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
Interim Report

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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

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COMPANY SECRETARY

Mr. Mak Yau Kwan

AUTHORISED REPRESENTATIVES

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Ms. Yuen Mimi Mi Wahng

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COMPANY WEBSITE ADDRESS

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STOCK CODE

8473

FINANCIAL HIGHLIGHTS

For the six months ended 30 September 2019, operating results of the Company and its subsidiaries (collectively referred to as the "**Group**") were as follows:

– the Group's revenue increased slightly by approximately HK$0.3 million or approximately 0.4% from approximately HK$69.1 million for the six months ended 30 September 2018 to approximately HK$69.4 million for the six months ended 30 September 2019.

– the Group recorded a gross profit of approximately HK$43.6 million for the six months ended 30 September 2019 (six months ended 30 September 2018: HK$41.8 million), representing an increase of approximately 4.3% as compared to the corresponding period in 2018.

– profit attributable to the owners of the Company for the six months ended 30 September 2019 amounted to approximately HK$6.5 million (six months ended 30 September 2018: HK$10.6 million), representing a decrease of approximately 39.2% as compared to the corresponding period in 2018. Excluding the non-recurring legal and professional fees incurred in relation to the preparation for the proposed transfer of listing the Company's shares from GEM to the Main Board of the Stock Exchange (the "**Proposed Transfer of Listing**"), the Group's profit attributable to owners of the Group for the six months 30 September 2019 amounted to approximately HK$11.1 million (six months ended 30 September 2018: HK$10.6 million).

– the Board resolved not to recommend the payment of any interim dividend for the six months ended 30 September 2019 (six months ended 30 September 2018: an interim dividend of HK0.9 cent per share and in aggregate amounting to approximately HK$10.1 million).

Deloitte. 德勤

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF MI MING MART HOLDINGS LIMITED
彌明生活百貨控股有限公司
(incorporated in Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated financial statements of Mi Ming Mart Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 5 to 25, which comprises the condensed consolidated statement of financial position as of 30 September 2019 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The GEM of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("**HKSRE 2410**") issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Other Matter

The comparative condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period ended 30 September 2018 and the relevant explanatory notes included in these condensed consolidated financial statements have not been reviewed in accordance with HKSRE 2410.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
7 November 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2019

		Three months ended 30 September		Six months ended 30 September	
	NOTES	**2019** *HK$'000* **(unaudited)**	2018 *HK$'000* (unaudited)	**2019** *HK$'000* **(unaudited)**	2018 *HK$'000* (unaudited)
Revenue	3	**37,806**	37,623	**69,395**	69,101
Cost of sales		**(13,828)**	(14,700)	**(25,776)**	(27,288)
Gross profit		**23,978**	22,923	**43,619**	41,813
Other income, gains or losses		**412**	(170)	**350**	(444)
Selling and distribution expenses		**(8,997)**	(8,424)	**(17,465)**	(16,571)
Administrative and operating expenses		**(11,217)**	(5,879)	**(17,484)**	(11,975)
Finance costs		**(209)**	–	**(427)**	–
Profit before taxation	5	**3,967**	8,450	**8,593**	12,823
Income tax expense	6	**(1,458)**	(1,346)	**(2,141)**	(2,206)
Profit and total comprehensive income for the period		**2,509**	7,104	**6,452**	10,617
Earnings per share (Hong Kong cents) – basic	8	**0.22**	0.63	**0.58**	0.95

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2019

	NOTES	At 30 September 2019 HK$'000 (unaudited)	At 31 March 2019 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	9	**33,597**	2,711
Right-of-use assets	9	**13,919**	–
Deposits paid for acquisition of an asset		**–**	2,878
Deferred tax assets		**505**	505
Other non-current assets		**3,695**	3,712
		51,716	9,806
Current assets			
Inventories		**9,907**	10,252
Trade receivables	10	**629**	1,570
Deposits, prepayments and other receivable		**4,639**	4,056
Pledged bank deposits		**3,224**	3,224
Bank balances and cash		**72,116**	98,154
		90,515	117,256
Current liabilities			
Trade payables	11	**2,342**	2,036
Lease liabilities	12	**10,068**	–
Accrued expenses and other payables		**4,193**	6,693
Contract liabilities		**1,784**	323
Tax liabilities		**4,205**	2,064
		22,592	11,116
Net current assets		**67,923**	106,140
Total assets less current liabilities		**119,639**	115,946
Non-current liability			
Lease liabilities	12	**3,961**	–
Net assets		**115,678**	115,946
Capital and reserves			
Share capital	13	**11,200**	11,200
Reserves		**104,478**	104,746
Total equity		**115,678**	115,946

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2019

	Share capital *HK$'000*	Share premium *HK$'000*	Merger reserve *HK$'000*	Retained profits *HK$'000*	Total *HK$'000*
At 1 April 2018 (audited)	11,200	91,927	(37,316)	32,588	98,399
Profit and total comprehensive income for the period	–	–	–	10,617	10,617
At 30 September 2018 (unaudited)	11,200	91,927	(37,316)	43,205	109,016
At 1 April 2019 (audited)	**11,200**	**81,847**	**(37,316)**	**60,215**	**115,946**
Profit and total comprehensive income for the period	**–**	**–**	**–**	**6,452**	**6,452**
Dividend recognised as distribution *(Note 7)*	**–**	**(6,720)**	**–**	**–**	**(6,720)**
At 30 September 2019 (unaudited)	**11,200**	**75,127**	**(37,316)**	**66,667**	**115,678**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2019

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
NET CASH FROM OPERATING ACTIVITIES	**15,800**	9,972
INVESTING ACTIVITIES		
Acquisition of asset through acquisition of a subsidiary	**(25,902)**	–
Purchase of property, plant and equipment	**(3,704)**	(1,308)
Interest received	**623**	119
NET CASH USED IN INVESTING ACTIVITIES	**(28,983)**	(1,189)
FINANCING ACTIVITIES		
Dividend paid	**(6,720)**	–
Repayment of lease liabilities	**(5,708)**	–
Interest paid	**(427)**	–
NET CASH USED IN FINANCING ACTIVITIES	**(12,855)**	–
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	**(26,038)**	8,783
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**98,154**	83,090
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD represented by bank balances and cash	**72,116**	91,873

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2019

1. GENERAL INFORMATION

Mi Ming Mart Holdings Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law 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 of Hong Kong Limited (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 P.O. Box 1350, Clifton House, 75 Fort Street, 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 is an investment holding company and the Group is principally engaged in the marketing, selling and distributing a wide range of beauty and health products in Hong Kong.

The condensed consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Rules**").

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 Hong Kong Financial Reporting Standards ("**HKFRS**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2019 are the same as those presented in the Group's annual financial statements for the year ended 31 March 2019.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES – continued

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 April 2019 for the preparation of the Group's condensed consolidated financial statements:

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

2.1 Impacts and changes in accounting policies of application of HKFRS 16 "Leases"

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 "Leases" ("**HKAS 17**"), and the related interpretations.

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES – continued

2.1 Impacts and changes in accounting policies of application of HKFRS 16 "Leases" – continued

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 – continued

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which they are located or restoring the underlying assets to the condition required by the terms and conditions of the lease.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES – continued

2.1 Impacts and changes in accounting policies of application of HKFRS 16 "Leases" – continued

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 – continued

As a lessee – continued

Right-of-use assets – continued

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful lives. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item in the condensed consolidated statement of financial position.

Leasehold land and buildings

For payments of a property interest which includes both leasehold land and building elements, the entire property is presented as property, plant and equipment of the Group when the payments cannot be allocated reliably between the leasehold land and building elements.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 "Financial Instruments" ("**HKFRS 9**") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES – continued

2.1 Impacts and changes in accounting policies of application of HKFRS 16 "Leases" – continued

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 – continued

As a lessee – continued

Lease liabilities – continued

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivables;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of lease liabilities and right-of-use assets, and are recognised as expense in the period on which the event or condition that triggers the payment occurs.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES – continued

2.1 Impacts and changes in accounting policies of application of HKFRS 16 "Leases" – continued

2.1.1 Key changes in accounting policies resulting from application of HKFRS 16 – continued

As a lessee – continued

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "Income Taxes" requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES – continued

2.1 Impacts and changes in accounting policies of application of HKFRS 16 "Leases" – continued

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) – Int 4 "Determining whether an Arrangement contains a Lease" and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group has applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on a lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" as an alternative of impairment review;

ii. excluded initial direct costs for measurement of the right-of-use assets at the date of initial application; and

iii. the use of hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Company's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

As at 1 April 2019, the Group recognised additional right-of-use assets at amounts equal to the related lease liabilities by applying HKFRS 16.C8(b)(ii) transition. The Group has recognised lease liabilities of approximately HK$17,683,000 and right-of-use assets of approximately HK$17,683,000 at 1 April 2019.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied the incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied was 5.375% per annum.

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES – continued

2.1 Impacts and changes in accounting policies of application of HKFRS 16 "Leases" – continued

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16

As a lessee – continued

	At 1 April 2019
	HK$'000
Operating lease commitments at 31 March 2019	**20,897**
Lease liabilities discounted at relevant incremental borrowing rates	**17,683**
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 at 1 April 2019	**17,683**
Analysed as	
Current	**10,591**
Non-current	**7,092**
	17,683

The carrying amount of right-of-use assets at 1 April 2019 comprises the following:

	Right-of-use assets
	HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	17,683
	17,683
Analysed as:	
Current	–
Non-current	17,683
	17,683
By class of underlying assets:	
Leasehold land and buildings	17,683

2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES – continued

2.1 Impacts and changes in accounting policies of application of HKFRS 16 "Leases" – continued

2.1.2 Transition and summary of effects arising from initial application of HKFRS 16

As a lessee – continued

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 March 2019	Adjustments	Carrying amounts under HKFRS 16 at 1 April 2019
	HK$'000	*HK$'000*	*HK$'000*
Non-current Assets			
Right-of-use assets	–	17,683	17,683
Total effect on assets	–	17,683	17,683
Current Liabilities			
Lease liabilities	–	10,591	10,591
Non-current liabilities			
Lease liabilities	–	7,092	7,092
Total effect on equity and liabilities	–	17,683	17,683

Note: For the purpose of reporting cash flows from operating activities under the indirect method for the six months ended 30 September 2019, movements in working capital have been computed based on the opening condensed consolidated statement of financial position as at 1 April 2019 as disclosed above.

3. REVENUE

The revenue of the Group arose from sales of products and consignment commission for the six months ended 30 September 2019. An analysis of the Group's revenue recognised at a point in time for the six months ended 30 September 2019 are set out as below:

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Sales of goods				
Retail stores	**34,663**	32,924	**63,735**	62,063
Online shop	**2,025**	3,092	**2,934**	3,874
Consignment sales	**612**	216	**1,724**	339
Distributors	**420**	1,284	**842**	2,584
Subtotal	**37,720**	37,516	**69,235**	68,860
Consignment Commission				
Retail stores	**86**	106	**159**	240
Online shop	**–**	1	**1**	1
Subtotal	**86**	107	**160**	241
Total	**37,806**	37,623	**69,395**	69,101

4. SEGMENT INFORMATION

The Group has one operating segment based on information reported to the chief operating decision maker of the Group (the executive directors of the Company) (the "**CODM**"), for the purpose of resource allocation and performance assessment, which is the aggregate results of the Group including all income, expenses (excluding the legal and professional expenses for the proposed transfer of listing of the shares of the Company from GEM to Main Board of the Stock Exchange) and tax charges. As a result, there is only one operating and reporting segment of the Group.

The following is an analysis of the Group's revenue and results by its operating segment – marketing, selling and distributing a wide range of beauty and health products.

	Three months ended 30 September		**Six months ended 30 September**	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Revenue – external sales	**37,806**	37,623	**69,395**	69,101
Segment results	**7,205**	7,104	**11,148**	10,617
Less: Legal and professional fees for the proposed transfer of listing of the shares of the Company from GEM to Main Board of the Stock Exchange	**(4,696)**	–	**(4,696)**	–
Profit for the period	**2,509**	7,104	**6,452**	10,617

The accounting policies of the operating segment are the same as the Group's accounting policies. Segment results represents profit earned from the operating segment without allocation of legal and professional fees for the proposed transfer of listing of the shares of the Company from GEM to Main Board of the Stock Exchange. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

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

4. SEGMENT INFORMATION – continued

Revenue from major products and service

The following is an analysis of the Group's revenue from its major products and service:

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Skincare	**27,055**	27,216	**49,115**	49,468
Cosmetics	**4,046**	2,932	**7,882**	6,457
Food and health supplements	**4,074**	4,891	**7,750**	8,628
Other products	**2,545**	2,477	**4,488**	4,307
Consignment commission	**86**	107	**160**	241
Total	**37,806**	37,623	**69,395**	69,101

Geographical information

The Group's operations are located in Hong Kong. All of the Group's non-current assets are located in Hong Kong and approximately 99% of the Group's revenue from external customers during the six months ended 30 September 2019 are generated in Hong Kong (six months ended 30 September 2018: 99%).

5. PROFIT BEFORE TAXATION

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Profit before taxation has been arrived at after charging (crediting):				
Directors' emoluments	**1,074**	1,074	**2,148**	2,148
Other staff salaries and allowances	**5,333**	4,894	**10,543**	9,758
Retirement benefit schemes contributions, excluding those of directors	**246**	227	**493**	465
Total staff costs	**6,653**	6,195	**13,184**	12,371
Depreciation of property, plant and equipment	**943**	615	**1,598**	1,299
Depreciation of right-of-use assets	**3,009**	–	**6,273**	–
Cost of inventories recognised as expenses (included in cost of sales)	**13,477**	14,631	**24,852**	27,190
Interest income	**(317)**	(45)	**(623)**	(119)
Exchange (gain) loss	**(3)**	228	**377**	590
Legal and professional fees for the proposed transfer of listing of the shares of the Company from GEM to Main Board of the Stock Exchange	**4,696**	–	**4,696**	–
Finance costs:				
– interest expense on lease liabilities	**209**	–	**427**	–

6. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Current tax:				
Hong Kong Profits Tax	**1,458**	1,346	**2,141**	2,206

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "**Bill**") which introduced the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity are taxed at 8.25%, and profits above HK$2 million are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime continue to be taxed at a flat rate of 16.5%.

The two-tiered profits tax regime is applicable to the Group for the six months ended 30 September 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.

7. DIVIDENDS

	Six months ended 30 September	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
2019 Final, paid – HK0.6 cent per ordinary share (2018: nil)	**6,720**	–

The Directors of the Company did not recommend the payment of any interim dividend for the six months ended 30 September 2019 (six months ended 30 September 2018: HK0.9 cent per share).

8. EARNINGS PER SHARE

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

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	**2019**	2018
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Earnings:				
Earnings attributable to owners of the Company for the purposes of calculation of basic earnings per share	**2,509**	7,104	**6,452**	10,617

8. EARNINGS PER SHARE – continued

	Three months ended 30 September		Six months ended 30 September	
	2019	2018	**2019**	2018
	'000	*'000*	***'000***	*'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	**1,120,000**	1,120,000	**1,120,000**	1,120,000

No diluted earnings per share was presented for the six months ended 30 September 2019 and 2018 as there was no potential dilutive ordinary shares in issue during both periods.

9. PROPERTY, PLANT AND EQUIPMENT/RIGHT-OF-USE ASSETS

During the six months ended 30 September 2019, the Group incurred total expenditure of approximately HK$32,484,000 (six months ended 30 September 2018: HK$1,308,000 (unaudited)) on the acquisition of property, plant and equipment, including approximately HK$28,780,000 (six months ended 30 September 2018: nil (unaudited)) on the acquisition of leasehold land and buildings through acquisition of a subsidiary, HK$3,267,000 (six months ended 30 September 2018: HK$955,000 (unaudited)) on the acquisition of leasehold improvement, HK$188,000 (six months ended 30 September 2018: HK$170,000 (unaudited)) on the acquisition of computer equipment and HK$249,000 (six months ended 30 September 2018: HK$183,000 (unaudited)) on the acquisition of office equipment.

During the current interim period, the Group entered into a new lease agreement for the use of premises for two years. The Group is required to make fixed monthly payments and additional turnover rental payments on lease commencement. The Group recognised approximately HK$2,089,000 of right-of-use assets and approximately HK$2,054,000 of lease liabilities.

10. TRADE RECEIVABLES

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

	At 30 September 2019	At 31 March 2019
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Within 30 days	**595**	1,318
31 – 60 days	**26**	91
61 – 90 days	**7**	161
Over 90 days	**1**	–
	629	1,570

The Group's revenue is generated mainly from cash, credit card sales, sale to distributors and consignment sales. The average credit period on credit cards sales, sale to distributors and consignment sales is 2 days, 30 days and 30 days, respectively.

11. TRADE PAYABLES

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

	At 30 September 2019 *HK$'000* **(unaudited)**	At 31 March 2019 *HK$'000* (audited)
Within 30 days	**2,342**	1,930
31 to 60 days	**–**	106
	2,342	2,036

12. LEASE LIABILITIES

During the current interim period, interest expense of HK$427,000 has been charged to profit or loss.

13. SHARE CAPITAL

	Number of shares	*HK$'000*
Ordinary shares of HK$0.01 each		
Authorised:		
At 31 March 2019 (audited) and 30 September 2019 (unaudited)	2,000,000,000	20,000
Issued and fully paid:		
At 31 March 2019 (audited) and 30 September 2019 (unaudited)	1,120,000,000	11,200

14. RELATED PARTY TRANSACTIONS

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

Name of related party	Relationship	Nature of transactions	Three months ended 30 September 2019 HK$'000	Three months ended 30 September 2018 HK$'000	Six months ended 30 September 2019 HK$'000	Six months ended 30 September 2018 HK$'000
Ms. Yuen Ming Erica ("Ms Erica Yuen")	A director of the Company	Sales of finished goods	**8**	8	**14**	23
Mr. Lam Yue Yeung Anthony ("Mr. Anthony Lam")	A non-executive director of the Company and a close family member of Ms. Erica Yuen	Sales of finished goods	**–**	–	**32**	–
Ms. Yuen Mimi Mi Wahng	A director of the Company	Sales of finished goods	**2**	3	**16**	7
Ms. Chan Sze Lai Celine	An independence non- executive director of the Company	Sales of finished goods	**1**	–	**2**	1

(b) Compensation of key management personnel of the Group

	Three months ended 30 September 2019 HK$'000 (unaudited)	Three months ended 30 September 2018 HK$'000 (unaudited)	Six months ended 30 September 2019 HK$'000 (unaudited)	Six months ended 30 September 2018 HK$'000 (unaudited)
Salaries, fees and other allowances	**1,321**	1,310	**2,643**	2,621
Performance related incentive payments	**39**	34	**75**	68
Retirement benefit scheme contributions	**18**	18	**36**	36
	1,378	1,362	**2,754**	2,725

The remuneration of directors and other key management personnel of the Company are determined having regard to the performance of the individuals.

15. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 11 October 2019, the Company submitted a formal application to the Stock Exchange in respect of the proposed transfer of listing pursuant to Chapter 9A and Appendix 28 of the Rules Governing the Listing of Securities on the Stock Exchange. Details are set out in the announcement of the Company dated 11 October 2019.

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.

Driven by the Group's philosophy "defining clean beauty" ("擇善美麗"), the Group endeavours to select and offer products that do not contain ingredients that, in its view, would adversely affect or impair the health of its customers and users. 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 online distribution channel, consignment sales and distributors. The Group also acts as the consignee for some suppliers on a consignment basis whereby the Group is entitled to 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**"). Despite the growth of the Group's revenue after the listing of the Company's shares (the "**Shares**") on GEM of the Stock Exchange on 12 February 2018 (the "**Listing**"), in view of (i) the current challenging retail market conditions as a whole in Hong Kong, as general consumers are more cautious in spending due to the uncertainties of the impact of the Sino-US Trade War on the economy in both the PRC and Hong Kong; and (ii) the mass protests in Hong Kong in recent months, which have taken place in several major shopping districts and impacted customer traffic in these districts, the Directors will closely monitor the retail market environment in Hong Kong to ensure that business expansion is conducted in a prudent and cost effective manner.

FINANCIAL REVIEW

Revenue

The Group's revenue increased slightly by approximately HK$0.3 million or approximately 0.4% from approximately HK$69.1 million for the six months ended 30 September 2018 to approximately HK$69.4 million for the six months ended 30 September 2019.

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 Group's cost of sales decreased by approximately HK$1.5 million or approximately 5.5% from approximately HK$27.3 million for the six months ended 30 September 2018 to approximately HK$25.8 million for the six months ended 30 September 2019. Such decrease in cost of sales was mainly attributable to the increase in sales of (i) products for which the Group had exclusive distribution rights; and (ii) products under the Group's own brand "POME", both of which had a relatively lower cost of sales as compared to products for which the Group did not have exclusive distribution rights ("non-exclusive products").

Gross profit and gross profit margin

The Group's gross profit increased to approximately HK$43.6 million for the six months ended 30 September 2019 from approximately HK$41.8 million for the six months ended 30 September 2018, representing an increase of approximately 4.3%, whilst its gross profit margin increased to approximately 62.9% for the six months ended 30 September 2019 from approximately 60.5% for the six months ended 30 September 2018. The increase in the gross profit margin for the six months ended 30 September 2019 was mainly attributable to the increase in sales of (i) products for which the Group had exclusive distribution rights; and (ii) products under the Group's own brand "POME", both of which had a relatively lower cost of sales as compared to the non-exclusive products and therefore a higher gross profit margin.

Selling and distribution expenses

The Group's selling and distribution expenses increased to approximately HK$17.5 million for the six months ended 30 September 2019 from approximately HK$16.6 million for the six months ended 30 September 2018, representing an increase of approximately 5.4%. The increase in the Group's selling and distribution expenses was primarily due to (i) the aggregate increase in rental expenses and depreciation of right-of-use assets of approximately HK$0.5 million mainly due to the opening of a new retail store in Kwun Tong; and (ii) increase in staff costs of approximately HK$0.3 million relating to salary adjustments for existing employees.

Administrative and operating expenses

Administrative and operating expenses increased to approximately HK$17.5 million for the six months ended 30 September 2019 from approximately HK$12.0 million for the six months ended 30 September 2018, representing an increase of approximately 46.0%. Such increase was mainly due to (i) increase in legal and professional fee of approximately HK$4.7 million primarily due to the non-recurring legal and professional fees incurred in relation to the preparation for the Proposed Transfer of Listing; (ii) increase in depreciation of approximately HK$0.4 million in relation to depreciation of the warehouse acquired in May 2019 and the corresponding leasehold improvement; and (iii) increase in staff costs of approximately HK$0.4 million relating to salary adjustments for existing employees.

Finance cost

The Group has applied the new HKFRS 16 for the first time since 1 April 2019. The interest expenses on lease liabilities are presented separately as finance costs which amounted to approximately HK$0.4 million for the six months ended 30 September 2019 (six months ended 30 September 2018: nil).

Income tax expense

For the six months ended 30 September 2018 and six months ended 30 September 2019, the Group's income tax expense was approximately HK$2.2 million and HK$2.1 million representing an effective tax rate of approximately 17.2% and 24.9%, respectively. The higher effective tax rate for the six months ended 30 September 2019 was mainly attributable to the non-recurring legal and professional fees in relation to the preparation for the Proposed Transfer of Listing incurred in that period but were not deductible for taxation purpose.

Profit and total comprehensive income for the period attributable to owners of the Company

As a result of the foregoing, the profit attributable to owners of the Company decreased by 39.2% from approximately HK$10.6 million for the six months ended 30 September 2018 to approximately HK$6.5 million for the six months ended 30 September 2019. Excluding the non-recurring legal and professional fees incurred in relation to the preparation for the Proposed Transfer of Listing, the Group's profit attributable to owners of the Company for the six months 30 September 2019 amounted to approximately HK$11.1 million (six months ended 30 September 2018: HK$10.6 million).

LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY

	As at 30 September 2019	As at 31 March 2019
Current ratio *(Note)*	**4.0**	10.5

Note: Current ratio is calculated by dividing current assets by current liabilities as at the end of each respective period/year.

The current ratio of the Group as at 30 September 2019 was 4.0 times as compared to that of 10.5 times as at 31 March 2019. The decrease in current ratio was mainly due to (i) decrease in bank balances and cash as a result of the acquisition of a warehouse and the payment of a final dividend for the year ended 31 March 2019; and (ii) increase in lease liabilities as a result of the Group having applied HKFRS 16 for the first time since 1 April 2019.

The Group's management closely monitors the Group's cash flow position to ensure the Group has sufficient working capital available to meet its operational needs. The management takes into account the trade receivables, trade payables, cash on hand, administrative and capital expenditures to prepare the cash flow forecast to forecast the Group's future financial liquidity.

Since the Listing, the Group generally financed its capital expenditure and operational requirements through a combination of cash generated from operations, net proceeds from the share offer of the Company's shares from the Listing and bank borrowings.

FOREIGN EXCHANGE EXPOSURE

As at 30 September 2019, the Group had certain bank balances and payables denominated in Australian dollar, which exposed the Group to foreign currency risk. The Directors consider that the Group's policy to maintain sufficient Australian dollar for payment of purchases for about three months and keeping of about two months' inventory, with reference to the Group's historical sales, will provide the Group with a sufficient buffer to minimise the Group's exposure to the fluctuation in Australian dollar.

SIGNIFICANT INVESTMENTS

As at 30 September 2019, there was no significant investment held by the Group (31 March 2019: nil).

CAPITAL STRUCTURE

The Shares were successfully listed on GEM on 12 February 2018. There has been no change in the capital structure of the Company since then. The equity of the Company only comprises ordinary shares.

As at the date of this report, the issued share capital of the Company was HK$11.2 million and the number of issued ordinary shares was 1,120,000,000 of HK$0.01 each.

CAPITAL COMMITMENT

As at 30 September 2019, the Group did not have any significant capital commitments (31 March 2019: an indirect wholly-owned subsidiary of the Company, the vendors and the agent entered into a provisional sale and purchase agreement on 28 February 2019 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 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 (the "Property") is its only asset. Details of the Acquisition are set out in the circular issued by the Company dated 26 April 2019. As at 31 March 2019, an amount of HK$2,878,000 has been paid as deposits for the Acquisition. The outstanding capital expenditure in respect of the acquisition of the Target Company amounted to HK$25,902,000. As at the date of this interim report, the Acquisition has been completed and the outstanding capital expenditure have been paid).

CONTINGENT LIABILITIES

As at 30 September 2019, the Group did not have any material contingent liabilities (31 March 2019: nil).

DIVIDEND

No dividend was paid, proposed or declared for the six months ended 30 September 2019 (six months ended 30 September 2018: an interim dividend of HK0.9 cent per share and in aggregate amounting to approximately HK$10.1 million).

EMPLOYEES AND REMUNERATION POLICIES

The Group recognises the importance of a good relationship with its employees. The Directors believe that the working environment and benefits offered to the employees have contributed to building good staff relations and retention. The Group is committed to employee development and has implemented various training programs to strengthen their management, industry and product knowledge. The Directors believe such training programs will equip the employees with skills and knowledge to enhance the Group's services to its customers.

The remuneration policy of the Group to reward its employees and executives is based on their performance, qualifications, competence displayed and market comparable. Employee remuneration packages are typically comprised of salary, sales commission, contribution to pension schemes and discretionary bonuses relating to the profit of the Group. The remuneration package of the Group's Executive Directors and the senior management is, in addition to the above factors, linked to the return to the shareholders. The Remuneration Committee will review the remuneration of all the Group's Executive Directors and senior management annually to ensure that it is attractive enough to attract and retain a competent team of executive members.

A Remuneration Committee has been set up since the Listing for reviewing the Group's emolument policy and structure of all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual duties and responsibilities, individual performance and comparable market practices.

As at 30 September 2019, the Group employed a total of 75 (As at 30 September 2018: 74) full-time employees and 11 (As at 30 September 2018: 15) part-time employees. The staff costs, including Directors' emoluments, of the Group for the six months ended 30 September 2019 was approximately HK$13.2 million (six months ended 30 September 2018: HK$12.4 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 report, no option has been granted under the share option scheme.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group had no material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 September 2019.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2019, the Group did not have other plans for material investments and capital assets.

COMPARISON OF BUSINESS PLAN WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the Prospectus with actual business progress up to 30 September 2019.

Business plan up to 30 September 2019 as set out in Prospectus	Actual progress up to 30 September 2019
Expand the Group's retail network by opening more retail stores and refurbishing the Group's existing retail stores	
– Open five retail stores, one in Kowloon Bay, one in Mongkok, one in Tai Po, one in Causeway Bay and one in Kwun Tong	Since the Listing, the Group has been actively searching for suitable premises to open its new Retail Stores in Kowloon Bay, Mongkok, Tai Po and Kwun Tong and has received offers from a number of landlords. However, after considering factors such as (i) spending power of target customers in a particular area; (ii) accessibility of the location; (iii) neighbouring tenants and competition of other retail stores and merchandise sold in the neighbourhood; (iv) the availability of other amenities, entertainment and dining facilities in the location or nearby area; (v) the relevant lease terms or other restrictions on the premises; (vi) the foot traffic of the premises or the shopping malls in which the premises are situated; and (vii) size of the premises, the Directors concluded that most of the premises presented to them were not suitable save and except that in December 2018, the Group identified and rented a suitable premises in Kwun Tong for opening a new retail store, which subsequently commenced business in April 2019. As disclosed in the Prospectus, the Group planned to open a second Retail Store in Causeway Bay during the six months ended 31 March 2019. However, having identified a larger premises in a prime shopping mall in the same district and having considered the above factors, the Group relocated its old Causeway Bay retail store to the larger premises in June 2018 in order to drive more foot traffic and enhance its customers' shopping experience.

Business plan up to 30 September 2019 as set out in Prospectus	Actual progress up to 30 September 2019
– Recruitment of 25 new staff members	Owing to the postponed shop expansion plan in Kowloon Bay, Mongkok and Tai Po as mentioned above, the Group did not recruit additional staff members originally planned for these retail stores. The Group recruited five additional staff members to cater for the manpower required for the Group's larger retail store in Causeway Bay and new retail store in Kwun Tong as mentioned above.
– Recruitment of a shop expansion manager and payment of his/her salaries	The Group has recruited a shop expansion manager.
– Refurbishing eight existing retail stores	The Group has refurbished four existing retail stores. The renovation work for the Group's Tsim Sha Tsui, Quarry Bay, Tuen Mun and Tseung Kwan O retail shops is expected to be completed in late 2019.
Acquire a warehouse	
– Partial payment for acquiring the warehouse	The Group has acquired a warehouse.
Expand the Group's product portfolio and explore new suppliers	
– Recruitment of a product expansion manager and payment of his/her salaries	The Group has recruited a product expansion manager. As the net proceeds received from the share offer during Listing was higher than the Group's expectation, the Group has recruited additional staff to support the product expansion work.
– Attending trade fairs, exhibitions and conducting feasibility studies and research on new products and markets	During the period under review, representatives of the Group attended trade fairs in Korea and the United States. Representatives of the Group attended a trade fair in Japan in May 2019.

Business plan up to 30 September 2019 as set out in Prospectus	Actual progress up to 30 September 2019
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	
– Deploying mainstream advertising through traditional media such as television, outdoor advertising, newspapers, magazines, advertising in mass transit railway stations and mobile phone applications	The Group has deployed advertisements through traditional media and online channels.
– Hiring third parties to transform the Group's website into an information portal and revamping the Group's online shop	The Group has recruited a contractor to perform research and development for transforming the Group's website into an information portal and revamping its online shop.
Conduct system improvement and integration	
– Purchase of new integrated system	The Group has paid a deposit for acquiring a new integrated system. The implementation of the new system is expected to be completed in late 2019.
– System maintenance and point-of-sale system hosting	The Group has deployed funds for system maintenance and point-of-sale system hosting.

USE OF PROCEEDS

An analysis of the planned usage of net proceeds up to 30 September 2019 and the actual utilisation are set out below:

	Planned use of net proceeds up to 30 September 2019 (adjusted on a pro rata basis on the actual net proceeds) *HK$'000*	**Actual usage of net proceeds up to 30 September 2019** *HK$'000*
Expand the Group's retail network by opening more retail stores and refurbishing the Group's existing retail stores	13,273	4,922
Acquire a warehouse	13,181	13,181
Expand the Group's product portfolio and explore new suppliers	1,207	901
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	8,003	8,003
Conduct system improvement and integration	1,347	1,076
General working capital	2,010	2,010

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.

In view of the current challenging retail market conditions as mentioned in the section titled "Business review and prospects" above, the Directors propose to continue to apply the proceeds accordingly, albeit on a potentially delayed schedule as compared to the implementation plan set out in the Prospectus.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

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

(a) Interests in the Shares of the Company

Name of Directors	Capacity/ nature of interest	Number of Shares interested *(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 ("Anthony Lam") *(Note 3)*	Interest of spouse	780,000,000 (L)	69.6%

(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 share interested *(Note 1)*	Percentage of shareholding in the associated corporation
Ms. Erica Yuen	Beneficial owner	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 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.

(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 30 September 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 September 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 September 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 six months ended 30 September 2019.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the six months ended 30 September 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 six months ended 30 September 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 six months ended 30 September 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 financial reporting process, internal control and risk management systems, and to oversee the audit process. The Audit Committee had reviewed the unaudited condensed consolidated financial statements and interim report for the six months ended 30 September 2019.

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

Hong Kong, 7 November 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.