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MI MING MART HOLDINGS LIMITED

彌明生活百貨控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8473)

**INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018**

CHARACTERISTICS OF THE 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 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.

*This announcement, for which the directors (the “**Directors**”) of Mi Ming Mart Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the 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 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.*

FINANCIAL HIGHLIGHTS

For the six months ended 30 September 2018, operating results of the Company and its subsidiaries (collectively referred to as the “**Group**”) were as follows:

- the Group recorded a revenue of approximately HK\$69.1 million for the six months ended 30 September 2018 (six months ended 30 September 2017: HK\$55.7 million), representing an increase of approximately 24.2% as compared to the corresponding period in 2017.
- the Group recorded a gross profit of approximately HK\$41.8 million for the six months ended 30 September 2018 (six months ended 30 September 2017: HK\$33.7 million), representing an increase of approximately 24.2% as compared to the corresponding period in 2017.
- profit attributable to the owners of the Company for the six months ended 30 September 2018 amounted to approximately HK\$10.6 million (six months ended 30 September 2017: HK\$5.6 million), representing an increase of approximately 89.3% as compared to the corresponding period in 2017.
- the Board has declared an interim dividend of HK0.9 cent per share for the six months ended 30 September 2018 (six months ended 30 September 2017: Nil), in aggregate amounting to approximately HK\$10.1 million (six months ended 30 September 2017: Nil).

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Group for the six months ended 30 September 2018 together with the audited comparative figures for the corresponding period in 2017 are set out as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2018

		Three months ended 30 September		Six months ended 30 September	
		2018	2017	2018	2017
	<i>Notes</i>	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(unaudited)	(unaudited)	(unaudited)	(audited)
Revenue	3	37,623	30,365	69,101	55,650
Cost of sales		(14,700)	(12,153)	(27,288)	(21,994)
Gross profit		22,923	18,212	41,813	33,656
Other income, gains and losses		(170)	111	(444)	147
Selling and distribution expenses		(8,424)	(7,230)	(16,571)	(15,081)
Administrative and operating expenses		(5,879)	(4,811)	(11,975)	(9,740)
Interest expense on bank borrowings		–	(53)	–	(92)
Other expense		–	(550)	–	(550)
Listing expenses		–	(693)	–	(1,246)
Profit before taxation	5	8,450	4,986	12,823	7,094
Income tax expense	6	(1,346)	(1,044)	(2,206)	(1,485)
Profit and total comprehensive income for the period		7,104	3,942	10,617	5,609
Earnings per share					
– basic (Hong Kong cent)	7	0.63	0.47	0.95	0.67

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018

		As at 30 September 2018 HK\$'000 (unaudited)	As at 31 March 2018 HK\$'000 (audited)
	Notes		
Non-current assets			
Property, plant and equipment	9	2,497	2,489
Deferred tax assets		456	456
Other non-current assets		3,187	2,225
		<u>6,140</u>	<u>5,170</u>
Current assets			
Inventories		10,373	9,161
Trade receivables	10	1,543	1,061
Deposits, prepayments and other receivables		3,572	4,370
Pledged bank deposits		3,215	3,215
Bank balances and cash		91,873	83,090
		<u>110,576</u>	<u>100,897</u>
Current liabilities			
Trade payables	11	936	1,606
Accrued expenses and other payables		3,345	4,864
Contract liabilities		973	—
Tax payable		2,446	1,198
		<u>7,700</u>	<u>7,668</u>
Net current assets		<u>102,876</u>	<u>93,229</u>
Net assets		<u>109,016</u>	<u>98,399</u>
Capital and reserves			
Share capital	12	11,200	11,200
Reserves		97,816	87,199
Total equity		<u>109,016</u>	<u>98,399</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2018

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2017 (audited)	–	–	–	26,553	26,553
Profit and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>5,609</u>	<u>5,609</u>
At 30 September 2017 (audited)	<u>–</u>	<u>–</u>	<u>–</u>	<u>32,162</u>	<u>32,162</u>
At 1 April 2018 (audited)	11,200	91,927	(37,316)	32,588	98,399
Profit and total comprehensive income for the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>10,617</u>	<u>10,617</u>
At 30 September 2018 (unaudited)	<u>11,200</u>	<u>91,927</u>	<u>(37,316)</u>	<u>43,205</u>	<u>109,016</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2018

	Six months ended 30 September	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(audited)
NET CASH FROM OPERATING ACTIVITIES	<u>9,972</u>	<u>6,388</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,308)	(1,591)
Interest received	<u>119</u>	<u>–</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,189)</u>	<u>(1,591)</u>
FINANCING ACTIVITIES		
Bank borrowing raised	–	7,615
Repayment of bank borrowings	–	(6,431)
Interest paid	<u>–</u>	<u>(69)</u>
NET CASH FROM FINANCING ACTIVITIES	<u>–</u>	<u>1,115</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	8,783	5,912
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>83,090</u>	<u>13,620</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	<u>91,873</u>	<u>19,532</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND REORGANISATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company's registered office address is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands and principal place of business in Hong Kong is Room 1622, 16th Floor, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong.

In preparing for the initial listing of the shares of the Company (the “**Shares**”) on the GEM of the Stock Exchange, the companies now comprising the Group underwent the group reorganisation (the “**Reorganisation**”) to rationalise the group structure. As a result of the Reorganisation, the Company became the holding company of the Group on 23 January 2018. Details of the Reorganisation are more fully explained in the section headed “History, Reorganisation and Corporate Structure” of the prospectus of the Company dated 30 January 2018 (the “**Prospectus**”). The Group resulting from the Reorganisation is regarded as a continuing entity.

The audited condensed consolidated statements of profit or loss and other comprehensive income of the Group for the six months ended 30 September 2017 have been prepared on the basis as if the group structure upon completion of the Reorganisation has already been in existence, taking into account the respective date of establishment or incorporation of the different entities comprising the Group, as appropriate.

The Company is an investment holding company and the Group is principally engaged in the retail of multi-brand beauty and health products in Hong Kong. The condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the same as the functional currency of the Company.

The Shares have been listed on the GEM of the Stock Exchange (the “**Listing**”) since 12 February 2018 (“**Listing Date**”).

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). In addition, the condensed consolidated financial statements include the applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

Other than changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2018 are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year end 31 March 2018.

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2018 for the preparation of the Group's unaudited condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)–Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which result in changes in accounting policies, amounts reported and/or disclosures as described below.

2.1 Impacts and changes in accounting policies on application of HKFRS 15 “Revenue from Contracts with Customers”

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 “Revenue” (“**HKAS 18**”), HKAS 11 “Construction Contracts” and the related interpretations.

The Group recognises revenue from selling and distributing a wide range of beauty and health products at a point in time when the control of goods are transferred to the customers.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening accumulated losses (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and the related interpretations.

2.1.1 Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group’s unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Customer loyalty program

The Group operates a customer loyalty program, which allows customers to accumulate award credits when they purchase the Group's products. The award credits can be redeemed for discounts on products in a limited period. Prior to adoption of HKFRS 15, the customer loyalty program offered by the Group resulted in the allocation of a portion of the transaction price to the customer loyalty program using the fair value of award credits granted for which they could be redeemed and recognition of deferred revenue in relation to award credits granted but not yet redeemed or expired. The Group concluded that under HKFRS 15, the customer loyalty program gives rise to a separate performance obligation because they provide a material right to the customer and allocated a portion of the transaction price to the loyalty credits awarded to customers based on the relative stand-alone selling price. The Group determined that, considering the relative stand-alone selling prices, the amount allocated to the loyalty program compared with that before adoption of HKFRS 15 was not significant and thus, no adjustment was made to the opening retained profits as at 1 April 2018.

The Group has performed an assessment on the impact of the adoption of HKFRS 15 and concluded that the revenue from selling and distributing a wide range of beauty and health products are recognised at a point in time when the control of the products are transferred to the customers which is the same as the revenue recognition used under HKAS 18. Accordingly, the application of HKFRS 15 does not have material impact on the opening retained profits of the Group as at 1 April 2018.

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

		Carrying amounts previously reported at 31 March 2018	Reclassification	Carrying amounts under HKFRS 15 at 1 April 2018*
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
CURRENT LIABILITIES				
Accrued expenses and other				
payables	(a)	4,864	(468)	4,396
Contract liabilities	(a)	–	468	468

* The amounts in this column are before the adjustments from the application of HKFRS 9.

Note:

- (a) As at 1 April 2018, advances from customers of HK\$108,000 and deferred income of HK\$360,000 in respect of the contracts with customers previously included in accrued expenses and other payables were reclassified to contract liabilities.

The following table summarises the impacts of applying HKFRS 15 on the Group's unaudited condensed consolidated statement of financial position as at 30 September 2018 for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the unaudited condensed consolidated statement of financial position

	As reported	Adjustment	Amounts without application of HKFRS 15
	HK\$'000	HK\$'000	HK\$'000
CURRENT LIABILITIES			
Accrued expenses and other payables	3,345	973	4,318
Contract liabilities	973	(973)	–

2.2 Impacts and changes in accounting policies on application of HKFRS 9 “Financial Instruments”

In the current period, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 Financial Instruments: Recognition and Measurement (“HKAS 39”).

2.2.1 Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with HKFRS 15.

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss (“FVTPL”).

The directors of the Company reviewed and assessed the Group’s financial assets and liabilities as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that the Group’s financial assets and liabilities are continues to be measured at amortised cost upon adoption of HKFRS 9, which is the same as the method of measurement used under HKAS 39 except for impairment under ECL model for financial assets.

Impairment under ECL model

The Group assesses for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, deposits and other receivables, pledged bank deposits and bank balances and cash). The assessment is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors and measured using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread or the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss of given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss of given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account.

At 1 April 2018, the directors of the Company have reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9 and have concluded that no material financial impact exists, and therefore no adjustment to the opening retained profits at 1 April 2018 has been recognised.

3. REVENUE

The revenue of the Group arose from sales of products and consignment commission for the six months ended 30 September 2018. All the Group's revenue is recognised at a point in time.

	Three months ended 30 September		Six months ended 30 September	
	2018 <i>HK\$'000</i> (unaudited)	2017 <i>HK\$'000</i> (unaudited)	2018 <i>HK\$'000</i> (unaudited)	2017 <i>HK\$'000</i> (audited)
Sales of goods				
Retail stores	32,924	29,533	62,063	53,939
Online shop	3,092	540	3,874	1,101
Consignment sales	216	37	339	93
Distributors	1,284	62	2,584	186
Subtotal	37,516	30,172	68,860	55,319
Consignment Commission				
Retail stores	106	192	240	330
Online shop	1	1	1	1
Subtotal	107	193	241	331
Total	37,623	30,365	69,101	55,650

4. SEGMENT INFORMATION

The Group has one operating segment based on information reported to the chief operating decision maker of the Group (the executive directors of the Company) (the “CODM”), for the purpose of resource allocation and performance assessment, which is the aggregate results of the Group including all income, expenses (excluding the other expense and listing expenses) and tax charges. As a result, there is only one operating and reporting segment of the Group.

The following is an analysis of the Group’s revenue and results by its operating segment – marketing, selling and distributing a wide range of beauty and health products.

	Three months ended 30 September		Six months ended 30 September	
	2018 <i>HK\$’000</i> (unaudited)	2017 <i>HK\$’000</i> (unaudited)	2018 <i>HK\$’000</i> (unaudited)	2017 <i>HK\$’000</i> (audited)
Revenue – external sales	<u>37,623</u>	<u>30,365</u>	<u>69,101</u>	<u>55,650</u>
Segment results	7,104	5,185	10,617	7,405
Less:				
Other expense	–	(550)	–	(550)
Listing expenses	<u>–</u>	<u>(693)</u>	<u>–</u>	<u>(1,246)</u>
Profit for the period	<u><u>7,104</u></u>	<u><u>3,942</u></u>	<u><u>10,617</u></u>	<u><u>5,609</u></u>

The accounting policies of the operating segment are the same as the Group’s accounting policies. Segment results represents profit earned from the operating segment without allocation of other expense and listing expenses. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

Revenue from major products and service

The following is an analysis of the Group's revenue from its major products and service:

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(audited)
Skincare	27,217	22,646	49,468	40,865
Cosmetics	2,932	3,328	6,457	5,572
Food and health supplements	4,891	2,226	8,628	5,102
Other products	2,476	1,972	4,307	3,780
Consignment sales service	107	193	241	331
	<u>37,623</u>	<u>30,365</u>	<u>69,101</u>	<u>55,650</u>
Total	<u>37,623</u>	<u>30,365</u>	<u>69,101</u>	<u>55,650</u>

Geographical information

The Group's operations are located in Hong Kong. All of the Group's non-current assets are located in Hong Kong and approximately 99% of the Group's revenue from external customers during the six months ended 30 September 2018 are generated in Hong Kong (six months ended 30 September 2017: 99%).

5. PROFIT BEFORE TAXATION

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(audited)
Profit for the period has been arrived at after charging (crediting):				
Directors' remuneration	1,074	909	2,148	1,818
Other staff salaries and allowances	4,894	4,455	9,758	8,617
Retirement benefit scheme contributions, excluding those of directors	227	203	465	389
Total employee benefits expenses	6,195	5,567	12,371	10,824
Depreciation of property, plant and equipment	615	762	1,299	1,432
Cost of inventories recognised as expenses (included in cost of sales)	14,631	12,147	27,190	21,980
Exchange losses (gains)	228	(97)	590	(124)
Interest income	(45)	–	(119)	–

6. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(audited)
Current tax:				
Hong Kong Profits Tax	1,346	1,044	2,206	1,485

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both periods.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Earnings				
Profit for the period attributable to owners of the Company for the purpose of calculation of basic earnings per share	<u>7,104</u>	<u>3,942</u>	<u>10,617</u>	<u>5,609</u>
	Three months ended 30 September		Six months ended 30 September	
	2018	2017	2018	2017
	'000	'000	'000	'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Number of shares				
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	<u>1,120,000</u>	<u>840,000</u>	<u>1,120,000</u>	<u>840,000</u>

The number of ordinary shares for the purpose of calculation of basic earnings per share for the six months ended 30 September 2017 is determined on the assumption that the reorganisation and the capitalisation issue are effective on 1 April 2017. Details of reorganisation and the capitalisation issue were disclosed in the Group's consolidated financial statements for the year ended 31 March 2018.

No diluted earnings per share for both periods was presented as there were no potential ordinary shares in issue for both periods.

8. DIVIDEND

At a meeting of the board of directors held on 8 November 2018, the directors of the Company have declared an interim dividend of HK0.9 cent per share for the six months ended 30 September 2018 (six months ended 30 September 2017: Nil). The proposed interim dividend was not recognised as dividend payable in the unaudited condensed consolidated financial statements for the six months ended 30 September 2018.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2018, the Group incurred total expenditures of approximately HK\$1,308,000 (unaudited) (six months ended 30 September 2017: HK\$1,591,000 (audited)) on the acquisition of property, plant and equipment.

10. TRADE RECEIVABLES

The following is an aging analysis of trade receivables presented based on the revenue recognition date at the end of the reporting period.

	As at 30 September 2018 <i>HK\$'000</i> (unaudited)	As at 31 March 2018 <i>HK\$'000</i> (audited)
Within 30 days	1,260	1,056
31 – 60 days	283	5
	<u>1,543</u>	<u>1,061</u>

The following is an aging analysis of trade receivables based on revenue recognition date which are past due but not impaired at the end of the reporting period.

	As at 30 September 2018 <i>HK\$'000</i> (unaudited)	As at 31 March 2018 <i>HK\$'000</i> (audited)
Within 30 days	<u>2</u>	<u>4</u>

The Group's revenue is generated mainly from cash, credit card sales and distribution sales. The average credit period on credit cards sales and distribution sales is 2 days and 60 days, respectively. The balance of trade receivables within due dates mainly represents trade receivables arising from credit card sales and distribution sales. No default of settlement is expected by reference to past experiences. There are no significant overdue debtors at the end of the reporting period.

11. TRADE PAYABLES

The following is an aging analysis of trade payables based on the invoice date at the end of the reporting period.

	As at 30 September 2018 HK\$'000 (unaudited)	As at 31 March 2018 HK\$'000 (audited)
Within 30 days	903	1,451
31 – 60 days	33	155
	<u>936</u>	<u>1,606</u>

12. SHARE CAPITAL

	Notes	Number of shares	HK\$'000
Ordinary shares of HK\$0.01 each			
Authorised:			
At 4 November 2016 (date of incorporation)			
and 31 March 2017	(a)	38,000,000	380
Increase in authorised share capital of HK\$0.01 each	(c)	<u>1,962,000,000</u>	<u>19,620</u>
At 31 March 2018 (audited) and 30 September 2018 (unaudited)		<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:			
At 4 November 2016 (date of incorporation)			
and 31 March 2017	(a)	1	–
Issue of shares at par for the Reorganisation	(b)	1	–
Capitalisation issue	(d)	839,999,998	8,400
Issue of shares upon Listing	(e)	<u>280,000,000</u>	<u>2,800</u>
At 31 March 2018 (audited) and 30 September 2018 (unaudited)		<u>1,120,000,000</u>	<u>11,200</u>

Notes:

- (a) On 4 November 2016, the Company was incorporated in the Cayman Islands with an authorised share capital of HK\$380,000 divided into 38,000,000 shares of a par value of HK\$0.01 each. One share of HK\$0.01 was issued and allotted to the initial subscriber, which was subsequently transferred to Prime Era Holdings Limited (“**Prime Era**”).
- (b) On 23 January 2018, one share of the Company was issued to Prime Era at par value for the Reorganisation.
- (c) On 23 January 2018, the sole shareholder of the Company passed a written resolution pursuant to which the authorised share capital of the Company was increased from HK\$380,000 to HK\$20,000,000 divided into 2,000,000,000 ordinary shares with a par value of HK\$0.01 each.
- (d) On 23 January 2018, the directors of the Company were authorised to capitalise an amount of approximately HK\$8,400,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 839,999,998 shares.
- (e) On 12 February 2018, the shares of the Company were listed on the Stock Exchange. 280,000,000 ordinary shares at an offer price of HK\$0.27 were issued through share offer.
- (f) The new shares issued rank pari passu in all respects.

13. RELATED PARTY DISCLOSURES

- (a) During the period, the Group entered into the following transactions with its related parties:

Names of related parties	Relationship	Nature of transactions	Three months ended		Six months ended	
			30 September		30 September	
			2018	2017	2018	2017
			HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (audited)
Ms. Yuen Mi Ming Erica ("Ms. Erica Yuen")	A director of the Company	Sales of finished goods	8	6	23	18
Mr. Lam Yue Yeung Anthony ("Mr. Anthony Lam")	A non-executive director of the Company and a close family member of Ms. Erica Yuen	Sales of finished goods	–	3	–	12
Ms. Yuen Mimi Mi Wahng	A director of the Company	Sales of finished goods	3	10	7	10
Ms. Chan Sze Lai Celine	An independent non-executive director of the Company	Sales of finished goods	–	–	1	–

- (b) Compensation of key management personnel of the Group

	Three months ended 30 September		Six months ended 30 September	
	2018	2017	2018	2017
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(audited)
Salaries, fees and other allowances	1,310	1,098	2,621	2,207
Performance related incentive payments	34	29	68	75
Retirement benefit scheme contributions	18	18	36	36
	<u>1,362</u>	<u>1,145</u>	<u>2,725</u>	<u>2,318</u>

The remuneration of directors and other key management personnel of the Company are determined having regard to the performance of the individuals.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is a multi-brand retailer, which operates nine retail stores under the brand of “MI MING MART” (“彌明生活百貨”) in Hong Kong. The Group offers a wide range of beauty and health products, which can mainly be categorised into (i) skincare products; (ii) cosmetics products; and (iii) food and health supplements.

The Group’s philosophy is “Setting off for harmless living” (“從無害生活出發”). To uphold this philosophy, the Group strives to select and offer quality products which do not contain any ingredients that, in its view, would affect or impair the health of its customers. The Group targets to serve and offer its products to customers who are ingredient-conscious and aspire to the betterment of their health.

The Group mainly sells products at its retail stores, with a portion through its online shop at www.mimingmart.com and other online distribution channels, consignment sales and distributors. The Group also acts as the consignee for some suppliers on a consignment basis whereby the Group is entitled to consignment commission based on the amount of sales of the consignor’s products and the predetermined percentage as agreed by the consignor and the Group.

The Directors believe that the Group’s success is attributable to the brand image of “MI MING MART” (“彌明生活百貨”), which emphasises its offer of quality beauty and health products selected by its senior management team, reinforcing its customers’ confidence in the Group’s products and building up its customers’ loyalty to the Group’s brand. The Group believes its marketing strategy, established network of retail stores and the quality products offered by the Group will continue to strengthen its brand image and customer base.

The Group aims to expand its sales network and product portfolio to enhance its competitiveness and maintain its leading position in the small and medium segment of the skincare and cosmetics multi-brand specialty retailers market in Hong Kong. Going forward, the Group will gradually carry out the implementation plans as set out in the Prospectus. With its comprehensive knowledge in both the skincare and cosmetics market and the health supplements market in Hong Kong, the Directors believe that the Group is well-positioned to capture the growth.

FINANCIAL REVIEW

Revenue

The Group's revenue increased to approximately HK\$69.1 million for the six months ended 30 September 2018 from approximately HK\$55.7 million for the corresponding period in 2017, representing an increase of approximately 24.2%. The Directors believe that the increase in revenue was primarily due to (i) the business generated from the Group's two new retail stores in Tuen Mun and Tseung Kwan O, which did not operate for a full period in the corresponding period in 2017; (ii) increase in sales volume as well as average selling price of our skincare products and food and health supplements during the six months ended 30 September 2018 as compared to that for the corresponding period in 2017; (iii) increase in online sales as a result of the launch of a new online sales platform for selling the newly-launched products or set of products; and (iv) increase in sales to distributors.

Cost of sales

The Group's cost of sales primarily consists of cost of inventories sold, commission expenses, and incoming shipping, freight and delivery charges. The cost of sales increased to approximately HK\$27.3 million for the six months ended 30 September 2018 from approximately HK\$22.0 million for the six months ended 30 September 2017, representing an increase of approximately 24.1%. The Group's cost of sales increased along with the growth in revenue for the six months ended 30 September 2018.

Gross profit and gross profit margin

The Group's gross profit increased to approximately HK\$41.8 million for the six months ended 30 September 2018 from approximately HK\$33.7 million for the six months ended 30 September 2017, representing an increase of approximately 24.2%, whilst the Group's gross profit margin remained steady approximately 60.5% for the respective periods.

Selling and distribution expenses

The Group's selling and distribution expenses increased to approximately HK\$16.6 million for the six months ended 30 September 2018 from approximately HK\$15.1 million for the six months ended 30 September 2017, representing an increase of approximately 9.9%. The increase in the Group's selling and distribution expenses was primarily due to the net effect of (i) the increase in rent and rental related expenses of approximately HK\$1.5 million as a result of the additional rental payments based on the increased sales achieved by certain retail stores pursuant to the terms of tenancy agreements and our retail stores in Quarry Bay, Tuen Mun and Tseung Kwan O, which did not operate for a full period in the corresponding period in 2017; (ii) increase in salaries, allowances and commission of approximately HK\$0.6 million as a result of employing more sales staff during the six months ended 30 September 2018 as compared to that for the corresponding period in 2017; and (iii) decrease in marketing expenses of approximately HK\$0.9 million as the Group spent less on marketing campaign during the six months ended 30 September 2018 as compared to that for the corresponding period in 2017.

Administrative and operating expenses

Administrative and operating expenses increased to approximately HK\$12.0 million for the six months ended 30 September 2018 from approximately HK\$9.7 million for the six months ended 30 September 2017, representing an increase of approximately 22.9%. Such increase was mainly due to (i) increase in audit and compliance consultancy fee of approximately HK\$1.3 million upon the Listing; (ii) increase in staff costs of approximately HK\$0.6 million relating to increase in the number of headcount to support the Group's new retail stores as mentioned above; and (iii) the increase in directors' emoluments of approximately HK\$0.3 million due to an increased number of directors.

Interest expense on bank borrowings

There was no interest expense on bank borrowings incurred during the six months ended 30 September 2018 (six months ended 30 September 2017: HK\$92,000).

Other expense

There was no other expense incurred during the six months ended 30 September 2018 (six months ended 30 September 2017: HK\$550,000).

Listing expenses

There was no listing expenses incurred during the six months ended 30 September 2018 (six months ended 30 September 2017: HK\$1.2 million).

Income tax expense

Income tax expense of approximately HK\$2.2 million and HK\$1.5 million was recognised for the six months ended 30 September 2018 and six months ended 30 September 2017, respectively. Our effective tax rate decreased from approximately 20.9% for the six months ended 30 September 2017 to approximately 17.2% for the six months ended 30 September 2018 mainly attributable to less tax non-deductible expenses incurred during the six months ended 30 September 2018 as compared to those for the corresponding period in 2017.

Profit and total comprehensive income for the period attributable to owners of the Company

As a result of the foregoing, the profit attributable to owners of the Company increased from approximately HK\$5.6 million for the six months ended 30 September 2017 to approximately HK\$10.6 million for the six months ended 30 September 2018.

LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY

	As at 30 September 2018	As at 31 March 2018
Current ratio (<i>Note</i>)	14.4	13.2

Note: Current ratio is calculated by dividing current assets by current liabilities as at the end of respective year/period.

The current ratio of the Group as at 30 September 2018 was 14.4 times as compared to that of 13.2 times as at 31 March 2018. The increase in current ratio was mainly due to increase in bank balances and cash as a result of the receipts of cash generated from operating activities of approximately HK\$10.0 million.

The Group's management closely monitors the Group's cash flow position to ensure the Group has sufficient working capital available to meet the operational needs. The management takes into account the trade receivables, trade payables, cash on hand, administrative and capital expenditures to prepare the cash flow forecast to forecast the Group's future financial liquidity.

The Group generally financed its operations through a combination of cash generated from operations and banking borrowing. After the Listing, the Group expects to finance the capital expenditure and operational requirements through cash generated from operations, net proceeds from the share offer of the Company's shares in Listing and bank borrowing.

FOREIGN EXCHANGE EXPOSURE

As at 30 September 2018, the Group had certain bank balances and payables denominated in foreign currencies, mainly Australian dollar and United States dollar, which exposed the Group to foreign currency risk. Our Directors consider that our policy to maintain sufficient Australian dollar for payment of purchases for about six months and keeping of about two months' inventory, with reference to our historical sales, will provide us with a sufficient buffer to minimise our exposure to the fluctuation in Australian dollar.

SIGNIFICANT INVESTMENTS

As at 30 September 2018, there was no significant investment held by the Group (31 March 2018: Nil).

CAPITAL STRUCTURE

The Shares were successfully listed on GEM on 12 February 2018. There has been no change in the capital structure of the Company since then. The equity of the Company only comprises of ordinary shares.

As at the date of this announcement, the issued share capital of the Company was HK\$11.2 million and the number of issued ordinary shares was 1,120,000,000 of HK\$0.01 each.

CAPITAL COMMITMENT

As at 30 September 2018, the Group did not have any significant capital commitments (31 March 2018: Nil).

CONTINGENT LIABILITIES

As at 30 September 2018, the Group did not have any material contingent liabilities (31 March 2018: Nil).

DIVIDEND

At a meeting of the board of directors held on 8 November 2018, the directors of the Company have declared an interim dividend of HK0.9 cent per share for the six months ended 30 September 2018 (six months ended 30 September 2017: Nil). The proposed interim dividend was not recognised as dividend payable in the unaudited condensed consolidated financial statements for the six months ended 30 September 2018.

EMPLOYEES AND REMUNERATION POLICIES

The Group recognises the importance of good relationship with employees. The Directors believe that the working environment and benefits offered to employees have contributed to building good staff relations and retention. The Group is committed to employee development and has implemented various training programs to strengthen their management, industry and product knowledge. The Directors believe the training program will equip the employees with skills and knowledge to enhance our services to the customers.

The remuneration policy of our Group to reward our employees and executives is based on their performance, qualifications, competence displayed and market comparable. Remuneration package typically comprises salary, sales commission, contribution to pension schemes and discretionary bonuses relating to the profit of the relevant company. The remuneration package of our executive Directors and the senior management is, in addition to the above factors, linked to the return to the shareholders. The remuneration committee will review annually the remuneration of all our executive Directors and senior management to ensure that it is attractive enough to attract and retain a competent team of executive members.

A remuneration committee is set up for reviewing the Group's emolument policy and structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual duties and responsibilities, individual performance and comparable market practices.

As at 30 September 2018, the Group employed a total of 75 (As at 30 September 2017: 70) full-time employees and 17 (As at 30 September 2017: 14) part-time employees. The staff costs, including Directors' emoluments, of the Group for the six months ended 30 September 2018 was approximately HK\$12.4 million (For the six months ended 30 September 2017: HK\$10.8 million). The Company maintains the share option scheme for the purpose of providing incentives and rewards to the participants for their contributions to the Group. As at the date of this announcement, no option has been granted under the share option scheme.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group had no material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 September 2018.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2018, the Group did not have other plans for material investments and capital assets.

COMPARISON OF BUSINESS PLAN WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the Prospectus with actual business progress up to 30 September 2018.

Business plan up to 30 September 2018 as set out in Prospectus

Actual progress up to 30 September 2018

Expand our retail network by opening more retail stores and refurbishing our existing retail stores

- Open three retail stores, one in Kowloon Bay, one in Mongkok and one in Tai Po

During the period under review, the Group has received several tenancy offers from landlords in Kowloon Bay, Mongkok and Tai Po. However, due to the customer traffic, our management considered that locations of the premises as mentioned above are not suitable. The Group is still in the process of identifying alternative premises.

Originally, the Group planned to open a second retail store in Causeway Bay in December 2018. However, in view of cost effectiveness, the Group has changed the original shop opening plan and relocated its retail store in Causeway Bay to a bigger premises which is double in size in the same district in June 2018 with the capacity to serve more customers.

- Recruitment of 15 new staff members

Owing to the postponed shop expansion plan in Kowloon Bay, Mongkok and Tai Po as mentioned above, the Group did not recruit additional staff members originally planned for these retail stores.

As mentioned above, our retail store in Causeway Bay has been relocated to a bigger premises, we have recruited one additional staff member to cater for the manpower required.

**Business plan up to 30 September 2018
as set out in Prospectus**

Actual progress up to 30 September 2018

- | | |
|---|---|
| – Recruitment of a shop expansion manager and payment of his/her salaries | The Group has recruited a shop expansion manager. |
| – Refurbishing three existing retail stores | The Group has refurbished three existing retail stores. |

Acquire a warehouse

- | | |
|---|--|
| – Partial payment for acquiring the warehouse | <p>The Group had identified a suitable premises, however, we were not able to negotiate successfully with the landlord.</p> <p>The Group is in the process of identifying a suitable premises according to our expected size and budget.</p> |
|---|--|

Expand our product portfolio and explore new suppliers

- | | |
|--|---|
| – Recruitment of a product expansion manager and payment of his/her salaries | The Group has recruited a product expansion manager. As the net proceed is received from the share offer during Listing is higher than our expectation, the Group has recruited additional staff members to support the product expansion work. |
| – Attending trade fairs, exhibitions and conducting feasibility studies and research on new products and markets | During the period under review, representatives of the Group have attended trade fairs in Korea and the United States. |

**Business plan up to 30 September 2018
as set out in Prospectus**

Actual progress up to 30 September 2018

Enhance our marketing strategies by expanding and exploring more effective online marketing strategies, transforming our website as a lifestyle information portal, revamping our online shop and deploying more mainstream media

- Deploying mainstream advertising through traditional media such as television, outdoor advertising, newspapers, magazines, advertising in mass transit railway stations and mobile phone applications
- Hiring third parties to transform our website into an information portal and revamping our online shop

The Group has deployed its advertisement through traditional media and online channels.

The Group has recruited a contractor to perform research and development for transforming our website into an information portal and revamping our online shop.

Conduct system improvement and integration

- Purchase of new integrated system
- System maintenance and point-of-sale system hosting

The Group has paid a deposit for acquiring a new integrated system. The implementation of the new system is expected to be completed in late 2018.

During the period under review, the Group has deployed funds for system maintenance and point-of-sale system hosting.

USE OF PROCEEDS

An analysis of the planned usage of net proceeds up to 30 September 2018 and the actual utilisation are set out below:

	Planned use of net proceeds up to 30 September 2018 (adjusted on a pro rata basis on the actual net proceeds) HK\$'000	Actual usage of net proceeds up to 30 September 2018 HK\$'000
Expand our retail network by opening more retail stores and refurbishing our existing retail stores	5,565	1,863
Acquire a warehouse	13,181	—
Expand our product portfolio and explore new suppliers	486	353
Enhance our marketing strategies by expanding and exploring more effective online marketing strategies, transforming our website as a lifestyle information portal, revamping our online shop and deploying more mainstream media	3,187	2,980
Conduct system improvement and integration	1,103	509
General working capital	802	802

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2018, the interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the “SFO”) held by the Directors and chief executives of the Company which had to be 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 were taken or deemed to have taken under such provisions of the SFO) or which as entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are set out as follows:

(a) Interests in the Shares of the Company

Name of Directors	Capacity/ nature of interest	Number of Shares interested (Note 1)	Percentage of shareholding in the Company
Ms. Erica Yuen (Note 2)	Interest in controlled corporation	780,000,000 (L)	69.6%
Mr. Anthony Lam (Note 3)	Interest of spouse	780,000,000 (L)	69.6%

(b) Interests in the Shares of the associated corporation of the Company

Name of Director	Capacity/ nature of interest	Name of associated corporation	Number of share interested (Note 1)	Percentage of shareholding in the associated corporation
Ms. Erica Yuen	Beneficial owner	Prime Era	1 (L)	100%

Notes:

- (1) The letter “L” denotes long position in the relevant share interests.
- (2) Prime Era held direct interests of 780,000,000 Shares. Prime Era is wholly and beneficially owned by Ms. Erica Yuen. Therefore, Ms. Erica Yuen is deemed to be interested in all the Shares held by Prime Era under the SFO.
- (3) Mr. Anthony Lam is the spouse of Ms. Erica Yuen. Mr. Anthony Lam is deemed to be interested in the same number of Shares in which Ms. Erica Yuen is interested by virtue of the SFO.

Save as disclosed above, as at 30 September 2018, none of the Directors or chief executive of the Company has any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations which was required to be 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 were taken or deemed to have taken under the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2018, the following persons (not being a Director or chief executive of the Company) had or were deemed or taken to have an interest or short position in the Shares or underlying Shares 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 would be recorded in the register of the Company required to be kept under section 336 of the SFO who, are directly or indirectly interested in 5% or more of the Shares:

Name of shareholder	Capacity/ nature of interest	Number of Shares held (Note 1)	Percentage of shareholding in the Company
Prime Era (Note 2)	Beneficial owner	780,000,000 (L)	69.6%

Notes:

- (1) The letter “L” denotes the long position in the share interest.
- (2) Prime Era is wholly and beneficially owned by Ms. Erica Yuen. She is deemed to be interested in all the Shares held by Prime Era under the SFO.

Save as disclosed above, as at 30 September 2018, none of the Directors is aware of any other person (other than the Directors or chief executive of the Company as disclosed in the section headed “Directors’ and chief executives’ interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations” above) who had any interest or short position in the Shares or underlying Shares which would have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, who are directly or indirectly interested in 5% or more of the Shares.

SHARE OPTION SCHEME

The Company has a share option scheme (the “**Share Option Scheme**”) which was approved and adopted by the written resolutions of the then sole shareholder of the Company passed on 23 January 2018. No share option has been granted under the Share Option Scheme since its adoption.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (“**Required Standard of Dealings**”) as the code for securities transactions by the Directors. Further, the Company had made specific enquiry with all Directors and each of them has confirmed his/her compliance with the Required Standard of Dealings during the six months ended 30 September 2018.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

During the six months ended 30 September 2018, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had any interest in a business which competed with or might compete with the business of the Group.

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to achieving good corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has applied the principles and practices as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules and has adopted the CG Code as the code to govern the Company’s corporate governance practices.

During the six months ended 30 September 2018, the Company has complied with the CG Code except for the following deviation:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Ms. Erica Yuen is the founder, chairlady, executive director and the chief executive officer of the Company. The Board believes that it is in the best interest of the Group to have Ms. Erica Yuen taking up both roles for effective management and business development of the Group. Therefore, the Directors consider that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed the Company's listed securities during the six months ended 30 September 2018.

INTERESTS OF THE COMPLIANCE ADVISER

Save for the compliance adviser agreement entered into between the Company and Kingston Corporate Finance Limited, the compliance adviser of the Company (the "**Compliance Adviser**"), dated 23 January 2017, neither the Compliance Adviser nor any of its directors, employees or close associates has any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of the GEM Listing Rules.

RELEVANT DATES FOR INTERIM DIVIDEND

Ex-entitlement date	22 November 2018 (Thursday)
Latest time to lodge share transfer	4:30 p.m., 23 November 2018 (Friday)
Closure of register of members	From 26 November 2018 (Monday) to 27 November 2018 (Tuesday), both dates inclusive
Record date	27 November 2018 (Tuesday)
Payment date	14 December 2018 (Friday)

In order to qualify for the abovementioned interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 23 November 2018.

AUDIT COMMITTEE

The Company established an audit committee ("**Audit Committee**") with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Ms. Tsang Wing Yee, Ms. Chan Sze Lai Celine and Ms. Shum Wai Sze. Ms. Tsang Wing Yee possesses the appropriate professional accounting qualifications and related financial management expertise as required in Rule 5.05(2) of the GEM Listing Rules, and she serves as the chairlady of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent review of the effectiveness of the Group's internal audit function, financial reporting process, internal control and risk management systems, and to oversee the audit process. The Audit Committee had reviewed the unaudited condensed consolidated financial statements and interim report for the six months ended 30 September 2018.

By order of the Board
Mi Ming Mart Holdings Limited
Yuen Mi Ming Erica
*Chairlady, Chief Executive Officer
and Executive Director*

Hong Kong, 8 November 2018

As at the date of this announcement, the executive Directors are Ms. Yuen Mi Ming Erica (Chairlady) and Ms. Yuen Mimi Mi Wahng; the non-executive Directors are Mr. Cheung Siu Hon Ronald and Mr. Lam Yue Yeung Anthony and the independent non-executive Directors are Ms. Chan Sze Lai Celine, Ms. Shum Wai Sze and Ms. Tsang Wing Yee.