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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)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 31 DECEMBER 2019**

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.*

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months and nine months ended 31 December 2019 together with the unaudited comparative figures for the corresponding period in 2018 are set out as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2019

		For the three months ended 31 December		For the nine months ended 31 December	
		2019 <i>HK\$'000</i> (unaudited)	2018 <i>HK\$'000</i> (unaudited)	2019 <i>HK\$'000</i> (unaudited)	2018 <i>HK\$'000</i> (unaudited)
	<i>Notes</i>				
Revenue	3	36,181	38,466	105,576	107,567
Cost of sales		(12,648)	(14,513)	(38,424)	(41,801)
Gross profit		23,533	23,953	67,152	65,766
Other income, gains or losses		101	87	451	(357)
Selling and distribution expenses		(8,247)	(7,474)	(25,712)	(24,045)
Administrative and operating expenses		(8,991)	(5,684)	(26,475)	(17,659)
Finance costs		(172)	–	(599)	–
Profit before taxation	4	6,224	10,882	14,817	23,705
Income tax expense	5	(1,566)	(1,871)	(3,707)	(4,077)
Profit and total comprehensive income for the period		4,658	9,011	11,110	19,628
Earnings per share					
– basic (Hong Kong cents)	6	0.42	0.80	0.99	1.75

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2019

	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 2018 (audited)	11,200	91,927	(37,316)	32,588	98,399
Profit and total comprehensive income for the period	–	–	–	19,628	19,628
Dividend recognised as distribution (<i>Note 7</i>)	<u>–</u>	<u>(10,080)</u>	<u>–</u>	<u>–</u>	<u>(10,080)</u>
At 31 December 2018 (unaudited)	<u>11,200</u>	<u>81,847</u>	<u>(37,316)</u>	<u>52,216</u>	<u>107,947</u>
At 1 April 2019 (audited)	11,200	81,847	(37,316)	60,215	115,946
Profit and total comprehensive income for the period	–	–	–	11,110	11,110
Dividend recognised as distribution (<i>Note 7</i>)	<u>–</u>	<u>(6,720)</u>	<u>–</u>	<u>–</u>	<u>(6,720)</u>
At 31 December 2019 (unaudited)	<u>11,200</u>	<u>75,127</u>	<u>(37,316)</u>	<u>71,325</u>	<u>120,336</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND REORGANISATION

The Company was incorporated on 4 November 2016 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 16th Floor, Guangdong Tours Centre, 18 Pennington Street, Hong Kong.

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 unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is same as the functional currency of the Company. These condensed consolidated financial statements have not been audited.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited 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. In addition, the unaudited condensed consolidated financial statements include the applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

The condensed consolidated financial statements are unaudited, but have been reviewed by the audit committee ("Audit Committee") of the Company and were approved for issue by the Board.

The condensed consolidated financial statements have been prepared on the historical cost basis.

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 condensed consolidated financial statements for the nine months ended 31 December 2019 are the same as those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 March 2019.

Application of new and amendments to HKFRSs

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current period:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as disclosed below, the application of the new and amendments to HKFRSs in the current period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

2.1 Changes in accounting policies

The Group applied HKFRS 16 with a date of initial application on 1 April 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below. The Group has adopted HKFRS 16 retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new and amended requirements with respect to lease accounting are therefore recognised in the opening statement of financial position on 1 April 2019.

(a) *Adjustments recognised on adoption of HKFRS 16*

Prior to the adoption of HKFRS 16, commitments under operating leases for future periods were not recognised by the Group as liabilities. Operating lease rental expenses were recognised in the consolidated statement of profit or loss and other comprehensive income over the lease period on a straight-line basis. Upon adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of HKAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate as of 1 April 2019. The difference between the present value and the total remaining lease payments represents the cost of financing. Such finance cost will be charged to the consolidated statement of profit or loss and other comprehensive income in the period in which it is incurred using effective interest method.

The associated right-of-use assets were measured at the amount equal to the initial measurement of lease liabilities, adjusted by certain items as set out in note 2.1(b). The right-of-use assets were recognised in the consolidated statement of financial position. Depreciation was charged on a straight-line basis over the shorter of the asset’s useful life or the lease term.

(b) *Accounting policies adopted since 1 April 2019*

Until the year ended 31 March 2019, payments made under operating leases were recognised as an expense on a straight-line basis over the lease term. From 1 April 2019 onwards, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets is recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

3. REVENUE

The revenue of the Group arose from sales of products and consignment commission for the three months and nine months ended 31 December 2019.

An analysis of the Group's revenue recognised at a point in time for the three months and nine months ended 31 December 2019 are as follows:

	For the three months ended 31 December		For the nine months ended 31 December	
	2019	2018	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sales of goods				
Retail stores	32,705	33,775	96,440	95,838
Online shop	2,495	3,177	5,429	7,051
Consignment sales	377	558	2,101	897
Distributors	548	843	1,390	3,427
	<u>36,125</u>	<u>38,353</u>	<u>105,360</u>	<u>107,213</u>
Subtotal				
Consignment Commission				
Retail stores	55	112	214	352
Online shop	1	1	2	2
	<u>56</u>	<u>113</u>	<u>216</u>	<u>354</u>
Subtotal				
Total	36,181	38,466	105,576	107,567

4. PROFIT BEFORE TAXATION

	For the three months ended 31 December		For the nine months ended 31 December	
	2019	2018	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:				
Directors' remuneration	1,074	1,074	3,222	3,222
Other staff salaries and allowances	5,294	4,777	15,837	14,535
Retirement benefit scheme contributions, excluding those of Directors	224	223	717	688
Total employee benefits expenses	6,592	6,074	19,776	18,445
Depreciation of property, plant and equipment	1,082	586	2,680	1,885
Depreciation of right-of-use assets	2,800	–	9,073	–
Cost of inventories recognised as expenses (included in cost of sales)	12,392	14,264	37,244	41,454
Interest income	(266)	(256)	(889)	(375)
Exchange loss	249	288	626	878
Legal and professional fees for the proposed transfer of listing of the shares of the Company from GEM to Main Board of the Stock Exchange (“ Proposed Transfer of Listing ”)	2,649	–	7,345	–
Finance costs:				
– interest expense on lease liabilities	172	–	599	–

5. INCOME TAX EXPENSE

	For the three months ended 31 December		For the nine months ended 31 December	
	2019	2018	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax:				
Hong Kong Profits Tax	<u>1,566</u>	<u>1,871</u>	<u>3,707</u>	<u>4,077</u>
Total	<u><u>1,566</u></u>	<u><u>1,871</u></u>	<u><u>3,707</u></u>	<u><u>4,077</u></u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations in Hong Kong for the years of assessment commencing on or after 1 April 2018 will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The two-tiered profits tax rates regime is applicable to the Group for the nine months ended 31 December 2019 and only one subsidiary in the Group could elect for the two-tiered rates regime and the election, once made, is irrevocable.

The Directors of the Company are in the view that the impact of the two-tiered profits tax rates regime on the Group’s deferred tax position is not material.

6. EARNINGS PER SHARE

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

	For the three months ended 31 December		For the nine months ended 31 December	
	2019	2018	2019	2018
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings				
Earnings attributable to owners of the Company for the purposes of calculation of basic earnings per share	<u>4,658</u>	<u>9,011</u>	<u>11,110</u>	<u>19,628</u>
	For the three months ended 31 December		For the nine months ended 31 December	
	2019	2018	2019	2018
	'000	'000	'000	'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
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>1,120,000</u>	<u>1,120,000</u>	<u>1,120,000</u>

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

7. DIVIDEND

	Nine months ended 31 December	
	2019	2018
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interim dividend for the nine months ended 31 December 2018, paid – HK0.9 cent per ordinary share	–	10,080
Final dividend for the year ended 31 March 2019, paid – HK0.6 cent per ordinary share	<u>6,720</u>	<u>–</u>
	<u>6,720</u>	<u>10,080</u>

The Directors of the Company did not recommend the payment of any interim dividend for the nine months ended 31 December 2019 (nine months ended 31 December 2018: HK0.9 cent per share).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is a multi-brand retailer, which operates ten 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.

Driven by the Group’s philosophy “defining clean beauty” (“擇善美麗”), the Group endeavours to select and offer products that do not contain ingredients that, in its view, would adversely affect or impair the health of its customers and users. The Group targets to serve and offer our 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 channel, consignment sales and distributors. The Group also acts as the consignee for some suppliers on a consignment basis whereby the Group is entitled to the 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 multibrand specialty retailers market in Hong Kong. Going forward, the Group will gradually carry out the implementation plans as set out in the prospectus of the Company dated 30 January 2018. Despite the growth of the Group’s revenue after the listing of the Company’s shares on GEM of the Stock Exchange on 12 February 2018, in view of (i) the current challenging retail market conditions as a whole in Hong Kong, as general consumers are more cautious in spending due to the uncertainties of the impact of the Sino-US Trade War on the economy in both the PRC and Hong Kong; (ii) the mass protests in Hong Kong in recent months, which have taken place in several major shopping districts and impacted customer traffic in these districts; and (iii) the recent outbreak of the 2019 novel coronavirus could further drag on economic sentiment and activities related to consumption and tourism in Hong Kong, the Directors will closely monitor the retail market environment in Hong Kong to ensure that business expansion is conducted in a prudent and cost effective manner.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased slightly by approximately HK\$2.0 million or approximately 1.9% from approximately HK\$107.6 million for the nine months ended 31 December 2018 to approximately HK\$105.6 million for the nine months ended 31 December 2019. The Directors believe that the decrease in revenue was primarily due to the net effect of (i) decrease in revenue generated from the sales of the Group's products through its online shop of approximately HK\$1.6 million as a result of the decrease in the revenue generated from the Group's online promotional events whereby the customers would collect the promoted products from designated retail stores after making the online purchase; (ii) decrease in revenue generated from the sales of the Group's products to its distributors of approximately HK\$2.0 million mainly due to the decrease in sales to the distributors engaged in the distribution of certain electronic skincare devices primarily attributable to the shift in focus of the Group's marketing activities away from such products; and (iii) increase in revenue generated from consignment sales of approximately HK\$1.2 million primarily due to increase in consignment sales through a new in-flight shop consignee in Hong Kong which commenced in October 2018.

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 Group's cost of sales decreased by approximately HK\$3.4 million or approximately 8.1% from approximately HK\$41.8 million for the nine months ended 31 December 2018 to approximately HK\$38.4 million for the nine months ended 31 December 2019. Such decrease in cost of sales was mainly attributable to the increase in sales of (i) products for which the Group had exclusive distribution rights; and (ii) the Group's own "POME" branded products, both of which had a relatively lower cost of sales as compared to the non-exclusive products.

Gross profit and gross profit margin

The Group's gross profit increased to approximately HK\$67.2 million for the nine months ended 31 December 2019 from approximately HK\$65.8 million for the nine months ended 31 December 2018, representing an increase of approximately 2.1%, whilst its gross profit margin increased to approximately 63.6% for the nine months ended 31 December 2019 from approximately 61.1% for the nine months ended 31 December 2018. The increase in the gross profit margin for the nine months ended 31 December 2019 was mainly attributable to increase in sales of (i) products for which the Group had exclusive distribution rights; and (ii) the Group's own "POME" branded products, both of which had a relatively lower cost of sales as compared to the non-exclusive products and therefore a higher gross profit margin.

Selling and distribution expenses

The Group's selling and distribution expenses increased to approximately HK\$25.7 million for the nine months ended 31 December 2019 from approximately HK\$24.0 million for the nine months ended 31 December 2018, representing an increase of approximately 6.9%. The increase in the Group's selling and distribution expenses was primarily due to (i) the aggregate increase in rental expenses and depreciation of right-of-use assets of approximately HK\$0.7 million mainly due to the opening of a new retail store in Kwun Tong; (ii) increase in staff costs of approximately HK\$0.6 million relating to salary adjustments for existing employees; and (iii) increase in marketing expenses of approximately HK\$0.5 million.

Administrative and operating expenses

Administrative and operating expenses increased to approximately HK\$26.5 million for the nine months ended 31 December 2019 from approximately HK\$17.7 million for the nine months ended 31 December 2018, representing an increase of approximately 49.9%. Such increase was mainly due to (i) increase in legal and professional fees of approximately HK\$7.3 million primarily due to the non-recurring legal and professional fees incurred in relation to the preparation for the Proposed Transfer of Listing; and (ii) increase in depreciation of approximately HK\$0.9 million in relation to depreciation of the warehouse acquired in May 2019 and the corresponding leasehold improvement.

Finance costs

The Group has applied the new HKFRS 16 for the first time since 1 April 2019. The interest expenses on lease liabilities are presented separately as finance costs which amounted to approximately HK\$0.6 million for the nine months ended 31 December 2019 (nine months ended 31 December 2018: nil).

Income tax expense

For the nine months ended 31 December 2018 and nine months ended 31 December 2019, the Group's income tax expense was approximately HK\$4.1 million and HK\$3.7 million, respectively, representing an effective tax rate of approximately 17.2% and 25.0%, respectively. The higher effective tax rate for the nine months ended 31 December 2019 was mainly attributable to the non-recurring legal and professional fees in relation to the preparation for the Proposed Transfer of Listing incurred in that period but were not deductible for taxation purpose.

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 decreased by 43.4% from approximately HK\$19.6 million for the nine months ended 31 December 2018 to approximately HK\$11.1 million for the nine months ended 31 December 2019. Excluding the non-recurring legal and professional fees incurred in relation to the preparation for the Proposed Transfer of Listing, the Group's profit attributable to owners of the Company for the nine months 31 December 2019 amounted to approximately HK\$18.5 million.

Basic earnings per share

The Company's basic earnings per share decreased to earnings per share of approximately HK0.99 cent for the nine months ended 31 December 2019 from earnings per share of approximately HK1.75 cent for the nine months ended 31 December 2018, representing a decrease of approximately HK0.76 cent. Such decrease is in line with the decrease in the profit for the period attributable to owners of the Company.

RESERVES

Movements in the reserves of the Group for the nine months ended 31 December 2019 are set out above in the unaudited condensed consolidated statement of changes in equity.

DIVIDEND

No dividend was paid, proposed or declared for the nine months ended 31 December 2019 (nine months ended 31 December 2018: an interim dividend of HK0.9 cent per share and in aggregate amounting to approximately HK\$10.1 million).

CAPITAL COMMITMENTS

As at 31 December 2019, the Group did not have any significant capital commitments.

MATERIAL ACQUISITIONS OR DISPOSALS OF INVESTMENTS

The Group had no material acquisitions or disposals of subsidiaries and affiliated companies during the nine months ended 31 December 2019.

CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 31 December 2019.

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 31 December 2019, the interests and short positions in the shares of the Company (“**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. Yuen, Mi Ming Erica (“ Ms. Erica Yuen ”) (Note 2)	Interest in controlled corporation	780,000,000 (L)	69.6%
Mr. Lam Yue Yeung Anthony (“ Mr. Anthony Lam ”) (Note 3)	Interest of spouse	780,000,000 (L)	69.6%

(b) Interests in the share 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 Holdings Limited (“ 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 31 December 2019, 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 31 December 2019, 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 31 December 2019, 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 nine months ended 31 December 2019.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

During the nine months ended 31 December 2019, 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 nine months ended 31 December 2019, 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 nine months ended 31 December 2019.

INTERESTS OF THE COMPLIANCE ADVISER

Neither Kingston Corporate Finance Limited, the Compliance Adviser of the Company, 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.

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. Hung Yuen Wa. 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 quarterly results for the nine months ended 31 December 2019.

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

Hong Kong, 13 February 2020

As at the date of this announcement, the Executive Directors are Ms. Yuen Mi Ming Erica 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. Hung Yuen Wa and Ms. Tsang Wing Yee.

This announcement will remain on the "Latest Listed Company Information" page of the website of GEM (www.hkgem.com) for at least seven days from its date of publication. This announcement will also be published on the website of the Company at www.mimingmart.com.