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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 2024**

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 2024, the audited operating results of the Group were as follows:

- the Group’s revenue decreased by approximately HK\$22.6 million or approximately 13.2% from approximately HK\$171.4 million for the year ended 31 March 2023 to approximately HK\$148.8 million for the year ended 31 March 2024.
- the Group recorded a gross profit of approximately HK\$93.3 million for the year ended 31 March 2024 (2023: HK\$110.3 million), representing a decrease of approximately 15.4% as compared to that for the previous year.
- profit attributable to the owners of the Company for the year ended 31 March 2024 amounted to approximately HK\$14.9 million (2023: HK\$20.7 million), representing a decrease of approximately 28.1% as compared to that for the previous year. Excluding (i) the subsidies received from the Hong Kong SAR Government under the Employment Support Scheme; and (ii) the charity donation made in respective years, the Group’s profit attributable to owners of the Group for the year ended 31 March 2024 amounted to approximately HK\$15.1 million (2023: approximately HK\$19.1 million). Despite the decrease in profit, the Board has recommended a final dividend of HK0.8 cent per share after considering (i) the operating profit for the year ended 31 March 2024; (ii) the surplus of the Group; and (iii) the capital required for the Group’s future operations.
- The Board has recommended a final dividend of HK0.8 cent per ordinary share for the year ended 31 March 2024 (2023: HK0.8 cent per ordinary share), in an aggregate amount of approximately HK\$9.0 million (2023: approximately HK\$9.0 million), to shareholders of the Company (the “Shareholders”) whose names appeared on the register of members of the Company on Friday, 23 August 2024 and the payment of the final dividend is subject to approval by the Shareholders in the forthcoming annual general meeting.

During the year ended 31 March 2024, the Board has paid an interim dividend for the six months ended 30 September 2023 of HK0.8 cents per share, in an aggregate amount of approximately HK\$9.0 million, on Friday, 29 December 2023 to the Shareholders whose names appear in the register of members of the Company at the close of business on Friday, 1 December 2023 (2023: an interim dividend of HK1.3 cents per share, in an aggregate amount of approximately HK\$14.6 million, have been paid).

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

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 2024 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 2024

		2024	2023
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	148,835	171,398
Cost of sales		<u>(55,559)</u>	<u>(61,129)</u>
Gross profit		93,276	110,269
Other income, gains and losses		3,255	(2,556)
Selling and distribution expenses		(37,801)	(38,924)
Administrative and operating expenses		(40,264)	(43,072)
Finance costs		<u>(643)</u>	<u>(667)</u>
Profit before income tax	5	17,823	25,050
Income tax expense	6	<u>(2,903)</u>	<u>(4,310)</u>
Profit for the year		<u>14,920</u>	<u>20,740</u>
Other comprehensive expense			
<i>Item that will be reclassified subsequently to profit or loss</i>			
Fair value loss on debt investments at fair value through other comprehensive income (“FVOCI”)		<u>(52)</u>	<u>–</u>
Other comprehensive expense for the year, net of tax		<u>(52)</u>	<u>–</u>
Total comprehensive income for the year		<u>14,868</u>	<u>20,740</u>
Basic and diluted earnings per share (HK cents)	7	<u>1.33</u>	<u>1.85</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		59,440	36,156
Investment properties		5,544	30,437
Right-of-use assets		10,351	12,311
Deferred tax assets		975	839
Other financial assets		6,483	–
Other non-current assets		2,407	1,923
		85,200	81,666
Current assets			
Inventories		11,542	10,337
Trade receivables	9	2,396	1,645
Financial assets at fair value through profit or loss		2,244	8,015
Other financial assets		14,069	–
Deposits, prepayments and other receivables		3,828	4,721
Tax recoverable		206	–
Pledged bank deposits		305	300
Time deposits with original maturity of more than three months		780	7,850
Bank balances and cash		45,017	62,822
		80,387	95,690
Current liabilities			
Trade payables	10	668	1,264
Accrued expenses and other payables		9,255	14,232
Contract liabilities		2,967	2,878
Lease liabilities		8,178	7,570
Tax payable		–	1,170
		21,068	27,114
Net current assets		59,319	68,576
Total assets less current liabilities		144,519	150,242
Non-current liabilities			
Lease liabilities		2,467	5,175
Deferred tax liabilities		187	150
		2,654	5,325
Net assets		141,865	144,917
CAPITAL AND RESERVES			
Share capital		11,200	11,200
Reserves		130,665	133,717
		141,865	144,917

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 2023:

HKFRS 17	Insurance Contracts with related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

Except for those mentioned below, the adoption of the new and 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.

Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”

The amendments to HKAS 1 require entities to disclose material accounting policy information instead of significant accounting policies in its financial statements. Accounting policy information is material if, when considered together with other information included in entities’ financial statements, it can reasonably be expected to influence decision that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also provide some guidance on how material policy information are being identified and provide some examples of when accounting policy information is likely to be material.

In March 2021, HKICPA issued HKFRS Practice Statement 2 “Making Materiality Judgements” to provide entities with non-mandatory guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with HKFRS. HKFRS Practice Statement 2 was subsequently revised to provide guidance and examples on how to apply the concept of materiality to accounting policy disclosures.

The amendments to HKAS 1 are applied by the Group on 1 April 2023 and are applied prospectively. The Group revisited the accounting policy information it has been disclosing and considered it is consistent with the amendments.

Amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments clarify that the initial recognition exemption of deferred tax in HKAS 12 “Income Taxes” does not apply to transactions that give rise to equal taxable and deductible temporary differences, such as lease contracts that give rise to the recognition of a lease liability and the corresponding right-of-use assets and contracts that give rise to the recognition of decommissioning obligations and corresponding amounts recognised as assets. Instead, entities are required to recognise the related deferred tax asset and liability on initial recognition, with the recognition of any deferred tax asset being subject to the recoverability criteria in HKAS 12 “Income Taxes”.

The Group adopted the amendments from 1 April 2023 and are required to recognise the associated deferred tax assets and liabilities from leases that occurred on or after 1 April 2022, with any cumulative effect recognised as an adjustment to retained earnings at that date.

Prior to the application of the amendments, the Group had recognised the deferred tax assets and liabilities arising from leases on a net basis. Following the requirements of the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets as at 1 April 2022. As the Group did not have any material temporary differences in relation to right-of-use assets and lease liabilities as at 1 April 2022, there is no material impact on the retained earnings as at 1 April 2022 as a result of the amendments.

3. REVENUE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Sales of goods		
Retail stores	115,596	132,800
Online shop	26,482	29,806
Consignment sales	5,130	5,498
Distributors	102	99
	<hr/>	<hr/>
Subtotal	147,310	168,203
	<hr/>	<hr/>
Consignment commission income		
Retail stores	94	128
Online shop	3	6
Consignment sales	128	249
	<hr/>	<hr/>
Subtotal	225	383
	<hr/>	<hr/>
Provision of beauty services	1,300	2,812
	<hr/>	<hr/>
Total	148,835	171,398
	<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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Skincare	98,195	109,766
Cosmetics	7,694	6,541
Food and health supplements	35,038	44,012
Other products	6,383	7,884
Consignment commission income	225	383
Provision of beauty services	1,300	2,812
	<hr/>	<hr/>
Total	148,835	171,398
	<hr/> <hr/>	<hr/> <hr/>

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Timing of revenue recognition		
At a point in time	147,535	168,586
Over time	<u>1,300</u>	<u>2,812</u>
Total	<u><u>148,835</u></u>	<u><u>171,398</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\$2,328,000 (2023: HK\$2,141,000) representing 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 donations). As a result, there is only one operating and reportable segment of the Group.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue from external sales	<u>148,835</u>	<u>171,398</u>
Segment results	15,050	21,328
Less:		
Donation	<u>(130)</u>	<u>(588)</u>
Profit for the year	<u>14,920</u>	<u>20,740</u>

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, other financial assets and other non-current assets) are divided into the following geographical areas:

	Revenue from external sales		Non-current assets	
	Year ended 31 March 2024 <i>HK\$'000</i>	Year ended 31 March 2023 <i>HK\$'000</i>	As at 31 March 2024 <i>HK\$'000</i>	As at 31 March 2023 <i>HK\$'000</i>
Hong Kong (domicile)	148,376	171,299	39,337	41,638
Japan	–	–	23,890	24,738
The United States of America ("USA")	437	37	12,108	12,528
Macau	22	62	–	–
Total	<u>148,835</u>	<u>171,398</u>	<u>75,335</u>	<u>78,904</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit before income tax has been arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	4,343	4,265
Depreciation of investment properties	397	695
Depreciation of right-of-use assets	9,958	10,604
Exchange losses (included in other income, gains and losses)	758	4,154
Interest income	(2,770)	(895)
	<u>4,343</u>	<u>4,265</u>

6. INCOME TAX EXPENSE

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax		
– Current year	3,065	4,391
– Overprovision in prior years	(63)	(37)
	<u>3,002</u>	<u>4,354</u>
Deferred taxation	(99)	(44)
	<u>2,903</u>	<u>4,310</u>

The provision for Hong Kong Profits Tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying entities are taxed at 8.25%, and the profits above HK\$2 million are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2023.

The directors of the Company are in view of 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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings		
Earnings attributable to the owners of the Company for the purpose of calculation of basic earnings per share	<u>14,920</u>	<u>20,740</u>
	2024 '000	2023 '000
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	<u>1,120,000</u>	<u>1,120,000</u>

Diluted earnings per share was the same as basic earnings per share for the years ended 31 March 2024 and 2023 as there was no potential dilutive ordinary share in issue during both years.

8. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Approved and paid		
Interim dividend, paid – HK0.8 cent (2023: HK1.3 cents) per ordinary share	8,960	14,560
Final dividend, in respect of the previous financial year, paid – HK0.8 cent (2022: HK0.6 cent) per ordinary share	<u>8,960</u>	<u>6,720</u>
	<u>17,920</u>	<u>21,280</u>
Proposed		
Final dividend, proposed – HK0.8 cent (2023: HK0.8 cent) per ordinary share	<u>8,960</u>	<u>8,960</u>
	<u>8,960</u>	<u>8,960</u>

As disclosed in the annual report of the Company for the year ended 31 March 2023, a final dividend of HK0.8 cent per share, in an aggregate amount of approximately HK\$9.0 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, 18 August 2023. The payment of the 2023 final dividend has been approved by the Shareholders in the 2023 annual general meeting held on Friday, 28 July 2023. The 2023 final dividend has been paid on Friday, 15 September 2023.

During the year ended 31 March 2024, the Board has paid an interim dividend for the year ended 31 March 2024 of HK0.8 cent per share, in an aggregate amount of approximately HK\$9.0 million, on Friday, 29 December 2023 to the Shareholders whose names appear in the register of members of the Company at the close of business on Friday, 1 December 2023.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2024 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, 23 August 2024 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.

	2024	2023
	HK\$'000	HK\$'000
Within 30 days	2,102	1,241
31 – 60 days	273	367
61 – 90 days	4	4
Over 90 days	17	33
	<u>2,396</u>	<u>1,645</u>

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 2024, included in the Group's trade receivables are primarily debtors from credit card sales, cash vouchers from landlord of retail stores and consignment sales, in which the carrying amount of approximately HK\$13,000 (2023: HK\$36,000) were past due as at the reporting date. No past due balance were considered in default (2023: nil), this was because the trade receivables were of good credit quality and those debtors did not have any default payment history. The Group did not hold any collateral over these balances.

Trade receivables on overdue debtors were 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.

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	620	1,130
31 – 60 days	48	134
	<hr/> 668 <hr/>	<hr/> 1,264 <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 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 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. Leveraging the Group’s extensive knowledge in both the skincare and cosmetics market and the health supplements market in Hong Kong, the Directors believe the Group is well-positioned to remain resilient in the challenging business environment.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately HK\$22.6 million to approximately HK\$148.8 million for the year ended 31 March 2024 from approximately HK\$171.4 million for the previous year, representing a decrease of approximately 13.2%. The Directors believe that the decrease in revenue was primarily due to the decrease in the Group's retail sales in general mainly as a result of the decrease in sales of the Group's skincare products and food and health supplements.

For the year ended 31 March 2024, the revenue generated from the sale of our products accounted for approximately 98.9% of our total revenue, whilst the provision of beauty services and consignment commission income accounted for approximately 0.9% 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 decreased by approximately HK\$5.5 million to approximately HK\$55.6 million for the year ended 31 March 2024 from approximately HK\$61.1 million for the previous year, representing a decrease of approximately 9.1%. Despite a decrease in sales for the year ended 31 March 2024, the decrease in the cost of sales during the year was relatively lesser primarily due to (i) a decrease in the proportion of sales of certain exclusive brand products which had a relatively lower cost in general as compared to other products; and (ii) an increase in the sales of newly launched beauty devices which had a relatively higher cost as compared to other products.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately HK\$17.0 million to approximately HK\$93.3 million for the year ended 31 March 2024 from approximately HK\$110.3 million for the previous year, representing a decrease of approximately 15.4%, whilst the Group's gross profit margin decreased from approximately 64.3% for the year ended 31 March 2023 to approximately 62.7% for the year ended 31 March 2024. The decrease in the gross profit margin was mainly attributable to a relatively lesser decrease in the cost of sales as compared to the decline in sales due to the factors mentioned above.

Other income, gains and losses

The Group recorded a gain of approximately HK\$3.3 million for the year ended 31 March 2024 which was primarily attributable to the net effect of (i) bank interest income of approximately HK\$2.8 million; (ii) gain from disposal of a motor vehicle of approximately HK\$0.6 million; (iii) rental income of approximately HK\$0.4 million; and (iv) an exchange loss amounted to approximately HK\$0.8 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 year. 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 of 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 Hong Kong dollar; (ii) bank interest income of approximately HK\$0.9 million; and (iii) rental income of approximately HK\$0.6 million.

Selling and distribution expenses

The Group's selling and distribution expenses decreased by approximately HK\$1.1 million to approximately HK\$37.8 million for the year ended 31 March 2024 from approximately HK\$38.9 million for the previous year, representing a decrease of approximately 2.9%. The decrease was primarily due to the net effect of (i) a decrease in rental related expenses of retail stores of approximately HK\$1.4 million; (ii) a decrease in depreciation expenses of retail stores of approximately HK\$0.5 million; and (iii) an increase in marketing expenses of approximately HK\$0.8 million.

Administrative and operating expenses

Administrative and operating expenses decreased by approximately HK\$2.8 million to approximately HK\$40.3 million for the year ended 31 March 2024 from approximately HK\$43.1 million for the previous year, representing a decrease of approximately 6.5%. Such decrease was primarily due to the net effect of (i) a decrease in Directors' remuneration of approximately HK\$4.0 million mainly due to a significantly smaller provision made for unused leaves for the year ended 31 March 2024 as compared to that for the previous year; and (ii) an increase in salaries and allowances for administrative staff of approximately HK\$1.2 million mainly due to the receipt of a subsidy from the Hong Kong Government under the Employment Support Scheme in the year ended 31 March 2023 whereas no corresponding subsidy was received in the year ended 31 March 2024.

Finance costs

Finance costs primarily consists of interest expenses on the lease liabilities. The finance costs remained relatively stable at approximately HK\$0.6 million for the year ended 31 March 2024 as compared to that for the previous year.

Income tax expense

For the years ended 31 March 2023 and 2024, the Group's income tax expense was approximately HK\$4.3 million and HK\$2.9 million respectively, representing an effective tax rate of approximately 17.2% and 16.3% respectively. The lower effective tax rate for the year ended 31 March 2024 was mainly due to a reduction in the exchange loss incurred during that year which were not deductible for taxation purpose.

Net profit for the year

As a result of the foregoing, the Group's net profit decreased by approximately HK\$5.8 million or approximately 28.1% from approximately HK\$20.7 million for the year ended 31 March 2023 to approximately HK\$14.9 million for the year ended 31 March 2024, whilst the Group's net profit margin decreased from approximately 12.1% for the year ended 31 March 2023 to approximately 10.0% for the year ended 31 March 2024.

GEARING RATIO

As at 31 March 2024, the Group did not have any bank borrowings or other borrowings and therefore, gearing ratio is not applicable (31 March 2023: nil).

LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY

	As at 31 March	
	2024	2023
Current ratio <i>(Note)</i>	3.8	3.5

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 2024, the Group's bank balances and cash and time deposits with original maturity of more than three months amounted to HK\$45.8 million (31 March 2023: HK\$70.7 million). The increase in current ratio was due to the fact that the Group has utilised its financial resources to settle a substantial portion of accrued expenses during the year ended 31 March 2024.

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 2024, the Group is exposed to foreign exchange risk arising from various currencies, primarily with respect to bank deposits and financial assets denominated in the United States dollars, Australian dollars and Japanese Yen. 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

During the year ended 31 March 2024, the Group has acquired several US Treasury Bills (the "US Treasury Bills") at a cost of approximately USD2.2 million (equivalent to approximately HK\$16.9 million) in order to maximize the utilization of its surplus cash received from its business operations, with a view to achieving balanced yields whilst maintaining high liquidity and reasonable levels of risks.

The principal terms of the US Treasury Bills have been provided in the announcements of the Company dated 7 August 2023 and 15 April 2024, respectively. The fair value of the US Treasury Bills were approximately HK\$17.3 million, which constituted 10.4% of the total assets of the Group. For the year ended 31 March 2024, the (i) interest income associated with the US Treasury Bills recorded and (ii) the fair value loss of the US Treasury Bills classified as debt investments at fair value through other comprehensive income amounted to approximately HK\$0.4 million and approximately HK\$52,000, respectively.

Save as disclosed above, we did not hold any other significant investment as at 31 March 2024. As at 31 March 2023, there was no significant investment held by the Group.

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 2024, the Group did not have any significant capital commitments (2023: nil).

CONTINGENT LIABILITIES

As at 31 March 2024, the Group did not have any material contingent liabilities (2023: nil).

DIVIDEND

The Board has recommended a final dividend of HK0.8 cent per ordinary share for the year ended 31 March 2024 (2023: HK0.8 cent per ordinary share), in an aggregate amount of approximately HK\$9.0 million (2023: HK\$9.0 million), to Shareholders whose names appeared on the register of members of the Company on Friday, 23 August 2024 and the payment of the final dividend it is subject to the approval by the Shareholders in the forthcoming annual general meeting.

During the year ended 31 March 2024, the Board has paid on Friday, 29 December 2023 an interim dividend of HK0.8 cents per share, in an aggregate amount of approximately HK\$9.0 million, to the Shareholders whose names appear in the register of members of the Company at the close of business on Friday, 1 December 2023 (2023: an interim dividend of HK1.3 cents per share, in an aggregate amount of approximately HK\$14.6 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 2024, the Group employed a total of 73 (2023: 85) full-time employees and 15 (2023: 13) part-time employees. The staff costs, including Directors' emoluments, of the Group for the year ended 31 March 2024 was approximately HK\$39.2 million (2023: HK\$41.7 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 2024.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2024, the Group did not have a plan for material investments or capital assets.

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, 20 August 2024
Latest time to lodge share transfer	4:30 p.m., Wednesday, 21 August 2024
Closure of register of members	From Thursday, 22 August 2024 to Friday, 23 August 2024, both dates inclusive
Record date	Friday, 23 August 2024
Payment date	Friday, 20 September 2024

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, 21 August 2024.

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 C1 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 2024, 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 2024 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 2024 Annual General Meeting has been scheduled to be held on Thursday, 1 August 2024 (the “**2024 AGM**”). A notice convening the 2024 AGM will be issued and despatched to the shareholders on Wednesday, 10 July 2024.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 29 July 2024 to Thursday, 1 August 2024, 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 2024 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, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 26 July 2024.

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 2024.

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 2024 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, 24 June 2024

As at the date of this announcement, the Executive Directors are Ms. Yuen Mi Ming Erica and Ms. Yuen Mimi Mi Wahng; the Non-executive Directors are Mr. Cheung Siu Hon Ronald and Mr. Lam Yue Yeung Anthony; and the Independent Non-executive Directors are Ms. Chan Sze Lai Celine, Ms. 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 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.