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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 2023**

**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 2023, the audited operating results of the Group were as follows:

- the Group’s revenue increased by approximately HK\$10.4 million or approximately 6.4% from approximately HK\$161.0 million for the year ended 31 March 2022 to approximately HK\$171.4 million for the year ended 31 March 2023.
- the Group recorded a gross profit of approximately HK\$110.3 million for the year ended 31 March 2023 (2022: HK\$104.3 million), representing an increase of approximately 5.7% as compared to that for the previous year.
- profit attributable to the owners of the Company for the year ended 31 March 2023 amounted to approximately HK\$20.7 million (2022: HK\$20.1 million), representing an increase of approximately 3.1% as compared to that for the previous year.

Excluding the (i) subsidies received from the Hong Kong SAR Government under the Employment Support Scheme; (ii) non-recurring legal and professional fees in relation to Transfer of Listing Application; and (iii) charity donation in respective years, the Group’s profit attributable to owners of the Group for the year ended 31 March 2023 amounted to approximately HK\$19.1 million (2022: approximately HK\$23.8 million). This is primarily due to the significant exchange loss of approximately HK\$4.2 million recognized during the year, as the Group’s bank deposits denominated in various foreign currencies has depreciated against the Hong Kong dollar during the year. The Board has recommended a final dividend of HK0.8 cent per share after considering a relatively stable operating profit generated during the year ended 31 March 2023.

- The Board has recommended a final dividend of HK0.8 cent per ordinary share for the year ended 31 March 2023 (2022: HK0.6 cent per ordinary share), in an aggregate amount of approximately HK\$9.0 million (2022: approximately HK\$6.7 million), to shareholders of the Company (the “Shareholders”) whose names appeared on the register of members of the Company on Friday, 18 August 2023 and it is subject to approval by the Shareholders in the forthcoming annual general meeting.

During the year ended 31 March 2023, the Board has paid an interim dividend for the six months ended 30 September 2022 of HK1.3 cents per share, in an aggregate amount of approximately HK\$14.6 million, on Friday, 30 December 2022 to the Shareholders whose names appear in the register of members of the Company at the close of business on Friday, 2 December 2022 (2022: a special dividend of HK1.8 cents per share, in an aggregate amount of approximately HK\$20.2 million, have been paid).

## ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2023

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 2023 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 2023*

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	3	<b>171,398</b>	161,049
Cost of sales		<u><b>(61,129)</b></u>	<u>(56,772)</u>
Gross profit		<b>110,269</b>	104,277
Other income, gains and losses		<b>(2,556)</b>	362
Selling and distribution expenses		<b>(38,924)</b>	(38,182)
Administrative and operating expenses		<b>(43,072)</b>	(41,027)
Expected credit loss on trade receivables		–	(401)
Finance costs		<u><b>(667)</b></u>	<u>(755)</u>
Profit before income tax	5	<b>25,050</b>	24,274
Income tax expense	6	<u><b>(4,310)</b></u>	<u>(4,152)</u>
Profit and total comprehensive income for the year		<u><b>20,740</b></u>	<u>20,122</u>
Basic and diluted earnings per share (HK cents)	7	<u><b>1.85</b></u>	<u>1.80</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	<i>Notes</i>	<b>2023</b> <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>ASSETS AND LIABILITIES</b>			
Non-current assets			
Property, plant and equipment		<b>36,156</b>	37,810
Investment properties		<b>30,437</b>	–
Right-of-use assets		<b>12,311</b>	12,831
Deferred tax assets		<b>839</b>	757
Deposits paid for acquisition of assets		–	818
Other non-current assets		<b>1,923</b>	2,052
		<hr/> <b>81,666</b> <hr/>	<hr/> 54,268 <hr/>
Current assets			
Tax recoverable		–	148
Inventories		<b>10,337</b>	11,851
Trade receivables	9	<b>1,645</b>	2,852
Financial assets at fair value through profit or loss		<b>8,015</b>	7,829
Deposits, prepayments and other receivables		<b>4,721</b>	5,426
Pledged bank deposits		<b>300</b>	3,269
Time deposits with original maturity of more than three months		<b>7,850</b>	28,539
Bank balances and cash		<b>62,822</b>	63,745
		<hr/> <b>95,690</b> <hr/>	<hr/> 123,659 <hr/>
Current liabilities			
Trade payables	10	<b>1,264</b>	1,873
Accrued expenses and other payables		<b>14,232</b>	11,852
Contract liabilities		<b>2,878</b>	4,860
Lease liabilities		<b>7,570</b>	8,798
Tax payable		<b>1,170</b>	312
		<hr/> <b>27,114</b> <hr/>	<hr/> 27,695 <hr/>
Net current assets		<hr/> <b>68,576</b> <hr/>	<hr/> 95,964 <hr/>
Total assets less current liabilities		<hr/> <b>150,242</b> <hr/>	<hr/> 150,232 <hr/>
Non-current liabilities			
Lease liabilities		<b>5,175</b>	4,663
Deferred tax liabilities		<b>150</b>	112
		<hr/> <b>5,325</b> <hr/>	<hr/> 4,775 <hr/>
Net assets		<hr/> <b>144,917</b> <hr/>	<hr/> 145,457 <hr/>
<b>CAPITAL AND RESERVES</b>			
Share capital		<b>11,200</b>	11,200
Reserves		<b>133,717</b>	134,257
		<hr/> <b>144,917</b> <hr/>	<hr/> 145,457 <hr/>

## NOTES:

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act 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 and provision of beauty services in Hong Kong.

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

### 2. NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

#### **Amended HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group’s operations and effective for the Group’s consolidated financial statements for the annual period beginning on 1 April 2022:

Amendments to HKFRS 3	Reference to Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination

The adoption of the amendments to HKFRSs in the current year had no material impact on how the results and financial position of the Group for the current and prior years have been prepared and presented.

### 3. REVENUE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Sales of goods</b>		
Retail stores	132,800	128,520
Online shop	29,806	26,445
Consignment sales	5,498	3,945
Distributors	99	103
	<hr/>	<hr/>
Subtotal	168,203	159,013
	<hr/>	<hr/>
<b>Consignment commission income</b>		
Retail stores	128	175
Online shop	6	3
Consignment sales	249	202
	<hr/>	<hr/>
Subtotal	383	380
	<hr/>	<hr/>
<b>Provision of beauty services</b>	2,812	1,656
	<hr/>	<hr/>
Total	171,398	161,049
	<hr/> <hr/>	<hr/> <hr/>

#### Disaggregation of revenue from contracts with customers within the scope of HKFRS 15

The Group derives revenue from the transfer of goods at a point in time and services at a point in time and over time in the following major product and services lines:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Skincare	109,766	105,823
Cosmetics	6,541	6,409
Food and health supplements	44,012	40,073
Other products	7,884	6,708
Consignment commission income	383	380
Provision of beauty services	2,812	1,656
	<hr/>	<hr/>
Total	171,398	161,049
	<hr/> <hr/>	<hr/> <hr/>

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Timing of revenue recognition</b>		
At a point in time	168,586	159,393
Over time	<u>2,812</u>	<u>1,656</u>
Total	<u><u>171,398</u></u>	<u><u>161,049</u></u>

#### **Performance obligation for contracts with customers**

Revenue generated from sales of goods and consignment commission income by the Group have recognised at a point in time and revenue generated from provision of beauty services by the Group is recognised over time.

#### ***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.

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.

### *Provision of beauty services*

Revenue from provision of beauty services is recognised over time when the services have been rendered to customers.

### **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.

Included in contract liabilities is an amount of HK\$2,141,000 (2022: HK\$2,555,000) 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, being 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 preparation for the transfer of listing of the shares of the Company from GEM to Main Board of the Stock Exchange application (“**Transfer Listing Application Expenses**”) and donations). As a result, there is only one operating and reportable segment of the Group.

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 Application Expenses and donations. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.



The following is an analysis of the Group's revenue and results by its operating and reportable segment.

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Revenue from external sales	<b>171,398</b>	161,049
Segment results	<b>21,328</b>	23,818
Less:		
Transfer Listing Application Expenses	–	(693)
Donations	<b>(588)</b>	(3,003)
Profit for the year	<b>20,740</b>	20,122

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

### Geographical information

The Group's revenue from external sales and its non-current assets (other than deferred tax assets and other non-current assets) are divided into the following geographical areas:

	Revenue from external sales		Non-current assets	
	Year ended 31 March 2023 HK\$'000	Year ended 31 March 2022 HK\$'000	As at 31 March 2023 HK\$'000	As at 31 March 2022 HK\$'000
Hong Kong (domicile)	171,299	160,901	41,638	44,442
Japan	–	–	24,738	–
The United States of America ("USA")	37	–	12,528	7,017
Macau	62	148	–	–
Total	<b>171,398</b>	161,049	<b>78,904</b>	51,459

### Information about major customers

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

## 5. PROFIT BEFORE INCOME TAX

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit before income tax has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	4,265	4,491
Depreciation of investment properties	695	–
Depreciation of right-of-use assets	10,604	10,621
Exchange losses/(gains) (included in other income, gains and losses)	4,154	(9)
Transfer Listing Application Expenses	–	693
Interest income	(895)	(29)
	<u>4,154</u>	<u>(29)</u>

## 6. INCOME TAX EXPENSE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong Profits Tax		
– Current year	4,391	4,274
– (Overprovision)/underprovision in prior years	(37)	23
	<u>4,354</u>	<u>4,297</u>
Deferred taxation	(44)	(145)
	<u>4,310</u>	<u>4,152</u>

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

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying 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. EARNINGS PER SHARE

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

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Earnings</b>		
Earnings attributable to the owners of the Company for the purpose of calculation of basic earnings per share	<u>20,740</u>	<u>20,122</u>
	2023 '000	2022 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	<u>1,120,000</u>	<u>1,120,000</u>

Diluted earnings per share was the same as basic earnings per share for the years ended 31 March 2023 and 2022 as there was no potential dilutive ordinary share in issue during both years.

## 8. DIVIDENDS

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Approved and paid</b>		
2022 special dividend, paid – HK1.8 cents per ordinary share	–	20,160
2023 interim dividend, paid – HK1.3 cents per ordinary share	14,560	–
Final dividend, in respect of the previous financial year, paid – HK0.6 cent per ordinary share (2021: HK0.6 cent)	<u>6,720</u>	<u>6,720</u>
	<u>21,280</u>	<u>26,880</u>
<b>Proposed</b>		
Final dividend, proposed – HK0.8 cent (2022: HK0.6 cent) per ordinary share	<u>8,960</u>	<u>6,720</u>
	<u>8,960</u>	<u>6,720</u>

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 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 2022, 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 to the Shareholders whose names appear in the register of members of the Company at the close of business on Friday, 7 October 2022. The payment of the 2022 final dividend have been approved by the Shareholders in the 2022 annual general meeting. The 2022 final dividend have been paid on Monday, 31 October 2022.

During the year ended 31 March 2023, the Board has paid an interim dividend of HK1.3 cents per share, in an aggregate amount of approximately HK\$14.6 million, on Friday, 30 December 2022 to the Shareholders whose names appear in the register of members of the Company at the close of business on Friday, 2 December 2022.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2023 of HK0.8 cent per ordinary share, in an aggregate amount of approximately HK\$9.0 million, has been proposed by the Directors of the Company to the Shareholders whose names appeared on the register of members of the Company on Friday, 18 August 2023 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, net of expected credit losses allowance, from sales of goods and services presented based on the revenue recognition date at the end of the reporting period.

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Within 30 days	<b>1,241</b>	1,293
31 – 60 days	<b>367</b>	1,167
61 – 90 days	<b>4</b>	116
Over 90 days	<b>33</b>	276
	<b>1,645</b>	2,852

The Group's revenue, including the sales of goods, consignment commission income and provision of beauty service 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.

As at 31 March 2023, included in the Group's trade receivables are primarily debtors from credit card sales, cash vouchers from landlord of retail stores, consignment sales and sales to distributors, in which the carrying amount of approximately HK\$36,000 (2022: HK\$928,000) are past due as at the reporting date. No past due balance are considered in default (2022: Except for the past due balances of HK\$401,000, the remaining past due balances are not considered as in default), this is 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.

	<b>2023</b>	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	<b>1,130</b>	1,825
31 – 60 days	<b>134</b>	48
	<hr/> <b>1,264</b> <hr/>	<hr/> 1,873 <hr/>

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is a multi-brand retailer, which operates nine retail stores under the brand of “MI MING MART” (“彌明生活百貨”) (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, consignees and distributors. The Group also acts as the consignee for some suppliers on a consignment basis whereby the Group is entitled to consignment commissions based on the amount of sales of the consignors’ products and the predetermined percentage as agreed between the consignors and the Group. The Group also provides beauty services to its customers.

The Directors believe that the Group’s success is attributable to the brand 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, services offerings 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\$10.4 million to approximately HK\$171.4 million for the year ended 31 March 2023 from approximately HK\$161.0 million for the previous year, representing an increase of approximately 6.4%. The Directors believe that the increase in revenue was primarily due to (i) an increase in the revenue generated from the sales of the Group's products through its retail shops of approximately HK\$4.3 million mainly due to the relocation of its two retail shops in Mongkok and Tuen Mun, which attracted more consumer traffic; and (ii) an increase in the revenue generated from the sales of the Group's products of approximately HK\$3.4 million through its online shops since online shopping has become a more popular choice for the Group's customers due to the shift in shopping behavior brought on by the COVID-19 pandemic; and (iii) an increase in the sales of the Group's products through its consignees of approximately HK\$1.6 million.

For the year ended 31 March 2023, the revenue generated from the sale of our products accounted for approximately 98.1% of our total revenue, whilst the provision of beauty services and consignment commission income accounted for approximately 1.6% and 0.2% of our total revenue, respectively.

### **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\$4.3 million to approximately HK\$61.1 million for the year ended 31 March 2023 from approximately HK\$56.8 million for the previous year, representing an increase of approximately 7.7%. In addition to the increase in the cost of sales along with the increase in sales during the period, the Group recorded a further increase in the cost of sales as a result of an increase in the proportion of the sales of certain products under an exclusive brand which had a relatively higher cost of sales in general as compared to other products.

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

The Group's gross profit increased by approximately HK\$6.0 million to approximately HK\$110.3 million for the year ended 31 March 2023 from approximately HK\$104.3 million for the previous year, representing an increase of approximately 5.7%, whilst the Group's gross profit margin slight decreased from approximately 64.7% to approximately 64.3% for the respective years. The slight decrease in the gross profit margin was mainly attributable to the increase in the proportion of the sales of certain products under an exclusive brand which had a relatively higher cost of sales in general as compared to other products.

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

The Group recorded a loss of approximately HK\$2.6 million for the year ended 31 March 2023 which was primarily attributable to the net effect of (i) an exchange loss amounted to approximately HK\$4.2 million recognised upon the translation of the Group's bank deposits denominated in various foreign currencies as a result of the depreciation of those foreign currencies against the Hong Kong dollar during the period; (ii) bank interest income of approximately HK\$0.9 million and (iii) rental income from investment properties of approximately HK\$0.6 million. The Group recorded a slight gain of approximately HK\$0.4 million for the year ended 31 March 2022.

### **Selling and distribution expenses**

The Group's selling and distribution expenses increased by approximately HK\$0.7 million to approximately HK\$38.9 million for the year ended 31 March 2023 from approximately HK\$38.2 million for the previous year, representing an increase of approximately 1.9%. The increase was primarily due to the net effect of (i) an increase in rental expenses of retail stores of approximately HK\$0.6 million; (ii) an increase in marketing expenses of approximately HK\$0.4 million; (iii) an increase in depreciation expenses of retail stores of approximately HK\$0.4 million; and (iv) a decrease in staff costs for sales staff of approximately HK\$0.9 million mainly due to the receipt of subsidies of approximately HK\$1.0 million from the Hong Kong SAR Government under the Employment Support Scheme for the year ended 31 March 2023.

### **Administrative and operating expenses**

Administrative and operating expenses increased by approximately HK\$2.1 million to approximately HK\$43.1 million for the year ended 31 March 2023 from approximately HK\$41.0 million for the previous year, representing an increase of approximately 5.0%. Such increase was primarily due to the net effect of (i) increase in Directors' remuneration of approximately HK\$4.2 million mainly as a result of a provision of unused leaves made during the period in accordance with a newly adopted Company policy; and (ii) decrease in donation of approximately HK\$2.4 million.

### **Expected credit loss on trade receivables**

For the year ended 31 March 2023, the Group did not have any expected credit losses on trade receivables (2022: HK\$0.4 million).

### **Finance costs**

Finance costs primarily consists of interest expenses on the lease liabilities and bank borrowing. The finance costs remained relatively stable at approximately HK\$0.7 million for the year ended 31 March 2023 as compared to that for the previous year.



## Income tax expense

For the years ended 31 March 2022 and 2023, the Group's income tax expense remained relatively stable at approximately HK\$4.2 million and HK\$4.3 million respectively, representing an effective tax rate of approximately 17.1% and 17.2% respectively.

## Net profit for the year

As a result of the foregoing, the Group's net profit increased by approximately HK\$0.6 million or approximately 3.1% from approximately HK\$20.1 million for the year ended 31 March 2022 to approximately HK\$20.7 million for the year ended 31 March 2023, whilst the Group's net profit margin decreased from approximately 12.5% to approximately 12.1% for the respective years.

## GEARING RATIO

As at 31 March 2023, the Group did not have any bank borrowings or other borrowings and therefore, gearing ratio is not applicable (31 March 2022: nil).

## LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY

	As at 31 March	
	2023	2022
<i>Current ratio</i> <sup>(Note)</sup>	3.5	4.5

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

The Group's financial position remains healthy. As at 31 March 2023, the Group's bank balances and cash and time deposits with original maturity of more than three months were amounted to HK\$70.7 million (31 March 2022: HK\$92.3 million). The current ratio of the Group as at 31 March 2023 was 3.5 times as compared to that of 4.5 times as at 31 March 2022. The decrease in current ratio was mainly due to the net effect of the (i) payment of the final dividend for the year ended 31 March 2022 and interim dividend for the six months ended 30 September 2022 during the year ended 31 March 2023; (ii) acquisition of residential properties located in Japan and the USA; and (iii) operating cash inflow during the year ended 31 March 2023. For details of the acquisition of the Japan property, please refer to the announcements of the Company dated 31 May 2022 and 6 June 2022.

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, bank balances and cash, time deposits with original maturity of more than three months, 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 its operations and the net proceeds from the share offer of the Company's shares from the Listing.

#### **FOREIGN EXCHANGE EXPOSURE**

As at 31 March 2023, the Group is exposed to foreign exchange risk arising from various currencies, primarily with respect to bank deposits denominated in the United States dollars, Australian dollars and New Zealand dollars. For the bank deposits denominated in the United States dollars and Australian dollars, the Directors consider that maintaining the said foreign currencies for payment of purchase for at least six months and keeping of about three months' inventory, with reference to its historical purchases, will provide the Group with a sufficient buffer to minimise the Group's 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 2023, there was no significant investment held by the Group (2022: 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 2023, the Group did not have any significant capital commitments (2022: an amount of USD7,500 (equivalent to approximately HK\$59,000) has been paid as deposit for the acquisition of a residential property located in the United States ("**US Property**"). The outstanding capital expenditure in respect of the acquisition of the US Property amounted to USD737,500 (equivalent to approximately HK\$5,753,000 and was paid upon the completion of acquisition on 27 May 2022)).

#### **CONTINGENT LIABILITIES**

As at 31 March 2023, the Group did not have any material contingent liabilities (2022: nil).

## **DIVIDEND**

The Board has recommended a final dividend of HK0.8 cent per ordinary share for the year ended 31 March 2023 (2022: HK0.6 cent per ordinary share), in an aggregate amount of approximately HK\$9.0 million (2022: HK\$6.7 million), to Shareholders whose names appeared on the register of members of the Company on Friday, 18 August 2023 and it is subject to the approval by the Shareholders in the forthcoming annual general meeting.

During the year ended 31 March 2023, the Board has paid an interim dividend of HK1.3 cents per share, in an aggregate amount of approximately HK\$14.6 million, on Friday, 30 December 2022 to the Shareholders whose names appear in the register of members of the Company at the close of business on Friday, 2 December 2022 (2022: a special dividend of HK1.8 cents per share, in an aggregate amount of approximately HK\$20.2 million, have been paid).

## **EMPLOYEES AND REMUNERATION POLICIES**

The Group recognises the importance of a good relationship with its employees. The Directors believe that the work 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 management and industry and product knowledge of the employees. The Directors believe such training programs will equip the employees with skills and knowledge to enhance the Group's services to its customers.

A Remuneration Committee has been set up since the Listing for reviewing the Group's emolument policy and structure of all the 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.

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.

As at 31 March 2023, the Group employed a total of 87 (2022: 84) full-time employees and 11 (2022: 13) part-time employees. The staff costs, including Directors' emoluments, of the Group for the year ended 31 March 2023 was approximately HK\$41.7 million (2022: HK\$38.9 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 2023.

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

As at 31 March 2023, the Group did not have a plan for material investments or capital assets.

## USE OF PROCEEDS

The total net proceeds from the share offer through the Listing was approximately HK\$45.7 million. As at 31 March 2023, the net proceeds from the share offer was fully utilised. An analysis of the planned usage of net proceeds up to 31 March 2023 and the actual utilisation are set out below:

	Use of proceeds as disclosed in the prospectus dated 30 January 2018 (the "Prospectus") (adjusted on a pro rata basis on the actual net proceeds) <i>HK\$'000</i>	Use of proceeds as disclosed in the prospectus dated 9 March 2020 and 13 August 2021) <i>HK\$'000</i>	Actual usage of net proceeds up to 31 March 2023 <i>HK\$'000</i>	Unutilised net proceeds as at 31 March 2023 <i>HK\$'000</i>
Expand its retail network by opening more retail stores and refurbishing its existing retail stores	16,215	13,215	13,215	-
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	1,000	-
Develop and utilise the retail analytics solutions	-	2,000	2,000	-
General working capital	2,614	2,614	2,614	-
	<u>45,715</u>	<u>45,715</u>	<u>45,715</u>	<u>-</u>

## **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.

## **RELEVANT DATES FOR FINAL DIVIDEND**

Ex-entitlement date	Tuesday, 15 August 2023
Latest time to lodge share transfer	4:30 p.m., Wednesday, 16 August 2023
Closure of register of members	From Thursday, 17 August 2023 to Friday, 18 August 2023, both dates inclusive
Record date	Friday, 18 August 2023
Payment date	Friday, 15 September 2023

In order to qualify for the abovementioned final dividend, all share transfer form, accompanied by the relevant share certificates, must be lodged with Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 16 August 2023.

## **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 C.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 C.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 2023, 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 2023 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 2023 Annual General Meeting has been scheduled to be held on Friday, 28 July 2023 (the “**2023 AGM**”). A notice convening the 2023 AGM will be issued and despatched to the shareholders on Thursday, 29 June 2023.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Tuesday, 25 July 2023 to Friday, 28 July 2023, 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 2023 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with Tricor Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong at 17/F, Fat East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 July 2023.

## **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 D.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. Wong Yuen Kwan. 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 2023.



## **SCOPE OF WORK OF MESSRS. GRANT THORNTON HONG KONG LIMITED**

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 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Grant Thornton Hong Kong Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Grant Thornton Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs. Grant Thornton Hong Kong Limited 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, 20 June 2023

*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. Tsang Wing Yee and Ms. Wong Yuen Kwan.*

*This announcement will remain on the "Latest Listed Company Information" page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) 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](http://www.mimingmart.com).*