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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 2021**

**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.**

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*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 2021, operating results of the Company and its subsidiaries (collectively referred to as the “**Group**”) were as follows:

- the Group’s revenue increased by approximately HK\$6.3 million or approximately 9.3% from approximately HK\$67.8 million for the six months ended 30 September 2020 to approximately HK\$74.1 million for the six months ended 30 September 2021.
- the Group recorded a gross profit of approximately HK\$48.2 million for the six months ended 30 September 2021 (six months ended 30 September 2020: HK\$44.9 million), representing an increase of approximately 7.5% as compared to that for the corresponding period in 2020.
- profit attributable to the owners of the Company for the six months ended 30 September 2021 amounted to approximately HK\$9.0 million (six months ended 30 September 2020: HK\$13.5 million), representing a decrease of approximately 32.8% as compared to that for the corresponding period in 2020. Excluding the (i) non-recurring legal and professional fees in relation to the preparation for the transfer of listing application of the shares of the Company from the GEM to the Main Board of the Stock Exchange (“**Transfer of Listing Application**”); (ii) subsidies received from the Hong Kong Government under the Retail Sector Subsidy Scheme and Employment Support Scheme; and (iii) charity donation of approximately HK\$3.0 million, the Group’s profit attributable to owners of the Group for the six months ended 30 September 2021 amounted to approximately HK\$12.7 million (six months ended 30 September 2020: approximately HK\$13.5 million).
- No interim dividend has been proposed, declared or paid for the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

After taking into consideration the financial position and the cash flow of the Company, the Board has paid a special dividend of HK1.8 cents per ordinary share on or about Friday, 24 September 2021 (the “**Special Dividend**”), in an aggregate amount of approximately HK\$20.2 million, to the shareholders of the Company (the “**Shareholders**”) whose names appear in the register of members of the Company at the close of business on Tuesday, 31 August 2021.

As disclosed in the annual report of the Company for the year ended 31 March 2021, a final dividend of HK0.6 cent per share, in an aggregate amount of approximately HK\$6.7 million, (the “**2021 Final Dividend**”) has been recommended by the Board (2020: Nil) to the Shareholders whose names appear in the register of members of the Company at the close of business on Tuesday, 28 September 2021. The payment of the 2021 Final Dividend have been approved by the Shareholders in the annual general meeting held on Friday, 10 September 2021 (the “**2021 AGM**”). The 2021 Final Dividend have been paid on or about Wednesday, 20 October 2021.

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

*FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021*

		<b>Three months ended 30 September</b>		<b>Six months ended 30 September</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<i>NOTES</i>		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue	3	<b>41,534</b>	38,340	<b>74,093</b>	67,776
Cost of sales		<b>(14,491)</b>	(12,833)	<b>(25,885)</b>	(22,913)
Gross profit		<b>27,043</b>	25,507	<b>48,208</b>	44,863
Other income, gains or losses		<b>116</b>	636	<b>(686)</b>	2,565
Selling and distribution expenses		<b>(9,009)</b>	(7,254)	<b>(17,139)</b>	(14,130)
Administrative and operating expenses		<b>(11,121)</b>	(7,813)	<b>(18,940)</b>	(16,171)
Interest expenses		<b>(183)</b>	(177)	<b>(356)</b>	(350)
Profit before taxation	5	<b>6,846</b>	10,899	<b>11,087</b>	16,777
Income tax expense	6	<b>(1,242)</b>	(2,062)	<b>(2,049)</b>	(3,326)
Profit and total comprehensive income for the period		<b><u>5,604</u></b>	<u>8,837</u>	<b><u>9,038</u></b>	<u>13,451</u>
Earnings per share (Hong Kong cents) – basic	8	<b><u>0.50</u></b>	<u>0.79</u>	<b><u>0.81</u></b>	<u>1.20</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2021

		At 30 September 2021 <i>HK\$'000</i> (unaudited)	At 31 March 2021 <i>HK\$'000</i> (audited)
Non-current assets			
Property, plant and equipment	9	32,180	31,882
Right-of-use assets	9	11,773	13,339
Deferred tax assets		575	575
Deposits paid for acquisition of an asset		317	317
Other non-current assets		3,038	2,266
		47,883	48,379
Current assets			
Inventories		11,627	13,743
Trade receivables	10	1,232	1,641
Deposits, prepayments and other receivable		3,880	4,253
Pledged bank deposits		3,261	3,261
Bank balances and cash		99,217	110,382
		119,217	133,280
Current liabilities			
Trade payables	11	781	1,401
Accrued expenses and other payables		6,083	10,027
Contract liabilities		3,806	2,335
Dividend payable		6,720	–
Bank borrowing		358	–
Lease liabilities	12	8,767	8,365
Tax payables		2,418	1,612
		28,933	23,740
Net current assets		90,284	109,540
Total assets less current liabilities		138,167	157,919
Non-current liability			
Lease liabilities	12	3,719	5,629
Deferred tax liabilities		75	75
		3,794	5,704
Net assets		134,373	152,215
Capital and reserves			
Share capital	13	11,200	11,200
Reserves		123,173	141,015
Total equity		134,373	152,215

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 September 2021*

	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 2020 (audited)	11,200	75,127	(37,316)	76,067	125,078
Profit and total comprehensive income for the period	—	—	—	13,451	13,451
At 30 September 2020 (unaudited)	11,200	75,127	(37,316)	89,518	138,529
<b>At 1 April 2021 (audited)</b>	<b>11,200</b>	<b>75,127</b>	<b>(37,316)</b>	<b>103,204</b>	<b>152,215</b>
<b>Profit and total comprehensive income for the period</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>9,038</b>	<b>9,038</b>
<b>Dividend recognised as distribution (<i>Note 7</i>)</b>	<b>—</b>	<b>(26,880)</b>	<b>—</b>	<b>—</b>	<b>(26,880)</b>
<b>At 30 September 2021 (unaudited)</b>	<b>11,200</b>	<b>48,247</b>	<b>(37,316)</b>	<b>112,242</b>	<b>134,373</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2021

	Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
NET CASH FROM OPERATING ACTIVITIES	<u>15,912</u>	<u>23,977</u>
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,524)	(333)
Payments for rental deposits	(302)	(704)
Refunds of rental deposits	858	–
Interest received	<u>19</u>	<u>496</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(1,949)</u>	<u>(541)</u>
FINANCING ACTIVITIES		
Dividend paid	(20,160)	–
Repayment of lease liabilities	(4,970)	(5,922)
Interest paid	(356)	(350)
Bank borrowing raised	<u>358</u>	<u>–</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(25,128)</u>	<u>(6,272)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(11,165)	17,164
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>110,382</u>	<u>77,037</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD represented by bank balances and cash	<u><u>99,217</u></u>	<u><u>94,201</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 September 2021*

## 1. GENERAL INFORMATION

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 Windward 3, Regatta Office Park, P.O. Box 1350, 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 multibrand 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 amendments to HKFRSs, the accounting policies applied and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2021 are consistent with those of the annual financial statements for the year ended 31 March 2021.

### **Application of amendments to HKFRSs**

The Group has applied following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatory effective for the annual period beginning on or after 1 April 2021 for the preparation of the Group's condensed consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39 HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of amendments to HKFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. REVENUE

The revenue of the Group arose from sales of products, consignment commission and service income for the six months ended 30 September 2021. An analysis of the Group's revenue recognised at a point in time for the six months ended 30 September 2021 are set out as below:

	Three months ended		Six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Sales of goods</b>				
Retail stores	<b>36,024</b>	31,528	<b>64,718</b>	57,755
Online shop	<b>4,779</b>	6,340	<b>8,140</b>	9,224
Consignment sales	<b>457</b>	208	<b>895</b>	283
Distributors	<b>32</b>	130	<b>55</b>	265
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	<b>41,292</b>	38,206	<b>73,808</b>	67,527
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Consignment Commission</b>				
Retail stores	<b>45</b>	63	<b>88</b>	120
Online shop	<b>–</b>	71	<b>–</b>	129
	<hr/>	<hr/>	<hr/>	<hr/>
Subtotal	<b>45</b>	134	<b>88</b>	249
<b>Service income</b>	<b>197</b>	–	<b>197</b>	–
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<b>41,534</b>	38,340	<b>74,093</b>	67,776
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

### 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 Transfer of Listing Application (“**Transfer Listing Application 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 and beauty service.

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue – external sales	<u>41,534</u>	<u>38,340</u>	<u>74,093</u>	<u>67,776</u>
Segment results	5,720	10,095	9,731	17,285
Less: Transfer Listing Application Expenses	<u>(116)</u>	<u>(1,258)</u>	<u>(693)</u>	<u>(3,834)</u>
Profit for the period	<u>5,604</u>	<u>8,837</u>	<u>9,038</u>	<u>13,451</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 Transfer Listing Application 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	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Skincare products	30,487	28,018	53,374	49,468
Cosmetics products	1,785	1,586	3,705	3,346
Food and health supplements	7,189	6,142	13,821	11,079
Other products	1,831	2,460	2,908	3,634
Consignment commission	45	134	88	249
Service income	<u>197</u>	<u>–</u>	<u>197</u>	<u>–</u>
Total	<u>41,534</u>	<u>38,340</u>	<u>74,093</u>	<u>67,776</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 over 99% of the Group's revenue from external customers during the six months ended 30 September 2021 are generated in Hong Kong (six months ended 30 September 2020: over 99%).

## 5. PROFIT BEFORE TAXATION

	Three months ended		Six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging (crediting):				
Directors' emoluments	<b>1,271</b>	1,020	<b>2,520</b>	2,076
Other staff salaries and allowances	<b>6,617</b>	4,545	<b>12,038</b>	8,926
Retirement benefit schemes contributions, excluding those of Directors	<b>271</b>	251	<b>544</b>	524
Total staff costs	<b>8,159</b>	5,816	<b>15,102</b>	11,526
Depreciation of property, plant and equipment	<b>1,138</b>	1,005	<b>2,227</b>	2,026
Depreciation of right-of-use assets	<b>2,573</b>	3,129	<b>5,064</b>	6,250
Cost of inventories recognised as expenses (included in cost of sales)	<b>14,097</b>	12,669	<b>25,252</b>	22,655
Impairment losses on other receivables under expected credit loss model	<b>24</b>	–	<b>336</b>	–
Interest income	–	(243)	<b>(19)</b>	(496)
Exchange loss (gain)	<b>1</b>	(392)	<b>655</b>	(1,265)
Transfer Listing Application Expenses	<b>116</b>	1,258	<b>693</b>	3,834

## 6. INCOME TAX EXPENSE

	Three months ended		Six months ended	
	30 September		30 September	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax:				
Hong Kong Profits Tax	<u>1,242</u>	<u>2,062</u>	<u>2,049</u>	<u>3,326</u>

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduced 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 the qualifying group entity are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

The two-tiered profits tax regime is applicable to the Group for both periods and only one subsidiary in the Group could elect for the two-tiered rates regime and the election, once made, is irrevocable.

The Directors 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. DIVIDENDS

No interim dividend has been proposed, declared or paid for the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

After taking into consideration the financial position and the cash flow of the Company, the Board has paid a Special Dividend of HK1.8 cents per ordinary share on or about Friday, 24 September 2021, in an aggregate amount of approximately HK\$20.2 million, to the Shareholders whose names appear in the register of members of the Company at the close of business on Tuesday, 31 August 2021.

As disclosed in the annual report of the Company for the year ended 31 March 2021, a final dividend of HK0.6 cent per share, in an aggregate amount of approximately HK\$6.7 million, has been recommended by the Board (2020: Nil) to the Shareholders whose names appear in the register of members of the Company at the close of business on Tuesday, 28 September 2021. The payment of the 2021 Final Dividend have been approved by the Shareholders in the 2021 AGM. The 2021 Final Dividend have been paid on or about Wednesday, 20 October 2021.



## 10. TRADE RECEIVABLES

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

	At 30 September 2021 <i>HK\$'000</i> (unaudited)	At 31 March 2021 <i>HK\$'000</i> (audited)
Within 30 days	759	943
31 to 60 days	320	548
61 to 90 days	19	150
Over 90 days	134	–
	<u>1,232</u>	<u>1,641</u>

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 30 to 90 days, respectively.

## 11. TRADE PAYABLES

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

	At 30 September 2021 <i>HK\$'000</i> (unaudited)	At 31 March 2021 <i>HK\$'000</i> (audited)
Within 30 days	779	1,240
31 to 60 days	–	161
61 to 90 days	2	–
	<u>781</u>	<u>1,401</u>

## 12. LEASE LIABILITIES

During the current interim period, interest expense of HK\$355,000 (2020: HK\$350,000) has been charged to profit or loss.

### 13. SHARE CAPITAL

	Number of shares	HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2021 (audited) and 30 September 2021 (unaudited)	2,000,000,000	20,000
Issued and fully paid:		
At 31 March 2021 (audited) and 30 September 2021 (unaudited)	1,120,000,000	11,200

### 14. RELATED PARTY TRANSACTIONS

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

Relationship	Nature of transactions	Three months ended 30 September		Six months ended 30 September	
		2021 HK\$'000	2020 HK\$'000	2021 HK\$'000	2020 HK\$'000
Directors of the Company	Sales of finished goods	15	34	30	36

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

	Three months ended 30 September		Six months ended 30 September	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Salaries, fees and other allowances	1,534	1,307	3,067	2,578
Performance related incentive payments	39	40	78	79
Retirement benefit scheme contributions	18	18	36	36
	<u>1,591</u>	<u>1,365</u>	<u>3,181</u>	<u>2,693</u>

The remuneration of Directors and other member of 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 primarily a multi-brand retailer, which operates ten retail stores under the brand of “MI MING MART” (“彌明生活百貨”) (the “**Brand**”) 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 Brand’s philosophy “defining clean beauty” (“擇善美麗”), the Group endeavours to select and offer products that do not contain any 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](http://www.mimingmart.com) and other e-commerce platforms operated by independent third parties, consignment sales and distributors.

The Directors believe that the Group’s success is attributable to the image of the Brand, 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, product portfolio and e-commerce business 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. 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 by approximately HK\$6.3 million to approximately HK\$74.1 million for the six months ended 30 September 2021 from approximately HK\$67.8 million for the corresponding period in 2020, representing an increase of approximately 9.3%. The Directors believe that the increase in revenue was primarily due to the net effect of (i) increase in the sales of the Group's products through its retail stores of approximately HK\$7.0 million mainly as a result of the increase in sales at its Tsim Sha Tsui and Shatin stores after their relocations to more suitable premises in late 2020 and the general increase in sales through its other retail stores primarily due to the recovery of local economy and consumer confidence with the stabilization of the local pandemic situation; (ii) increase in the sales of the Group's products through its consignees of approximately HK\$0.6 million; and (iii) decrease in the sales of the Group's products through its self-operated online shop of approximately HK\$1.1 million.

### **Cost of sales**

The Group's cost of sales primarily consists of cost of inventories sold, cost of service, commission expenses, and incoming shipping, freight and delivery charges. The cost of sales increased by approximately HK\$3.0 million to approximately HK\$25.9 million for the six months ended 30 September 2021 from approximately HK\$22.9 million for the corresponding period in 2020, representing an increase of approximately 13.0%. In addition to the increase in the cost of sales along with the increase in sales during the period, the cost of products purchased in Australian dollar further increased mainly due to an increase in the effective exchange rate of Australian dollar to Hong Kong dollar as compared to the corresponding period in the previous year.

### **Gross profit and gross profit margin**

The Group's gross profit increased by approximately HK\$3.3 million to approximately HK\$48.2 million for the six months ended 30 September 2021 from approximately HK\$44.9 million for the corresponding period in 2020, representing an increase of approximately 7.5%, whilst the Group's gross profit margin decreased from approximately 66.2% to approximately 65.1% for the respective periods. The decrease in the gross profit margin was mainly attributable to the increase in the cost of its products purchased in Australian dollar as a result of increase in the effective exchange rate of Australian dollar to Hong Kong dollar as compared to the corresponding period in the previous year.

### **Other income, gains and losses**

The Group recorded a loss of approximately HK\$0.7 million for the six months ended 30 September 2021 primarily consists an exchange loss of approximately HK\$0.7 million upon the translation of the Group's bank deposits denominated in Australian dollar as a result of a slight depreciation of Australian dollar against Hong Kong dollar during the period; whilst the Group recorded a gain of approximately HK\$2.6 million for the corresponding period in 2020, which was primarily attributable to an exchange gain and subsidy received from the Hong Kong Government under the Retail Sector Subsidy Scheme of approximately HK\$1.3 million and HK\$0.8 million, respectively.



### **Selling and distribution expenses**

The Group's selling and distribution expenses increased by approximately HK\$3.0 million to approximately HK\$17.1 million for the six months ended 30 September 2021 from approximately HK\$14.1 million for the corresponding period in 2020, representing an increase of approximately 21.3%. The increase was primarily due to (i) increase in marketing expenses of approximately HK\$1.4 million; and (ii) increase in staff costs for sales staff of approximately HK\$1.7 million as the staff costs for the sales staff in the corresponding period in 2020 was partially offset by the subsidy from the Hong Kong Government under the Employment Support Scheme.

### **Administrative and operating expenses**

Administrative and operating expenses increased by approximately HK\$2.7 million to approximately HK\$18.9 million for the six months ended 30 September 2021 from approximately HK\$16.2 million for the corresponding period in 2020, representing an increase of approximately 17.1%. Such increase was primarily due to the net effect of (i) increase in donation of approximately HK\$3.0 million; (ii) increase in salaries and allowances for administrative staff of approximately HK\$1.4 million mainly due to the relevant staff costs in the corresponding period in 2020 being partially offset by the subsidy from the Hong Kong Government under the Employment Support Scheme; (iii) increase in the Directors' remuneration of approximately HK\$0.4 million; (iv) increase in the travelling expenses of approximately HK\$0.4 million; and (v) decrease in the non-recurring Transfer Listing Application Expenses of approximately HK\$3.1 million.

### **Interest expenses**

Interest expenses primarily consists of interest expenses on the lease liabilities and bank borrowing. The interest expenses remained relatively stable at approximately HK\$0.4 million for the six months ended 30 September 2021 as compared to that for the corresponding period in previous year.

### **Income tax expense**

For the six months ended 30 September 2020 and 2021, the Group's income tax expense was approximately HK\$3.3 million and HK\$2.0 million respectively, representing an effective tax rate of approximately 19.8% and 18.5%, respectively. The lower effective tax rate for the six months ended 30 September 2021 was mainly due to the lower non-recurring Transfer Listing Application Expenses incurred in current period but were not deductible for taxation purpose.

### **Net profit for the period**

As a result of the foregoing, the Group's net profit decreased by approximately HK\$4.5 million or approximately 32.8% from approximately HK\$13.5 million for the six months ended 30 September 2020 to approximately HK\$9.0 million for the six months ended 30 September 2021, whilst the Group's net profit margin decreased from approximately 19.8% to approximately 12.2% for the respective periods. Excluding the (i) non-recurring Transfer Listing Application Expenses; (ii) subsidies received from the Hong Kong Government under the Retail Sector Subsidy Scheme and Employment Support Scheme; and (iii) charity donation of approximately HK\$3.0 million, the Group's profit attributable to owners of the Group for the six months ended 30 September 2021 amounted to approximately HK\$12.7 million (six months ended 30 September 2020: approximately HK\$13.5 million).

## LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY

	As at 30 September 2021	As at 31 March 2021
Current ratio ( <i>Note 1</i> )	4.1	5.6
Gearing ratio ( <i>Note 2</i> )	0.3%	–

### Notes:

1. Current ratio is calculated by dividing current assets by current liabilities as at the end of each respective period/year.
2. Gearing ratio is calculated based on total debts at the end of the period/year divided by total equity at the end of the respective period/year and multiplied by 100%. Total debts are defined to include obligation under bank borrowing.

The Group's financial position remained healthy. As at 30 September 2021, the Group's bank balance and cash amounted to HK\$99.2 million (31 March 2021: HK\$110.4 million). The current ratio of the Group as at 30 September 2021 was 4.1 times as compared to that of 5.6 times as at 31 March 2021. The decrease in current ratio was mainly due to the payment of a Special Dividend and provision of a 2021 Final Dividend during the six months ended 30 September 2021 of approximately HK\$20.2 million and HK\$6.7 million, respectively. The gearing ratio of the Group as at 30 September 2021 was 0.3% as compared to that of nil as at 31 March 2021. Such slight increase was primarily due to an import loan of approximately HK\$0.4 million outstanding as at 30 September 2021. The import loan was secured, repayable within one year and denominated in Hong Kong dollars, and bear interest at variable interest rate with reference to prime lending rate minus a specific margin of the bank.

The Group's management closely monitors the Group's cash flow position to ensure 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, administrative and capital expenditures to prepare 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 30 September 2021, the Group had certain bank balances and payables denominated in Australian dollar, which exposed the Group to foreign currency risk. The Directors consider that the Group's policy to maintain sufficient Australian dollar for payment of purchases for at least six months and keeping of about three months' inventory, with reference to the Group's historical sales, will provide the Group with a sufficient buffer to minimise the Group's exposure to the fluctuation in Australian dollar. 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 30 September 2021, there was no significant investment held by the Group (31 March 2021: nil).

## **CAPITAL STRUCTURE**

The shares of the Company (the “**Shares**”) were successfully listed on the 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 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 2021, the Group did not have any significant capital commitments (31 March 2021: nil)

## **CONTINGENT LIABILITIES**

As at 30 September 2021, the Group did not have any material contingent liabilities (31 March 2021: nil).

## **DIVIDEND**

No interim dividend has been proposed, declared or paid for the six months ended 30 September 2021 (six months ended 30 September 2020: Nil).

After taking into consideration the financial position and the cash flow of the Company, the Board has paid a Special Dividend of HK1.8 cents per ordinary share on or about Friday, 24 September 2021, in an aggregate amount of approximately HK\$20.2 million, to the Shareholders whose names appear in the register of members of the Company at the close of business on Tuesday, 31 August 2021.

As disclosed in the annual report of the Company for the year ended 31 March 2021, a final dividend of HK0.6 cent per share, in an aggregate amount of approximately HK\$6.7 million, has been recommended by the Board (2020: Nil) to the Shareholders whose names appear in the register of members of the Company at the close of business on Tuesday, 28 September 2021. The payment of the 2021 Final Dividend have been approved by the Shareholders in the 2021 AGM. The 2021 Final Dividend have been paid on or about Wednesday, 20 October 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 for the employees to strengthen their management, industry and product knowledge. The Directors believe that such training programs will equip the employees with the requisite 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 30 September 2021, the Group employed a total of 81 (as at 30 September 2020: 80) full-time employees and 14 (as at 30 September 2020: 10) part-time employees. The staff costs, including Directors' emoluments, of the Group for the six months ended 30 September 2021 was approximately HK\$15.1 million (six months ended 30 September 2020: HK\$11.5 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 AND AFFILIATED COMPANIES**

The Group had no material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 September 2021.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As at 30 September 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 announcements entitled "Change in use of proceeds" and "Further change in use of proceeds" dated 9 March 2020 and 13 August 2021 (the "**Announcements**"), respectively, with the actual business progress up to 30 September 2021.

### **Implementation plan as set out in Prospectus and subsequently adjusted in the Announcements**

### **Actual progress up to 30 September 2021**

*Expand its retail network by opening more retail stores and refurbishing its existing retail stores*

- Open three retail stores, one in Causeway Bay, one in Kwun Tong and one in Kowloon Bay/Tai Po

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 a number of factors including but not limited to (i) accessibility of the location; (ii) the foot traffic of the premises or the shopping malls in which the premises and situated; and (iii) size of the premises, 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.

The Kwun Tong store commenced business in April 2019.

Since the Listing, the Group has actively searched for suitable premises to open new retail stores in Kowloon Bay/Tai Po and has received offers from a number of landlords. However, after considering above factors, the Directors concluded that most of the premises presented were unsuitable save and except that in mid 2021, the Group has subsequently identified and rented a suitable premises in Kwai Fong for opening a new retail store, which will commence business around November 2021.

**Implementation plan as set out in Prospectus and subsequently adjusted in the Announcements**

**Actual progress up to 30 September 2021**

- 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. The Group will recruit additional staff members for the Kwai Fong Store to be opened around November 2021.
- Recruitment of a shop expansion manager and payment of his/her salaries

The Group has fully utilised the proceeds designed for the recruitment of a shop expansion manager.
- Refurbishing existing retail stores

The Group has fully utilised the proceeds designated for refurbishing its existing retail stores.

*Acquire a warehouse*

- Partial payment for acquiring the warehouse

The Group has acquired a warehouse.

*Expand its product portfolio and explore new suppliers*

- Recruitment of a product expansion manager and payment of his/her salaries

The Group has fully utilised the proceeds designated for the recruitment of 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 fully utilised the proceeds designated for attending trade fairs/field visit in Korea, the United States, Japan, Australia and Europe.

**Implementation plan as set out in Prospectus and subsequently adjusted in the Announcements**

**Actual progress up to 30 September 2021**

*Enhance its marketing strategies by expanding and exploring more effective online marketing strategies, transforming its website as a lifestyle information portal, revamping its 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 its website into an information portal and revamping its online shop

The Group has deployed advertisements through traditional media and online channels.

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

*Conduct system improvement and integration*

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

The Group has acquired a new integrated system. The implementation of the new integrated system have been completed.

The Group has deployed funds for system maintenance and point-of-sale system hosting.

**Implementation plan as set out in Prospectus and subsequently adjusted in the Announcements**

**Actual progress up to 30 September 2021**

*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.

*Develop and utilise the retail analytics solutions*

- development of the retail analytics solutions  
The Group has engaged a vendor for developing the retail analytics solutions.
- employ additional staff to process and analyse market data using the retail analytics solutions  
The Group has employed additional staff to prepare for the implementation of retail analytics solutions.



## USE OF PROCEEDS

An analysis of the planned usage of net proceeds up to 30 September 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 Announcements) HK\$'000	Actual usage of net proceeds up to 30 September 2021 HK\$'000	Unutilised net proceeds as at 30 September 2021 HK\$'000
Expand its retail network by opening more retail stores and refurbishing its existing retail stores	16,215	13,215	9,516	3,699 <sup>(Note 1)</sup>
Acquire a warehouse	13,181	13,181	13,181	–
Expand its product portfolio and explore new suppliers	1,581	1,581	1,581	–
Enhance its marketing strategies by expanding and exploring more effective online marketing strategies, transforming its website as a lifestyle information portal, revamping its 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	859	141 <sup>(Note 2)</sup>
Develop and utilise the retail analytics solutions	–	2,000	343	1,657 <sup>(Note 3)</sup>
General working capital	2,614	2,614	2,614	–
	<u>45,715</u>	<u>45,715</u>	<u>40,218</u>	<u>5,497</u>

### 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 2023.
2. 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.
3. Based on the best estimation of the Directors, all the unutilised net proceeds allocated to this business strategy, including the development of the retail analytics solutions and employment of additional staff to process and analyse market data, will be applied for the purpose as planned by around March 2023.

## 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 2021, 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 <i>(Note 1)</i>	Percentage of shareholding in the Company
Ms. Yuen Mi Ming Erica ("Ms. Erica Yuen") <i>(Note 2)</i>	Interest in controlled corporation	559,000,000 (L)	49.91%
Mr. Lam Yue Yeung Anthony ("Mr. Anthony Lam") <i>(Note 3)</i>	Interest of spouse	559,000,000 (L)	49.91%
Ms. Yuen Mimi Mi Wahng ("Ms. Mimi Yuen") <i>(Note 4)</i>	Interest in controlled corporation	30,000,000 (L)	2.68%
Mr. Cheung Siu Hon Ronald ("Mr. Ronald Cheung") <i>(Note 5)</i>	Interest of spouse	30,000,000 (L)	2.68%

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

<b>Name of Director</b>	<b>Capacity/ nature of interest</b>	<b>Name of associated corporation</b>	<b>Number of share interested (Note 1)</b>	<b>Percentage of shareholding in the associated corporation</b>
Ms. Erica Yuen	Beneficial owner	Prime Era Holdings Limited (“ <b>Prime Era</b> ”)	1 (L)	100%
Ms. Mimi Yuen	Beneficial owner	Webber Holdings Limited (“ <b>Webber</b> ”)	1 (L)	100%

*Notes:*

- (1) The letter “L” denotes long position in the relevant share interests.
- (2) Prime Era held direct interests of 559,000,000 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.
- (4) Webber held direct interests of 30,000,000 Shares. Webber is wholly and beneficially owned by Ms. Mimi Yuen. Therefore, Ms. Mimi Yuen is deemed to be interested in all the Shares held by Webber under the SFO.
- (5) Mr. Ronald Cheung is the spouse of Ms. Mimi Yuen. Mr. Ronald Cheung is deemed to be interested in the same number of Shares in which Ms. Mimi Yuen is interested by virtue of the SFO.

Save as disclosed above, as at 30 September 2021, 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 2021, 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 <i>(Note 1)</i>	Percentage of shareholding in the Company
Prime Era <i>(Note 2)</i>	Beneficial owner	559,000,000 (L)	49.91%
Ms. Ying Ka Kwok Tania	Beneficial owner	246,190,000 (L)	21.98%

*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 2021, 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. A summary of the principle terms of the Share Option Scheme is set out in the Appendix IV of the Prospectus. 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 2021.

## **DIRECTORS’ INTEREST IN COMPETING BUSINESS**

During the six months ended 30 September 2021, 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 2021, 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 2021.

## **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 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 the interim report for the six months ended 30 September 2021.

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

Hong Kong, 11 November 2021

*As at the date of this announcement, the Executive Directors of the Company are Ms. Yuen Mi Ming Erica (Chairlady) 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.*