MIKO INTERNATIONAL HOLDINGS LIMITED
米 格 國 際 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1247)

UPDATE ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Reference is made to the announcement of Miko International Holdings Limited (the "**Company**") together with its subsidiaries (the "**Group**") dated 30 March 2020 (the "**2019 Annual Results Announcement**") in connection with the unaudited annual results for the year ended 31 December 2019 (the "**2019 Unaudited Annual Results**"). Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the 2019 Annual Results Announcement.

AUDITORS' AGREEMENT ON THE ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Board of the Company announced that the Group's auditors, HLB Hodgson Impey Cheng Limited have completed their audit of the annual results of the Group for the year ended 31 December 2019 (the "**2019 Audited Results**") in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), including the financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto as set out in the 2019 Annual Results Announcement.

The overall 2019 Audited Annual Results remain substantially the same as the 2019 Unaudited Annual Results, except for the major changes with details set out below:

(a) the impairment losses recognised on intangible assets is adjusted upward by RMB14.9 million as a result of indication for impairment and re-assessment on estimation of recoverable amount in respect of computer software.

(b) the derecognition of deferred tax assets amounted to RMB1.9 million is made.

The following set forth the audited consolidated statement of financial position of the Group as at 31 December 2019, the audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 31 December 2019, the relevant corresponding figures shown in the 2019 Unaudited Annual Results and the relevant changes between audited and the unaudited figures (the Notes shown below correspond to the relevant paragraphs set out above):

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019 (Expressed in Renminbi)

	Notes	**2019** *RMB'000* **(Audited)**	**2019** *RMB'000* **(Unaudited)**	Change *RMB'000*
Turnover		**166,031**	**166,031**	–
Cost of sales		**(136,558)**	**(136,558)**	–
Gross profit		**29,473**	**29,473**	–
Other revenue		**1,089**	**1,089**	–
Other net loss		**–**	**–**	–
Share of results from an associate		**239**	**239**	–
Written down on inventories		**(29,458)**	**(29,458)**	–
Bad debts written off on trade receivables		**(31,018)**	**(31,018)**	–
Reversal of expected loss on trade receivables, net		**9,296**	**9,296**	–
Impairment loss recognised on goodwill		**(27,712)**	**(27,712)**	–
Impairment loss recognised on intangible assets	(a)	**(22,815)**	**(7,960)**	(14,855)
Loss on the remeasurement of asset classified as held for sale		**(4,725)**	**(4,725)**	–
Selling and distribution expenses		**(138,028)**	**(138,028)**	–
Administrative and other operating expenses		**(33,996)**	**(33,996)**	–
Loss on derecognition of convertible bonds		**(1,217)**	**(1,217)**	–
Loss from operations		**(248,872)**	**(234,017)**	(14,855)
Finance costs		**(7,517)**	**(7,517)**	–
Loss before taxation		**(256,389)**	**(241,534)**	(14,855)
Income tax expenses	(b)	**(1,904)**	**–**	(1,904)
Loss for the year attributable to shareholders of the Company		**(258,293)**	**(241,534)**	(16,759)
Other comprehensive income/(loss) for the year				
Item that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of overseas subsidiaries		**2,014**	**2,014**	–
Total comprehensive loss for the year attributable to shareholders of the Company		**(256,279)**	**(239,520)**	(16,759)
Loss per share ***(RMB cents)***				
– Basic and diluted		**(26)**	**(24)**	(2)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019 (Expressed in Renminbi)

	Notes	2019 RMB'000 (Audited)	2019 RMB'000 (Unaudited)	Change RMB'000
Non-current assets				
Property, plant and equipment		**61,963**	**61,963**	–
Intangible assets	(a)	**2,811**	**17,666**	(14,855)
Lease prepayments		**–**	**–**	–
Right-of-use assets		**2,501**	**2,501**	–
Deposits for purchase of property, plant and equipment		**1,005**	**1,005**	–
Goodwill		**–**	**–**	–
Deferred tax assets	(b)	**–**	**1,904**	(1,904)
Investment in an associate		**46,676**	**46,676**	–
		114,956	**131,715**	(16,759)
Current assets				
Inventories		**49,897**	**49,897**	–
Trade receivables		**67,781**	**67,781**	–
Prepayments, deposits and other receivables		**39,117**	**39,117**	–
Fixed deposits at banks with original maturity over three months		**–**	**–**	–
Cash and cash equivalents		**32,102**	**32,102**	–
		188,897	**188,897**	–
Asset classified as held for sale		**26,300**	**26,300**	–
		215,197	**215,197**	–

	Notes	2019 RMB'000 (Audited)	2019 RMB'000 (Unaudited)	Change RMB'000
Current liabilities				
Trade and other payables		**38,781**	**38,781**	–
Bank loans		**45,000**	**45,000**	–
Convertible bonds		**–**	**–**	–
		83,781	**83,781**	–
Net current assets		**131,416**	**131,416**	–
Total assets less current liabilities		**246,372**	**263,131**	(16,759)
Non-current liabilities				
Deferred tax liabilities		**1,300**	**1,300**	–
Convertible bonds		**13,503**	**13,503**	–
		14,803	**14,803**	–
Net assets		**231,569**	**248,328**	(16,759)
Equity				
Share capital		**7,833**	**7,833**	–
Reserves		**223,736**	**240,495**	(16,759)
Total equity		**231,569**	**248,328**	(16,759)

The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on the 2019 Annual Results Announcement or this announcement.

PUBLICATION OF ANNUAL REPORT

The Company expects to publish its annual report for the year ended 31 December 2019 on or before 15 May 2020. The 2019 annual report of the Company will be despatched to shareholders of the Company and published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.redkids.com.

On behalf of the Board
Miko International Holdings Limited
Ding Peiji
Chairman

Hong Kong, 7 May 2020

As at the date of this announcement, the executive directors of Company are Mr. Ding Peiji, Mr. Ding Peiyuan and Ms. Ding Lizhen; and the independent non-executive directors of the Company are Mr. Hung Cho Sing, Mr. Chan Wai Wong and Mr. Wu Shiming.