compound annual growth rate of 16.7%.

In order to capture the potential market opportunities, the Group will continue to focus on the research and development of premium kitchen appliances, the expansion of its sales channels, and the devotion of more resources on marketing activities to promote its brand and products.

FINANCIAL REVIEW

Revenue

Revenue by product categories

The Group derives its revenue from the sales of (i) radiant hobs and stoves; (ii) induction hobs and stoves; (iii) pots and pans; and (iv) other small kitchen appliances and kitchen cabinets. Radiant hobs and stoves is the Group's major product type, contributing over 70% of our total revenue for the Interim Period. The Group's total revenue for the Interim Period amounted to approximately RMB138.0 million.

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

	Six months ended 30 June			
	2018		2017	
	RMB'000	***% of total revenue***	*RMB'000*	*% of total revenue*
Hobs and stoves (Radiant)	**105,698**	**76.6**	71,455	72.5
Hobs and stoves (Induction)	**11,517**	**8.3**	10,419	10.6
Pots and pans	**13,324**	**9.7**	10,352	10.5
Others *(Note)*	**7,483**	**5.4**	6,347	6.4
Total	**138,022**	**100.0**	98,573	100.0

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

Revenue by geographical regions

During the Interim Period, the Group's revenue was substantially derived in the PRC. Set out below is a breakdown of revenue by geographical region and the revenue generated from each region as a percentage of our revenue for the Interim Period:

	Six months ended 30 June			
	2018		2017	
	RMB'000	***% of total revenue***	*RMB'000*	*% of total revenue*
The PRC	**137,345**	**99.5**	97,233	98.6
Germany	**677**	**0.5**	1,340	1.4
Total	**138,022**	**100.0**	98,573	100.0

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 platform 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			
	2018		**2017**	
	RMB'000	***% of total revenue***	*RMB'000*	*% of total revenue*
Direct Sales				
Consignment stores	**30,406**	**22.0**	29,790	30.2
Corporate clients	**7,062**	**5.1**	18,413	18.7
Television platform	**56,720**	**41.1**	15,392	15.6
Subtotal	**94,188**	**68.2**	63,595	64.5
Distributors				
Online platform	**33,039**	**23.9**	25,009	25.4
Physical sales locations	**8,132**	**5.9**	7,186	7.3
Television platform	**2,663**	**2.0**	2,783	2.8
Subtotal	**43,834**	**31.8**	34,978	35.5
Total	**138,022**	**100**	98,573	100

For the Interim Period, the Group's direct sales revenue from television platform increased by 2.7 times to RMB56.7 million from RMB15.4 million for the six months ended 30 June 2017. The significant increment was mainly because the Group allocated more resources on the direct sales through television platform.

Gross profit and gross profit margin

The Group recorded gross profit margin of 57.5% for the Interim Period as compared with 53.9% for the six months ended 30 June 2017. 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			
	2018		**2017**	
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin
	RMB'000	***%***	*RMB'000*	*%*
Hobs and stoves (Radiant)	**60,821**	**57.5**	38,104	53.3
Hobs and stoves (Induction)	**6,538**	**56.8**	5,549	53.3
Pots and pans	**7,989**	**60.0**	6,109	59.0
Others *(Note)*	**4,035**	**53.9**	3,320	52.3
Total	**79,383**	**57.5**	53,082	53.9

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

Other income

Other income mainly includes government grant and sundry income. The Group recorded other income of RMB2.1 million for the Interim Period as compared with RMB1.3 million for the six months ended 30 June 2017. The increase was primarily attributed to the increase in discretionary government grant received during the Interim Period.

Other gains and losses

Other gains and losses mainly comprised exchange differences and gain/loss on disposal of property, plant and equipment. The Group recorded other gains of RMB87,000 for the Interim Period as compared with other losses of RMB171,000 for the six months ended 30 June 2017.

Selling and distribution expenses

Selling and distribution expenses mainly represent consignment fee for the Group's direct sales through consignment stores and television platform, 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 increased by approximately 83.1% to RMB52.3 million from RMB28.6 million for the six months ended 30 June 2017 because of an increase in sales through television platform. Television platform charges the Group high consignment fees to cover their operation and production costs.

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, amortisation of land use right and intangible assets, listing expenses and other miscellaneous administrative expenses. Administrative expenses for the Interim Period increased by approximately 60% to RMB15.5 million from RMB9.7 million for the six months ended 30 June 2017. The increase in administrative expenses for the Interim Period was primarily attributed to the recognition of non-recurring listing expenses of approximately RMB6.0 million.

Research and development expenses

Along with the Group's business development and sales growth, the Group devoted more resources into the development of new products. Research and development expenses for the Interim Period decreased by approximately 23.5% to RMB4.9 million from RMB6.4 million for the six months ended 30 June 2017.

Finance income

Finance income represents bank interest income. For the Interim Period, the Group's finance income amounted to approximately RMB35,000 as compared with RMB216,000 for the six months ended 30 June 2017.

Finance costs

For the Interim Period, the Group's finance costs amounted to approximately RMB1.0 million as compared with RMB0.3 million for the six months ended 30 June 2017. The increase in financial costs was primarily attributed to the increase in bank borrowings drawn during the Interim Period.

Income tax expenses

For the Interim Period, the Group's income tax expenses amounted to approximately RMB2.1 million as compared with RMB2.2 million for the six months ended 30 June 2017. Our effective income tax rate for the Interim Period slightly increased to 23.5% from 22.5% for the six months ended 30 June 2017.

Net profit

As a result of the above factors, the Group's net profit for the Interim Period was RMB6.8 million, representing a decrease of 6.8% as compared with RMB7.3 million for the six months ended 30 June 2017. Net profit margin for the Interim Period also decreased to 4.9% from 7.4% for the six months ended 30 June 2017. Excluding listing expenses of RMB6.0 million, our net profit for the Interim Period would have been RMB12.9 million, representing an increase of 35.5% from RMB9.5 million (excluding listing expenses of RMB2.2 million) for the six months ended 30 June 2017.

Dividend

The Board does not recommend 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 2018, the Group had net current assets of approximately RMB59.2 million (31 December 2017: RMB54.8 million), cash and cash equivalents amounted to approximately RMB17.2 million (31 December 2017: RMB61.6 million) and bank borrowings amounted to approximately RMB33.0 million (31 December 2017: RMB40.0 million). The Group's cash and cash equivalents and bank borrowings as at 30 June 2018 were mainly denominated in RMB, with bank borrowings subject to fixed interest rates of approximately 5.2% per annum.

As at 30 June 2018, the Group had a current ratio of 1.5 times (31 December 2017: 1.5 times) and gearing ratio of 0.5 (calculated by dividing total debt by total equity) (31 December 2017: 0.6).

As at 30 June 2018 and 31 December 2017, the Group did not have any available unutilised banking facilities.

CAPITAL COMMITMENTS

As at 30 June 2018 and 31 December 2017, the Group did not have any significant capital commitments.

CONTINGENT LIABILITIES

As at 30 June 2018, the Group did not have any material contingent liabilities or guarantees.

PLEDGE OF ASSETS

As at 30 June 2018, the Group pledged its land and building to secure its bank borrowings of approximately RMB23 million.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Interim Period, the Group did not have any material acquisitions and disposals of subsidiaries, associates or joint ventures.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

As at 30 June 2018, the Group did not make any significant investments.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group set out its future plans in its prospectus dated 29 June 2018 (the "**Prospectus**"). As part of its future plans, the Group will expand its sales network by establishing showrooms in major cities of the PRC and increasing the number of consignment stores. The Group will also devote more resources into research and development to enhance its product portfolio and add additional functions to its existing products. To enhance the value the Group and its shareholders, the Group will also consider potential investment opportunities when they arise.

FOREIGN EXCHANGE RISKS

Most of the Group's monetary assets and liabilities are denominated in RMB and the Group also conducts its business transactions principally in RMB. The exchange risk exposure of the Group is limited. The Group did not enter into any foreign exchange hedging instruments during the Interim Period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2018, the Group had a total of 277 employees (31 December 2017: 286 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 (the "**IPO**"), net of underwriting commissions and other relevant expenses, amounted to approximately HK$76.2 million. The Group will apply such proceeds in accordance with the section headed "Future plans and use of proceeds" set out in the Prospectus.

The use of the net proceeds from the Listing Date up to the date of this announcement had been applied as follows:

	Planned use of net proceeds *(approximately)*	**Utilised net proceeds from the Listing Date to the date of this announcement** *(approximately)*	**Unutilised net proceeds as at the date of this announcement** *(approximately)*	**Expected timeline for the utilisation of unutilised net proceeds from IPO**
Establish showrooms in major cities of the PRC	HK$24.5 million	–	HK$24.5 million	HK$24.5 million to be utilised by 30 June 2021
Repayment of bank loans	HK$18.2 million	–	HK$18.2 million	RMB10.6 million and to be utilised by March 2019; and RMB7.6 million to be utilised by April 2019
Expand and strengthen sales and marketing capacities	HK$18.1 million	–	HK$18.1 million	HK$18.1 million to be utilised by 30 June 2021
Develop and diversify product portfolio of hobs and stoves	HK$2.7 million	–	HK$2.7 million	HK$2.7 million to be utilised by 30 June 2020
Conduct project of 米技電爐具智能化服務平臺 (Establishment of Smart Service Platform for Miji Electric stoves*)	HK$5.3 million	–	HK$5.3 million	HK$5.3 million to be utilised by 30 June 2020
General working capital	HK$7.4 million	HK$0.1 million	HK$7.3 million	HK$7.4 million to be utilised by 31 December 2018

OTHER INFORMATION

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

Since the Shares were listed on the Main Board of the Stock Exchange on 16 July 2018, the Company was not required to keep any register under Part XV of the Securities and Futures Ordinance ("**SFO**") as at 30 June 2018.

As at the date of this announcement, 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 cooperation	900,000,000 (L)	60%
Mr. Walter Ludwig Michel ("**Mr. Michel**") *(Note 3)*	Interest of spouse	900,000,000 (L)	60%

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 (L)	100%
Mr. Michel *(Note 3)*	Interest of spouse	1 (L)	100%

Notes:

1. The letter "L" denotes long position of the shares.

2. The issued shares of Wide Big is wholly-owned by Madam Maeck. Accordingly, Madam Maeck is deemed to be interested in the 900,000,000 ordinary shares of the Company held by Wide Big by virtue of the SFO.

3. Mr. Michel is the spouse of Madam Maeck. Accordingly, Mr. Michel is deemed to be interested in the 900,000,000 ordinary shares of the Company held by Madam Maeck through Wide Big by virtue of the SFO.

Save as disclosed above, none of the Directors or chief executive of the Company and/or any of their respective associates had any interests or short positions in any shares and underlying shares in, and debentures of, the Company or any associated corporations as at the date of this announcement, 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 announcement, at no time from the Listing Date up to the date of this announcement 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

Since the Shares were listed on the Main Board of the Stock Exchange on 16 July 2018, Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO were not applicable to the Company and the substantial shareholders as at 30 June 2018.

As at the date of this announcement, 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	900,000,000 (L)	60%
Haitong Dynamic Multi-Tranche Investment Fund III S.P. ("**Haitong**"), a segregated portfolio of Haitong Global Investment SPC III ("**Haitong Funds Company**") *(Note 3)*	Beneficial owner	168,750,000 (L)	11.25%

Notes:

1. The letter "L" denotes long position of the shares.

2. The issued shares of Wide Big is wholly-owned by Madam Maeck who is deemed to be interested in the shares held by Wide Big by virtue of the SFO.

3. Haitong is a segregated portfolio of Haitong Funds Company, which is an exempted company incorporated with limited liability and registered as a separated portfolio company in the Cayman Islands. Haitong International Asset Management (HK) Limited (formerly known as Hai Tong Asset Management (HK) Limited) (the "**Haitong Manager**") has been managing the funds and assets of Haitong for institutional and private clients. Haitong had defined investment objectives and mandates to invest in a wide range of companies. Investors of the funds were required to effectively delegate, without recourse, the investment decisions and voting powers of the Shares to the Haitong Manager. The Haitong Manager has no other connection with the Company.

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

SHARE OPTION SCHEME

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

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

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 from the Listing Date up to the date of this announcement.

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 2018 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 2018 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 Model Code was not applicable to the Company during the Interim Period as the shares of the Company were not yet listed on the Stock Exchange as at 30 June 2018. 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 from the Listing Date to the date of this announcement.

CORPORATE GOVERNANCE

The code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Listing Rules were not applicable to the Company for the Interim Period as the shares of the Company were not yet listed on the Stock Exchange as at 30 June 2018. Except for code provision A.2.1, the Company has complied with the code provisions set out in the CG Code from the Listing Date up to the date of this announcement.

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

Shares of the Company were successfully listed on the Stock Exchange on 16 July 2018.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (http://www.mijiholdings.com). The interim report of the Company for the six months ended 30 June 2018 will be dispatched to shareholders of the Company and published on the aforementioned websites in due course.

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

Hong Kong, 24 August 2018

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

** For identification purpose only*