

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



2017/18

Third Quarterly Report

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, 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 the 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 report 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 report misleading.

CONTENTS

| | |
|---|----|
| Corporate Information | 1 |
| Unaudited Condensed Combined Statement of Profit or Loss and Other Comprehensive Income | 2 |
| Unaudited Condensed Combined Statement of Changes in Equity | 3 |
| Notes to the Unaudited Condensed Combined Financial Statements | 4 |
| Management Discussion and Analysis | 7 |
| Corporate Governance and Other Information | 11 |



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Yuen Mi Ming Erica
(*Chairlady and Chief Executive Officer*)
Ms. Yuen Mimi Mi Wahng

Non-executive Directors

Mr. Cheung Siu Hon Ronald
Mr. Lam Yue Yeung Anthony

Independent Non-executive Directors

Ms. Chan Sze Lai Celine
Ms. Shum Wai Sze
Ms. Tsang Wing Yee

BOARD COMMITTEES

Audit Committee

Ms. Tsang Wing Yee (*Chairlady*)
Ms. Chan Sze Lai Celine
Ms. Shum Wai Sze

Remuneration Committee

Ms. Chan Sze Lai Celine (*Chairlady*)
Ms. Yuen Mi Ming Erica
Ms. Shum Wai Sze

Nomination Committee

Ms. Yuen Mi Ming Erica (*Chairlady*)
Ms. Chan Sze Lai Celine
Ms. Shum Wai Sze

COMPLIANCE OFFICER

Ms. Yuen Mimi Mi Wahng

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1622, 16th Floor
Leighton Centre
77 Leighton Road, Causeway Bay
Hong Kong

COMPANY SECRETARY

Mr. Mak Yau Kwan

AUTHORISED REPRESENTATIVES

Ms. Yuen Mi Ming Erica
Ms. Yuen Mimi Mi Wahng

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway
Hong Kong

COMPLIANCE ADVISER

Kingston Corporate Finance Limited
Suite 2801, 28th Floor
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

P.O. Box 1350
Clifton House
75 Fort Street
Grand Cayman
KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKS

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

Chong Hing Bank Limited
Ground Floor,
Chong Hing Bank Centre
24 Des Voeux Road Central
Hong Kong

COMPANY WEBSITE ADDRESS

www.mimingmart.com

STOCK CODE

8473

The board of Directors (the “Board”) is pleased to announce the unaudited condensed combined results of the Company and its subsidiaries (the “Group”) for the three months and nine months ended 31 December 2017 together with the unaudited comparative figures for the corresponding period in 2016 are set out as follows:

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

For the three months and nine months ended 31 December 2017

| | Notes | For the three months ended 31 December | | For the nine months ended 31 December | |
|--|-------|---|---------------------------------|--|---------------------------------|
| | | 2017 HK\$'000 (unaudited) | 2016 HK\$'000 (unaudited) | 2017 HK\$'000 (unaudited) | 2016 HK\$'000 (unaudited) |
| Revenue | 3 | 30,987 | 29,778 | 86,637 | 77,498 |
| Cost of sales | | (12,165) | (11,848) | (34,159) | (30,369) |
| Gross profit | | 18,822 | 17,930 | 52,478 | 47,129 |
| Other income | | 18 | 56 | 141 | 88 |
| Selling and distribution expenses | | (7,150) | (5,874) | (22,231) | (17,005) |
| Administrative and operating expenses | | (4,958) | (5,104) | (14,674) | (12,462) |
| Interest expense on bank borrowing | | (47) | – | (139) | – |
| Other expense | | – | – | (550) | – |
| Listing expenses | | (354) | (358) | (1,600) | (4,416) |
| Profit before taxation | | 6,331 | 6,650 | 13,425 | 13,334 |
| Income tax expense | 4 | (1,097) | (1,169) | (2,582) | (2,957) |
| Profit and total comprehensive income for the period | 5 | 5,234 | 5,481 | 10,843 | 10,377 |
| Earnings per share – basic (Hong Kong cents) | 6 | 0.62 | 0.65 | 1.29 | 1.24 |

UNAUDITED CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2017

| | Share capital <i>HK\$'000</i> | Retained profits <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|---|---|--|---------------------------------|
| At 1 April 2016 (audited) | – | 16,953 | 16,953 |
| Profit and total comprehensive income for the period | – | 10,377 | 10,377 |
| At 31 December 2016 (unaudited) | – | 27,330 | 27,330 |
| At 1 April 2017 (audited) | – | 26,553 | 26,553 |
| Profit and total comprehensive income for the period | – | 10,843 | 10,843 |
| At 31 December 2017 (unaudited) | – | 37,396 | 37,396 |

NOTES TO THE UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS

1. BASIS

The Company was incorporated on 4 November 2016 in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company's registered office address is P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands and principal place of business in Hong Kong is Room 1622, 16th Floor, Leighton Centre, 77 Leighton Road, Causeway Bay, Hong Kong.

In preparing for the initial listing of the shares of the Company on the GEM of the Stock Exchange, the companies now comprising the Group underwent the group reorganization (the "**Reorganisation**") to rationalise the group structure. As a result of the Reorganisation, the Company became the holding company of the Group on 23 January 2018. Details of the Reorganisation are more fully explained in the section headed "History, Reorganisation and Corporate Structure" of the prospectus of the Company dated 30 January 2018 (the "**Prospectus**"). The Group resulting from the Reorganisation is regarded as a continuing entity.

The unaudited condensed combined statements of profit or loss and other comprehensive income of the Group for the nine months ended 31 December 2017 have been prepared on the basis as if the group structure upon completion of the Reorganisation has already been in existence, taking into account the respective date of establishment or incorporation of the different entities comprising the Group, as appropriate.

The Company is an investment holding company and the Group is principally engaged in the retail of multi-brand beauty and health products in Hong Kong. The unaudited condensed combined financial statements are presented in Hong Kong dollars ("**HK\$**"), which is same as the functional currency of the Company. These condensed combined financial statements have not been audited.

The shares of the Company (the "**Shares**") have been listed on the GEM of the Stock Exchange since 12 February 2018 ("**Listing Date**").

2. SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed combined financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants. In addition, the unaudited condensed combined financial statements include the applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

The accounting policies and method of computation used in the unaudited condensed combined financial statements for the nine months ended 31 December 2017 are consistent with those used in the preparation of the Group's historical financial information for each of the three years ended 31 March 2017 and the six months ended 30 September 2017 included in the Accountants' Report in Appendix I of the Prospectus.

3. REVENUE

The revenue of the Group arose from sales of products and consignment commission for the three months and nine months ended 31 December 2017.

An analysis of the Group's revenue for the three months and nine months ended 31 December 2017 are as follows:

| | For the three months ended 31 December | | For the nine months ended 31 December | |
|------------------------|---|---------------------------------|--|---------------------------------|
| | 2017 HK\$'000 (unaudited) | 2016 HK\$'000 (unaudited) | 2017 HK\$'000 (unaudited) | 2016 HK\$'000 (unaudited) |
| Sales of products | 30,813 | 29,158 | 86,132 | 75,588 |
| Consignment commission | 174 | 620 | 505 | 1,910 |
| | 30,987 | 29,778 | 86,637 | 77,498 |

4. INCOME TAX EXPENSES

| | For the three months ended 31 December | | For the nine months ended 31 December | |
|-----------------------|---|---------------------------------|--|---------------------------------|
| | 2017 HK\$'000 (unaudited) | 2016 HK\$'000 (unaudited) | 2017 HK\$'000 (unaudited) | 2016 HK\$'000 (unaudited) |
| Current tax: | | | | |
| Hong Kong Profits Tax | 1,097 | 1,169 | 2,754 | 3,049 |
| Deferred taxation | – | – | (172) | (92) |
| | 1,097 | 1,169 | 2,582 | 2,957 |

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for the periods.

5. PROFIT FOR THE PERIOD

| | For the three months ended 31 December | | For the nine months ended 31 December | |
|---|---|---------------------------------|--|---------------------------------|
| | 2017 HK\$'000 (unaudited) | 2016 HK\$'000 (unaudited) | 2017 HK\$'000 (unaudited) | 2016 HK\$'000 (unaudited) |
| Profit for the period has been arrived at after charging (crediting): | | | | |
| Directors' remuneration | 909 | 1,138 | 2,727 | 2,531 |
| Other staff salaries and allowances | 4,278 | 4,226 | 12,895 | 10,676 |
| Retirement benefit scheme contributions, excluding those of directors | 199 | 185 | 588 | 474 |
| Total employee benefits expenses | 5,386 | 5,549 | 16,210 | 13,681 |

5. PROFIT FOR THE PERIOD - continued

| | For the three months ended 31 December | | For the nine months ended 31 December | |
|--|---|---------------------------------|--|---------------------------------|
| | 2017 HK\$'000 (unaudited) | 2016 HK\$'000 (unaudited) | 2017 HK\$'000 (unaudited) | 2016 HK\$'000 (unaudited) |
| Depreciation of property, plant and equipment | 686 | 563 | 2,118 | 1,398 |
| Cost of inventories recognised as expenses (included in cost of sales) | 12,161 | 11,838 | 34,141 | 30,332 |

6. EARNINGS PER SHARE

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

| | For the three months ended 31 December | | For the nine months ended 31 December | |
|---|---|---------------------------------|--|---------------------------------|
| | 2017 HK\$'000 (unaudited) | 2016 HK\$'000 (unaudited) | 2017 HK\$'000 (unaudited) | 2016 HK\$'000 (unaudited) |
| Earnings | | | | |
| Profit for the period attributable to owners of the Company for the purpose of the basic earnings per share | 5,234 | 5,481 | 10,843 | 10,377 |

| | For the three months ended 31 December | | For the nine months ended 31 December | |
|---|---|---------------------|--|---------------------|
| | 2017 (unaudited) | 2016 (unaudited) | 2017 (unaudited) | 2016 (unaudited) |
| Number of shares | | | | |
| Number of ordinary shares for the purpose of calculating basic earnings per share (in thousand) | 840,000 | 840,000 | 840,000 | 840,000 |

The number of ordinary shares for the purpose of calculating basic earnings per share for the three-month and nine-month periods ended 31 December 2017 is determined on the assumption that the Reorganisation and the Capitalisation Issue (as defined in the Prospectus) had been effective on 1 April 2016. It does not take into account the issue of new shares pursuant to the Share Offer (as defined in the Prospectus) which took place after 31 December 2017.

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

7. DIVIDEND

The Board does not recommend an interim dividend for the nine months ended 31 December 2017 (nine months ended 31 December 2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is a multi-brand retailer, which operates nine retail stores under the brand of “mi ming mart” (“袁彌明生活百貨” or “彌明生活百貨”) in Hong Kong. The Group offers a wide range of beauty and health products, which can mainly be categorised into (i) skincare products; (ii) cosmetic products; and (iii) food and health supplements.

The Group’s philosophy is “Setting off for harmless living” (“從無害生活出發”). To uphold this philosophy, the Group strives to select and offer quality products which do not contain any ingredients that, in its view, would 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, consignment sales and a distributor in Taiwan. The Group also acts as the consignee for some suppliers on a consignment basis whereby the Group is entitled to the consignment commission based on the amount of sales of the consignor’s products and the predetermined percentage as agreed by the consignor and the Group.

The Directors believe that the Group’s success is attributable to the brand image of “mi ming mart” (“袁彌明生活百貨” or “彌明生活百貨”), which emphasises its offer of quality beauty and health products selected by its senior management team, reinforcing its customers’ confidence in the Group’s products and building up its customers’ loyalty to the Group’s brand. The Group believes its marketing strategy, established network of retail stores and the quality products offered by the Group will continue to strengthen its brand image and customer base.

Going forward, the Group aims to maintain its leading position in the small and medium segment of the skincare and cosmetics multi-brand specialty retailers market in Hong Kong and expand its sales network and product portfolio in order to enhance its competitiveness. With its comprehensive knowledge in both the skincare and cosmetics market and the health supplement market in Hong Kong, the Group plans to open five new retail stores in Hong Kong between the Listing Date to the end of March 2020.

On 12 February 2018, the Shares were successfully listed on GEM by way of public offer and placing (the “Share Offer”). Based on the offer price of HK\$0.27 per offer share (as defined in the Prospectus), the aggregate net proceeds from the Share Offer to be received by the Company (after deducting the underwriting fees and estimated expenses payable by the Company in connection with the Share Offer), are estimated to be approximately HK\$44.9 million. The Group will utilize such net proceeds in accordance with the implementation plan set out in the section headed “Future Plans and Use of Proceeds” of the Prospectus. The Company intends to apply such net proceeds in the following manner:

- 35.5% of the total estimated net proceeds, or approximately HK\$16.0 million, will be used to expand the Group’s retail network in Hong Kong by opening more retail stores and refurbishing the Group’s existing retail stores;
- 28.8% of the total estimated net proceeds, or approximately HK\$12.9 million, will be used to make a partial payment for the purchase of a warehouse in Hong Kong;

- 3.4% of the total estimated net proceeds, or approximately HK\$1.5 million, will be used to expand the Group's product portfolio and explore new suppliers;
- 23.2% of the total estimated net proceeds, or approximately HK\$10.4 million, will be used to enhance the Group's marketing strategies by expanding and exploring more effective online marketing strategies, transforming the Group's website as a lifestyle information portal, revamping the Group's online shop and deploying more mainstream media;
- 3.4% of the total estimated net proceeds, or approximately HK\$1.5 million, will be used to conduct system improvement and integration; and
- 5.7% of the total estimated net proceeds, or approximately HK\$2.6 million, will be used as general working capital and other general corporate purposes.

FINANCIAL REVIEW

Revenue

The Group's revenue increased to approximately HK\$86.6 million for the nine months ended 31 December 2017 from approximately HK\$77.5 million for the corresponding period in 2016, representing an increase of approximately 11.8%. Such increase in the Group's revenue was mainly attributable to the increase in sales of the Group's products through retail stores. The Directors believe that the increase in the revenue was primarily due to (i) the business generated from the Group's three new retail stores in Quarry Bay, Tuen Mun and Tseung Kwan O, which had not commenced business during the corresponding period in the previous year; and (ii) the business generated from the Group's retail store in Mongkok, which did not operate for a full period during the corresponding period in the previous year.

Cost of sales

The Group's cost of sales primarily consists of cost of inventories sold, commission expenses, and incoming shipping, freight and delivery charges. The cost of sales increased to approximately HK\$34.2 million for the nine months ended 31 December 2017 from approximately HK\$30.4 million for the nine months ended 31 December 2016, representing an increase of approximately 12.5%. The Group's cost of sales increased along with the growth in revenue for the nine months ended 31 December 2017.

Gross profit and gross profit margin

The Group's gross profit increased to approximately HK\$52.5 million for the nine months ended 31 December 2017 from approximately HK\$47.1 million for the nine months ended 31 December 2016, representing an increase of approximately 11.3%. The Group's gross profit margin remained stable for the nine months ended 31 December 2017 as compared to that for the corresponding period in the previous year.

Selling and distribution expenses

The Group's selling and distribution expenses increased to approximately HK\$22.2 million for the nine months ended 31 December 2017 from approximately HK\$17.0 million for the nine months ended 31 December 2016, representing an increase of approximately 30.7%. The increase in the Group's selling and distribution expenses was primarily due to (i) the increase in rent and rental related expenses of approximately HK\$2.5 million in connection with the Group's new retail stores as mentioned above; and (ii) increase in salaries, allowances and commission of approximately HK\$1.4 million as a result of the employment of more sales staff during the nine months ended 31 December 2017 as compared to that for the corresponding period in the previous year.

Administrative and operating expenses

Administrative expenses increased to approximately HK\$14.7 million for the nine months ended 31 December 2017 from approximately HK\$12.5 million for the nine months ended 31 December 2016, representing an increase of approximately 17.7%. Such increase was mainly due to (i) increased staff costs of approximately HK\$1.0 million relating to increased headcount to support the Group's new retail stores as mentioned above; (ii) the increase in directors' emoluments of approximately HK\$0.2 million due to a pay raise to one of the Directors in September 2016; and (iii) increased rental expenses of approximately HK\$0.3 million for the Group's new offices since December 2016 and relocation of the Group's warehouse in June 2016.

Listing expenses

The Group's listing expenses amounted to approximately HK\$1.6 million for the nine months ended 31 December 2017 and approximately HK\$4.4 million for the nine months ended 31 December 2016.

Net profit for the period

As a result of the foregoing, the Group's net profit increased by approximately HK\$0.4 million or approximately 4.5% from approximately HK\$10.4 million for the nine months ended 31 December 2016 to approximately HK\$10.8 million for the nine months ended 31 December 2017, whilst the Group's net profit margin decreased slightly from approximately 13.4% to approximately 12.5% for the respective periods.

Basic earnings per share

The Company's basic earnings per share (determined based on the assumption that the Reorganisation and the Capitalisation Issue (as defined in the Prospectus) had been effective on 1 April 2016) increased to earnings per share of approximately 1.29 HK cents for the nine months ended 31 December 2017 from earnings per share of approximately 1.24 HK cents for the nine months ended 31 December 2016, representing an increase of approximately 0.05 HK cents. Such increase is in line with the increase in the profit for the period attributable to owners of the Company during the nine months ended 31 December 2017.

RESERVES

Movements in the reserves of the Group for the nine months ended 31 December 2017 are set out above in the unaudited condensed combined statement of changes in equity.

DIVIDEND

No dividend was paid, proposed or declared for the ordinary shareholders of the Company for the nine months ended 31 December 2017 (nine months ended 31 December 2016: Nil).

CAPITAL COMMITMENTS

As at 31 December 2017, the Group did not have any significant capital commitments.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Pursuant to the Reorganisation, the Company became the holding company of the Group formed after completion of the Reorganisation. Details of the Reorganisation are more fully explained in the section headed “History, Reorganisation and Corporate Structure” of the Prospectus.

Save as aforesaid, during the nine months ended 31 December 2017, the Group had no material acquisition and disposal of subsidiaries.

CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 31 December 2017.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As the Shares were listed on the GEM of the Stock Exchange on 12 February 2018, the Company was not required to keep any register under Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") as at 31 December 2017.

As at the Listing Date and up to the date of this report, the interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executives of the Company which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO) or which as entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are set out as follows:

(a) Interests in the Shares of the Company

| Name of Directors | Capacity/ nature of interest | Number of Shares interested (Note 1) | Percentage of shareholding in the Company |
|---|---------------------------------------|--|---|
| Ms. Yuen, Mi Ming Erica ("Ms. Erica Yuen") (Note 2) | Interest in controlled corporation | 840,000,000 (L) | 75% |
| Mr. Lam Yue Yeung Anthony ("Mr. Anthony Lam") (Note 3) | Interest of spouse | 840,000,000 (L) | 75% |

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

| Name of Director | Capacity/ nature of interest | Name of associated corporation | Number of Shares interested (Note 1) | Percentage of shareholding in the associated corporation |
|---------------------|------------------------------------|--|---|--|
| Ms. Erica Yuen | Beneficial owner | Prime Era Holdings Limited ("Prime Era") | 1 (L) | 100% |

Notes:

- (1) The letter "L" denotes long position in the relevant share interests.
- (2) Prime Era held direct interests of 840,000,000 Shares. Prime Era is wholly and beneficially owned by Ms. Erica Yuen. Therefore, Ms. Erica Yuen is deemed to be interested in all the Shares held by Prime Era under the SFO.
- (3) Mr. Anthony Lam is the spouse of Ms. Erica Yuen. Mr. Anthony Lam is deemed to be interested in the same number of Shares in which Ms. Erica Yuen is interested by virtue of the SFO.

Save as disclosed above, as at the date of this report, none of the Directors or chief executive of the Company has any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Listing Date and up to the date of this report, the following persons (not being a Director or chief executive of the Company) had or were deemed or taken to have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO who, are directly or indirectly interested in 5% or more of the Shares:

| Name of shareholder | Capacity/ nature of interest | Number of Shares held (Note 1) | Percentage of shareholding in the Company |
|---------------------|---------------------------------|--------------------------------------|---|
| Prime Era (Note 2) | Beneficial owner | 840,000,000 (L) | 75% |

Notes:

- (1) The letter "L" denotes the long position in the share interest.
- (2) Prime Era is wholly and beneficially owned by Ms. Erica Yuen. She is deemed to be interested in all the Shares held by Prime Era under the SFO.

Save as disclosed above, as at the date of this report, none of the Directors is aware of any other person (other than the Directors or chief executive of the Company as disclosed in the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations" above) who had any interest or short position in the Shares or underlying Shares which would have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, who are directly or indirectly interested in 5% or more of the Shares.

SHARE OPTION SCHEME

The Company has a share option scheme (the "Share Option Scheme") which was approved and adopted by the written resolutions of the then sole shareholder of the Company passed on 23 January 2018. No share option has been granted under the Share Option Scheme since its adoption.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (“**Required Standard of Dealings**”) as the code for securities transactions by the Directors. Further, the Company had made specific enquiry with all Directors and each of them has confirmed his/her compliance with the Required Standard of Dealings from the Listing Date to the date of this report.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

During the period under review, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had any interest in a business which competed with or might compete with the business of the Group.

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to achieving good corporate governance standards. The Board believes that good corporate governance standards are essential in providing a framework for the Group to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has applied the principles and practices as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules and has adopted the CG Code as the code to govern the Company’s corporate governance practices.

Since the Listing Date up to the date of this report, the Company has complied with the CG Code except for the following deviation:

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Ms. Erica Yuen is the founder, chairlady, executive director and the chief executive officer of the Company. The Board believes that it is in the best interest of the Group to have Ms. Erica Yuen taking up both roles for effective management and business development of the Group. Therefore, the Directors consider that the deviation from the code provision A.2.1 of the CG Code is appropriate in such circumstance.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

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

INTERESTS OF THE COMPLIANCE ADVISER

Save for the compliance adviser agreement entered into between the Company and Kingston Corporate Finance Limited, the compliance adviser of the Company (the “**Compliance Adviser**”), dated 23 January 2017, neither the Compliance Adviser nor any of its directors, employees or close associates has any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company established an audit committee (“**Audit Committee**”) with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Ms. Tsang Wing Yee, Ms. Chan Sze Lai Celine and Ms. Shum Wai Sze. Ms. Tsang Wing Yee possesses the appropriate professional accounting qualifications and related financial management expertise as required in Rule 5.05(2) of the GEM Listing Rules, and she serves as the chairlady of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent review of the effectiveness of the Group’s internal audit function, financial reporting process, internal control and risk management systems, and to oversee the audit process. The Audit Committee had reviewed the unaudited quarterly results for the nine months ended 31 December 2017.

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

Hong Kong, 14 February 2018

As at the date of this report, 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. Shum Wai Sze and Ms. Tsang Wing Yee.