THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Mi Ming Mart Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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)

MAJOR TRANSACTION
ACQUISITION OF CI CI INVESTMENT LIMITED

All capitalised terms used in this circular have the meaning set out in the section headed “Definitions” of this circular.

A letter from the Board containing details of the Acquisition is set out on pages 4 to 11 of this circular.

Pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written shareholder’s approval for the Acquisition has been obtained from Prime Era, a Controlling Shareholder directly holding approximately 69.6% of the issued share capital of the Company as at the Latest Practicable Date. No general meeting will be convened for approving the Acquisition and this circular is for information only.

This circular will remain on the website of GEM at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This circular will also be published on the Company’s website at www.mimingmart.com.

26 April 2019

CHARACTERISTICS OF GEM

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.

CONTENTS

In this circular, unless the context otherwise requires, the following expressions shall have the following respective meanings:

"Acquisition"	the acquisition of the Sale Shares and the Sale Debt by the Purchaser from the Vendors pursuant to the terms of the Provisional Sale and Purchase Agreement
"Agent"	an independent real estate property agent in Hong Kong
"Board"	the board of Directors
"Company"	Mi Ming Mart Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8473)
"Completion"	completion of the sale and purchase of the Sale Shares and the assignment of the Sale Debt, which shall take place on or before Completion Date
"Completion Accounts"	the financial statements audited by certified public accountants (practising) of the Target Company for the period from the beginning of the current financial year of the Target Company to the Completion Date
"Completion Adjustment"	the adjustment to the Consideration as stipulated in the section headed "Completion Adjustment" in the letter from the Board
"Completion Date"	31 May 2019 (or such later date as the Vendors and the Purchaser may agree in writing)
"Completion Payment"	has the meaning ascribed to it in the section headed "Consideration" in the letter from the Board
"Connected Person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Consideration"	the aggregate consideration of HK$28,780,000 payable by the Purchaser for the Acquisition subject to Completion Adjustment and Post-Completion Adjustment
"Controlling Shareholder(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Director(s)"	director(s) of the Company

"Enlarged Group"	the Group as enlarged by the Acquisition upon Completion
"Further Deposit"	has the meaning ascribed to it in the section headed "Consideration" in the letter from the Board
"GEM Listing Rules"	The Rules Governing the Listing of Securities on the GEM of the Stock Exchange
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Third Party(ies)"	the independent third party(ies) who is/are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the Connected Person(s) of the Company
"Initial Deposit"	has the meaning ascribed to it in the section headed "Consideration" in the letter from the Board
"Latest Practicable Date"	23 April 2019, being the latest practicable date for ascertaining certain information prior to the printing of this circular
"NTAV"	the aggregate of all tangible assets of the Target Company which are readily convertible into cash or cash equivalents (excluding the Property, any intangible assets and other fixed assets and deferred tax), less the aggregate of all liabilities (actual, contingent or otherwise but excluding the Sale Debt) and provisions of the Target Company as at the Completion Date
"Post-Completion Adjustment"	the adjustment to the Consideration as stipulated in the section headed "Post-Completion Adjustment" in the letter from the Board
"Prime Era"	Prime Era Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a Controlling Shareholder

"Proforma Accounts"	comprising a proforma profit and loss account of the Target Company for the period from the beginning of its current financial year to the Completion Date and a proforma balance sheet of the Target Company as at the Completion Date
"Property"	Units B1 & B2 on 10th Floor, Fortune Factory Building, No. 40 Lee Chung Street, Hong Kong
"Provisional Sale and Purchase Agreement"	the provisional agreement for sale and purchase dated 28 February 2019 entered into among the Purchaser, the Vendors and the Agent in relation to the Acquisition
"Prospectus"	the prospectus of the Company dated 30 January 2018 in relation to the Share Offer
"Purchaser"	Universal Benefits Company Limited (環惠有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
"Sale Debt"	the right to all debts owing by the Target Company to the Vendors and their associates (if any) as at Completion
"Sale Shares"	the entire issued share capital of the Target Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary issued share(s) of HK$0.01 each in the share capital of the Company
"Share Offer"	the offering of the Shares by way of share offer as disclosed in the Prospectus
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	CI CI Investment Limited (幸兒投資有限公司), a company incorporated in Hong Kong with limited liability
"Vendors"	Kung Wing Ha, Cheng Siu Lun Ringo, Wong Wai Shing, Cheng So Kuen Cassia and Chan Wai Lan
"%"	per cent

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)

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. Tsang Wing Yee
Ms. Shum Wai Sze

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

Headquarters, Head Office and Principal Place of Business in Hong Kong:
16th Floor
Guangdong Tours Centre
18 Pennington Street
Hong Kong

26 April 2019

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
ACQUISITION OF CI CI INVESTMENT LIMITED

INTRODUCTION

Reference is made to the announcement in relation to the Acquisition.

On 28 February 2019 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendors and the Agent entered into the Provisional Sale and Purchase Agreement pursuant to which the Purchaser conditionally agreed to purchase and the Vendors conditionally agreed to sell the Sale Shares (being in aggregate the entire issued share capital of 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. The Target Company is principally engaged in property holding and the Property is its only asset.

The purpose of this circular is to provide you with, among other things, (i) further details of the Acquisition; (ii) financial information of the Group and the Target Company; (iii) the unaudited pro forma financial information of the Group as enlarged by the Acquisition; and (iv) valuation report on the Target Company.

THE PROVISIONAL SALE AND PURCHASE AGREEMENT

The principal terms of the Provisional Sale and Purchase Agreement are as follows:

Date: 28 February 2019

Parties:

(i) the Vendors;

(ii) the Purchaser; and

(iii) the Agent, a company with limited liability incorporated in Hong Kong and principally engaged in estate agency business.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, each of the Vendors, the Agent and its ultimate beneficial owner are Independent Third Parties.

Subject matter

Pursuant to the terms of the Provisional Sale and Purchase Agreement, the Purchaser will acquire the Sale Shares (being in aggregate the entire issued share capital of the Target Company) and the Sale Debt from the Vendors. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results, assets and liabilities of the Target Company will be consolidated into the accounts of the Group.

The Vendors and the Purchaser agreed to negotiate in good faith and use all their respective reasonable endeavours to enter into a formal agreement on or before 8 April 2019. As at the Latest Practicable Date, the Vendors and the Purchaser are still negotiating the terms of the formal agreement and have not entered into a formal agreement. The Company intends to enter into the formal agreement after the terms are finalized. According to the terms of the Provisional Sale and Purchase Agreement, in the event that the Vendors and the Purchaser at the end fail to reach agreement on the terms of the formal agreement, the Provisional Sale and Purchase Agreement shall remain valid and of full force and effect and the parties thereto shall continue to fulfill their respective obligations thereunder and proceed with Completion according to the terms thereof.

Consideration

The Consideration of HK$28,780,000 shall be paid by the Purchaser to the Vendors in cash in the following manner:

(a) HK$575,600, being 2% of the Consideration (the "**Initial Deposit**"), have been paid to the Vendors' solicitors who shall stakehold the Initial Deposit until Completion upon signing of the Provisional Sale and Purchase Agreement;

(b) HK$2,302,400, being 8% of the Consideration (the "**Further Deposit**"), shall be paid to the Vendors' solicitors who shall stakehold the Further Deposit until Completion on or before 13 March 2019;

(c) HK$25,902,000, being the balance 90% of the Consideration (the "**Completion Payment**"), subject to the Completion Adjustment, shall be paid to the Vendors' solicitors on the Completion Date; and

(d) the Post-Completion Adjustment, if any, shall be paid within five days from the date of receipt of the Completion Accounts by the Purchaser.

The Consideration will be financed partly by way of the Group's internal resources and partly by way of part of the proceeds raised by the Share Offer.

Completion Adjustment

The Vendors undertake to deliver the Proforma Accounts to the Purchaser or the Purchaser's solicitors at least five days prior to the Completion Date. If the NTAV as shown in the Proforma Accounts is more or less than zero, the Completion Payment shall be adjusted upwards or downwards (as the case may be) accordingly in the manner as follows:

(a) it shall be added to the Completion Payment all current tangible assets of the Target Company as shown in the Proforma Accounts including rentals receivable (if applicable) (up to and inclusive of the Completion Date), utilities and other miscellaneous deposits, prepaid rates and government rent, and other expenses relating to the Property (up to but exclusive of the Completion Date); and

(b) it shall be deducted from the Completion Payment all liabilities of the Target Company as shown in the Proforma Accounts (other than the Sale Debt).

Since currently the Proforma Accounts is not yet prepared, the Board is not able to ascertain the amount of assets and liabilities as at the Completion Date to be included in the Completion Adjustment calculation. Based on the management accounts of the Target Company as at 28 February 2019, the NTAV as at 28 February 2019 is approximately HK$453,000, including (i) the tangible assets that may be included in the Completion Adjustment include cash in bank, deposits paid and amount due from a shareholder of approximately HK$608,000, HK$29,000 and HK$3,000, respectively; and (ii) the liabilities and provisions that may be included in the Completion Adjustment include accruals and other payables of approximately HK$187,000. Since save for holding the Property, the Target Company does not carry business operation, the Board expects that the NTAV as at the Completion Date and the items that will be taken for the Completion Adjustment will both be like such as reflected by the management accounts of the Target Company as at 28 February 2019. Given that any item and amounts to be included in the Completion Adjustment (examples as stated above) are used for acquiring the assets and liabilities of the Target Company with the same value, the Board reasonably believes that there is no significant financial impact to the Group. The Board expect that the Acquisition will remain a major transaction of the Company after taking into account the Completion Adjustment.

Post-Completion Adjustment

The Vendors undertake to deliver to the Purchaser or the Purchaser's solicitors within 30 days from the Completion Date the Completion Accounts. If the NTAV as shown in the Completion Accounts is more or less than the NTAV as shown in the Proforma Accounts, the Purchaser or the Vendors (as the case may be) shall pay the difference to the other party within five days from the date of receipt of the Completion Accounts.

Basis of the consideration

The Consideration was determined after arm's length negotiations between the parties with reference to the prevailing market value of comparable properties in the vicinity of the Property. In addition to the prevailing market value of the Property, the Board has also considered (i) the valuation performed by Stirling Appraisals Limited; (ii) the reasons stated below for acquiring the Property at a premium higher than the valuation; (iii) the financial position of the Target Company including the existence of the debts owing by the Target Company to the Vendors (approximately HK$21.3 million as at 28 February 2019), which according to the Directors' knowledge is mainly for financing the acquisition of the Property by the Target Company together with the relating expenses for holding the Property and the Sale Debt will be assigned to the Purchaser together with the transfer of the Sale Shares upon Completion. Upon Completion, the financial results, assets and liabilities of the Target Company (including the Sale Debt) will be consolidated into the accounts of the Group and the Directors are of the view that the assignment of Sale Debt will not have any material financial impact to the Group.

A valuation of the Property has been carried out by Stirling Appraisals Limited, which valued the market value of the Property in existing state at HK$26 million as at 27 February 2019 which according to the Directors' knowledge after making enquiry with the valuer has not taken into account or reflected the reasons numbered (i) to (iv) in the succeeding paragraph for the difference between the valuation and the Consideration. The valuation report of the Property performed by Stirling Appraisals Limited is set out in Appendix V to this circular. The Board has reviewed the valuation report prepared by Stirling Appraisals Limited and discussed with the valuer regarding the methodology of and the principal bases and assumptions adopted for the valuation of the Property. The Board noted that there are three approaches used in valuation, namely market approach, cost approach and income approach. The Board understands that comparison approach (or market approach) is the most common method used in property valuation given the high transparency of the property market in Hong Kong. The Board also considers that market approach is more appropriate than cost approach and income approach in this case because the Property is an industrial property and will be self-use instead of leasing out. The Board agrees with the assumptions adopted in the valuation report and considers them fair and reasonable given that the assumptions reflect the factual situation of the Acquisition.

The Directors are of the view that the difference between the Consideration and the valuation of the Property is justified and reasonable for the reasons that (i) higher efficiency in terms of area usage can be achieved given that both units of the Property are connected; (ii) the choices of premises in the market in terms of value, size and location suitable for the Group's business expansion needs were limited and the Group has failed to identify suitable warehouse for over a year since January 2018; (iii) part of the difference between the Consideration and the valuation can be offset by the reduction in transaction costs of approximately HK$2.4 million including the stamp duty as a result of buying the Target Company instead of the Property directly; and (iv) as disclosed in the Prospectus, the Company intends to acquire a warehouse in Hong Kong and the Property is intended to be held by the Group for its own use as warehouse and the Directors consider that the Acquisition is beneficial to the Group by eliminating the Group's rental for the leased warehouse and any costs, time and efforts associated with the possible warehouse relocation. Therefore, the Directors consider that the acquisition of the Target Company at a consideration higher than the valuation is fair and reasonable.

Conditions Precedent

Completion is subject to the fulfillment (or, if applicable, the waiver) of the following conditions:

(i) the Purchaser having completed his due diligence review on the business, financial, legal and other aspects of the Target Company and satisfied with the results thereof;

(ii) the Vendors having procured the Target Company to give and prove a good title to the Property in accordance with Sections 13A and 13 of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong); and

(iii) the Purchaser's holding company whose Shares are listed on the Stock Exchange having complied the requirement under the GEM Listing Rules in obtaining the approval of Shareholders in relation to the transactions contemplated under the Provisional Sale and Purchase Agreement.

The Vendors shall use its best endeavour to fulfill conditions (i) and (ii) and the Purchaser shall use its best endeavour to fulfill condition (iii). If conditions (i) and/or (ii) is not fulfilled (or waived by the Purchaser) on or before the Completion Date, the Purchaser shall be entitled to cancel the transaction under the Provisional Sale and Purchase Agreement whereupon the Initial Deposit and the Further Deposit shall be returned by the Vendors or the Vendors' solicitors to the Purchaser forthwith and the Purchaser shall not take any further action to claim for damages or to enforce specific performance of the Provisional Sale and Purchase Agreement thereafter. Immediately after the signing of the Provisional Sale and Purchase Agreement, the Purchaser shall make all necessary application referred under condition (iii) to Stock Exchange as soon as practicable, if conditions (iii) is not fulfilled on or before the Completion Date, either party shall be entitled to cancel the transaction under the Provisional Sale and Purchase Agreement whereupon the Vendors shall be entitled to forfeit 2% of the Consideration as liquidated damages and the remaining amount of the Initial Deposit and the Further Deposit shall be returned by the Vendors or the Vendors' solicitors to the Purchaser forthwith and the Vendors shall not take any further action to claim for damages or to enforce specific performance of the Provisional Sale and Purchase Agreement thereafter.

As at the Latest Practicable Date, condition (iii) has been fulfilled. The Company has no current intention to waive conditions (i) and (ii).

Completion

Subject to the fulfillment (or, if applicable, the waiver) of all the conditions precedent as set out in the Provisional Sale and Purchase Agreement, Completion shall take place before 5:00 p.m. on the Completion Date.

INFORMATION OF THE TARGET COMPANY

The Target Company is principally engaged in property holding and is incorporated under the laws of Hong Kong with limited liability on 3 December 2012. The sole asset of the Target Company is the Property which is an industrial property located at Units B1 & B2 on 10th Floor, Fortune Factory Building, No. 40 Lee Chung Street, Hong Kong. The Vendors shall deliver to the Purchaser vacant possession of the Property free from all encumbrances and indebtedness upon Completion.

According to the public information, the Target Company entered into a sale and purchase agreement with the then vendor on 28 March 2018 and acquired the Property on 27 September 2018 from the then vendor at a consideration of HK$20,800,000. To the best knowledge information and belief of the Directors after making all reasonable enquiries, the then vendor and its ultimate beneficial owner are Independent Third Parties and has no relationship, business or otherwise with the Company and its Connected Persons.

The audited net asset value of the Target Company as at 31 December 2018 is approximately HK$1.8 million. Set out below is the audited financial information of the Target Company for the years ended 31 March 2017 and 31 March 2018 and for the 9 months ended 31 December 2018 prepared based on the general acceptable accounting standards of Hong Kong:

	For the year ended 31 March 2017 (audited) *HK$'000*	**For the year ended 31 March 2018** (audited) *HK$'000*	**For the nine months ended 31 December 2018** (audited) *HK$'000*
Total assets	4,932	5,776	22,987
Net assets/(liabilities)	(648)	2,053	1,829
Turnover	246	80	–
Profit/(loss) before taxation	(164)	2,651	(224)
Profit/(loss) after taxation	(164)	2,651	(224)

Please refer to the accountant's report in Appendix II to this circular which sets out the audited financial information on the Target Company.

FINANCIAL EFFECT OF THE ACQUISITION

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the financial results, assets and liabilities of the Target Company will be consolidated into the accounts of the Group.

Effect on assets and liabilities

According to the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular, assuming that Completion had taken place on 31 March 2018, the total assets would decrease by approximately HK$3.6 million to HK$102.4 million. The total liabilities would remain steady at approximately HK$7.7 million.

Effect on earnings

The rental expense (inclusive of the management fee and government rates) of the existing warehouse of the Group was amounted to HK$64,000 per month and the relevant tenancy agreement will expire on 23 May 2019. Assuming the Acquisition is successful, it will not be necessary for the Group to renew the tenancy of the existing warehouse and approximately HK$768,000 (i.e. HK$64,000 x 12 months, assuming the rental expense is the same upon renewal) can be saved per annum.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an exempted company incorporated in the Cayman Islands with limited liability. The Group is principally engaged in the retail of multi-brand beauty and health products in Hong Kong.

As disclosed in the Prospectus, the Company intends to acquire a warehouse in Hong Kong and the Property is intended to be held by the Group for its own use as warehouse. The Group's existing warehouse is a leased property and is subject to the risks associated with the leased property, such as early termination or non-renewal of the tenancy agreement by the landlord and the possible increase in rental expenses. To cope with the business development and expansion of the Group, the Directors consider that the Acquisition is beneficial to the Group by eliminating the Group's rental for the leased warehouse and any costs, time and efforts associated with the possible warehouse relocation. In addition, the Property will remain as the asset of the Group in the balance sheet.

In the view of the above, the Directors are of the view that the terms of the Provisional Sale and Purchase Agreement are fair and reasonable and the entering into of the Provisional Sale and Purchase Agreement is in the interest of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

The Acquisition is a notifiable transaction under Chapter 19 of the GEM Listing Rules. As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed(s) 25% but is/are less than 100%, the Acquisition constitutes a major transaction of the Company and is subject to the notification, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

Pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written shareholder's approval for the Acquisition has been obtained from Prime Era, a Controlling Shareholder directly holding 780,000,000 Shares representing approximately 69.6% of the issued share capital of the Company as at the Latest Practicable Date. As such, no general meeting will be convened for approving the Provisional Sale and Purchase Agreement and the transactions contemplated thereunder pursuant to Rule 19.44 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, none of the Shareholders including Prime Era has any material interest in the Acquisition and therefore no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Acquisition.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information as set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Mi Ming Mart Holdings Limited
Yuen Mi Ming Erica
Chairlady, Chief Executive Officer and
Executive Director

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group (i) for the financial years ended 31 March 2016 and 31 March 2017 are set out in the Accountant's Report included in the Prospectus; and (ii) for the financial year ended 31 March 2018 are disclosed on pages 70 to 113 of the 2017/2018 annual report of the Company released on 28 June 2018. All of these financial statements have been published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.mimingmart.com:

- the Prospectus published on 30 January 2018 can be accessed by the direct hyperlink below:

  http://www3.hkexnews.hk/listedco/listconews/GEM/2018/0130/GLN20180130007.pdf

- the 2017/2018 annual report of the Company released on 28 June 2018 can be accessed by the direct hyperlink below:

  http://www3.hkexnews.hk/listedco/listconews/GEM/2018/0628/GLN20180628307.pdf

2. INDEBTEDNESS STATEMENT AND CONTINGENT LIABILITIES

For the purpose of this statement of indebtedness, at the close of business on 28 February 2019 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Enlarged Group had amounts due to the sole director and shareholders of the Target Company of approximately HK$7,935,000 and HK$13,378,000 respectively which are unsecured, interest-free and repayable at discretion of the sole director and shareholders of the Target Company.

Save for the aforesaid and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business of the Enlarged Group, at the close of business on 28 February 2019, the Enlarged Group did not have outstanding borrowing, or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities as at 28 February 2019.

The Directors are not aware of any material changes in the Enlarged Group's indebtedness and contingent liabilities since the close of business on 28 February 2019.

3. WORKING CAPITAL STATEMENT

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the financial resources presently available to the Enlarged Group, including but not limited to it internally generated revenue and funds, cash and cash equivalents on hand to the Enlarged Group, and in the absence of unforeseen circumstances, the Enlarged Group has sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

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

The Group's philosophy is "Setting off for harmless living" ("從無害生活出發"). To uphold this philosophy, the Group strives to select and offer quality products which do not contain any ingredients that, in our view, would affect or impair the health of the Group's customers. The Group targets to serve and offer its products to customers who are ingredient conscious and aspire to the betterment of their health.

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

As disclosed in the 2017/18 annual report, the Company intends to use part of the net proceeds (adjusted on a pro rata basis on the actual net proceeds) from the Share Offer of approximately HK$13.2 million to make a partial payment for the purchase of a warehouse in Hong Kong. The Directors take the view that the Acquisition would benefit the Group in the long run if it owns a warehouse in Hong Kong, as the size of its existing warehouse may not be able to cope with the expected growth in its business expansion. The existing warehouse of the Group is a leased property and is subject to the risks associated with the leased property, such as early termination or non-renewal of the tenancy agreement by the landlord and the possible increase in rental expenses, so the Acquisition can eliminate the costs, time and efforts associated with the possible relocation of its warehouse in Hong Kong. Taking the above into account, the Directors believe that the Acquisition is in the interest of the Company and the Shareholders as a whole.

Looking forward, the Group aims to expand its business to maintain and strengthen its market position by (1) expanding its retail network by opening more retail stores and refurbishing its existing retail stores; (2) expanding its product portfolio and explore new suppliers; (3) enhancing its marketing strategies by expanding and exploring more effective online marketing strategies, transforming its website as a lifestyle information portal, revamping its online shop and deploying more mainstream media; and (4) conducting system improvement and integration.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, having considered the development on its financial position, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2018, being the date to which the latest published audited financial statements of the Group were made up.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF CI CI INVESTMENT LIMITED TO THE DIRECTORS OF MI MING MART HOLDINGS LIMITED

Introduction

We report on the historical financial information of CI CI Investment Limited (the "Target Company") set out on pages II-5 to II-33, which comprises the statement of financial position of the Target Company as at 31 March 2016, 2017 and 2018 and 31 December 2018, and the statements of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows of the Target Company for the years ended 31 March 2016, 2017 and 2018 and the nine months ended 31 December 2018 (the "Track Record Period") and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages II-5 to II-33 forms an integral part of this report, which has been prepared for inclusion in the circular of Mi Ming Mart Holdings Limited (the "Company") dated 26 April 2019 (the "Circular") in connection with the proposed acquisition of the entire issued share capital of the Target Company and the right to all debts owing by the Target Company to its shareholders and their associates (if any) (the "Proposed Acquisition").

The sole director's responsibility for the Historical Financial Information

The sole director of the Target Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the sole director of the Target Company determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The sole director of the Target Company are responsible for the contents of the Circular in which the Historical Financial Information of the Target Company is included, and such information is prepare based on accounting policies materially consistent with those of the Company.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the sole director of the Target Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Target Company's financial position as at 31 March 2016, 2017 and 2018 and 31 December 2018 and of the Target Company's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Review of stub-period comparative financial information

We have reviewed the stub-period comparative financial information of the Target Company, which comprises the statements of profit or loss and comprehensive income, the changes in equity and cash flows for the nine months ended 31 December 2017 and other explanatory information (the "Stub-Period Comparative Financial Information").

The sole director of the Target Company are responsible for the preparation and presentation of the Stub-Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub-Period Comparative Financial Information based on our 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" issued by the HKICPA. A review 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 ("HKSAs") 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. Based on our review, nothing has come to our attention that causes us to believe that the Stub-Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on GEM of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information no adjustments to the Underlying Financial Statements of the Target Company as defined on page II-3 have been made.

Dividends

We refer to note 11 to the Historical Financial Information which states that no dividend has been paid by the Target Company in respect of the Track Record Period.

Centurion ZD CPA Limited
Certified Public Accountants

Chan Kam Fuk
Practising Certificate Number: P04257
Hong Kong
26 April 2019

HISTORICAL FINANCIAL INFORMATION OF THE TARGET COMPANY

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Target Company for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies with conform with Hong Kong Financial Reporting Standards ("HKFRSs") issued by HKICPA (the "Underlying Financial Statements"). These Underlying Financial Statements were audited by us in accordance with HKSAs issued by the HKICPA.

The Historical Financial Information is presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Target Company, and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March			Nine months ended 31 December	
		2016	**2017**	**2018**	**2017**	**2018**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(unaudited)	
Revenue	5	252	246	80	80	–
Other income	6	–	24	2,788	2,788	–
Administrative expenses		(311)	(379)	(199)	(171)	(224)
Finance costs	7	(59)	(55)	(18)	(18)	–
Profit (loss) before taxation	8	(118)	(164)	2,651	2,679	(224)
Income tax expense	10	(2)	–	–	–	–
Profit (loss) and total comprehensive income (expense) for the year/period attributable to owners of the Target Company		(120)	(164)	2,651	2,679	(224)

STATEMENT OF FINANCIAL POSITION

		As at 31 March			As at 31 December
		2016	2017	2018	2018
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS					
Non-current assets					
Property, plant and equipment	13	5,089	4,902	–	22,495
Current assets					
Amounts due from shareholders	14	–	–	25	3
Amounts due from related companies	14	–	–	3,620	–
Deposits paid	15	–	–	2,080	23
Tax recoverable		–	9	2	–
Cash and cash equivalents	16	4	21	49	466
		4	30	5,776	492
Current liabilities					
Accruals and other payables	17	113	119	71	6
Secured bank loan	18	2,184	2,025	–	–
Amount due to the sole director	19	3,227	3,368	3,578	7,774
Amounts due to related companies	19	50	68	74	–
Amounts due to shareholders	19	–	–	–	13,378
Taxation payable		3	–	–	–
		5,577	5,580	3,723	21,158
Net current assets (liabilities)		(5,573)	(5,550)	2,053	(20,666)
		(484)	(648)	2,053	1,829
Capital and reserves					
Share capital	20	–	–	50	50
(Accumulated losses) retained earnings		(484)	(648)	2,003	1,779
Total equity		(484)	(648)	2,053	1,829

STATEMENT OF CHANGES IN EQUITY

	Share Capital	(Accumulated losses) retained earnings	Total
	HK$'000	*HK$'000*	*HK$'000*
As at 1 April 2015	–	(364)	(364)
Loss and total comprehensive expense for the year	–	(120)	(120)
As at 31 March 2016 and 1 April 2016	–	(484)	(484)
Loss and total comprehensive expense for the year	–	(164)	(164)
As at 31 March 2017 and 1 April 2017	–	(648)	(648)
Issue of shares	50	–	50
Profit and total comprehensive income for the year	–	2,651	2,651
As at 31 March 2018 and 1 April 2018	50	2,003	2,053
Loss and total comprehensive expense for the period	–	(224)	(224)
As at 31 December 2018	50	1,779	1,829
As at 1 April 2017	–	(648)	(648)
Profit and total comprehensive income for the period (unaudited)	–	2,679	2,679
As at 31 December 2017 (unaudited)	–	2,031	2,031

STATEMENT OF CASH FLOWS

	Year ended 31 March			Nine months ended 31 December	
	2016	2017	2018	2017	2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit (loss) before taxation	(118)	(164)	2,651	2,679	(224)
Adjustments for:					
Depreciation	186	187	62	62	192
Finance costs	59	55	18	18	–
Gains on disposals of property, plant and equipment	–	–	(2,772)	(2,772)	–
Operating cash flows before working capital changes	127	78	(41)	(13)	(32)
Changes in working capital:					
(Increase) decrease in amounts due from shareholders	–	–	(25)	–	22
(Increase) decrease in amounts due from related companies	–	–	(3,620)	(4,700)	3,620
(Increase) decrease in deposits paid	–	–	(2,080)	–	2,057
Increase (decrease) in accruals and other payable	1	6	(48)	(50)	(65)
Increase (decrease) in amount due to the sole director	45	141	210	(2,025)	4,196
Increase (decrease) in amounts due to related companies	38	18	6	(791)	(74)
Increase (decrease) in amounts due to shareholders	–	–	–	6	13,378
Cash generated from (used in) operations	211	243	(5,598)	(7,573)	23,102
Interest paid	(59)	(55)	(18)	(18)	–
Income taxes (paid) refund	–	(12)	7	7	2
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES	152	176	(5,609)	(7,584)	23,104

		Year ended 31 March			Nine months ended 31 December	
		2016	2017	2018	2017	2018
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(unaudited)	
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of property, plant and equipment		–	–	–	–	(22,687)
Proceeds from disposals of property, plant and equipment		–	–	7,612	7,612	–
NET CASH (USED IN) GENERATED FROM INVESTING ACTIVITIES		–	–	7,612	7,612	(22,687)
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayment of bank loan		(156)	(159)	(2,025)	–	–
Net proceeds from the issuance of new shares		–	–	50	–	–
NET CASH USED IN FINANCING ACTIVITIES		(156)	(159)	(1,975)	–	–
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(4)	17	28	28	417
CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR/PERIOD		8	4	21	21	49
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD	16	4	21	49	49	466

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Target Company was incorporated in Hong Kong with limited liability on 3 December 2012. The address of its registered office is Room D, 18/F., Mai Wah Industrial Building, 1-7 Wah Sing Street, Kwai Chung, New Territories, Hong Kong. Kung Wing Ha, Cheng Siu Lun Ringo, Wong Wai Shing, Cheng So Kuen Cassia and Chan Wai Lan are the shareholders of the Target Company.

The Target Company is mainly engaged in property investment in Hong Kong.

The Historical Financial Information is presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Target Company.

2. BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared for inclusion in the circular of the Company in connection with the acquisition of the entire issued share capital of the Target Company and the right to all debts owing by the Target Company to its shareholders and their associates (if any).

Application of HKFRSs

The Historical Financial Information has been prepared based on the accounting policies set out in note 3 which conforms with HKFRSs issued by the HKICPA.

For the purpose of preparing the Historical Financial Information for the Track Record Period, the Target Company has consistently adopted accounting policies which conform with the HKFRSs effective for annual periods beginning on or after 1 April 2018 throughout the Track Record Period.

The Target Company has adopted HKFRS 9 and 15 using the full retrospective approach with which the relevant accounting policies have been consistently applied to the Target Company's financial statements throughout the Track Record Period.

Pursuant to the adoption of HKFRS 9 and 15, there has been changes to certain of the Target Company's accounting policies. HKFRS 15 replaces both the provisions of HKAS 18 and HKAS 11 and the related interpretations that relate to the recognition, classification and measurement of revenue and costs. Under HKAS 18 and HKAS 11, revenue from the sale of properties was recognised when significant risks and rewards of ownership of properties have been transferred to the customers. While under HKFRS 15, revenue from pre-sales of properties under development is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contracts and the laws that apply to the contracts, control of the properties under development may transfer over time or at a point in time. If properties have no alternative use to the Target Company contractually the Target Company has an enforceable right to payment from the customers for performance completed to date, the Target Company satisfies the performance obligation over time and therefore, recognises revenue over time by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the completed property. Revenue from sales of properties is recognised at a later point in time when the underlying property is legally and/or physically transferred to the customer.

HKFRS 9 addresses the classification, measurement and derecognition of financial assets and liabilities, and a new impairment model for financial assets. The Target Company assessed on a forward looking basis for the expected credit losses associated with its financial assets carried at amortised cost.

The Target Company had assessed the effects of adoption of HKFRS 9 and 15 on its financial statements and it considered that the adoption did not have a significant impact on its financial position and results of operations.

New and amendments to HKFRSs in issue but not yet effective

The Target Company has not early applied the following new and amendments to HKFRSs and interpretations that have been issued but are not yet effective:

HKFRS 16	Leases[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to HKAS 19	Plan Amendment Curtailment or Settlement[1]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[1]
HK(IFRIC)-Int 23	Uncertainty to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23[1]
Amendments to HKFRSs	Annual Impairment to HKFRS, 2015-2017 Cycle[1]
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
HKFRS 17	Insurance Contrats[3]
Amendments to HKFRS 3	Definition of Business[4]
Amendments to HKAS1 and HKAS 8	Definition of Material[5]

[1] Effective for annual periods beginning on or after 1 January 2019
[2] Effective for annual periods beginning on or after a date to be determined
[3] Effective for annual periods beginning on or after 1 January 2021
[4] Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
[5] Effective for annual periods beginning on or after 1 January 2020

Except for HKFRS 16 mentioned below, the sole director of the Target Company anticipates that the application of these new and amendments to HKFRSs and interpretations will have no material impact on the financial performance and positions and/or on the disclosures for the financial statements of the Target Company in the future.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Target Company currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for own use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Target Company.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Target Company intends to elect 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 applying HKAS 17 and HK(IFRIC)-Int 4. Therefore, the Target Company will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Target Company intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

Going Concern

As of 31 March 2016 and 2017 and 31 December 2018, despite of the Target Company had net current liabilities of approximately HK$5,573,000, HK$5,550,000 and HK$20,666,000, respectively, the Historical Financial Information has been prepared on a going concern basis because the shareholders of the Target Company have agreed to provide adequate funds to enable the Target Company to meet in full its financial obligations as they fall due up to the completion date of Proposed Acquisition of the Target Company and the Company has agreed to provide adequate funds to enable the Target Company to meet in full its financial obligations as they fall due in the foreseeable future subsequent to the completion of Proposed Acquisition of the Target Company.

3. SIGNIFICANT ACCOUNTING POLICIES

The Historical Financial Information has been prepared in accordance with the accounting policies which conform with HKFRSs issued by the HKICPA. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Target Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Historical Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 Sharebased Payment, leasing transactions that are within the scope of HKAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 Inventories or value in use in HKAS 36 Impairment of Assets.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Property, plant and equipment

Property, plant and equipment including buildings held for own use for administrative purpose are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment over their estimated useful lives, using the straight-line method and at the following rates per annum:

Leasehold land	Over the lease terms
Buildings	Over the estimated useful lives of 50 years or the terms of lease, whichever is shorter
Leasehold improvement	20%

The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment losses on tangible assets

At the end of each reporting period, the Target Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of tangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Target Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating) unit is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Target Company as lessor

Rental income from operating leases is recognised in profit or loss on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight line basis over the lease term.

The Target Company as lessee

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Leasehold land and building

When the Target Company makes payments for a property interest which includes both leasehold land and building elements, the Target Company assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Target Company, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade datebasis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. For financial instruments other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit- impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as a FVTOCI as a result of interest income calculated using the effective interest method are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income ("OCI") and accumulated under the heading of investment revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in OCI are reclassified to profit or loss.

Impairment of financial assets

The Target Company recognises a loss allowance for expected credit losses ("ECL") on financial assets which are subject to impairment under HKFRS 9, including trade receivables and other receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Target Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Target Company always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The Target Company always recognises lifetime ECL for trade receivables and contract assets without significant financing component. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

For all other financial instruments, the Target Company measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Target Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Target Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Target Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Target Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Target Company has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Target Company assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Target Company considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Target Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Target Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Company, in full without taking into account any collaterals held by the Target Company.

Irrespective of the above, the Target Company considers that default has occurred when a financial asset is more than 90 days past due unless the Target Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit- impaired includes observable data about the following events:

a. significant financial difficulty of the issuer or the borrower;

b. a breach of contract, such as a default or past due event;

c. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

d. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e. the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Target Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Target Company's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Target Company in accordance with the contract and the cash flows that the Target Company expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the basis:

- Nature of financial instruments (i.e. the Target Company's trade and other receivables are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

For financial guarantee contracts, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with HKFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

Derecognition of financial assets

The Target Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

On derecognition of an AFS financial asset/a debt instrument at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Financial liability and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Target Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Target Company after deducting all of its liabilities. Equity instruments issued by the Target Company are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the Track Record Period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liability

Financial liabilities representing amounts due to the sole director and shareholders are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Target Company derecognises financial liabilities when, and only when, the Target Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Cash and cash equivalent

In the statements of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and bank deposits with original maturities of three months or less.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Target Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Provisions

Provisions are recognised when the Target Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Revenue from contracts with customers

Under HKFRS 15, the Target Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Target Company's performance as the Target Company performs;
- the Target Company's performance creates and enhances an asset that the customer controls as the Target Company performs; or
- the Target Company's performance does not create an asset with an alternative use to the Company and the Target Company has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Target Company's right to consideration in exchange for goods or services that the Target Company has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Target Company's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Target Company's obligation to transfer goods or services to a customer for which the Target Company has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations including bundle sales for hotel accommodation and food and beverage, the Target Company allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Target Company would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Target Company estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Target Company expects to be entitled in exchange for transferring the promised goods or services to the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the services transferred to the customer to date relative to the remaining services promised under the contract, that best depict the Target Company's performance in transferring control of services.

Principal versus agent

When another party is involved in providing goods or services to a customer, the Target Company determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Target Company is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Target Company is an agent).

The Target Company is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Target Company is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Target Company does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Target Company acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Revenue recognition

Rental income under operating leases is recognised on a straight-line basis over the term of the relevant lease.

Foreign currencies

In preparing the financial statements of the Target Company, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "profit before taxation" as reported in the statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Target Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Target Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Related party

A party is considered to be related to the Target Company if:

1. A person or a close member of that person's family is related to the Target Company if that person:

   (a) has control or joint control over the Target Company;

   (b) has significant influence over the Target Company; or

   (c) is a member of the key management personnel of the Target Company or of a parent of the Target Company.

2. An entity is related to the Target Company if any of the following conditions applies:

   (a) the entity and the Target Company are members of the same group (which means that each parent, subsidiary and fellow subsidiaries is related to the others);

   (b) one entity is an associate or joint venture of the other entity for an associate or joint venture of a member of a group which the other entity is a member);

   (c) both entities are joint ventures of the same third party;

   (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

   (e) the entity is a post-employment benefit plan for the benefit of employees of either the Target Company or an entity related to the Target Company. If the Target Company is itself such a plan, the sponsoring employees are also related to the Target Company;

   (f) the entity is controlled or jointly controlled by a person identified in (i);

   (g) a person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

   (h) The entity, or any member of a group of which is a part, provides key management personnel services to the Target Company and Target Company's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the equity.

A transaction is considered to be a related party transaction when there is a transfer of resources, or obligations between the Target Company and a related party, regardless of whether a price is charged.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Target Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful lives and depreciation of property, plant and equipment

The Target Company's management determines the estimated useful lives, and related depreciation charges for its property, plant and equipment. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions.

Management will increase the depreciation and amortisation charges where useful lives are less than previously estimated lives. It will write off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable and amortisable lives and therefore affect the depreciation and amortisation charges in future periods.

5. REVENUE

Revenue represents the aggregate rental income earned by the Target Company during the Track Record Period.

	Year ended 31 March			Nine months ended 31 December	
	2016	**2017**	**2018**	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Rental income	252	246	80	80	–

6. OTHER INCOME

	Year ended 31 March			Nine months ended 31 December	
	2016	**2017**	**2018**	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Gains on disposals of property, plant and equipment	–	–	2,772	2,772	–
Reimbursement of expenses from tenants	–	24	16	16	–
	–	24	2,788	2,788	–

7. FINANCE COSTS

	Year ended 31 March			Nine months ended 31 December	
	2016	2017	2018	2017	2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Bank mortgage loan interest	59	55	18	18	–

8. PROFIT (LOSS) BEFORE TAXATION

Profit (loss) before taxation for the Track Record Period has been arrived at after charging:

	Year ended 31 March			Nine months ended 31 December	
	2016	2017	2018	2017	2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Auditor's remuneration	6	6	6	5	6
Depreciation of property, plant and equipment	186	187	62	62	192
Director's emoluments	–	–	100	75	–
Staff salaries and allowances	–	100	–	–	–

9. SOLE DIRECTOR REMUNERATION

(a) Sole director's and chief executives' emoluments

Details of the remuneration paid and payable to the sole director of the Target Company as follow:

Name of the sole director	Fees	Salaries and allowances	Performance related bonuses	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Sole director				
Cheng So Kuen Cassia				
Year ended 31 March 2016	–	–	–	–
Year ended 31 March 2017	–	–	–	–
Year ended 31 March 2018	100	–	–	100
Nine months ended 31 December 2017 (Unaudited)	75	–	–	75
Nine months ended 31 December 2018	–	–	–	–

Ms. Cheng So Kuen Cassia will not remain as a director of the Target Company upon completion and the Company intends to appoint its director(s) and/or employee(s) as the new director(s) of the Target Company immediately after completion.

The chief executive of the Target Company is also the sole director and the emoluments disclosed above include the services rendered by her as chief executive.

No emoluments was recognised or paid by the Target Company to the sole director as compensation for loss of office and inducement to join for the years/periods. No director had waived any emoluments during the years/periods.

The sole director's emoluments shown above were mainly for her services in connection with the management of the affairs of the Target Company and for her services as the sole director.

(b) Retirement benefit schemes

The Target Company operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the plans are held separately from those of the Target Company in funds under the control of the independent trustees. The Target Company and each employee make mandatory contributions of 5% of relevant payroll costs with monthly cap of HK$1,500 to the scheme.

10. INCOME TAX EXPENSE

	Year ended 31 March			Nine months ended 31 December	
	2016	**2017**	**2018**	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Current tax – Hong Kong profits tax					
Provision for the year	2	–	–	–	–
	2	–	–	–	–

The provision for Hong Kong Profits Tax is calculated at 16.5% of each of the assessable profits for Track Record Period.

(a) Reconciliation profit (loss) before taxation between tax expense and accounting profit (loss) at applicable tax rates:

	Year ended 31 March			Nine months ended 31 December	
	2016	**2017**	**2018**	**2017**	**2018**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit (loss) before taxation	(118)	(164)	2,651	2,679	(224)
Tax on accounting profit (loss) at domestic income tax rate of 16.5%	(19)	(27)	437	442	(37)
Tax effect of non-deductible expenses	31	31	10	10	32
Tax effect of non-taxable income	–	–	(457)	(457)	–
Others	(10)	4	10	5	5
Tax expense for the year/period	2	–	–	–	–

(b) Deferred tax

No deferred tax assets or liabilities has been recognised in the Historical Financial Information as the Target Company did not have material temporary differences arising between the tax bases of assets and liabilities and their carrying amounts as at 31 March 2016, 2017 and 2018 and 31 December 2018.

11. DIVIDEND

No dividend was paid or proposed by the Target Company during the Track Record Period.

12. EARNINGS PER SHARE

No earnings per share is presented as its inclusion, for the purpose of this report, is not considered meaningful.

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and Buildings *HK$'000*	Leasehold improvement *HK$'000*	Total *HK$'000*
COST			
As at 1 April 2015, 31 March 2016 and 31 March 2017	5,548	126	5,674
Disposals	(5,548)	(126)	(5,674)
As at 31 March 2018	–	–	–
Additions	22,687	–	22,687
As at 31 December 2018	22,687	–	22,687
Accumulated depreciation			
As at 1 April 2015	349	50	399
Charge for the year	161	25	186
As at 31 March 2016	510	75	585
Charge for the year	162	25	187
As at 31 March 2017	672	100	772
Charge for the year	53	9	62
Disposals	(725)	(109)	(834)
As at 31 March 2018	–	–	–
Charge for the period	192	–	192
As at 31 December 2018	192	–	192
Net book values			
As at 31 March 2016	5,038	51	5,089
As at 31 March 2017	4,876	26	4,902
As at 31 March 2018	–	–	–
As at 31 December 2018	22,495	–	22,495

The Target Company acquired the Property on 27 September 2018 from third party in arm length basis, the consideration was HK$20,800,000 and corresponding directly attributable cost was HK$1,887,000.

Depreciation is provided to write off the cost of items of property, plant and equipment, over their estimated useful lives, using the straight-line method and at the following rates per annum:

Leasehold land	Over the lease terms
Buildings	Over the estimated useful lives of 50 years or the terms of lease, whichever is shorter
Leasehold improvement	20%

14. AMOUNTS DUE FROM SHAREHOLDERS AND RELATED COMPANIES

Name of the party	Maximum outstanding balance during the year ended 31 March			Maximum outstanding balance during the nine months ended 31 December	As at 31 March			As at 31 December
	2016	2017	2018	2018	2016	2017	2018	2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts due from shareholders:								
Chan Wai Lan	–	–	5	–	–	–	5	–
Cheng Siu Lun Ringo	–	–	3	3	–	–	3	3
Kung Wing Ha	–	–	10	–	–	–	10	–
Wong Wai Shing	–	–	7	–	–	–	7	–
					–	–	25	3
Amounts due from related companies:								
Macy Beauty Limited	–	–	1,700	620	–	–	620	–
MSK HK Limited	–	–	3,000	3,000	–	–	3,000	–
					–	–	3,620	–

Chun Wai Lan, Cheng Siu Lun Ringo, Kung Wing Ha, and Wong Wai Shing are the shareholders of the Target Company.

Cheng So Kuen Cassia, the sole director of the Target Company, is also the director and has controlling interest and significant influence of Macy Beauty Limited.

Cheng So Kuen Cassia, the sole director of the Target Company, is one of the shareholder of MSK HK Limited.

To the best knowledge, information and belief of the Directors after making all necessary enquiries, each of Macy Beauty Limited, MSK HK Limited and their respective ultimate beneficial owners are Independent Third Parties.

The above amounts are unsecured, interest-free and repayable on demand.

15. DEPOSITS PAID

	As at 31 March			As at 31 December
	2016	2017	2018	2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Deposit for acquisition of a property	–	–	2,080	–
Utilities deposits	–	–	–	23
	–	–	2,080	23

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent cash at bank. Cash at bank carried interest at average market rates based on daily bank deposit rates. The cash at bank is deposited with a creditworthy banks with no recent history of default.

17. ACCRUALS AND OTHER PAYABLES

	As at 31 March			As at 31 December
	2016	2017	2018	2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Accruals	9	9	9	6
Other payables	62	62	62	–
Rental deposits	42	48	–	–
	113	119	71	6

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

18. SECURED BANK LOAN

	As at 31 March			As at 31 December
	2016	2017	2018	2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Bank mortgage loan	2,184	2,025	–	–
Representing:				
Portion of bank mortgage loan for repayment:				
Within one year	160	164	–	–
After one year which contain a repayable on demand clause	2,024	1,861	–	–
Total	2,184	2,025	–	–

Secured bank loan is related to the mortgage loan that is secured by a pledge over the Target Company's leasehold land and building situated in Hong Kong and personal guarantee executed by the Target Company's sole director and a related company. It is classified as current liability as the related loan agreement contains a clause that provides the lender with an unconditional right to demand repayment at any time at its own discretion.

19. AMOUNTS DUE TO SOLE DIRECTOR, SHAREHOLDERS AND RELATED COMPANIES

Name of party	Year ended 31 March 2016	2017	2018	As at 31 December 2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amount due to the sole director:				
Cheng So Kuen Cassia	3,227	3,368	3,578	7,774
Amounts due to related companies:				
Catil Int'l Ent'l Ltd	30	48	54	–
Ho's Property Investment Limited	20	20	20	–
	50	68	74	–
Amounts due to shareholders:				
Chan Wai Lan	–	–	–	2,195
Kung Wing Ha	–	–	–	6,390
Wong Wai Shing	–	–	–	4,793
	–	–	–	13,378

Ms. Cheng So Kuen Cassia, the sole director of the Target Company, has controlling interests or significant influence of Catil Int'l Ent'l Ltd.

Ms. Cheng So Kuen Cassia, the sole director of the Target Company, is also a director and shareholder of Ho's Property Investment Limited.

The amounts due to the sole director, shareholders and related companies are unsecured, interest-free and repayable on demand.

20. SHARE CAPITAL

	Number of ordinary share	Amount
		HK$
Issued and fully paid:		
As at 31 March 2016, 31 March 2017 and 1 April 2017	1	1
Issue of shares	49,999	49,999
As at 31 March 2018 and 31 December 2018	50,000	50,000

Pursuant to a resolution passed on 29 March 2018, 49,999 ordinary shares were allotted for cash to the new shareholders of the Company in order to provide additional working capital. The new shares rank pari passu with the existing shares in all respects.

21. RELATED PARTY TRANSACTIONS AND BALANCES

a. Transaction with related parties

Saved as disclosed elsewhere in the Historical Financial Information of the Target Company, the Target Company undertook the following transactions with related parties during the Track Record Period:

		Year ended 31 March			Nine months ended 31 December	
		2016	**2017**	**2018**	**2017**	**2018**
Name of the party	**Nature**	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(unaudited)	
Catil Int'l Ent'l Ltd	Clerical service fee	18	18	6	6	–
Ho Wing Chung	Salary	–	100	–	–	–

Mr. Ho Wing Chung is a spouse of Ms. Cheng So Kuen Cassia who is the sole director of the Target Company.

To the best knowledge, information and belief of the Directors after making all necessary enquiries, Ho Wing Chung is Independent Third Party.

b. Balance with related parties

Saved as disclosed elsewhere in the Historical Financial Information of the Target Company, the Target Company did not have any balances with any other related parties.

22. CAPITAL RISK MANAGEMENT

The Target Company manages its capital to ensure that the Target Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Target Company consists of debts, which includes amount due to the sole director and shareholders disclosed in note 19, and equity attributable to owner of the Target Company.

The sole director reviews the capital structure on a regular basis. As part of this review, the sole director considers the cost of capital and the risks associated with the capital. Based on recommendations of the sole director, the Target Company will balance its overall capital structure through new share issues as well as raising of debts.

23. FINANCIAL RISK MANAGEMENT

Categories of financial instruments

	As at 31 March			As at 31 December
	2016	**2017**	**2018**	**2018**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets				
Amounts due from shareholders	–	–	25	3
Amounts due from related companies	–	–	3,620	–
Cash and cash equivalents	4	21	49	466
	4	21	3,694	469
Financial liabilities				
Accruals and other payables	113	119	71	6
Secured bank loan	2,184	2,025	–	–
Amount due to the sole director	3,227	3,368	3,578	7,774
Amounts due to related companies	50	68	74	–
Amounts due to shareholders	–	–	–	13,378
	5,574	5,580	3,723	21,158

Financial risk management objectives and policies

The Target Company's major financial instrument includes amount due to the sole director. Details of this financial instrument is disclosed in respective note. The risks associated with the financial instrument and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Liquidity risk

As mentioned in note 2, before the completion of the Proposed Acquisition, the sole director and shareholders of the Target Company have agreed to provide adequate funds to enable the Target Company to meet in full its financial obligations as and when they fall due in the foreseeable future and not to demand the Target Company to repay the amount due to them until the Target Company has the financial ability to do so. Upon completion of the Proposed Acquisition, the Company will provide financial support to the Target Company to meet in full its financial obligations as they fall due in the foreseeable future.

The financial liability is interest-free and repayable on demand.

Fair value measurements of financial instruments

The fair value of financial liability is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The sole director considers that the carrying amounts of financial liability recorded at amortised cost in the financial statements approximate to its fair value.

24. MAJOR NON-CASH TRANSACTION

On 27 September, 2018, the Target Company acquired the property, plant and equipment from third party at a consideration of HK$20,800,000 and corresponding directly attributable cost was HK$1,887,000, such amount was settled by amounts due to the sole director and shareholders.

25. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Target Company have been prepared in respect of any period subsequent to 31 December 2018.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following unaudited pro forma statement of assets and liabilities of the Enlarged Group (the "**Unaudited Pro Forma Financial Information**") has been prepared by the Directors in accordance with paragraph 7.31 of the GEM Listing Rules and on the basis of the notes set out below for the purpose of illustrating the effect of as if the Acquisition as if they had been taken place on 31 March, 2018.

The Unaudited Pro Forma Financial Information is prepared based (i) the information on the audited consolidated statement of financial position of the Group as at 31 March, 2018, which has been extracted from the published annual report of the Company for the year ended 31 March, 2018; (ii) the information from the underlying financial information of the Target Company as at 31 December, 2018, which has been extracted from the accountant's report as set out in Appendix II to this circular and after making pro forma adjustments relating to the Acquisition that are (i) directly attributable to the Acquisition and (ii) factually supportable as if the Acquisitions had been completed on 31 March, 2018. The Unaudited Pro Forma Financial Information is prepared based on a number of assumptions, estimates and uncertainties. Accordingly, because of it hypothetical nature, it may not give a turn picture of the financial position of the Enlarged Group had the Acquisitions been completed as at 31 March, 2018 or at any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction of the historical financial information of the Group and Target Company, as set out in the published annual report of the Group for the year ended 31 March, 2018 and accountants' report of the Target Company as set out in Appendix II to this Circular, respectively and other financial information included elsewhere in the Circular.

UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

	The Group as at 31 March 2018	The Target Company as at 31 December 2018	Pro forma adjustments				The Enlarged Group as at 31 March 2018
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*	*(Note 6)*	
Non-current assets							
Property, plant and equipment	2,489	22,495	5,799	486	202	(2,982)	28,489
Deferred tax asset	456	–					456
Other non-current assets	2,225	–					2,225
	5,170	22,495					31,170
Current assets							
Inventories	9,161	–					9,161
Trade receivables	1,061	–					1,061
Deposit, prepayments and other receivables	4,370	23					4,393
Amounts due from shareholders	–	3					3
Pledged bank deposit	3,215	–					3,215
Bank balances and cash	83,090	466	(28,780)	(486)	(868)		53,422
	100,897	492					71,255
Current Liabilities							
Trade payable	1,606	–					1,606
Accrual expenses and other payables	4,864	6					4,870
Amount due to a director	–	7,775	(7,775)				–
Amounts due to shareholders	–	13,377	(13,377)				–
Tax payable	1,198	–					1,198
	7,668	21,158					7,674
Net current assets/(liabilities)	93,229	(20,666)					63,581
Net Assets	98,399	1,829					94,751

Notes:

1. Figures are extracted from the audited consolidated statement of financial position of the Group as at 31 March, 2018 as set out in the published annual report for the year ended 31 March, 2018.

2. Figures are extracted from the audited statement of financial position of the Target Company as at 31 December, 2018 as set out in Appendix II to this Circular, which have been prepared under HKFRSs and using accounting policies materially consistent with those of the Group.

3. The adjustment represents the acquisition of the entire issued share capital of the Target Company. Pursuant to the Provisional Sale and Purchase Agreement dated 28 February, 2019, the Group has conditionally agreed to acquire the entire issued share capital of Target Company for a consideration amounted to HK$28,780,000, which is to be satisfied by cash at the completion of the proposed acquisition of the Target Company.

   Under Hong Kong Financial Reporting Standard 3 (Revised) "Business Combination", business consists of inputs and processes applied to those inputs that have the ability to create outputs. As the Target Company did not have any inputs and process to its business, the proposed acquisition of the Target Company is accounted for as acquisition of asset. In such case, the Company shall identify and recognise the individual identifiable assets acquired and liabilities assumed. The investment cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of proposed acquisition of the Target Company. Such a transaction does not give rise to goodwill.

   The amount of HK$5,799,000 represents the excess of the investment cost of HK$28,780,000 over the aggregated carrying amount of identifiable assets acquired and liabilities assumed as at 31 December, 2018 of HK$22,981,000, after considering the assignment of loan to Vendors and such amount is allocated to the property, plant and equipment. Upon the completion of the proposed acquisition of the Target Company, Target Company would become a wholly-owned subsidiary of the Group.

4. Pursuant to the Provisional Sale and Purchase Agreement, if the NTAV as shown in the Proforma Accounts or Completion Accounts is more or less than zero, the Purchaser or the Vendors shall pay the difference to the other party as an adjustment to the consideration of the Proposed Acquisition.

   For the purpose of the preparation of the Unaudited Pro Forma Financial Information, the Completion Adjustment and the Post-Completion Adjustment are based on the NTAV of the Target Company as at 31 December 2018. The Completion Adjustment and the Post-Completion Adjustment to be settled by the Purchaser are as follows:

	HK$'000
Deposits, prepayments and other receivables	23
Amounts due from shareholders	3
Bank balances and cash	466
Less:	
Accrued expenses and other payables	(6)
	486

5. The adjustment represents the estimated acquisition cost (including property stamp duties and agent commission) and other legal and professional fees in relation to the Acquisition of approximately HK$202,000 and HK$666,000, respectively. This adjustment is not expected to have a continuing financial effect on the Enlarged Group.

	HK$'000
Legal and professional fee	666
Property agent commission and stamp duty	202
	868

6. This transaction is classified as acquisition of an asset that is not a business.

   HKFRS 3 states that when an entity acquires a group of assets or net assets that is not a business, the acquirer allocates the cost of the group between the individual identifiable assets and liabilities in the group based on their relative fair values at the date of acquisition. Such a transaction or event does not give rise to goodwill under HKFRS 3.2(b). As a result, the adjustment represents the impairment loss on the property based on the valuation report stated that the market value of the property was HK$26,000,000 as of 27 February, 2019 by the valuer, Stirling Appraisals Limited.

   The carrying amount of the property is lower that the market value, therefore the impairment loss, HK$2,982,000, has been made on the property in this pro forma statement.

7. Except for the Acquisitions and provision of estimated amount paid for stamp duties and related expenses and legal and professional fees, no adjustment has been made to reflect any trading result or other transactions of the Enlarged Group entered into subsequent to 31 March, 2018.

B. ASSURANCE REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the independent reporting accountant's assurance report received from Centurion ZD CPA Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this circular.

中正達會計師事務所有限公司
Centurion ZD CPA Limited
Certified Public Accountants (Practising)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Mi Ming Mart Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Mi Ming Mart Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") and CI CI Investment Limited (the "Target Company") (collectively the "Enlarged Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 31 March, 2018 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages III-1 to III-4 of the circular issued by the Company dated 26 April 2019 (the "Circular"), in connection with the proposed acquisition of the entire issued shares in and shareholders' debts due by the Target Company (the "Proposed Acquisition"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-1 to III-4 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed acquisition on the Group's financial position as at 31 March 2018 as if the Proposed Acquisition had taken place at 31 March 2018. As part of the process, information about the Group's financial position has been extracted from the Group's financial statements for the year ended 31 March, 2018, on which an auditor's report has been published.

Directors' responsibility for the unaudited pro forma financial information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Rules") and with reference to Accounting Guideline 7, "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Company as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2018 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Company; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

Centurion ZD CPA Limited
Certified Public Accountants (Practising)

Chan Kam Fuk
Practising Certificate Number: P04257
26 April 2019

Set out below is the management discussion and analysis of the Target Company for the three years ended 31 March 2016, 2017 and 2018 and the nine months ended 31 December 2018 (the "**Relevant Period**"), for the purpose of this appendix only.

BUSINESS REVIEW

The Target Company is principally engaged in property holding and is incorporated under the laws of Hong Kong with limited liability on 3 December 2012. The sole asset of the Target Company is the Property which is an industrial property located at Units B1 & B2 on 10th Floor, Fortune Factory Building, No.40 Lee Chung Street, Hong Kong.

RESULTS OF OPERATIONS

Set out below is the key financial information of the Target Company:

	For the year ended 31 March			For the nine months ended 31 December
	2016	**2017**	**2018**	**2018**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	252	246	80	–
Other income	–	24	2,788	–
Administrative expenses	(311)	(379)	(199)	(224)
Finance costs	(59)	(55)	(18)	–
Profit/(loss) before taxation	(118)	(164)	2,651	(224)
Income tax	(2)	–	–	–
Profit/(loss) for the year/period	(120)	(164)	2,651	(224)

FINANCIAL REVIEW

Revenue

During the Relevant Period, the Target Company recorded the rental income of approximately HK$0.3 million, HK$0.3 million, HK$0.1 million and nil, respectively. The significant decrease of rental income during the year ended 31 March 2018 and nine months ended 31 December 2018 was mainly attributable to the property situated in Hong Kong previously held for leasehold purpose (the "Leasehold Property") was disposed by the Target Company during the year ended 31 March 2018.

Other income

During the Relevant Period, the Target Company recorded the other income of nil, approximately HK$24,000, approximately HK$2,788,000 and nil, respectively. The significant increase in other income during the year ended 31 March 2018 was mainly attributable to the gain on disposal of Leasehold Property as mentioned above.

Administrative expenses

During the Relevant Period, the administrative expenses of the Target Company remained steady at approximately HK$0.3 million, HK$0.4 million, HK$0.2 million and HK$0.2 million, respectively.

Finance costs

During the Relevant Period, the Target Company recorded the finance costs of approximately HK$59,000, HK$55,000, HK$18,000 and nil, respectively. The significant decrease of finance costs during the year ended 31 March 2018 and nine months ended 31 December 2018 was mainly attributable to the full repayment of secured bank loan during the year ended 31 March 2018.

Income tax expense

During the Relevant Period, the Target Company recorded the income tax expense of approximately HK$2,000, nil, nil and nil, respectively.

Profit (loss) and total comprehensive income (expense) for the year/period attributable to owners of the Target Company

As a result of the foregoing, the Target Company recorded a net loss of approximately HK$0.1 million, net loss of approximately HK$0.2 million, net profit of approximately HK$2.7 million and net loss of approximately HK$0.2 million during the Relevant Period.

Liquidity and financial resources

The current ratio of the Target Company, calculated as current assets divided by current liabilities, as at 31 March 2016, 2017 and 2018 and 31 December 2018 were approximately 0.00, 0.01, 1.55 and 0.02, respectively. The cash and cash equivalents of the Target Company, as at 31 March 2016, 2017 and 2018 and 31 December 2018 were approximately HK$4,000, HK$21,000, HK$49,000 and HK$466,000, respectively.

The significant liquidity shortfall as at 31 March 2016 and 2017 was mainly due to the Target Company relied on the secured bank loan and the borrowing from its sole director to finance the acquisition cost of the Leasehold Property and administrative expenses. The significant liquidity shortfall as at 31 December 2018 was mainly due to the Target Company relied on the borrowing from its sole director and shareholders to finance the acquisition cost of the Property and administrative expenses.

Maturity profile

The maturity profile of the Target Company's financial liabilities as at the end of each of the Relevant Period, based on the contractual undiscounted payments, was as follows:

As at 31 March 2016	**On demand**	**Less than 3 months**	**3 to less than 12 months**	**1 to 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Accruals and other payables	113	–	–	–	113
Secured bank loan	–	40	120	2,024	2,184
Amount due to the sole director	3,227	–	–	–	3,227
Amount due to related companies	50	–	–	–	50
Total	3,390	40	120	2,024	5,574

As at 31 March 2017	**On demand**	**Less than 3 months**	**3 to less than 12 months**	**1 to 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Accruals and other payables	119	–	–	–	119
Secured bank loan	–	41	123	1,861	2,025
Amount due to the sole director	3,368	–	–	–	3,368
Amount due to related companies	68	–	–	–	68
Total	3,555	41	123	1,861	5,580

As at 31 March 2018	**On demand**	**Less than 3 months**	**3 to less than 12 months**	**1 to 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Accruals and other payables	71	–	–	–	71
Amount due to the sole director	3,578	–	–	–	3,578
Amount due to related companies	74	–	–	–	74
Total	3,723	–	–	–	3,723

As at 31 December 2018	**On demand**	**Less than 3 months**	**3 to less than 12 months**	**1 to 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Accruals and other payables	6	–	–	–	6
Amount due to the sole director	7,774	–	–	–	7,774
Amount due to shareholders	13,378	–	–	–	13,378
Total	21,158	–	–	–	21,158

Gearing ratio

The Target Company's gearing ratio is calculated by dividing the net debt, which is defined to include bank borrowings and bank overdrafts net of pledged bank deposit and bank balances and cash, by total equity as at the end of the financial year or period. As at 31 March 2016 and 31 March 2017, the Target Company had outstanding secured bank loan of approximately HK$2.2 million and approximately HK$2.0 million, respectively. Accordingly, the gearing rates at 31 March 2016 and 31 March 2017 was approximately 4.5 times and approximately 3.1 times, respectively. The Target Company did not have secured bank loan as at 31 March 2018 and 31 December 2018.

The Target Company did not have secured bank loan as at 31 March 2018 and 31 December 2018 and the gearing ratio is nil.

Charges on assets

As at 31 March 2016 and 2017, the Leasehold Property of approximately HK$5.0 million and HK$4.9 million had been pledged for secured bank loan. The Target Company had no charges on assets as at 31 March 2018 and 31 December 2018, respectively.

SEGMENTAL INFORMATION

The operation of the Target Company represents a single operating and reportable segment, which is property investment. As such, there is no segment information available for the Relevant Period.

CAPITAL STRUCTURE

During the Relevant Period, there was no material change in the Target Company's capital structure. The Target Company generally finances its operations and investing activities by bank loan and funding from its sole director and its shareholders.

FOREIGN EXCHANGE EXPOSURE

The Target Company's income and monetary assets and liabilities are denominated in Hong Kong Dollars. The sole director of the Target Company considered that the foreign exchange exposure of the Target Company is minimal.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Target Company has no plan for material investments or capital assets as at 31 March 2016, 2017 and 2018 and 31 December 2018.

CONTINGENT LIABILITIES

The Target Company does not have material contingent liabilities as at 31 March 2016, 2017 and 2018 and 31 December 2018.

The following is the text of a letter, summary of value and valuation certificate, prepared for the purpose of incorporation in this circular received from Stirling Appraisals Limited, an independent valuer, in connection with its valuation as at 27 February 2019 of the property located in Hong Kong.

Stirling Appraisals Limited,
10 Floor, Pilkem Commercial Centre,
8 Pilkem Street, Jordan, Kowloon,
Hong Kong SAR

26 April 2019

The Directors
Mi Ming Mart Holdings Limited

16th Floor
Guangdong Tours Centre
No.18 Pennington Street
Causeway bay
Hong Kong

Dear Sirs,

INSTRUCTIONS

We refer to the instructions from Mi Ming Mart Holdings Limited (the "Company") for us to value the property located in Hong Kong. We confirm that we have conducted an inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 27 February 2019 (the "valuation date").

BASIS OF VALUATION

Our valuation of the property represents the Market Value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION METHODOLOGY

We have valued the property on market basis by the Comparison Approach assuming sale in its existing state with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. Appropriate adjustments have been made to account for the differences between the property and the comparables in terms of time, size and other relevant factors.

TITLE INVESTIGATION

We have caused land searches to be made at the Land Registry and have been provided with extracts of title documents. We have been advised by the Company that no further relevant documents have been produced. However, we have neither examined the original documents to verify ownership nor to ascertain the existence of any amendments, which do not appear on the extracts handed to us. All documents have been used for reference only.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the property is sold in the market in its existing state without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the value of the property.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no forced sale situation in any manner is assumed in our valuation.

VALUATION CONSIDERATIONS

The property was inspected by Mr. Anson Ma in March 2019 who holds a Master Degree in Commerce. We have inspected the exterior and, where possible, the interior of the property. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

In the course of our valuation, we have relied to a considerable extent on the information given by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, floor areas, identification of the property and other relevant information.

Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Company and are therefore only approximations.

We have not carried out detailed on-site measurements to verify the correctness of the floor areas in respect of the property but have assumed that the floor areas shown on the documents handed to us are correct.

We have no reason to doubt the truth and accuracy of the information provided to us by the Company and we have relied on your confirmation that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information for us to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property or for any expenses or taxation, which may be incurred in effecting a sale.

Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

Our valuation has been prepared in accordance with the RICS Valuation, Global Standards 2017 (the "Red Book") published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

Our valuation has been prepared under the generally accepted valuation procedures and is in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

REMARKS

Unless otherwise stated, all money amounts stated herein are in Hong Kong Dollars (HK$) and no allowances have been made for any exchange transfers.

We hereby certify that we neither have any present nor any prospective interest in the Company or the appraised property or the value reported.

Our summary of value and the valuation certificate are attached herewith.

Yours faithfully,
For and on behalf of
Stirling Appraisals Limited
Kenneth Ma
Associate Director
MRICS CFA

Note:

Mr. Kenneth Ma is a Registered Valuer member of the Royal Institute of Chartered Surveyors who has over 5 years' experience in valuations of properties and over 10 years' experience in business valuations in Hong Kong and the PRC.

SUMMARY OF VALUE

Property held under owner-occupation in Hong Kong

Property	**Market Value in existing state as at 27 February 2019**
	HK$
Units B1 and B2 on 10th Floor, Fortune Factory Building, No.40 Lee Chung Street, Hong Kong	26,000,000
Total:	**26,000,000**

VALUATION CERTIFICATE

Property held under owner-occupation in Hong Kong

Property	**Description and tenure**	**Particulars of occupancy**	**Market Value in existing state as at 27 February 2019** *HK$*
Units B1 and B2 on 10th Floor, Fortune Factory Building, No.40 Lee Chung Street, Hong Kong 20/2,000th equal and undivided shares of and in Chai Wan Inland Lot Nos. 78 and 79	The property comprises two units on the 10th floor of a high-rise industrial building completed in about 1978. As advised by the Company, the total gross floor area of the property is approximately 6,716sq.ft (approximately 623.93sq.m). The property is held under Conditions of Sale Nos. 10668 and 10680 for terms of 75 years renewable for 75 years commencing on 28 June 1974 and 26 July 1974 respectively.	The property is occupied for industrial purpose.	26,000,000

Notes:

1. *The property is located at the industrial area in Chai Wan, Hong Kong.*

2. *The registered owner of the property is CI CI Investment Limited vide Memorial No. 18100800490023 dated 27 September 2018.*

3. *The property is subject to a Deed of Mutual Covenant with Plans vide Memorial No. UB1624261 dated 4 December 1978.*

4. *In the course our valuation, we have identified and analyzed various relevant sale evidences of various comparable properties with similar use, location and quality of the subject property in Chai Wan District. The comparable properties are industrial properties with unit price in the range of approximately HK$4,900 to HK$5,400 per sq.ft.*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

A. Interests of Directors and chief executive and short positions in shares, underlying shares and debentures

As at the Latest Practicable Date, the interests or short positions of the Directors or chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which are 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 or short positions which are taken or deemed to have under such provisions), or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which are 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 as follows:

Long positions in Shares

Name of Director	Capacity/nature	No. of Shares held	Approximate% of Shareholding
Yuen, Mi Ming Erica ("**Ms. Erica Yuen**")	Interest of controlled corporation	780,000,000 *(Note 1)*	69.6%
Lam Yue Yeung Anthony ("**Mr. Anthony Lam**")	Interest of spouse	780,000,000 *(Note 2)*	69.6%

Long positions in shares of the associated corporation of the Company

Name of Director	Capacity/nature	Name of associated corporation	No. of share held	% of Shareholding in the associated corporation
Ms. Erica Yuen	Beneficial owner	Prime Era	1	100%

Notes:

(1) These Shares are held by Prime Era, the entire issued share capital of which is held by Ms. Erica Yuen. Accordingly, Ms. Erica Yuen is deemed to be interested in the Shares held by Prime Era by virtue of the SFO.

(2) Mr. Anthony Lam is the spouse of Ms. Erica Yuen. Accordingly, Mr. Anthony Lam is deemed to be interested in Ms. Erica Yuen's interest in the Company by virtue of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their associates (as defined in the GEM Listing Rules) had any interests and short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were 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 or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

B. Substantial Shareholders' and other persons' interests and short positions in shares and underlying shares of the Company

As at the Latest Practicable Date, the following persons/entities (other than the Directors and chief executive of the Company) had or were deemed to have an interest or a short position in the Shares or the underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Enlarged Group:

Long positions in the Shares

Name	**Capacity/nature**	**No. of Shares held**	**Approximate% of Shareholding**
Prime Era	Beneficial owner	780,000,000 *(Note 1)*	69.6%

Note:

(1) Prime Era is wholly and beneficially owned by Ms. Erica Yuen. She is deemed to be interested in all the Shares held by Prime Era under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section "Interests of Directors and chief executive and short positions in shares, underlying shares and debentures" above, had or were deemed to have an interest or a short position in the Shares or the underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Enlarged Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of (i) the Group's compliance adviser, Kingston Corporate Finance Limited, neither itself nor each of its directors, employees and close associates (as referred to in Rule 6A.32 of the GEM Listing Rules); and (ii) the Directors, controlling shareholders of the Company and their respective close associates (as defined under the GEM Listing Rules), was interested in any business which competes or is likely to compete either directly or indirectly with the business of the Group (as would be required to be disclosed under the GEM Listing Rules if each of them were a controlling shareholder).

5. INTERESTS OF THE COMPLIANCE ADVISER

Save for the compliance adviser agreement and supplemental letter to the compliance adviser agreement entered into between the Company and Kingston Corporate Finance Limited, the compliance adviser of the Company (the "**Compliance Adviser**"), dated 23 January 2017 and 29 October 2018 respectively, neither the Compliance Adviser nor any of its directors, employees or close associates has any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of the GEM Listing Rules.

6. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which has since 31 March 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by, or leased to, any member of the Enlarged Group or were proposed to be acquired or disposed of by, or leased to, any member of the Enlarged Group.

7. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Enlarged Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Enlarged Group.

8. LITIGATION

As at the Latest Practicable Date, so far as known to the Directors, there is no litigation, arbitration or claim of material importance in which the Enlarged Group is engaged or pending or threatened against the Enlarged Group.

9. MATERIAL CONTRACTS

The following contracts (being contracts entered into outside the ordinary course of business carried on by the Enlarged Group) had been entered into by the Enlarged Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date which are or may be material:

(a) the reorganisation agreement dated 23 January 2018 entered into between Ms. Erica Yuen as the seller, the Company as purchaser and Prime Era, pursuant to which Ms. Erica Yuen transferred the entire issued share capital of Rosy Horizon Global Limited to the Company, in consideration of which the Company allotted and issued one new ordinary share of the Company credited as fully paid to Prime Era;

(b) the deed of indemnity dated 23 January 2018 entered into by the Controlling Shareholders in favour of the Company (for itself and as trustee for each of its subsidiaries) particulars of which are set out in the paragraph headed "1. Tax and other indemnities" in the section headed "E. Other information" in Appendix IV to the Prospectus;

(c) the deed of non-competition dated 23 January 2018 entered into by the Controlling Shareholders in favour of the Company (for itself and as trustee for each of its subsidiaries) in respect of certain non-competition undertakings given by the Controlling Shareholders in favour of the Company, particulars of which are set out in the section headed "Relationship with our Controlling Shareholders" in the Prospectus;

(d) the public offer underwriting agreement dated 29 January 2018 entered into among the Company, the Controlling Shareholders, the executive Directors, the sole sponsor, the sole lead manager, the sole bookrunner, the co-lead manager and the public offer underwriters, as further described in the section headed "Underwriting – Underwriting Arrangements and Expenses – Public Offer Underwriting Agreement" in the Prospectus;

(e) a placing underwriting agreement dated 2 February 2018 entered into by, among others, the Company and the placing underwriters, as further described in the section headed "Underwriting – Underwriting Arrangements and Expenses – Placing Underwriting Agreement" in the Prospectus;

(f) the Provisional Sale and Purchase Agreement; and

(g) the sale and purchase agreement dated 28 March 2018 entered into between the Target Company and the then vendor in relation to the acquisition of the Property by the Target Company.

10. EXPERTS QUALIFICATIONS AND CONSENTS

The following are the qualifications of the experts whose names, opinions and/or reports are contained in this circular:

Name	**Qualification**
Centurion ZD CPA Limited	Certified Public Accountants
Stirling Appraisals Limited	Property valuer

As at the Latest Practicable Date, the above experts (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 March 2018 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) had given and had not withdrawn their consents to the issue of this circular with the inclusion of their letters, opinions and/or reports and the reference to their names included herein in the form and context in which they respectively appear.

11. GENERAL

(a) The registered office of the Company is located at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands.

(b) The head office and principal place of business of the Company in Hong Kong is located at 16th Floor, Guangdong Tours Centre, 18 Pennington Street, Hong Kong.

(c) The company secretary of the Company is Mr. Mak Yau Kwan. Mr. Mak is a member of the Hong Kong Institute of Certified Public Accountants.

(d) The compliance officer of the Company is Ms. Yuen Mimi Mi Wahng, who is an executive Director of the Company.

(e) The audit committee of the Company was established on 23 January 2018 with written terms of reference in accordance with Rule 5.28 of the GEM Listing Rules and in compliance with paragraph C.3 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the audit committee are to make recommendations to the Board on the appointment and removal of the external auditor, review the financial statements and material advice in respect of financial reporting and oversee the internal control procedures of the Company. The audit committee currently consists of three independent non-executive Directors and is chaired by Ms. Tsang Wing Yee, the other members are Ms. Chan Sze Lai Celine and Ms. Shum Wai Sze.

Ms. Tsang Wing Yee, aged 47, was appointed as an independent non-executive Director on 23 January 2018. Ms. Tsang is a Chartered Financial Analyst Charterholder, a member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. She has been a licensed person under the SFO permitted to carry out type 6 (advising on corporate finance) regulated activity as defined under the SFO since August 2003. Ms. Tsang has over 15 years of experience in the field of corporate finance. Ms. Tsang obtained a bachelor's degree in business administration from The University of Hong Kong and a master's degree of science in financial management from The University of London.

Ms. Chan Sze Lai Celine, aged 39, was appointed as an independent non-executive Director on 23 January 2018. Ms. Chan has over eight years of experience in the pharmaceutical industry. Ms. Chan commenced her career in 2009 as a scientist of GlaxoSmithKline (China) R&D Co., Ltd, where she was responsible for developing platforms to support the development of the therapeutics against neurodegenerative diseases in pre-clinical setting. Between November 2010 and June 2012, she worked in Roche R&D Center (China) Ltd as senior scientist, where she was responsible for assisting the company to optimize project plans and portfolio strategy by providing portfolio analytics in China in alignment with the global strategy. Thereafter, Ms. Chan served as a senior medical science liaison at Novartis Pharmaceuticals (HK) Limited, where she was responsible for developing the medical marketing strategies for the cardiovascular and metabolism business of the company. Between July 2013 and July 2014, Ms. Chan joined Bristol-Myers Squibb Pharma (HK) Ltd with her last position as a scientific advisor where she was responsible for market preparation during the product pre-launch phase for both Hong Kong and Taiwan. Between January 2015 and September 2016, Ms. Chan joined Celgene Limited as a key accounts manager where she was responsible for formulating the business strategies of the company's haematology franchise. From October 2016 to February 2017, Ms. Chan has been serving as Manager, Biomedical Technology Cluster in the Corporate Development Division at Hong Kong Science and Technology Park Corporation, where she was responsible for formulating and implementing the short-term and long-term cluster strategy and soliciting support from internal and external stakeholders to support or facilitate building up of strong and sizable biomedical technology cluster in the Hong Kong Science Park. From February 2017 to November 2018, Ms. Chan rejoined Celgene Limited as a senior key accounts manager, leading the operation of the company in Hong Kong and managing the sales performance of the company in Hong Kong. Ms. Chan obtained a bachelor's degree of science in biochemistry with honours from Queen's University in Canada in May 2002. She obtained a master's degree of science from the University of Toronto in Canada in November 2004 and a master's degree of business administration from The Hong Kong University of Science and Technology in November 2014. In December 2009, Ms. Chan obtained the doctor of philosophy from The University of Hong Kong.

Ms. Shum Wai Sze, aged 42, was appointed as an independent non-executive Director on 23 January 2018. Ms. Shum has over 12 years of experience in the finance industry. She joined Noble Apex Wealth Limited as an associate director since July 2005 and is mainly responsible for wealth management for the company's clients. Ms. Shum has been registered with the Hong Kong Confederation of Insurance Brokers as a technical representative of Noble Apex Wealth Limited since July 2005. She also worked as an associate director at Noble Apex Advisors Limited from May 2005 to January 2013 and from January 2015 to August 2016. During her employment at Noble Apex Advisors Limited, she was a licensed person under the SFO permitted to carry out type 1 (dealing in securities) regulated activity from March 2009 to March 2012; type 4 (advising on securities) regulated activity from July 2005 to March 2012; and type 9 (asset management) regulated activity from September 2005 to March 2012 and June 2015 to August 2016, as defined under the SFO. Ms. Shum is currently still an associate director of Noble Apex Wealth Limited. Ms. Shum obtained a bachelor's degree of business administration cum laude from The Bernard Baruch College, The City University of New York in June 1998.

(f) The Cayman Islands principal share registrar and transfer office is Estera Trust (Cayman) Limited, P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands.

(g) The Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(h) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail over its Chinese text unless otherwise specified.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at 16th Floor, Guangdong Tours Centre, 18 Pennington Street, Hong Kong during normal business hours on any business day (except Saturdays and public holidays) from the date of this circular up to 14 days thereafter:

(a) the memorandum and articles of association of the Company;

(b) the Prospectus;

(c) the 2017/2018 annual report of the Company;

(d) the accountants' report on the Target Company issued by Centurion ZD CPA Limited as set out in Appendix II to this circular;

(e) the letter from Centurion ZD CPA Limited in respect of the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular;

(f) the letter and valuation certificate prepared by Stirling Appraisals Limited, the text of which is set out in Appendix V to this circular;

(g) the letters of consent referred to in the paragraph headed "Experts Qualifications and Consents" in this appendix;

(h) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and

(i) this circular.