

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



2019/20

First Quarterly Report

## CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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

**Given the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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This report, for which the directors (the “Directors”) of Mi Ming Mart Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this 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.





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## 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

16th Floor, Guangdong Tours Centre  
18 Pennington Street  
Hong Kong

#### COMPANY SECRETARY

Mr. Mak Yau Kwan

#### AUTHORISED REPRESENTATIVES

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

#### LEGAL ADVISER

TC & Co.  
Units 2201-3, 22nd Floor  
Tai Tung Building, 8 Fleming Road  
Wanchai  
Hong Kong

#### AUDITOR

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

#### COMPLIANCE ADVISER

Kingston Corporate Finance Limited  
72/F, The Center  
99 Queen's Road Central  
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 54  
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](http://www.mimingmart.com)

#### STOCK CODE

8473

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the three months ended 30 June 2019 together with the unaudited comparative figures for the corresponding period in 2018 are set out as follows:

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

*For the three months ended 30 June 2019*

	Notes	For the three months ended 30 June	
		2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue	3	<b>31,589</b>	31,478
Cost of sales		<b>(11,948)</b>	(12,588)
Gross profit		<b>19,641</b>	18,890
Other income, gains and losses		(62)	(274)
Selling and distribution expenses		<b>(8,468)</b>	(8,147)
Administrative and operating expenses		<b>(6,267)</b>	(6,096)
Interest expenses on the lease liabilities		<b>(218)</b>	–
Profit before taxation		<b>4,626</b>	4,373
Income tax expense	4	<b>(683)</b>	(860)
Profit and total comprehensive income for the period	5	<b>3,943</b>	3,513
Earnings per share			
– basic (Hong Kong cents)	6	<b>0.35</b>	0.31

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the three months ended 30 June 2019*

	<b>Share capital</b> <i>HK\$'000</i>	<b>Share premium</b> <i>HK\$'000</i>	<b>Merger reserve</b> <i>HK\$'000</i>	<b>Retained profits</b> <i>HK\$'000</i>	<b>Total</b> <i>HK\$'000</i>
At 1 April 2018 (audited)	11,200	91,927	(37,316)	32,588	98,399
Profit and total comprehensive income for the period	–	–	–	3,513	3,513
At 30 June 2018 (unaudited)	11,200	91,927	(37,316)	36,101	101,912
<b>At 1 April 2019 (audited)</b>	<b>11,200</b>	<b>81,847</b>	<b>(37,316)</b>	<b>60,215</b>	<b>115,946</b>
<b>Profit and total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,943</b>	<b>3,943</b>
<b>At 30 June 2019 (unaudited)</b>	<b>11,200</b>	<b>81,847</b>	<b>(37,316)</b>	<b>64,158</b>	<b>119,889</b>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION AND REORGANISATION

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 16th Floor, Guangdong Tours Centre, 18 Pennington Street, Hong Kong.

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

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

The condensed consolidated financial statements are unaudited, but have been reviewed by the audit committee ("Audit Committee") of the Company and were approved for issue by the Board.

The condensed consolidated financial statements have been prepared on the historical cost basis.

Other than changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the three months ended 30 June 2019 are the same as those followed in the preparation of the consolidated financial statements of the Group for the year ended 31 March 2019.

#### Application of new and amendments to HKFRSs

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current period:

HKFRS 16	Leases
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as disclosed below, the application of the new and amendments to HKFRSs in the current period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

#### 2.1 Changes in accounting policies

The Group applied HKFRS 16 with a date of initial application on 1 April 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below. The Group has adopted HKFRS 16 retrospectively from 1 April 2019, but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new and amended requirements with respect to lease accounting are therefore recognised in the opening statement of financial position on 1 April 2019.

(a) *Adjustments recognised on adoption of HKFRS 16*

Prior to the adoption of HKFRS 16, commitments under operating leases for future periods were not recognised by the Group as liabilities. Operating lease rental expenses were recognised in the consolidated statement of profit or loss and other comprehensive income over the lease period on a straight-line basis. Upon adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 April 2019. The difference between the present value and the total remaining lease payments represents the cost of financing. Such finance cost will be charged to the consolidated statement of profit or loss and other comprehensive income in the period in which it is incurred using effective interest method.

The associated right-of-use assets were measured at the amount equal to the initial measurement of lease liabilities, adjusted by certain items as set out in note 2.1(b). The right-of-use assets were recognised in the consolidated statement of financial position. Depreciation was charged on a straight-line basis over the shorter of the asset's useful life or the lease term.

(b) *Accounting policies adopted since 1 April 2019*

Until the year ended 31 March 2019, payments made under operating leases were recognised as an expense on a straight-line basis over the lease term. From 1 April 2019 onwards, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets is recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.



### 3. REVENUE

The revenue of the Group arose from sales of products and consignment commission for the three months ended 30 June 2019.

An analysis of the Group's revenue recognised at a point in time for the three months ended 30 June 2019 are as follows:

	For the three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
<b>Sales of goods</b>		
Retail stores	29,072	29,141
Online shop	909	781
Consignment sales	1,112	122
Distributors	422	1,300
<b>Subtotal</b>	<b>31,515</b>	<b>31,344</b>
<b>Consignment Commission</b>		
Retail stores	73	133
Online shop	1	1
<b>Subtotal</b>	<b>74</b>	<b>134</b>
<b>Total</b>	<b>31,589</b>	<b>31,478</b>

### 4. INCOME TAX EXPENSES

	For the three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Current tax:		
Hong Kong Profits Tax	683	860
	<b>683</b>	<b>860</b>

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 corporations in Hong Kong for the years of assessment commencing on or after 1 April 2018 will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations 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 the three months ended 30 June 2019 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.

5. PROFIT FOR THE PERIOD

	For the three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Profit for the period has been arrived at after charging:		
Directors' remuneration	1,074	1,074
Other staff salaries and allowances	5,210	4,864
Retirement benefit scheme contributions, excluding those of directors	247	238
Total employee benefits expenses	6,531	6,176
Depreciation of property, plant and equipment	655	684
Depreciation of right-of-use assets	3,264	-
Cost of inventories recognised as expenses (included in cost of sales)	11,375	12,559

6. EARNINGS PER SHARE

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

	For the three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
<b>Earnings</b>		
Profit for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	3,943	3,513

	For the three months ended 30 June	
	2019 (unaudited)	2018 (unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousand)	1,120,000	1,120,000

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

7. DIVIDEND

No dividend was paid, proposed or declared for the three months ended 30 June 2019 (three months ended 30 June 2018: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND PROSPECTS

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

The Group has embedded our philosophy of “defining clean beauty” (“擇善美麗”) to select and offer quality products which do not contain any ingredients that, in our view, would adversely affect or impair the health of our customers. The Group targets to serve and offer our 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), consignment sales and distributors. 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” (“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.

The Group aims to expand its sales network and product portfolio 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. Going forward, the Group will gradually carry out the implementation plans as set out in the prospectus of the Company dated 30 January 2018 (the “**Prospectus**”). 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 to approximately HK\$31.6 million for the three months ended 30 June 2019 from approximately HK\$31.5 million for the corresponding period in 2018, representing an increase of approximately 0.4%. The Directors believe that the increase in revenue was primarily due to the net effect of (i) increase in consignment sales amounted to HK\$1.0 million as a result of increase in sales of skincare products through a consignee; and (ii) decrease in sales to distributors amounted to HK\$0.9 million primarily attributable to decrease in sales of skincare electronic appliance to a Hong Kong distributor.

### 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 decreased to approximately HK\$11.9 million for the three months ended 30 June 2019 from approximately HK\$12.6 million for the corresponding period in 2018, representing a decrease of approximately 5.1%. The decrease of cost of sales mainly attributable to the sales of products with exclusive distribution right comparatively increased in the three months ended 30 June 2019 as compared to the corresponding period in 2018 and those products with exclusive distribution right generally have a lower cost of sales.

### Gross profit and gross profit margin

The Group's gross profit increased to approximately HK\$19.6 million for the three months ended 30 June 2019 from approximately HK\$18.9 million for the corresponding period in 2018, representing an increase of approximately 4.0%, whilst the Group's gross profit margin increased slightly from approximately 60.0% to approximately 62.2% for the respective periods. The increase of gross profit margin was mainly attributable to the increase in the sales of products with exclusive distribution right with a higher gross profit margin.

### Selling and distribution expenses

The Group's selling and distribution expenses slightly increased to approximately HK\$8.5 million for the three months ended 30 June 2019 from approximately HK\$8.1 million for corresponding period in 2018, representing an increase of approximately 3.9%. The increase in the Group's selling and distribution expenses was primarily due to the effect of increase in marketing expenses of approximately HK\$0.3 million as the Group spent more on marketing campaign during the three months ended 30 June 2019 as compared to that for the corresponding period in 2018.

### **Administrative and operating expenses**

Administrative and operating expenses slightly increased to approximately HK\$6.3 million for the three months ended 30 June 2019 from approximately HK\$6.1 million for the corresponding period in 2018, representing an increase of approximately 2.8%. Such increase was mainly due to increase in staff costs of approximately HK\$0.2 million relating to salary adjustment for existing employees which was in line with the labour market and inflation.

### **Interest expenses on the lease liabilities**

The Group has applied the new HKFRS 16 for the first time since 1 April 2019. The interest expenses on lease liabilities will be presented separately as a finance cost which amounted to approximately HK\$0.2 million for the three months ended 30 June 2019 (three months ended 30 June 2018: nil).

### **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 12.2% from approximately HK\$3.5 million for the three months ended 30 June 2018 to approximately HK\$3.9 million for the three months ended 30 June 2019, whilst the Group's net profit margin increased from approximately 11.2% to approximately 12.5% for the respective periods.

### **Basic earnings per share**

The Company's basic earnings per share increased to earnings per share of approximately HK0.35 cent for the three months ended 30 June 2019 from earnings per share of approximately HK0.31 cent for the three months ended 30 June 2018, representing an increase of approximately HK0.04 cent. Such increase is in line with the increase in the profit for the period attributable to owners of the Company during the three months ended 30 June 2019.



## RESERVES

Movements in the reserves of the Group for the three months ended 30 June 2019 are set out above in the unaudited condensed consolidated statement of changes in equity.

## DIVIDEND

No dividend was paid, proposed or declared for the three months ended 30 June 2019 (three months ended 30 June 2018: Nil).

## CAPITAL COMMITMENTS

As at 30 June 2019, the Group did not have any significant capital commitments.

## MATERIAL ACQUISITIONS OR DISPOSALS OF INVESTMENTS

On 28 February 2019, an indirect wholly-owned subsidiary of the Company, the vendors and the agent entered into a provisional sale and purchase agreement pursuant to which the Group conditionally agreed to purchase and the vendors conditionally agreed to sell the sale shares, being in aggregate the entire issued share capital of CI CI Investment Limited (the “Target Company”), and the sale debt at the consideration of HK\$28,780,000 which is subject to the completion adjustment and the post-completion adjustment (“Acquisition”). The Target Company is principally engaged in property holding in which Units B1 & B2 on 10th Floor, Fortune Factory Building, No. 40 Lee Chung Street, Hong Kong is its only asset. Details of the Acquisition are set out in the circular issued by the Company dated 26 April 2019.

The Acquisition has been completed on 31 May 2019 and accounted for the Acquisition as acquisition of a subsidiary not constituting business.

## CONTINGENT LIABILITIES

The Group did not have material contingent liabilities as at 30 June 2019.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2019, the interests and short positions in the shares of the Company ("Shares"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") held by the Directors and chief executives of the Company which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO) or which as entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are set out as follows:

#### (a) Interests in the Shares of the Company

Name of Directors	Capacity/ nature of interest	Number of Shares interested (Note 1)	Percentage of shareholding in the Company
Ms. Yuen, Mi Ming Erica ("Ms. Erica Yuen") (Note 2)	Interest in controlled corporation	780,000,000 (L)	69.6%
Mr. Lam Yue Yeung Anthony ("Mr. Anthony Lam") (Note 3)	Interest of spouse	780,000,000 (L)	69.6%

#### (b) Interests in the share of the associated corporation of the Company

Name of Director	Capacity/ nature of interest	Name of associated corporation	Number of share 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:

- The letter "L" denotes long position in the relevant share interests.
- Prime Era held direct interests of 780,000,000 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.
- 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 30 June 2019, none of the Directors or chief executive of the Company has any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

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

As at 30 June 2019, 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	780,000,000 (L)	69.6%

Notes:

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

Save as disclosed above, as at 30 June 2019, 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 during the three months ended 30 June 2019.

### DIRECTORS' INTEREST IN COMPETING BUSINESS

During the three months ended 30 June 2019, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had any interest in a business which competed with or might compete with the business of the Group.

### CORPORATE GOVERNANCE PRACTICES

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

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

During the three months ended 30 June 2019, the Company has complied with the CG Code except for the following deviation:

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

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

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed the Company’s listed securities during the three months ended 30 June 2019.

#### **INTERESTS OF THE COMPLIANCE ADVISER**

Neither Kingston Corporate Finance Limited, the Compliance Adviser of the Company, 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 three months ended 30 June 2019.

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

Hong Kong, 12 August 2019

*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.*