MI MING MART HOLDINGS LIMITED
彌明生活百貨控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8473)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2019

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

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

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

*This announcement, for which the directors (the "**Directors**") of Mi Ming Mart Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

FINANCIAL HIGHLIGHTS

For the year ended 31 March 2019, audited operating results of the Group were as follows:

– the Group recorded a revenue of approximately HK$149.7 million for the year ended 31 March 2019 (2018: HK$123.4 million), representing an increase of approximately 21.3% as compared to that in the previous year.

– the Group recorded a gross profit of approximately HK$93.5 million for the year ended 31 March 2019 (2018: HK$74.8 million), representing an increase of approximately 25.0% as compared to that in the previous year.

– Profit attributable to the owners of the Company for the year ended 31 March 2019 amounted to approximately HK$27.6 million (2018: HK$6.0 million). Excluding the non-recurring listing expenses and other non-recurring expense, the Group's profit attributable to the owners of the Company for the year ended 31 March 2019 amounted to approximately HK$27.6 million (2018: HK$18.0 million), representing an increase of approximately 53.4% as compared to that in the previous year.

– The Board has recommended a final dividend in respect of the year ended 31 March 2019 of HK 0.6 cent (2018: nil) per ordinary share, in an aggregate amount of approximately HK$6.7 million (2018: nil), to the shareholders whose names appear on the register of members of the Company on Friday, 30 August 2019. Together with the interim dividend of HK0.9 cent per ordinary share already paid during the year, the amount of dividend per ordinary share for the year ended 31 March 2019 totalled HK1.5 cents.

ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2019

The board of Directors (the "**Board**") of the Company is pleased to announce the consolidated results of the Group for the year ended 31 March 2019 together with the comparative figures for the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2019

		2019	2018
	Notes	***HK$'000***	*HK$'000*
Revenue	*4*	**149,705**	123,397
Cost of sales		**(56,204)**	(48,592)
Gross profit		**93,501**	74,805
Other income, gains and losses		**195**	63
Selling and distribution expenses		**(33,343)**	(30,783)
Administrative and operating expenses		**(26,906)**	(22,215)
Interest expense on bank borrowings		**–**	(163)
Other expense		**–**	(550)
Listing expenses		**–**	(11,424)
Profit before tax	*6*	**33,447**	9,733
Income tax expense	*7*	**(5,820)**	(3,698)
Profit and total comprehensive income for the year		**27,627**	6,035
Basic earnings per share	*8*	**HK2.47 cents**	HK0.69 cent

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2019

	Notes	**2019** **HK$'000**	2018 *HK$'000*
Non-current assets			
Property, plant and equipment		**2,711**	2,489
Deferred tax assets		**505**	456
Deposits paid for acquisition of an asset		**2,878**	–
Other non-current assets		**3,712**	2,225
		9,806	5,170
Current assets			
Inventories		**10,252**	9,161
Trade receivables	*10*	**1,570**	1,061
Deposits, prepayments and other receivables		**4,056**	4,370
Pledged bank deposits		**3,224**	3,215
Bank balances and cash		**98,154**	83,090
		117,256	100,897
Current liabilities			
Trade payables	*11*	**2,036**	1,606
Accrued expenses and other payables		**6,693**	4,864
Contract liabilities		**323**	–
Tax payable		**2,064**	1,198
		11,116	7,668
Net current assets		**106,140**	93,229
Net assets		**115,946**	98,399
Capital and reserves			
Share capital	*12*	**11,200**	11,200
Reserves		**104,746**	87,199
		115,946	98,399

NOTES:

1. GENERAL

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. 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 acts as an investment holding company and the Group is principally engaged in the retail of multi-brand beauty and health products in Hong Kong.

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

2. BASIS OF PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Prior to the reorganisation, Inwell International Limited ("**Inwell**") and Rosy Horizon Global Limited ("**Rosy Horizon**"), the companies now comprising the Group, were controlled by Ms. Yuen Mi Ming Erica ("**Ms. Erica Yuen**").

In the preparation for the listing of the shares of the Company, the companies now comprising the Group underwent the reorganisation. On 23 January 2018, the reorganisation was executed to the extent that the Company had been interspersed between Ms. Erica Yuen, Inwell and Rosy Horizon (the "**Reorganisation**"). The Group, comprising the Company, Rosy Horizon and Inwell, resulting from the Reorganisation has always been under the common control of Ms. Erica Yuen throughout the year, regardless of the actual dates when Rosy Horizon and Inwell formally and legally became subsidiaries of the Company. Therefore, the Reorganisation is considered as a business combination under common control and accounted for under merger accounting as mentioned below.

The consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows which include the financial performance and cash flows of the companies now comprising the Group for the year have been prepared as if the Company had always been the holding company of the Group and the current group structure had been in existence throughout the year ended 31 March 2018, or since the respective date of incorporation of the relevant entity where this is a shorter period.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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

3.1 HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Selling and distributing a wide range of beauty and health products at a point in time when the control of goods are transferred to the customers.

- Consignment commission income at a point in time when services rendered

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and the related interpretations.

Information about the Group's performance obligations resulting from application of HKFRS 15 are disclosed in note 4.

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 March 2018	**Reclassification**	**Carrying amounts under HKFRS 15 at 1 April 2018**
	HK$'000	*HK$'000*	*HK$'000*
CURRENT LIABILITIES			
Accrued expenses and other payables	4,864	(468)	4,396
Contract liabilities	–	468	468

Note:

As at 1 April 2018, advances from customers of HK$108,000 and deferred income of HK$360,000 in respect of the contracts with customers previously included in accrued expenses and other payables were reclassified to contract liabilities upon application of HKFRS 15.

The following tables summarise the impacts of applying HKFRS 15 on the Group's consolidated statement of financial position as at 31 March 2019 and its consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position

	As reported	**Reclassification**	**Amounts without application of HKFRS 15**
	HK$'000	*HK$'000*	*HK$'000*
CURRENT LIABILITIES			
Accrued expenses and other payables	6,693	323	7,016
Contract liabilities	323	(323)	–

Note:

Prior to the application of HKFRS 15, advances from customers and deferred income were classified as accrued expenses and other payables. For illustrative purpose of the table above, advance from customers of HK$207,000 and deferred income of HK$116,000 are reclassified from contract liabilities to accrued expenses and other payables.

Impact on the consolidated statement of cash flows

	As reported	Reclassification	Amounts without application of HKFRS 15
	HK$'000	*HK$'000*	*HK$'000*
Increase in accrued expenses and other payables	2,297	(145)	2,152
Decrease in contract liabilities	(145)	145	–

3.2 HKFRS 9 "Financial Instruments"

In the current year, the Group has applied HKFRS 9 "Financial Instruments" and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained profits without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

Accounting policies resulting from application of HKFRS 9 are disclosed in note 4.

Classification and measurement of financial assets

The directors of the Company reviewed and assessed the Group's financial assets and liabilities as at 1 April 2018 based on the facts and circumstances that existed at that date and concluded that the Group's financial assets and liabilities continue to be measured at amortised cost upon adoption of HKFRS 9, which is the same as the method of measurement used under HKAS 39 except for impairment under ECL model for financial assets.

Impairment under ECL model

At 1 April 2018, the directors of the Company have reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9 and have concluded that no material financial impact exists, and therefore no adjustment to the opening retained profits at 1 April 2018 has been recognised.

The Group has not early applied any new and revised HKFRSs that have been issued but are not yet effective for the current year.

4. REVENUE

	2019	2018
	HK$'000	*HK$'000*
Sales of goods		
Retail stores	**133,871**	119,251
Online shop	**9,779**	2,617
Consignment sales	**1,404**	159
Distributors	**4,191**	642
Subtotal	**149,245**	122,669
Consignment Commission		
Retail stores	**457**	726
Online shop	**3**	2
Subtotal	**460**	728
Total	**149,705**	123,397

Performance obligation for contracts with customers

All revenue generated by the Group are recognised at a point in time as described below.

Sales of goods

The Group sells a wide range of beauty and health products to the distributors and directly to customers both through its own retail outlets and through online sales.

For sales of goods to the distributors, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the distributors' specific location (delivery). Following delivery, the distributors have full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 days upon delivery.

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For online sales, revenue is recognised when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location. When the customer initially purchases the goods online, the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

Consignment commission income

The Group provides consignment sales services to customers. Such services are recognised at a point in time when the services rendered.

Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March 2019 and the expected timing of recognising revenue are as follows:

	Customer loyalty programme
	HK$'000
Within one year	116

The customer loyalty stamps are effective for 6 months from the date of issuance. The amount disclosed above represent the Group's expectation on the timing of redemption made by customers.

5. 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 other expense and listing expenses) 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.

	2019	2018
	HK$'000	*HK$'000*
Revenue – external sales	**149,705**	123,397
Segment results	**27,627**	18,009
Less:		
Other expense	**–**	(550)
Listing expenses	**–**	(11,424)
Profit for the year	**27,627**	6,035

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents profit earned from each segment without allocation of other expense and listing expenses. 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.

Revenue from major products and service

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

	2019	2018
	HK$'000	*HK$'000*
Skincare	**110,984**	94,748
Cosmetics	**13,845**	11,456
Food and health supplements	**16,201**	8,970
Other products	**8,215**	7,495
Consignment sales service	**460**	728
Total	**149,705**	123,397

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% (2018: 99%) of the Group's revenue from external customers during the year ended 31 March 2019 are generated in Hong Kong.

Information about major customers

No revenue from a single customer of the Group contributed over 10% of the total revenue of the Group during both years.

6. PROFIT BEFORE TAX

	2019	2018
	HK$'000	*HK$'000*
Profit before tax has been arrived at after charging (crediting):		
Directors' remuneration	**5,196**	4,024
Other staff salaries and allowances	**21,756**	19,569
Retirement benefit scheme contributions, excluding those of directors	**953**	838
Total employee benefits expenses	**27,905**	24,431
Auditor's remuneration		
– Audit services		
– current year	**1,120**	750
– Under-provision for prior year	**22**	–
– Non-audit services	**30**	1,248
Depreciation of property, plant and equipment	**2,394**	2,801
(Gain) loss on written off property, plant and equipment	**(124)**	1
Cost of inventories recognised as expenses (included in cost of sales)	**55,619**	48,570
Exchange loss (gains) (included in other income, gains and losses)	**685**	(19)
Interest income	**(720)**	(21)

7. INCOME TAX EXPENSE

	2019	2018
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– Current year	**5,935**	4,071
– Overprovision in prior years	**(66)**	(12)
	5,869	4,059
Deferred taxation	**(49)**	(361)
	5,820	3,698

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 year ending 31 March 2019 and only one subsidiary in the Group could elect for the two-tiered rates regime and the election, once made, is irrevocable.

For the year ended 31 March 2018, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits.

8. BASIC EARNINGS PER SHARE

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

	2019	2018
	HK$'000	*HK$'000*
Earnings		
Earnings attributable to the owners of the Company for the purpose of calculation of basic earnings per share	**27,627**	6,035

	2019	2018
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share	**1,120,000**	876,822

The number of ordinary shares for the purpose of calculation of basic earnings per share for the year ended 31 March 2018 has taken into account the shares issued pursuant to the Reorganisation as set out in note 2 and the capitalisation issue as set out in note 12(c).

No diluted earnings per share was presented for the years ended 31 March 2018 and 2019 as there was no potential dilutive ordinary share in issue during both years.

9. DIVIDENDS

	2019	2018
	HK$'000	*HK$'000*
2019 Interim, paid – HK0.9 cent per ordinary share (2018: nil)	**10,080**	–

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 March 2019 of HK0.6 cent (2018: nil) per ordinary share, in an aggregate amount of approximately HK$6.7 million (2018: nil), has been proposed by the Directors to the shareholders whose names appeared on the register of members of the Company on Friday, 30 August 2019 and is subject to approval by the shareholders of the Company in the forthcoming annual general meeting.

10. TRADE RECEIVABLES

The following is an aged analysis of trade receivables from sales of goods and services presented based on the revenue recognition date at the end of the reporting period.

	2019	2018
	HK$'000	*HK$'000*
Within 30 days	**1,318**	1,056
31 – 60 days	**91**	5
61 – 90 days	**161**	–
	1,570	1,061

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 aged analysis of trade payables based on the invoice date at the end of the reporting period.

	2019	2018
	HK$'000	*HK$'000*
Within 30 days	**1,930**	1,451
31 – 60 days	**106**	155
	2,036	1,606

12. SHARE CAPITAL

	Notes	**Number of shares**	*HK$'000*
Ordinary shares of HK$0.01 each			
Authorised:			
At 1 April 2017		38,000,000	380
Increase in authorised share capital of HK$0.01 each	(b)	1,962,000,000	19,620
At 31 March 2018 and 2019		2,000,000,000	20,000
Issued and fully paid:			
At 1 April 2017		1	–
Issue of shares at par for the Reorganisation	(a)	1	–
Capitalisation issue	(c)	839,999,998	8,400
Issue of shares upon listing	(d)	280,000,000	2,800
At 31 March 2018 and 2019		1,120,000,000	11,200

Notes:

(a) On 23 January 2018, one share of the Company was issued to Prime Era at par value for the Reorganisation.

(b) On 23 January 2018, the sole shareholder of the Company passed a written resolution pursuant to which the authorised share capital of the Company was increased from HK$380,000 to HK$20,000,000 divided into 2,000,000,000 ordinary shares with a par value of HK$0.01 each.

(c) On 23 January 2018, the Directors of the Company were authorised to capitalise an amount of approximately HK$8,400,000 standing to the credit of the share premium account of the Company by applying such sum in paying up 839,999,998 shares in full at par.

(d) On 12 February 2018, the shares of the Company were listed on the Stock Exchange. 280,000,000 ordinary shares at an offer price of HK$0.27 were issued through share offer.

(e) The new shares issued rank pari passu in all respects.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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) cosmetic products; and (iii) food and health supplements.

The Group has embedded our philosophy of "defining clean beauty" ("擇善美麗") to select and offer quality products which do not contain any ingredients that, in our view, would adversely affect or impair the health of our customers. The Group targets to serve and offer our products to customers who are ingredient conscious and aspire to the betterment of their health.

The Group mainly sells products at our retail stores, with a portion through our online shop at "www.mimingmart.com", consignment sales and distributors. The Group also acts as the consignee for some suppliers on a consignment basis whereby the Group is entitled to consignment commission based on the amount of sales of the consignors' products and the predetermined percentage as agreed between the consignors and the Group.

FINANCIAL REVIEW

Revenue

The Group's revenue increased to approximately HK$149.7 million for the year ended 31 March 2019 from approximately HK$123.4 million for the year ended 31 March 2018, representing an increase of approximately 21.3%. The Directors believe that the increase in revenue was primarily due to (i) the business generated from the Group's two new retail stores in Tuen Mun and Tseung Kwan O, which did not operate for a full period in the previous year; (ii) the increase in the sales of the Group's retail store in Causeway Bay after it had been relocated to a prime shopping mall in the same district since June 2018; (iii) the increase in the sales volume of our skincare and food and health supplements products during the year ended 31 March 2019 as compared to that in the previous year; and (iv) the increase in online sales and sales to distributors.

For the year ended 31 March 2019, the revenue generated from the sale of our products accounted for approximately 99.7% of our total revenue, whilst consignment commission accounted for approximately 0.3% of our total revenue.

Cost of sales

The Group's cost of sales primarily consists of cost of inventories sold, commission expenses, and incoming shipping, freight and delivery charges. The cost of sales increased to approximately HK$56.2 million for the year ended 31 March 2019 from approximately HK$48.6 million for the year ended 31 March 2018, representing an increase of approximately 15.7% primarily as a result of the increase in sales during the year.

Gross profit and gross profit margin

The Group's gross profit increased to approximately HK$93.5 million for the year 31 March 2019 from approximately HK$74.8 million for the year ended 31 March 2018, representing an increase of approximately 25.0%, whilst the Group's gross profit margin increased from approximately 60.6% to approximately 62.5% for the respective years. The increase of gross profit margin was mainly attributable to the increase in sales of higher gross profit margin products with exclusive distribution right.

Other income, gains and losses

Other income, gains and losses increased slightly to approximately HK$0.2 million for the year 31 March 2019 from approximately HK$0.1 million for the year ended 31 March 2018.

Selling and distribution expenses

The Group's selling and distribution expenses increased to approximately HK$33.3 million for the year ended 31 March 2019 from approximately HK$30.8 million for the year ended 31 March 2018, representing an increase of approximately 8.3%. The increase in the Group's selling and distribution expenses was primarily due to the net effect of (i) the increase in rent and rental related expenses of approximately HK$1.6 million as a result of the additional rental payments based on the increased sales achieved by certain retail stores pursuant to the terms of tenancy agreements and our retail stores in Quarry Bay, Tuen Mun and Tseung Kwan O, which did not operate for a full period in the previous year; (ii) the increase in salaries, allowances and commission of approximately HK$1.2 million primarily due to the increase in sales commission along with the growth in revenue; and (iii) the decrease in marketing expenses of approximately HK$0.3 million as the Group spent less on marketing campaign during the year ended 31 March 2019 as compared to that in the previous year.

Administrative and operating expenses

Administrative and operating expenses increased to approximately HK$26.9 million for the year ended 31 March 2019 from approximately HK$22.2 million for the year ended 31 March 2018, representing an increase of approximately 21.1%. Such increase was mainly due to (i) the increase in audit and compliance consultancy fee of approximately HK$2.4 million upon the listing on the GEM; (ii) the increase in staff costs of approximately HK$1.1 million relating to the increase in the number of staff headcount to support the Group's new retail stores as mentioned above; and (iii) the increase in Directors' emoluments of approximately HK$1.2 million due to an increased number of Directors and bonus for the Executive Directors.

Interest expense on bank borrowings

There was no interest expense on bank borrowings during year ended 31 March 2019 (2018: HK$163,000).

Other expense

There was no other expense incurred during the year ended 31 March 2019 (2018: HK$550,000).

Listing expenses

There were no listing expenses incurred during the year ended 31 March 2019 (2018: HK$11.4 million).

Income tax expense

The Group's income tax expense increased to approximately HK$5.8 million for the year ended 31 March 2019 from approximately HK$3.7 million for the year ended 31 March 2018, representing an increase of approximately 57.4% primarily as a result of the increase in revenue during the year.

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

As a result of the foregoing, the Group's net profit increased by approximately HK$21.6 million or approximately 357.8% from approximately HK$6.0 million for the year ended 31 March 2018 to approximately HK$27.6 million for the year ended 31 March 2019, whilst the Group's net profit margin increased from approximately 4.9% to approximately 18.5% for the respective years.

LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY

	As at 31 March	
	2019	2018
Current ratio *(Note)*	**10.5**	13.2

Note:

Current ratio is calculated by dividing current assets by current liabilities as at the end of respective years.

The current ratio of the Group was 10.5 times and 13.2 times as at 31 March 2019 and 2018, respectively. The slight decrease in current ratio was mainly due to (i) the increase in accrued expenses and other payables of approximately HK$1.8 million as result of the increase in accrued staff cost and compliance expense and (ii) the increase in tax payable of approximately HK$0.9 million due to the increase in income tax expense as mentioned above.

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

The Group generally finances its capital expenditure and operational requirements through cash generated from operations and the net proceeds from the share offer of the Company's shares on the GEM on 12 February 2018.

FOREIGN EXCHANGE EXPOSURE

As at 31 March 2019, the Group had certain bank balances and payables denominated in foreign currencies, mainly Australian dollar and United States dollar, which exposed the Group to foreign currency risk. Our Directors consider that our policy to maintain sufficient Australian dollar for payment of purchases for about six months and keeping of about two months' inventory, with reference to our historical sales, will provide us with a sufficient buffer to minimise our exposure to the fluctuation in Australian dollar.

SIGNIFICANT INVESTMENTS

As at 31 March 2019, there was no significant investment held by the Group (2018: nil).

CAPITAL STRUCTURE

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

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

CAPITAL COMMITMENT

On 28 February 2019, an indirect wholly-owned subsidiary of the Company, the vendors and the agent entered into a provisional sale and purchase agreement pursuant to which the Group conditionally agreed to purchase and the vendors conditionally agreed to sell the sale shares, being in aggregate the entire issued share capital of CI CI Investment Limited (the "**Target Company**"), and 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 and holds the property situated at Units B1 & B2 on 10th Floor, Fortune Factory Building, No. 40 Lee Chung Street, Hong Kong (the "**Property**"). 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 announcement, the Acquisition has been completed and the outstanding capital expenditure have been paid.

As at 31 March 2018, the Group did not have any significant capital commitments.

CONTINGENT LIABILITIES

As at 31 March 2019, the Group did not have any material contingent liabilities (2018: nil).

DIVIDEND

The Board has recommended a final dividend of HK 0.6 cent per ordinary share for the year ended 31 March 2019, in an aggregate amount of approximately HK$6.7 million, to the shareholders whose names appear on the register of members of the Company on Friday, 30 August 2019. Together with the interim dividend of HK0.9 cent per ordinary share already paid during the year, the amount of dividend per ordinary share for the year ended 31 March 2019 totalled HK1.5 cents. No interim or final dividend have been proposed or paid for the year ended 31 March 2018.

EMPLOYEES AND REMUNERATION POLICIES

The Group recognises the importance of good relationship with employees. The Directors believe that good work environment and benefits offered to employees contribute 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 that the training program will equip the employees with skills and knowledge to enhance our services to the customers.

The remuneration policy of our Group to reward our employees and executives is based on their performance, qualifications, competence displayed and market comparable. Remuneration package typically comprises salary, sales commission, contribution to pension schemes and discretionary bonuses relating to the profit of the relevant company. The remuneration package of our 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 annually the remuneration of all our Executive Directors and senior management to ensure that it is attractive to retain a competent team of executive members.

A Remuneration Committee has been set up 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 31 March 2019, the Group employed a total of 73 (2018: 72) full-time employees and 15 (2018: 12) part-time employees. The staff cost, including Directors' emoluments, of the Group for the year ended 31 March 2019 was approximately HK$27.9 million (2018: HK$24.4 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 announcement, no option has been granted under the Share Option Scheme.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the year ended 31 March 2019, the Group has entered into a provisional sale and purchase agreement pursuant to which the Group conditionally agreed to purchase and the vendors conditionally agreed to sell the sale shares of the Target Company. The Target Company is principally engaged in property holding of the Property. As at the date of this announcement, the Acquisition has been completed. Please refer to the circular and announcement issued by the Company on 26 April 2019 and 31 May 2019, respectively, for details of the Acquisition and completion of the Acquisition.

Save as the Acquisition as mentioned above and for those in relation to the reorganisation in preparation of the listing as set out in section headed "History Reorganisation and Corporate Structure – Reorganisation" of the prospectus of the Company dated 30 January 2018 (the "**Prospectus**"), during the year ended 31 March 2019, the Group did not have any material acquisitions nor disposals of subsidiaries and affiliated companies.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as the Acquisition as mentioned above, as at 31 March 2019, the Group did not have other plans for material investments or capital assets (2018: nil).

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 31 March 2019.

Business plan up to 31 March 2019 as set out in Prospectus	**Actual progress up to 31 March 2019**
Expand our retail network by opening more retail stores and refurbishing our existing retail stores	
– Open four retail stores, one in Kowloon Bay, one in Mongkok, one in Tai Po and one in Causeway Bay	During the period under review, the Group has received several tenancy offers from landlords in Kowloon Bay, Mongkok and Tai Po. However, due to the customer traffic, our management considered that locations of the premises as mentioned above are not suitable. The Group is still in the process of identifying alternative premises.

Business plan up to 31 March 2019 as set out in Prospectus	Actual progress up to 31 March 2019
	Originally the Group planned to open a retail store in Kwun Tong in August 2019. Due to the availability of a suitable premises, the Group has entered into an agreement for leasing of such premises. The Kwun Tong retail store has commenced business in April 2019.
	Originally, the Group planned to open a second retail store in Causeway Bay in December 2018. However, in view of cost effectiveness, the Group has changed the original shop opening plan and relocated its retail store in Causeway Bay to a bigger premises which is double in size in the same district in June 2018 with the capacity to serve more customers.
– Recruitment of 20 new staff members	Owing to the postponed shop expansion plan in Mongkok, Kowloon Bay and Tai Po as mentioned above, the Group did not recruit additional staff members originally planned for these retail stores.
	As mentioned above, due to the relocation of our Causeway Bay retail store and the opening of our Kwun Tong retail store, we have recruited five additional staff members to cater for the manpower required.

Business plan up to 31 March 2019 as set out in Prospectus	Actual progress up to 31 March 2019
– Recruitment of a shop expansion manager and payment of his/her salaries	The Group has recruited a shop expansion manager.
– Refurbishing four existing retail stores	The Group has refurbished three existing retail stores. The renovation work of our Tsim Sha Tsui retail shop is expected to be completed in late 2019.
Acquire a warehouse	
– Partial payment for acquiring the warehouse	The Group has paid deposits for acquiring the Property through acquisition of the Target Company *(Note)*.

Note: As at the date of this announcement, the Acquisition has been completed.

Expand our 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 is higher than our expectation, the Group has recruited additional staffs 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 have attended trade fairs in Korea and the United States. The representatives of our Group have attended a trade fair in Japan in May 2019.

Business plan up to 31 March 2019 as set out in Prospectus	Actual progress up to 31 March 2019
Enhance our marketing strategies by expanding and exploring more effective online marketing strategies, transforming our website as a lifestyle information portal, revamping our 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 its advertisement through traditional media and online channels.
– Hiring third parties to transform our website into an information portal and revamping our online shop	The Group has recruited a contractor to perform research and development for transforming our website into an information portal and revamping our 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	During the period under review, 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 31 March 2019 and the actual utilisation are set out below:

	Planned use of net proceeds up to 31 March 2019 (adjusted on a pro rata basis on the actual net proceeds) *HK$'000*	**Actual usage of net proceeds up to 31 March 2019** *HK$'000*
Expand our retail network by opening more retail stores and refurbishing our existing retail stores	9,217	3,060
Acquire a warehouse	13,181	2,878
Expand our product portfolio and explore new suppliers	856	616
Enhance our marketing strategies by expanding and exploring more effective online marketing strategies, transforming our website as a lifestyle information portal, revamping our online shop and deploying more mainstream media	5,415	5,208
Conduct system improvement and integration	1,288	750
General working capital	1,406	1,406

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.

OUTLOOK AND PROSPECTS

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 our 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 that our marketing strategy, established network of retail stores and the quality products offered by the Group will continue to strengthen our brand image and customer base.

The Group aims to expand our sales network and product portfolio to enhance our competitiveness and maintain our leading position in the small and medium segments 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. With our 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 growth.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

CORPORATE GOVERNANCE PRACTICES

The Board of the Company is committed to maintaining good corporate governance standards.

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

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 15 of the GEM Listing Rules.

As the shares of the Company were listed on GEM of the Stock Exchange on the Listing Date, the Company has since then adopted and complied with, where applicable, the CG Code from the Listing Date up to the date of this announcement (the "**Relevant Period**"), except for code provision A.2.1 which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

The Company has deviated from code provision A.2.1 of the CG Code since Ms. Erica Yuen is both the chairlady of the Board and the chief executive officer of our Company. The Board believes that it is necessary to vest the roles of the chairlady and the chief executive officer in the same person as Ms. Erica Yuen has been operating and managing our Group since 2009 and is a prominent social media icon on one of the most popular social media platforms. The dual role arrangement provides strong and consistent market leadership and is critical for effective management and business development. As all major decisions are made in consultation with the members of the Board, and there are three Independent Non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within the Board. The Board will also continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

Further information on the Company's corporate governance practices will be set out in the corporate governance report contained in the Company's annual report for the year ended 31 March 2019, which will be dispatched to the shareholders in due course.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the "required standard of dealings" as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code regarding securities transactions by Directors (the "**Model Code**").

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the Relevant Period.

The Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

EVENTS AFTER THE REPORTING DATE

As from 31 March 2019 to the date of this announcement, no significant events have occurred.

SUFFICIENCY OF PUBLIC FLOAT

From information publicly available to the Company and within the knowledge of the Directors, as at the date of this announcement, the Company has maintained the public float required by the GEM Listing Rules.

ANNUAL GENERAL MEETING (THE "AGM")

The 2019 Annual General Meeting has been scheduled to be held on Monday, 19 August 2019. A notice convening the 2019 Annual General Meeting will be issued and despatched to the Shareholders on Thursday, 27 June 2019.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 14 August 2019 to Monday, 19 August 2019, both days inclusive, during which period no transfer of shares will be registered. For determining the entitlement of members of the Company to attend and vote at the 2019 AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (New address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, with effect from 11 July 2019) for registration not later than 4:30 p.m. on Tuesday, 13 August 2019.

AUDIT COMMITTEE

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

The primary duties of the Audit Committee are to assist the Board in providing an independent review of the effectiveness of the Group's internal audit function, financial reporting process, internal control and risk management systems, and to oversee the audit process. The Audit Committee had reviewed the audited final results of the Company for the year ended 31 March 2019.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2019 as set out in the announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

By order of the Board
Mi Ming Mart Holdings Limited
Yuen Mi Ming Erica
Chairlady, chief executive officer and executive Director

Hong Kong, 18 June 2019

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

This announcement will remain on the "Latest Listed Company Announcements" page of the website of GEM (www.hkgem.com) for at least seven days from its date of publication. This announcement will also be published on the website of the Company at www.mimingmart.com.