

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



2020/21

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. Hung Yuen Wa  
 Ms. Tsang Wing Yee

**BOARD COMMITTEES****Audit Committee**

Ms. Tsang Wing Yee *(Chairlady)*  
 Ms. Chan Sze Lai Celine  
 Ms. Hung Yuen Wa

**Remuneration Committee**

Ms. Chan Sze Lai Celine *(Chairlady)*  
 Ms. Yuen Mi Ming Erica  
 Ms. Hung Yuen Wa

**Nomination Committee**

Ms. Yuen Mi Ming Erica *(Chairlady)*  
 Ms. Chan Sze Lai Celine  
 Ms. Hung Yuen Wa

**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

**REGISTERED OFFICE IN THE CAYMAN  
ISLANDS**

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

**CAYMAN ISLAND PRINCIPAL SHARE  
REGISTRAR AND TRANSFER OFFICE**

Ocorian Trust (Cayman) Limited  
 P.O. Box 1350, Clifton House,  
 75 Fort Street,  
 Grand Cayman, KY1-1108  
 Cayman Island

**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 2020 together with the unaudited comparative figures for the corresponding period in 2019 are set out as follows:

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

*For the three months ended 30 June 2020*

		<b>For the three months ended 30 June</b>	
	<i>Notes</i>	<b>2020</b> <i>HK\$'000</i> <b>(unaudited)</b>	2019 <i>HK\$'000</i> (unaudited)
Revenue	3	<b>29,436</b>	31,589
Cost of sales		<b>(10,080)</b>	(11,948)
Gross profit		<b>19,356</b>	19,641
Other income, gains and losses		<b>1,929</b>	(62)
Selling and distribution expenses		<b>(6,876)</b>	(8,468)
Administrative and operating expenses		<b>(8,358)</b>	(6,267)
Interest expenses on lease liabilities		<b>(173)</b>	(218)
Profit before tax	4	<b>5,878</b>	4,626
Income tax expense	5	<b>(1,264)</b>	(683)
Profit and total comprehensive income for the period		<b>4,614</b>	3,943
Earnings per share			
– basic (Hong Kong cent)	6	<b>0.41</b>	0.35

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

*For the three months ended 30 June 2020*

	<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 2019 (audited)	11,200	81,847	(37,316)	60,215	115,946
Profit and total comprehensive income for the period	–	–	–	3,943	3,943
At 30 June 2019 (unaudited)	11,200	81,847	(37,316)	64,158	119,889
At 1 April 2020 (audited)	<b>11,200</b>	<b>75,127</b>	<b>(37,316)</b>	<b>76,067</b>	<b>125,078</b>
Profit and total comprehensive income for the period	–	–	–	4,614	4,614
At 30 June 2020 (unaudited)	<b>11,200</b>	<b>75,127</b>	<b>(37,316)</b>	<b>80,681</b>	<b>129,692</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 additional accounting policies resulting from application of amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the three months ended 30 June 2020 are the same as those presented in the preparation of the consolidated financial statements of the Group for the year ended 31 March 2020.

#### Application of new and amendments to HKFRSs

The Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current period:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of Business
Amendments to HKFRS9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and position for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

#### Impacts of application on Amendments to HKAS 1 and HKAS 8 "Definition of Material"

The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify at materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements

### 3. REVENUE

The revenue of the Group arose from sales of products and consignment commission for the three months ended 30 June 2020.

An analysis of the Group's revenue recognised at a point in time for the three months ended 30 June 2020 are as follows:

	For the three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
<b>Sales of goods</b>		
Retail stores	26,227	29,072
Online shop	2,884	909
Consignment sales	75	1,112
Distributors	135	422
Subtotal	29,321	31,515
<b>Consignment Commission</b>		
Retail stores	57	73
Online shop	58	1
Subtotal	115	74
Total	29,436	31,589

### 4. PROFIT BEFORE TAX

	For the three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Profit before tax has been arrived at after charging (crediting):		
Directors' remuneration	1,056	1,074
Other staff salaries and allowances	4,381	5,210
Retirement benefit scheme contributions, excluding those of directors	273	247
Total employee benefits expenses	5,710	6,531
Depreciation of property, plant and equipment	1,021	655
Depreciation of right-of-use assets	3,121	3,264
Cost of inventories recognised as expenses (included in cost of sales)	9,986	11,375
Interest income	(253)	(306)
Exchange (gain)/loss	(873)	380
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 ("Proposed Transfer of Listing")	2,576	—
Interest expenses on lease liabilities	173	218



## 5. INCOME TAX EXPENSE

	For the three months ended 30 June	
	2020 HK\$'000 (unaudited)	2019 HK\$'000 (unaudited)
Current tax:		
Hong Kong Profits Tax	1,264	683
	<b>1,264</b>	<b>683</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 2020 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.

## 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	
	2020 HK\$'000 (unaudited)	2019 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	<b>4,614</b>	<b>3,943</b>

	For the three months ended 30 June	
	2020 (unaudited)	2019 (unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousand)	<b>1,120,000</b>	<b>1,120,000</b>

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 2020 (three months ended 30 June 2019: 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.

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 any ingredients that, in our view, would adversely affect or impair the health of its customers. The Group targets to serve and offer its products to customers who are ingredient conscious and aspire to the betterment of their health.

The Group mainly sells products at its retail stores, with a portion through its online shop at [www.mimingmart.com](http://www.mimingmart.com) and other e-commerce platforms operated by independent third parties, 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 consignors’ products and the predetermined percentage as agreed by the consignors 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, product portfolio and e-commerce business to enhance its competitiveness and maintain its leading position in the small and medium segment of the skincare and cosmetics multi-brand specialty retailers market in Hong Kong. Going forward, the Group will gradually carry out the implementation plans as set out in the annual report of the Company dated 22 June 2020. 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 slightly decreased by approximately HK\$2.2 million to approximately HK\$29.4 million for the three months ended 30 June 2020 from approximately HK\$31.6 million for the corresponding period in 2019, representing a decrease of approximately 6.8%. The Directors believe that the decrease in revenue was primarily due to the net effect of (i) decrease in revenue generated from the sales of the Group's products through its retail shops of approximately HK\$2.8 million primarily due to the outbreak of COVID-19 in early 2020; (ii) decrease in revenue generated from the sales of the Group's products through consignment sales of approximately HK\$1.0 million primarily due to the consignment sales arrangement with the former in-flight shop company was ceased and a new distribution agreement was entered into with a new in-flight shop company in early 2020. Nevertheless, the Group recorded a low in-flight distribution sales during the three months ended 30 June 2020 due to the outbreak of COVID-19; and (iii) increase in revenue generated from the sales of the Group's products through its self-operated online shop of approximately HK\$1.8 million.

### 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 by approximately HK\$1.8 million to approximately HK\$10.1 million for the three months ended 30 June 2020 from approximately HK\$11.9 million for the corresponding period in 2019, representing a decrease of approximately 15.6%. Notwithstanding the decrease in cost of sales along with the decrease in sales during the period, the Group recorded an increase in sales of (i) certain skincare products for which the Group had exclusive distribution rights; and (ii) the Group's own "POME" branded products, both of which had a relatively lower cost of sales as compared to most of the other products.

### Gross profit and gross profit margin

The Group's gross profit slightly decreased by approximately HK\$0.2 million to approximately HK\$19.4 million for the three months ended 30 June 2020 from approximately HK\$19.6 million for the corresponding period in 2019, representing a decrease of approximately 1.5%, whilst the Group's gross profit margin increased from approximately 62.2% to approximately 65.8% for the respective periods. The increase in the gross profit margin was mainly attributable to the increase in sales of (i) certain skincare products for which the Group had exclusive distribution rights; and (ii) the Group's own "POME" branded products, both of which had a relatively lower cost of sales, as compared to most of the other products, and therefore a higher gross profit margin.

### Other income, gains and losses

The Group recorded a gain of approximately HK\$1.9 million for the three months ended 30 June 2020, whilst the Group recorded a loss of approximately HK\$62,000 for the corresponding period in 2019. The increase in the other income, gains and losses is primarily attributable to (i) an exchange gain of approximately HK\$0.8 million; and (ii) the subsidy received from the Hong Kong Government under the Retail Sector Subsidy Scheme of approximately HK\$0.8 million.

### **Selling and distribution expenses**

The Group's selling and distribution expenses decreased by approximately HK\$1.6 million to approximately HK\$6.9 million for the three months ended 30 June 2020 from approximately HK\$8.5 million for the corresponding period in 2019, representing a decrease of approximately 18.8%. The decrease in the Group's selling and distribution expenses was primarily due to (i) decrease in marketing expenses of approximately HK\$0.6 million; (ii) decrease in staff costs for sales staff of approximately HK\$0.5 million mainly due to the corresponding subsidy amounted to approximately HK\$0.4 million received from the Hong Kong Government under the Employment Support Scheme; and (iii) decrease in rental expenses for retail shops of approximately HK\$0.4 million.

### **Administrative and operating expenses**

Administrative and operating expenses increased by approximately HK\$2.1 million to approximately HK\$8.4 million for the three months ended 30 June 2020 from approximately HK\$6.3 million for the corresponding period in 2019, representing an increase of approximately 33.4%. Such increase was mainly due to the net effect of (i) increase in legal and professional fees of approximately HK\$2.6 million primarily due to the non-recurring legal and professional fees incurred in relation to the preparation for the Proposed Transfer of Listing; and (ii) decrease in staff costs for administrative, operating and other non-sales staff of approximately HK\$0.3 million mainly due to the corresponding subsidy amounted to approximately HK\$0.3 million received from the Hong Kong Government under the Employment Support Scheme.

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

Interest expenses on the lease liabilities remained relatively stable at approximately HK\$0.2 million for the three months ended 30 June 2020 as compared to those for the corresponding period in previous year.

### **Income tax expense**

For the three months ended 30 June 2019 and 2020, the Group's income tax expense was approximately HK\$0.7 million and HK\$1.3 million respectively, representing an effective tax rate of approximately 14.8% and 21.5%, respectively. The higher effective tax rate for the three months ended 30 June 2020 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.

### **Net profit for the period**

As a result of the foregoing, the Group's net profit increased by approximately HK\$0.7 million or approximately 17.0% from approximately HK\$3.9 million for the three months ended 30 June 2019 to approximately HK\$4.6 million for the three months ended 30 June 2020, whilst the Group's net profit margin increased from approximately 12.5% to approximately 15.7% for the respective periods.

### **Basic earnings per share**

The Company's basic earnings per share increased to earnings per share of approximately HK0.41 cent for the three months ended 30 June 2020 from earnings per share of approximately HK0.35 cent for the three months ended 30 June 2019, representing an increase of approximately HK0.06 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 2020.

### **RESERVES**

Movements in the reserves of the Group for the three months ended 30 June 2020 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 2020 (three months ended 30 June 2019: Nil).

### **CAPITAL COMMITMENTS**

As at 30 June 2020, the Group did not have any significant capital commitments.

### **MATERIAL ACQUISITIONS OR DISPOSALS OF INVESTMENTS**

During the three months ended 30 June 2020, the Group had no material acquisition and disposal of investments.

### **CONTINGENT LIABILITIES**

The Group did not have material contingent liabilities as at 30 June 2020.



## 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 2020, 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 2020, 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 2020, 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
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Prime Era (Note 2)	Beneficial owner	780,000,000 (L)	69.6%
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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 2020, 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 2020.

## **DIRECTORS' INTEREST IN COMPETING BUSINESS**

During the three months ended 30 June 2020, 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 2020, 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 2020.

## 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. Hung Yuen Wa. 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 include, among others, assisting the Board in providing an independent review of the effectiveness of the Group’s financial reporting process, internal control and risk management systems, and overseeing the audit process. The Audit Committee had reviewed the unaudited quarterly results for the three months ended 30 June 2020.

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

Hong Kong, 14 August 2020

*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. Hung Yuen Wa and Ms. Tsang Wing Yee.*