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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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2021

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange 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**", together with its subsidiaries, the "**Group**") 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 year ended 31 March 2021, audited operating results of the Group are as follows:

– the Group recorded a revenue of approximately HK$148.9 million for the year ended 31 March 2021 (2020: HK$142.5 million), representing an increase of approximately 4.5% as compared to that for the previous year.

– the Group recorded a gross profit of approximately HK$97.9 million for the year ended 31 March 2021 (2020: HK$91.4 million), representing an increase of approximately 7.1% as compared to that for the previous year.

– profit attributable to the owners of the Company for the year ended 31 March 2021 amounted to approximately HK$27.1 million (2020: HK$15.9 million), representing an increase of approximately 71.2% as compared to that for the previous year. Excluding the non-recurring legal and professional fees incurred in relation to the transfer of listing application of the Company's shares from the GEM to the Main Board of the Stock Exchange ("**Transfer of Listing Application**"), the Group's profit attributable to owners of the Group for the year ended 31 March 2021 amounted to approximately HK$33.0 million (2020: HK$22.9 million).

– The Board has recommended a final dividend of HK0.6 cent per share for the year ended 31 March 2021 (2020: nil), in an aggregate amount of approximately HK$6.7 million (2020: nil), to shareholders whose names appeared on the register of members of the Company on Tuesday, 28 September 2021.

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021

The board of Directors (the "**Board**") of the Company is pleased to announce the consolidated results of the Group for the year ended 31 March 2021 together with the comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

	Notes	**2021** *HK$'000*	2020 *HK$'000*
Revenue	*3*	**148,913**	142,465
Cost of sales		**(50,998)**	(51,048)
Gross profit		**97,915**	91,417
Other income, gains and losses		**3,630**	243
Selling and distribution expenses		**(32,598)**	(34,637)
Administrative and operating expenses		**(35,679)**	(35,508)
Interest expense on lease liabilities		**(733)**	(788)
Profit before tax	*5*	**32,535**	20,727
Income tax expense	*6*	**(5,398)**	(4,875)
Profit and total comprehensive income for the year		**27,137**	15,852
Basic earnings per share (HK cents)	*7*	**2.42**	1.42

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	Notes	**2021** **HK$'000**	2020 *HK$'000*
Non-current assets			
Property, plant and equipment		**31,882**	33,007
Right-of-use assets		**13,339**	10,421
Deferred tax assets		**575**	619
Deposits paid for acquisition of assets		**317**	1,140
Other non-current assets		**2,266**	2,385
		48,379	47,572
Current assets			
Inventories		**13,743**	12,000
Trade receivables	*9*	**1,641**	720
Deposits, prepayments and other receivables		**4,253**	4,766
Pledged bank deposits		**3,261**	3,243
Bank balances and cash		**110,382**	77,037
		133,280	97,766
Current liabilities			
Trade payables	*10*	**1,401**	1,681
Accrued expenses and other payables		**10,027**	6,625
Contract liabilities		**2,335**	609
Refund liabilities		**–**	189
Lease liabilities		**8,365**	8,532
Tax payable		**1,612**	528
		23,740	18,164
Net current assets		**109,540**	79,602
Total assets less current liabilities		**157,919**	127,174
Non-current liability			
Lease liabilities		**5,629**	2,096
Deferred tax liabilities		**75**	–
		5,704	2,096
Net assets		**152,215**	125,078
Capital and reserves			
Share capital		**11,200**	11,200
Reserves		**141,015**	113,878
		152,215	125,078

NOTES:

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 4 November 2016 and its shares have been listed on the GEM of the Stock Exchange. Its immediate and ultimate holding company is Prime Era Holdings Limited ("**Prime Era**"), a private limited company incorporated in the British Virgin Islands ("**BVI**"). The address of the registered office of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and the principal place of business of the Company in Hong Kong is 16th Floor, Guangdong Tours Centre, 18 Pennington Street, Hong Kong.

The Company acts as an investment holding company and the Group is principally engaged in the retail of multi-brand beauty and health products in Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the Amendments to Reference to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), for the first time, which are mandatory effective for the annual periods beginning on or after 1 January 2020 for the preparation of consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of Amendments to Reference to the Conceptual Framework in HKFRS and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. REVENUE

	2021	2020
	HK$'000	*HK$'000*
Sales of goods		
Retail stores	**124,329**	127,061
Online shop	**21,512**	10,972
Consignment sales	**2,258**	2,367
Distributors	**407**	1,743
Subtotal	**148,506**	142,143
Consignment Commission		
Retail stores	**212**	318
Online shop	**195**	4
Subtotal	**407**	322
Total	**148,913**	142,465

Performance obligation for contracts with customers

All revenue generated by the Group are recognised at a point in time as descripted below.

Sales of goods

The Group sells a wide range of beauty and health products to the distributors and directly to customers both through its own retail outlets and through online sales.

For sales of goods to the distributors, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the distributors' specific location (delivery). Following delivery, the distributors have full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 days upon delivery. Starting from prior year, the Group allows one of the distributors an unconditional right of return for the goods purchased for a certain period prior to product expiry. Revenue recognised for sales to this distributor is constrained to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. A refund liability is recognised for billings of goods delivered to this distributor, of which revenue is constrained, not recognised and estimated to be refunded.

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For sales of goods to bulk purchase customers, revenue is recognised when control of the goods has transferred, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location. When the customer initially purchases from the Group, the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customers.

For online sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location. When the customer initially purchases the goods online, the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

Consignment commission income

The Group provides consignment sales services to customers. Such services are recognised at a point in time when the services rendered.

Transaction price allocated to the remaining performance obligation for contracts with customers

The Group offers loyalty stamps to customers when they meet a certain level of sales amount in every transaction. The customer loyalty stamps are generally effective for 6 months from the date of issuance.

The sales amount will be allocated based on the performance obligations and the unsatisfied or partially unsatisfied portion will be recorded as contract liabilities and the expected timing of recognising revenue are within one year.

The amount of HK$2,160,000 (2020: HK$203,000) represent the Group's expectation on the timing of redemption made by customers.

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 legal and professional expenses for the proposed transfer of listing of the shares of the Company from GEM to Main Board of the Stock Exchange ("**Transfer 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.

	2021	2020
	HK$'000	*HK$'000*
Revenue – external sales	**148,913**	142,465
Segment results	**33,037**	22,893
Less:		
Transfer Listing Expenses	**(5,900)**	(7,041)
Profit for the year	**27,137**	15,852

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents profit earned from each segment without allocation of Transfer 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:

	2021	2020
	HK$'000	*HK$'000*
Skincare	**106,443**	105,573
Cosmetics	**7,129**	12,472
Food and health supplements	**26,628**	15,772
Other products	**8,306**	8,326
Consignment sales service	**407**	322
Total	**148,913**	142,465

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 over 99% (2020: 99%) of the Group's revenue from external customers during the year are generated in Hong Kong.

Information about major customers

No revenue from a single customer of the Group contributed over 10% of the total revenue of the Group during both years.

5. PROFIT BEFORE TAX

	2021	2020
	HK$'000	*HK$'000*
Profit before tax has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**4,129**	3,761
Depreciation of right-of-use assets	**11,852**	13,051
Exchange (gain) loss (included in other income, gains and losses)	**(2,030)**	1,126
Transfer Listing Expenses	**5,900**	7,041
Interest income	**(561)**	(1,175)

6. INCOME TAX EXPENSE

	2021	2020
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– Current year	**5,341**	4,992
– Overprovision in prior years	**(62)**	(3)
	5,279	4,989
Deferred taxation	**119**	(114)
	5,398	4,875

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 group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities 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 both years 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.

7. BASIC EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	2021	2020
	HK$'000	*HK$'000*
Earnings		
Earnings attributable to the owners of the Company for the purpose of calculation of basic earnings per share	**27,137**	15,852

	2021	2020
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	**1,120,000**	1,120,000

No diluted earnings per share was presented for the years ended 31 March 2021 and 2020 as there was no potential dilutive ordinary share in issue during both years.

8. DIVIDENDS

	2021	2020
	HK$'000	*HK$'000*
2019 Final, paid – HK0.6 cent per ordinary share	**–**	6,720

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2021 of HK0.6 cent (2020: nil) per ordinary share, in an aggregate amount of approximately HK$6.7 million (2020: nil), has been proposed by the Directors of the Company to the shareholders whose names appeared on the register of members of the Company on Tuesday, 28 September 2021 and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

9. TRADE RECEIVABLES

The following is an aged analysis of trade receivables from sales of goods and services presented based on the revenue recognition date at the end of the reporting period.

	2021	2020
	HK$'000	*HK$'000*
Within 30 days	**943**	686
31 – 60 days	**548**	16
61 – 90 days	**150**	6
Over 90 days	**–**	12
	1,641	720

The Group's revenue is generated mainly from cash, credit card sales, cash vouchers from landlords of retail stores, sales to distributors and consignment sales. The credit periods on credit cards sales, cash vouchers from landlords of retail stores, sales to distributors and consignment sales are 2 days, ranging from 30 to 45 days, 30 days and ranging from 30 to 90 days, respectively.

As at 31 March 2021, included in the Group's trade receivables balance are primarily debtors from credit card sales, cash vouchers from a landlord of retail stores, consignment sales and sales to distributors, in which the carrying amount of approximately HK$16,000 (2020: HK$27,000) are past due as at the reporting date. All the past due balances are not considered as in default because the trade receivables are of good credit quality and those debtors do not have any default payment history. The Group does not hold any collateral over these balances.

Trade receivables on overdue debtors are provided for allowance based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience, if any.

10. TRADE PAYABLES

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

	2021	2020
	HK$'000	*HK$'000*
Within 30 days	**1,249**	1,659
31 – 60 days	**161**	22
	1,401	1,681

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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. 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 e-commerce platforms operated by independent third parties, 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 consignors' products and the predetermined percentage as agreed by the consignors and the Group.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately HK$6.4 million to approximately HK$148.9 million for the year ended 31 March 2021 from approximately HK$142.5 million for the previous year, representing an increase of approximately 4.5%. The increase in revenue was primarily attributable to the increase in revenue generated from the sales of the Group's products through its online shops of approximately HK$10.5 million, despite (i) the decrease in revenue generated from the sales of the Group's products through its retail shops of approximately HK$2.7 million; and (ii) the decrease in sales to distributors of approximately HK$1.3 million mainly due to the decrease in sales to a distributor in Taiwan. The Directors believe that the increase in sales through online shops was mainly due to the shift of customers' shopping habit from shopping at physical stores to online channels as a result of practising social distancing during the COVID-19 pandemic.

For the year ended 31 March 2021, the revenue generated from the sale of our products accounted for approximately 99.7% of our total revenue, whilst consignment commission accounted for approximately 0.3% of our total revenue.

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. Notwithstanding the increase in the sales during the year, the cost of sales of the Group remained stable at approximately HK$51.0 million as compared to that for the previous year primarily due to the increase in the proportion of the aggregate sales of products under the Group's exclusive brands and own brand "POME" (which generally had a relatively lower cost of sales ratio as compared to that of the non-exclusive products) to the total sales of the Group's products.

Gross profit and gross profit margin

The Group's gross profit increased by approximately HK$6.5 million to approximately HK$97.9 million for the year ended 31 March 2021 from approximately HK$91.4 million for the previous year, representing an increase of approximately 7.1%, whilst the Group's gross profit margin increased from approximately 64.2% to approximately 65.8% for the respective years. The increase in the gross profit margin was mainly attributable to the increase in the proportion of the aggregate sales of products under the Group's exclusive brands and own brand "POME" (which generally had a relatively higher gross profit margin as compared to that of the non-exclusive products) to the total sales of the Group's products.

Other income, gains and losses

The Group's other income, gains and losses increased by approximately HK$3.4 million to approximately HK$3.6 million for the year ended 31 March 2021 from approximately HK$0.2 million for the year ended 31 March 2020, representing an increase of approximately 14 times. The increase in the other income, gains and losses was primarily attributable to (i) an exchange gain of approximately HK$2.0 million recognised mainly upon translation of the Group's bank deposits denominated in Australian dollar as a result of the appreciation of Australian dollar against Hong Kong dollar during the year; and (ii) the subsidy of approximately HK$0.8 million received from the Government under the Retail Sector Subsidy Scheme.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately HK$2.0 million to approximately HK$32.6 million for the year ended 31 March 2021 from approximately HK$34.6 million for the previous year, representing a decrease of approximately 5.9%. The decrease in the Group's selling and distribution expenses was primarily due to (i) a decrease in marketing expenses of approximately HK$0.6 million; and (ii) a decrease in staff costs for sales staff of approximately HK$1.6 million mainly due to the net effect of the receipt of subsidies of approximately HK$2.3 million from the Government under the Employment Support Scheme and the increase in staff bonus in the amount of approximately HK$0.4 million.

Administrative and operating expenses

Administrative and operating expenses increased slightly by approximately HK$0.2 million to approximately HK$35.7 million for the year ended 31 March 2021 from approximately HK$35.5 million for the previous year, representing an increase of approximately 0.5%. Such increase was mainly due to the net effect of (i) an increase in the Directors' remuneration of approximately HK$2.0 million; (ii) a decrease in the non-recurring legal and professional fees incurred for the Transfer of Listing Application of approximately HK$1.1 million; and (iii) a decrease in salaries and allowances of approximately HK$0.8 million mainly due to the net effect of the receipt of subsidies of approximately HK$2.1 million from the Government under the Employment Support Scheme and the increase in staff bonus in the amount of approximately HK$1.0 million.

Interest expenses on lease liabilities

Interest expenses on the lease liabilities remained relatively stable at approximately HK$0.7 million for the year ended 31 March 2021 as compared to the previous year.

Income tax expense

For the years ended 31 March 2020 and 2021, the Group's income tax expense was approximately HK$4.9 million and HK$5.4 million respectively, representing an effective tax rate of approximately 23.5% and 16.6% respectively. The effective tax rate was lower for the year ended 31 March 2021 mainly attributable to (i) the subsidies received from the Government under the aforementioned Retail Sector Subsidy Scheme and Employment Support Scheme are exempted from the Hong Kong Profits Tax; and (ii) the lower non-recurring legal and professional fees in relation to the preparation for the Transfer of Listing Application incurred in that year which were not deductible for taxation purpose.

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

As a result of the foregoing, the Group's net profit increased by approximately HK$11.2 million or approximately 71.2% from approximately HK$15.9 million for year ended 31 March 2020 to approximately HK$27.1 million for the year ended 31 March 2021, whilst the Group's net profit margin increased from approximately 11.1% to approximately 18.2% for the respective years.

GEARING RATIO

As at 31 March 2021, the Group did not have any bank borrowings or other borrowings and therefore, gearing ratio is not applicable (31 March 2020: nil).

LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY

	As at 31 March	
	2021	2020
Current ratio (*Note*)	**5.6**	5.4

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

The current ratio of the Group as at 31 March 2021 remained relatively stable at 5.6 times as compared to that of 5.4 times as at 31 March 2020.

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

Since the listing of the Company's shares on the GEM of the Stock Exchange on 12 February 2018 (the "**Listing**"), the Group generally financed its capital expenditure and operational requirements through a combination of cash generated from operations, net proceeds from the share offer of the Company's shares from the Listing and bank borrowings.

FOREIGN EXCHANGE EXPOSURE

As at 31 March 2021, the Group had certain bank balances denominated in foreign currency, such as Australian dollar, United States Dollars, Euro, Japanese Yen and Swiss Franc which exposed the Group to foreign currency risk. The Directors consider that the Group's policy to maintain sufficient Australian dollar and United State Dollars for payment of purchase for at least three months and keeping of at least two months' inventory, with reference to its historical sales, will provide us with a sufficient buffer to minimise its exposure to the fluctuation in those foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

SIGNIFICANT INVESTMENTS

As at 31 March 2021, there was no significant investment held by the Group (2020: nil).

CAPITAL STRUCTURE

The Shares of the Company (the "**Shares**") were successfully listed on the GEM of the Stock Exchange on 12 February 2018 ("**Listing Date**"). 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 is 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 31 March 2021, the Group did not have any significant capital commitments (2020: nil).

CONTINGENT LIABILITIES

As at 31 March 2021, the Group did not have any material contingent liabilities (2020: nil).

DIVIDEND

The Board has recommended a final dividend of HK0.6 cent per share for the year ended 31 March 2021 (2020: nil), in an aggregate amount of approximately HK$6.7 million (2020: nil), to shareholders whose names appeared on the register of members of the Company on Tuesday, 28 September 2021.

EMPLOYEES AND REMUNERATION POLICIES

The Group recognises the importance of a good relationship with its employees. The Directors believe that the working environment and benefits offered to the 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 such training programs will equip the employees with skills and knowledge to enhance the Group's services to its customers.

The remuneration policy of the Group to reward its employees and executives is based on their performance, qualifications, competence displayed and market comparable. Employee remuneration packages are typically comprised of salary, sales commission, contribution to pension schemes and discretionary bonuses relating to the profit of the Group. The remuneration package of the Group's 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 the remuneration of all the Group's Executive Directors and senior management annually to ensure that it is attractive enough to attract and retain a competent team of executive members.

A Remuneration Committee has been set up since the Listing 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 31 March 2021, the Group employed a total of 79 (2020: 78) full-time employees and 11 (2020: 11) part-time employees. The staff costs, including Directors' emoluments, of the Group for the year ended 31 March 2021 was approximately HK$28.9 million (2020: HK$29.4 million). The Company maintains a 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, ASSOCIATES AND JOINT VENTURES

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2021.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2021, 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 of the Company dated 30 January 2018 (the "**Prospectus**") and the announcement entitled "Change in use of proceeds" dated 9 March 2020 (the "**Announcement**") with actual business progress up to 31 March 2021.

Implementation plan as set out in Prospectus and subsequently adjusted in the Announcement	Actual progress up to 31 March 2021
Expand our retail network by opening more retail stores and refurbishing our existing retail stores	
– Open four retail stores, one in Kowloon Bay/Tai Po, one in Mongkok, one in Kwun Tong and one in Causeway Bay	Since the Listing, the Group has actively searched for suitable premises to open new retail stores in Kowloon Bay, Mongkok, Tai Po and Kwun Tong and has received offers from a number of landlords. However, after considering factors such as (i) spending power of the target customers in a particular area; (ii) accessibility of the location; (iii) neighbouring tenants and competition of other retail stores and merchandise sold in the neighbourhood; (iv) the availability of other amenities, entertainment and dining facilities in the location or nearby area; (v) the relevant lease terms or other restrictions on the premises; (vi) the foot traffic of the premises or the shopping malls in which the premises are situated; and (vii) size of the premises, the Directors concluded that most of the premises presented to them were unsuitable save and except that in December 2018, the Group identified and rented a suitable premises in Kwun Tong for opening a new retail store, which subsequently commenced business in April 2019.

Implementation plan as set out in Prospectus and subsequently adjusted in the Announcement	Actual progress up to 31 March 2021
	As disclosed in the Prospectus, the Group planned to open a second retail store in Causeway Bay during the six months ended 31 March 2019. However, having identified a larger premises in a prime shopping mall in the same district and having considered the above factors, the Group relocated its old Causeway Bay retail store to the larger premises in June 2018 in order to drive more foot traffic and enhance its customers' shopping experience. As mentioned in the Announcement, the Group intends to proceed with its plan to open the two remaining new retail stores, one in a prime shopping area and one in a local shopping area of Hong Kong, when the suitable premises is available, while closely monitoring the retail market environment in Hong Kong to ensure that the business expansion is conducted in a prudent and cost effective manner.
– Recruitment of new staff members	Owing to the postponed shop expansion plan as mentioned above, the Group did not recruit additional staff members originally planned for these retail stores. The Group recruited five additional staff members to cater for the manpower required for the Group's larger retail store in Causeway Bay and the new retail store in Kwun Tong as mentioned above.
– Recruitment of a shop expansion manager and payment of his/her salaries	The Group has recruited a shop expansion manager.

Implementation plan as set out in Prospectus and subsequently adjusted in the Announcement	Actual progress up to 31 March 2021
– Refurbishing existing retail stores	The Group has fully utilised the proceeds designated for refurbishing existing retail stores.
Acquire a warehouse	
– Partial payment for acquiring the warehouse	The Group has acquired a warehouse.
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 and supporting staff to handle the product expansion work.
– Attending trade fairs, exhibitions and conducting feasibility studies and research on new products and markets	The representatives of the Group had attended trade fairs/field visit in Korea, the United States, Japan and Australia.
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	The Group has deployed advertisements through traditional media and online channels.
– Hiring third parties to transform our website into an information portal and revamping our online shop	The Group has recruited a contractor to perform research and development for transforming its website into an information portal and revamping its online shop.

Implementation plan as set out in Prospectus and subsequently adjusted in the Announcement	**Actual progress up to 31 March 2021**
Conduct system improvement and integration	
– Purchase of new integrated system	The Group has acquired a new integrated system. The implementation of the new integrated system have been completed.
– System maintenance and point-of-sale system hosting	During the period under review, the Group has deployed funds for system maintenance and point-of-sale system hosting.
Enhance the Group's existing self-operated online shop	
– upgrade and enhance the Group's self-operated online shop and integrate it with the Group's point-of-sale system	The upgrade and enhancement of the Group's self-operated online shop have been completed.
– employ additional staff to handle customer services and orders placed on the self-operated online shop in anticipation of the increase in online customer traffic	The Group has recruited additional staff to handle customer services and orders placed on its self-operated online shop.

USE OF PROCEEDS

An analysis of the planned usage of net proceeds up to 31 March 2021 and the actual utilisation are set out below:

	Use of proceeds as disclosed in the Prospectus (adjusted on a pro rata basis on the actual net proceeds) *HK$'000*	Use of proceeds as disclosed in the Prospectus (adjusted on a pro rata basis on the actual net proceeds and subsequently adjusted according to the Announcement) *HK$'000*	Actual usage of net proceeds up to 31 March 2021 *HK$'000*	Unutilised net proceeds as at 31 March 2021 *HK$'000*
Expand our retail network by opening more retail stores and refurbishing our existing retail stores	16,215	15,215	8,805	6,410 *(Note 1)*
Acquire a warehouse	13,181	13,181	13,181	–
Expand our product portfolio and explore new suppliers	1,581	1,581	1,185	396 *(Note 2)*
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	10,591	10,591	10,591	–
Conduct system improvement and integration	1,533	1,533	1,533	–
Enhance the Group's existing self-operated online shop	–	1,000	526	474 *(Note 3)*
General working capital	2,614	2,614	2,614	–
	45,715	45,715	38,435	7,280

Notes:

1. Based on the best estimation of the Directors and after taking into consideration the COVID-19 outbreak and the current retail and economic environment in Hong Kong, the unutilised net proceeds allocated to this business strategy will be fully applied for the purpose as planned by March 2024.

2. Based on the best estimation of the Directors and subject to the uplifting of the travel restriction currently imposed by different countries and the resumption of the trade fairs which may have to be cancelled or suspended due to the COVID-19 outbreak, all the unutilised net proceeds allocated to this business strategy will be applied for the purpose as planned by around March 2022.

3. Based on the best estimation of the Directors, all the unutilised net proceeds allocated to this business strategy, including enhancement of the Group's self-operated online shop, recruitment of additional staff for the self-operating online shop and payment of salaries to such staff, will be applied for the purpose as planned by around September 2022.

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

CANCELLATION OF THE PROPOSED TRANSFER OF LISTING

As stated in the announcement dated 20 May 2021, the Company has decided not to continue the application of transfer of listing from the GEM to the Main Board of the Stock Exchange. The Board believes that the discontinuation of the application has no material adverse impact on the financial and business operation of the Group.

OUTLOOK AND PROSPECTS

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 that 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, product portfolio and e-commerce business to enhance its competitiveness and maintain its leading position in the small and medium segments 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 paragraphs headed "Comparison of business plan with actual business progress" and "Use of proceeds" in this section. 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities from the Listing Date to the date of this announcement.

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to maintaining 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's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 of the GEM Listing Rules.

As the shares of the Company were listed on the GEM of the Stock Exchange on the Listing Date, the Company has since then adopted and complied with, where applicable, the CG Code from the Listing Date up to the date of this announcement (the "**Relevant Period**"), except for code provision A.2.1 which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The Company has deviated from code provision A.2.1 of the CG Code since Ms. Yuen Mi Ming Erica is both the chairlady of the Board and the chief executive officer of the Company. The Board believes that it is necessary to vest the roles of the chairlady and the chief executive officer in the same person as Ms. Yuen Mi Ming Erica has been operating and managing the Group since 2009 and is a prominent social media icon on one of the most popular social media platforms in Hong Kong. The dual role arrangement provides strong and consistent market leadership and is critical for effective management and business development. As all major decisions are made in consultation with the members of the Board, and there are three Independent Non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

Further information on the Company's corporate governance practices will be set out in the corporate governance report contained in the Company's annual report for the year ended 31 March 2021, which will be dispatched to the shareholders in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "required standard of dealings" as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code regarding securities transactions by Directors (the "**Model Code**").

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the Relevant Period.

The Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees has been noted by the Company.

EVENTS AFTER THE REPORTING DATE

As from 31 March 2021 to the date of this announcement, no significant events have occurred.

SUFFICIENCY OF PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained the public float required by the GEM Listing Rules.

ANNUAL GENERAL MEETING

The 2021 Annual General Meeting has been scheduled to be held on Friday, 10 September 2021 (the "**2021 AGM**"). A notice convening the 2021 AGM will be issued and despatched to the shareholders on Wednesday, 30 June 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 7 September 2021 to Friday, 10 September 2021, both days inclusive, during which period no transfer of shares will be registered. For determining the entitlement of members of the Company to attend and vote at the 2021 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 6 September 2021.

AUDIT COMMITTEE

The Company has 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 and the appointment of external auditors. The Audit Committee had reviewed the audited final results of the Group for the year ended 31 March 2021.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

By order of the Board
Mi Ming Mart Holdings Limited
Yuen Mi Ming Erica
Chairlady, chief executive officer and executive Director

Hong Kong, 22 June 2021

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, Mr. Lam Yue Yeung Anthony and Mr. Wong Siu Ki; 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.