

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

Defining
Clean Beauty



2023/24
Interim Report

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

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Ms. Yuen Mi Ming Erica
(*Chairlady and Chief Executive Officer*)
Ms. Yuen Mimi Mi Wahng

Non-executive Directors

Mr. Cheung Siu Hon Ronald
Mr. Lam Yue Yeung Anthony
Mr. Wong Siu Ki

Independent Non-executive Directors

Ms. Chan Sze Lai Celine
Ms. Wong Yuen Kwan
Ms. Tsang Wing Yee

BOARD COMMITTEES

Audit Committee

Ms. Tsang Wing Yee (*Chairlady*)
Ms. Chan Sze Lai Celine
Ms. Wong Yuen Kwan

Remuneration Committee

Ms. Chan Sze Lai Celine (*Chairlady*)
Ms. Yuen Mi Ming Erica
Ms. Wong Yuen Kwan

Nomination Committee

Ms. Yuen Mi Ming Erica (*Chairlady*)
Ms. Chan Sze Lai Celine
Ms. Wong Yuen Kwan

COMPLIANCE OFFICER

Ms. Yuen Mimi Mi Wahng

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

COMPANY SECRETARY

Mr. Mak Yau Kwan

AUTHORISED REPRESENTATIVES

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

LEGAL ADVISER

TC & Co.
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Wanchai
Hong Kong

AUDITOR

Grant Thornton Hong Kong Limited
Registered Public Interest Entity Auditors
11th Floor, Lee Garden Two
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Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
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Grand Cayman, KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

Hang Seng Bank
83 Des Voeux Road Central
Hong Kong

UBS AG
Singapore Branch
9 Penang Road
Singapore 238459

COMPANY WEBSITE ADDRESS

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STOCK CODE

8473

FINANCIAL HIGHLIGHTS

For the six months ended 30 September 2023, operating results of the Company and its subsidiaries (collectively referred to as the “**Group**”) were as follows:

- the Group’s revenue decreased by approximately HK\$12.1 million or approximately 13.5% from approximately HK\$89.6 million for the six months ended 30 September 2022 to approximately HK\$77.5 million for the six months ended 30 September 2023.
- the Group recorded a gross profit of approximately HK\$49.3 million for the six months ended 30 September 2023 (six months ended 30 September 2022: HK\$57.6 million), representing a decrease of approximately 14.3% as compared to that for the corresponding period in 2022.
- profit attributable to the owners of the Company remains relatively stable at approximately HK\$10.6 million for the six months ended 30 September 2023 (six months ended 30 September 2022: approximately HK\$10.6 million).
- the Board declared an interim dividend of HK0.8 cent per share for the six months ended 30 September 2023 (six months ended 30 September 2022: an interim dividend of HK1.3 cents per share), in aggregate amounting to approximately HK\$9.0 million (six months ended 30 September 2022: approximately HK\$14.6 million).

As disclosed in the annual report of the Company for the year ended 31 March 2023, a final dividend of HK0.8 cent per share, in an aggregate amount of approximately HK\$9.0 million, (the “**2023 Final Dividend**”) was recommended by the Board (2022: HK0.6 cent per share, in an aggregate amount of approximately HK\$6.7 million) to the shareholders of the Company (the “**Shareholders**”) whose names appears in the register of members of the Company at the close of business on Friday, 18 August 2023. The payment of the 2023 Final Dividend was approved by the Shareholders in the 2023 annual general meeting held on Friday, 28 July 2023 (the “**2023 AGM**”). The 2023 Final Dividend was paid on or about Friday, 15 September 2023.

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

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	NOTES	Three months ended 30 September		Six months ended 30 September	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3	42,454	45,572	77,452	89,583
Cost of sales		(15,172)	(16,130)	(28,128)	(32,015)
Gross profit		27,282	29,442	49,324	57,568
Other income, gains or losses, net		279	(1,415)	439	(5,481)
Selling and distribution expenses		(9,671)	(9,494)	(18,742)	(18,587)
Administrative and operating expenses		(9,112)	(11,233)	(17,921)	(19,268)
Interest expenses		(160)	(153)	(331)	(338)
Profit before income tax	5	8,618	7,147	12,769	13,894
Income tax expense	6	(1,504)	(1,678)	(2,155)	(3,263)
Profit and total comprehensive income for the period		7,114	5,469	10,614	10,631
Earnings per share	8				
– basic (Hong Kong cent)		0.64	0.49	0.95	0.95

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2023

	NOTES	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	59,044	36,156
Investment properties	10	5,622	30,437
Right-of-use assets	9	12,956	12,311
Deferred tax assets		839	839
Other non-current assets		2,495	1,923
		80,956	81,666
Current assets			
Inventories		12,252	10,337
Trade receivables	11	1,436	1,645
Financial assets at fair value through profit or loss		7,532	8,015
Financial assets at amortised cost		13,714	–
Deposits, prepayments and other receivables		5,766	4,721
Pledged bank deposits		300	300
Time deposits with original maturity of more than three months		8,717	7,850
Bank balances and cash		44,898	62,822
		94,615	95,690
Current liabilities			
Trade payables	12	2,307	1,264
Accrued expenses and other payables		7,674	14,232
Contract liabilities		3,307	2,878
Lease liabilities	13	8,263	7,570
Tax payables		2,298	1,170
		23,849	27,114
Net current assets		70,766	68,576
Total assets less current liabilities		151,722	150,242
Non-current liabilities			
Lease liabilities	13	5,001	5,175
Deferred tax liabilities		150	150
		5,151	5,325
Net assets		146,571	144,917
CAPITAL AND RESERVES			
Share capital	14	11,200	11,200
Reserves		135,371	133,717
Total equity		146,571	144,917

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Merger reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2022 (audited)	11,200	48,247	(37,316)	123,326	145,457
Profit and total comprehensive income for the period	–	–	–	10,631	10,631
Dividend recognised as distribution	–	(6,720)	–	–	(6,720)
At 30 September 2022 (unaudited)	11,200	41,527	(37,316)	133,957	149,368
At 1 April 2023 (audited)	11,200	26,967	(37,316)	144,066	144,917
Profit and total comprehensive income for the period	–	–	–	10,614	10,614
Dividend recognised as distribution (Note 7)	–	(8,960)	–	–	(8,960)
At 30 September 2023 (unaudited)	11,200	18,007	(37,316)	154,680	146,571

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Six months ended 30 September	
	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
NET CASH GENERATED FROM OPERATING ACTIVITIES	9,596	17,935
INVESTING ACTIVITIES		
Purchase of investment properties	–	(31,073)
Purchase of property, plant and equipment	(422)	(970)
Placement for time deposits with original maturity of more than three months	(8,740)	–
Refund of time deposit with original maturity of more than three months	8,020	27,651
Payments for rental deposits	(218)	(229)
Refunds of rental deposits	273	506
Interest received	882	200
Payment for acquisition of financial assets at amortised cost	(13,547)	–
Proceeds from disposal of financial assets at fair value through profit or loss	521	–
Proceeds from disposal of property, plant and equipment	–	7
Deposits paid for acquisition of assets	–	(190)
NET CASH USED IN INVESTING ACTIVITIES	(13,231)	(4,098)
FINANCING ACTIVITIES		
Dividend paid	(8,960)	–
Repayment of lease liabilities	(4,998)	(5,322)
Interests paid	(331)	(338)
NET CASH USED IN FINANCING ACTIVITIES	(14,289)	(5,660)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(17,924)	8,177
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	62,822	63,745
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD represented by bank balances and cash	44,898	71,922

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

1. GENERAL INFORMATION

The Company was incorporated on 4 November 2016 in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands. The Company's registered office address is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and principal place of business in Hong Kong is 16th Floor, Guangdong Tours Centre, 18 Pennington Street, Hong Kong.

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

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

The condensed consolidated financial statements have been prepared on the historical cost basis, except for financial assets at fair value through profit or loss.

The accounting policies and the method of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 March 2023 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for the annual periods beginning on 1 April 2023. The effect of the adoption of these standards, amendments and interpretations was not material on the Group's results of operations and financial position.

3. REVENUE

The revenue of the Group arose from sales of goods, consignment commission income and provision of beauty services for the six months ended 30 September 2023.

An analysis of the Group's revenue from the transfer of goods recognised at a point in time and services recognised at a point in time and over time for the six months ended 30 September 2023 are set out as below:

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Sales of goods				
Retail stores	33,283	35,531	60,679	70,409
Online shops	7,622	7,615	13,375	14,540
Consignment sales	1,065	1,186	2,344	2,439
Distributors	22	42	30	57
Subtotal	41,992	44,374	76,428	87,445
Consignment Commission income				
Retail stores	23	29	49	67
Online shop	–	2	1	2
Consignment sales	21	80	78	160
Subtotal	44	111	128	229
Provision of beauty services	418	1,087	896	1,909
Total	42,454	45,572	77,452	89,583

4. SEGMENT INFORMATION

The Group has one operating segment based on information reported to the chief operating decision maker of the Group (the executive Directors of the Company) (the “CODM”), for the purpose of resource allocation and performance assessment, which is the aggregate results of the Group including all income, expenses (excluding donation). As a result, there is only one operating and reporting segment of the Group.

The accounting policies of the operating segment are the same as the Group’s accounting policies. Segment results represents profit earned from the operating segment without allocation of donation. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

The following is an analysis of the Group’s revenue and results by its operating segment.

	Three months ended 30 September		Six months ended 30 September	
	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (unaudited)	2022 <i>HK\$'000</i> (unaudited)
Revenue – external sales	42,454	45,572	77,452	89,583
Segment results	7,114	5,469	10,624	10,631
Less: Donation	–	–	(10)	–
Profit for the period	7,114	5,469	10,614	10,631

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

4. SEGMENT INFORMATION – continued

Revenue from major products and service

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

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Skincare products	28,210	31,203	50,547	58,783
Cosmetics products	2,695	2,004	4,616	3,591
Food and health supplements	9,286	8,921	18,111	21,062
Other products	1,801	2,246	3,154	4,009
Consignment commission	44	111	128	229
Service income	418	1,087	896	1,909
Total	42,454	45,572	77,452	89,583

Geographical information

The Group's non-current assets (other than deferred tax assets and other non-current assets) are divided into the following geographical areas:

	Non-current assets	
	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Hong Kong (domicile)	40,991	41,638
Japan	24,313	24,738
The United States of America ("USA")	12,318	12,528
Total	77,622	78,904

The Group's revenue from external sales are divided into the following geographical areas:

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Hong Kong (domicile)	45,356	45,506	77,297	89,479
USA	91	–	140	–
Macau	7	66	15	104
Total	42,454	45,572	77,452	89,583

5. PROFIT BEFORE INCOME TAX

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Profit before income tax has been arrived at after charging/(crediting):				
Directors' emoluments	1,631	1,755	3,252	3,529
Other staff salaries and allowances	7,000	8,748	13,628	14,397
Retirement benefits schemes contributions, excluding those of Directors	291	305	604	618
Total employee benefits expenses	8,922	10,808	17,484	18,544
Depreciation of property, plant and equipment	1,121	1,120	2,029	2,378
Depreciation of investment properties	71	195	320	210
Depreciation of right-of-use assets	2,443	2,594	4,942	5,302
Cost of inventories and services recognised as expenses (included in cost of sales)	14,432	15,518	26,645	30,831
Exchange losses (included in other income, gains and losses)	500	1,687	1,097	5,844
Interest on lease liabilities	160	153	331	338
Written off of inventories	-	-	-	8
Provision for unused leaves (included in employee benefits expenses)	-	3,159	-	3,159
Fair value (gain)/loss of financial assets at fair value through profit or loss	(83)	51	(60)	(81)
Interest income	(587)	(199)	(1,196)	(200)

6. INCOME TAX EXPENSE

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Current tax:				
Hong Kong Profits Tax	1,504	1,678	2,155	3,263

7. DIVIDENDS

At the meeting of the board of directors held on 10 November 2023, the directors of the Company declared an interim dividend of HK0.8 cent per share for the six months ended 30 September 2023 (six months ended 30 September 2022: an interim dividend of HK1.3 cents per share), in aggregate amounting to approximately HK\$9.0 million (six months ended 30 September 2022: approximately HK\$14.6 million). The proposed interim dividend has not been recognised as dividend payable in the unaudited condensed consolidated financial statements for the six months ended 30 September 2023.

As disclosed in the annual report of the Company for the year ended 31 March 2023, a final dividend of HK0.8 cent per share, in an aggregate amount of approximately HK\$9.0 million, was recommended by the Board (2022: HK0.6 cent per share, in an aggregate amount of approximately HK\$6.7 million) to the Shareholders whose names appear in the register of members of the Company at the close of business on Friday, 18 August 2023. The payment of the 2023 Final Dividend was approved by the Shareholders in the 2023 annual general meeting held on Friday, 28 July 2023. The 2023 Final Dividend was paid on or about Friday, 15 September 2023.

8. EARNINGS PER SHARE

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

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Earnings:				
Profit for the periods attributable to owners of the Company for the purposes of calculating basic earnings per share	7,114	5,469	10,614	10,631

	Three months ended 30 September		Six months ended 30 September	
	2023 (unaudited)	2022 (unaudited)	2023 (unaudited)	2022 (unaudited)
Number of shares:				
Weighted average number of ordinary shares for the purpose of calculation of basic earnings per share in thousand	1,120,000	1,120,000	1,120,000	1,120,000

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

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

During the six months ended 30 September 2023, due to the change in use of the residential property located in Japan, the Group reclassified such from investment property to owned property. The Group further incurred total expenditure of approximately HK\$422,000 (six months ended 30 September 2022: HK\$970,000 (unaudited)) for acquisition of the property, plant and equipment, including HK\$156,000 (six months ended 30 September 2022: HK\$631,000 (unaudited)) for the acquisition of leasehold improvement, HK\$219,000 (six months ended 30 September 2022: HK\$85,000 (unaudited)) for the acquisition of computer equipment and HK\$47,000 (six months ended 30 September 2022: HK\$254,000 (unaudited)) for the acquisition of machinery and equipment.

During the current interim period, the Group renewed several lease agreements for the use of premises for two years. The Group is required to make fixed monthly payments and additional turnover rental payments on lease commencement. The Group recognised approximately HK\$5,587,000 (six months ended 30 September 2022: HK\$1,955,000) of right-of-use assets and approximately HK\$5,517,000 (six months ended 30 September 2022: HK\$1,920,000) of lease liabilities.

10. INVESTMENT PROPERTIES

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
At the beginning of the period/year	30,437	–
Additions	–	31,132
Change in use of an investment property	(24,495)	–
Depreciation of investment properties	(320)	(695)
At the end of the period/year	5,622	30,437

The Group's residential property in Japan, which was previously used as a rental property generating income through operating lease, has undergone a change in usage during the six months ended 30 September 2023. It is now being utilised as a Director's premises. As such the Group reclassified the property at carrying amount of HK\$24,495,000 from investment property to owned property.

All of the Group's investment properties are held under a leasehold interest to earn rental income or for capital appreciation or both. The investment properties are measured using the cost model and are classified and accounted as investment properties.

11. TRADE RECEIVABLES

The following is an aging analysis of trade receivables, net of expected credit losses allowance, from sales of goods and services presented based on the revenue recognition date at the end of the reporting period.

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Within 30 days	1,127	1,241
31 to 60 days	284	367
61 to 90 days	6	4
Over 90 days	19	33
	1,436	1,645

The Group's revenue, including the sales of goods, consignment commission income and provision of beauty services, is generated mainly from cash, credit card and electronic payment sales, sales through other e-commerce platforms, cash vouchers from landlords of retail stores and consignment sales. The credit periods of credit card and electronic payment sales, sales through other e-commerce platforms, cash vouchers from landlords of retail stores and consignment sales are 2 days, ranging from 8 to 30 days, ranging from 30 to 45 days and ranging from 30 to 90 days, respectively.

As at 30 September 2023, included in the Group's trade receivables balance are primarily debtors from credit card and electronic payment sales, sales through other e-commerce platforms, cash vouchers from landlord of retail stores and consignment sales, in which the carrying amount of approximately HK\$55,000 (31 March 2023: HK\$36,000) has past due as at the reporting date. No past due balances are considered as in default (31 March 2023: nil) because the trade receivables are of good credit quality and those debtors do not have any default payment history. The Group does not hold any collateral over these balances.

Trade receivables for the overdue debtors are provided for allowance based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience, if any.

12. TRADE PAYABLES

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

	As at 30 September 2023 HK\$'000 (unaudited)	As at 31 March 2023 HK\$'000 (audited)
Within 30 days	2,307	1,130
31 to 60 days	-	134
	2,307	1,264

13. LEASE LIABILITIES

During the current interim period, interest expense of HK\$331,000 (six months ended 30 September 2022: HK\$338,000) has been charged to profit or loss.

14. SHARE CAPITAL

	Number of shares	HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 March 2023 (audited) and 30 September 2023 (unaudited)	2,000,000,000	20,000
<hr style="border-top: 3px double #000;"/>		
Issued and fully paid:		
At 31 March 2023 (audited) and 30 September 2023 (unaudited)	1,120,000,000	11,200
<hr style="border-top: 3px double #000;"/>		

15. RELATED PARTY TRANSACTIONS

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

Relationship	Nature of transactions	Three months ended 30 September		Six months ended 30 September	
		2023	2022	2023	2022
		HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Directors of the Company	Sales of finished goods	21	6	31	12
		<hr style="border-top: 3px double #000;"/>		<hr style="border-top: 3px double #000;"/>	

(b) Compensation of key management personnel of the Group

	Three months ended 30 September		Six months ended 30 September		
	2023	2022	2023	2022	
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (unaudited)	
Salaries, fees, allowances and benefit in kinds	1,912	2,026	3,869	4,071	
Performance related incentive payments	40	41	81	83	
Retirement benefit scheme contributions	18	15	36	29	
	<hr style="border-top: 1px solid black;"/>		<hr style="border-top: 1px solid black;"/>		
	1,970	2,082	3,986	4,183	
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The remuneration of Directors and other member of key management personnel of the Company are determined having regard to the performance of the individuals.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

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

Driven by the Brand’s philosophy “defining clean beauty” (“擇善美麗”), the Group endeavours to select and offer products that do not contain any ingredients that, in its view, would adversely affect or impair the health of its customers. The Group targets to serve and offer its products to customers who are ingredient conscious and aspire to the betterment of their health.

The Group mainly sells products at its retail stores, with a portion through its online shop at www.mimingmart.com and other e-commerce platforms operated by independent third parties, consignees and distributors. The Group also acts as the consignee for some suppliers on a consignment basis whereby the Group is entitled to consignment commissions based on the amount of sales of the consignors’ products and the predetermined percentage as agreed between the consignors and the Group. The Group also provides beauty services to its customers.

The Directors believe that the Group’s success is attributable to the brand image of the Brand, which emphasizes its offer of quality beauty and health products selected by its senior management team, reinforcing its customers’ confidence in the Group’s products and building up its customers’ loyalty to the Group’s Brand. The Group believes its marketing strategy, established network of retail stores and the quality products offered by the Group will continue to strengthen its brand image and customer base.

The Group aims to expand its sales network, product portfolio, service offerings and e-commerce business to enhance its competitiveness. With its comprehensive knowledge in both the skincare and cosmetics market and the health supplements market in Hong Kong, the Directors are confident that the Group has the ability to sustain its leading position in the small and medium segment of the skincare and cosmetics multi-brand specialty retailers market in Hong Kong.

FINANCIAL REVIEW

Revenue

The Group’s revenue decreased by approximately HK\$12.1 million to approximately HK\$77.5 million for the six months ended 30 September 2023 from approximately HK\$89.6 million for the corresponding period in 2022, representing a decrease of approximately 13.5%. The decrease in revenue was primarily due to the decline in sales of the Group’s products through its retail shops and online shops which amounts to HK\$10.9 million in total. Directors believe that such decrease was primarily attributable to (i) the decline in sales of the Group’s skincare products as a result of the closure of the Group’s Yuen Long shop in February 2023 and the decrease in sales to a bulk purchase customer; and (ii) the decline in demand of the Group’s food and health supplements as the COVID-19 pandemic began to abate during the period.

Cost of sales

The Group's cost of sales primarily consists of cost of inventories sold, cost of services, commission expenses, and incoming shipping, freight and delivery charges. The cost of sales decreased by approximately HK\$3.9 million to approximately HK\$28.1 million for the six months ended 30 September 2023 from approximately HK\$32.0 million for the corresponding period in 2022, representing a decrease of approximately 12.1%. Despite there was a decrease in the cost of sales during the period due to a decline in the sales, the increase in the sales of the Group's product sales through a specific e-commerce platform for the six months ended 30 September 2023 resulted in a higher commission expense as compared to the corresponding period in 2022. As a result, the decrease in the cost of sales during the current period is relatively smaller as compared to the decline in sales revenue, mainly because sales through other such e-commerce platform would have incurred commission expenses.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately HK\$8.3 million to approximately HK\$49.3 million for the six months ended 30 September 2023 from approximately HK\$57.6 million for the corresponding period in 2022, representing a decrease of approximately 14.3%, whilst the Group's gross profit margin decreased from approximately 64.3% to approximately 63.7% for the respective periods. The slight decrease in the gross profit margin was mainly attributable to the increase in sales of the Group's products through an e-commerce platform operated by an independent third party for the period which led to an increase in commission expenses.

Other income, gains and losses, net

The Group recorded a gain of approximately HK\$0.4 million for the six months ended 30 September 2023 which was primarily attributable to the net effect of (i) bank interest income of approximately HK\$1.2 million; (ii) rental income of approximately HK\$0.2 million; and (iii) an exchange loss amounted to approximately HK\$1.1 million recognised upon the translation of the Group's bank deposits denominated in various foreign currencies as a result of the depreciation of those foreign currencies against the Hong Kong dollar during the period. The Group recorded a loss of approximately HK\$5.5 million for the six months ended 30 September 2022 which was primarily attributable to an exchange loss of approximately HK\$5.8 million recognised upon the translation of the Group's bank deposits denominated in various foreign currencies as a result of the depreciation of those foreign currencies against Hong Kong dollar.

Selling and distribution expenses

The Group's selling and distribution expenses remained relatively stable at approximately HK\$18.7 million for the six months ended 30 September 2023 as compared to that of approximately HK\$18.6 million for the corresponding period in 2022.

Administrative and operating expenses

The Group's administrative and operating expenses decreased by approximately HK\$1.4 million to approximately HK\$17.9 million for the six months ended 30 September 2023 from approximately HK\$19.3 million for the corresponding period in 2022, representing a decrease of approximately 7.0%. Such decrease was primarily due to the decrease in salaries and allowances for administrative staff of approximately HK\$1.6 million after taken into account that a provision of unused leave was made and a subsidy from the Hong Kong Government under the Employment Support Scheme was received in the corresponding period in 2022 whereas neither provision was made nor subsidy was received for the six months ended 30 September 2023.

Interest on lease liabilities

Interest on the lease liabilities remained relatively stable at approximately HK\$0.3 million for the six months ended 30 September 2023 as compared to that of approximately HK\$0.3 million for the corresponding period in 2022.

Income tax expense

For the six months ended 30 September 2022 and 2023, the Group's income tax expense was approximately HK\$3.3 million and HK\$2.2 million, representing an effective tax rate of approximately 23.5% and 16.9%, respectively. The higher effective tax rate for the six months ended 30 September 2022 was mainly attributable to the higher exchange losses in relation to the depreciation of bank deposits denominated in various foreign currencies upon the translation incurred in the period but were not deductible for taxation purpose.

Net profit for the period

As a result of the foregoing, the Group's net profit remained relatively stable at approximately HK\$10.6 million for the six months ended 30 September 2023 as compared to that of approximately HK\$10.6 million for the six months ended 30 September 2022, whilst the Group's net profit margin increased slightly from approximately 11.9% to approximately 13.7% for the respective periods.

LIQUIDITY AND FINANCIAL RESOURCES AND TREASURY POLICY

	As at 30 September 2023	As at 31 March 2023
Current ratio (<i>Note</i>)	4.0	3.5

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

The Group's financial position remains healthy. As at 30 September 2023, the Group's bank balances and cash and time deposits with original maturity of more than three months amounted to HK\$53.6 million (31 March 2023: HK\$70.7 million). The increase in current ratio was due to the fact that the Group utilised its financial resources to settle a substantial portion of accrued expenses during the six months ended 30 September 2023.

The Group's management closely monitors the Group's cash flow position to ensure that the Group has sufficient working capital to meet its operational needs. The management takes into account the trade receivables, trade payables, bank balances and cash, time deposits with original maturity of more than three months, accrued expenses and other payables, administrative and capital expenditures of the Group when preparing the cash flow forecast to assess the Group's liquidity.

Since the listing of the Company's shares on the GEM of the Stock Exchange on 12 February 2018 (the "Listing"), the Group has generally financed its capital expenditure and operational requirements through a combination of cash generated from operations and net proceeds from the share offer of the Company's shares from the Listing.

FOREIGN EXCHANGE EXPOSURE

As at 30 September 2023, the Group is exposed to foreign exchange risk arising from various currencies, primarily with respect to bank deposits denominated in the United States dollars, Australian dollars and New Zealand dollars. For the bank deposits denominated in the United States dollars and Australian dollars, the Directors consider that maintaining the said foreign currencies for settlement of purchase costs for at least six months and keeping of about three months' inventory, with reference to its historical purchases, will provide the Group with a sufficient buffer to minimise the Group's exposure to the fluctuation in those foreign currencies. The Group currently does not have a foreign currency hedging policy. However, the management closely monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

SIGNIFICANT INVESTMENTS

As at 30 September 2023, there was no significant investment held by the Group (31 March 2023: nil).

CAPITAL STRUCTURE

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

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

CAPITAL COMMITMENT

As at 30 September 2023, the Group did not have any significant capital commitments.

CONTINGENT LIABILITIES

The Group did not have any material contingent liability as at 30 September 2023.

EVENTS AFTER THE REPORTING PERIOD

There is no significant event relevant to the business or financial performance of the Group that has come to the attention of the Directors after the six months ended 30 September 2023 and up to the date of this interim report.

DIVIDEND

At the meeting of the board of directors held on 10 November 2023, the Directors have declared an interim dividend of HK0.8 cent per share for the six months ended 30 September 2023 (six months ended 30 September 2022: an interim dividend of HK1.3 cents per share), in aggregate amounting to approximately HK\$9.0 million (six months ended 30 September 2022: approximately HK\$14.6 million). The proposed interim dividend has not been recognised as dividend payable in the unaudited condensed consolidated financial statements for the six months ended 30 September 2023.

As disclosed in the annual report of the Company for the year ended 31 March 2023, a final dividend of HK0.8 cent per share, in an aggregate amount of approximately HK\$9.0 million was recommended by the Board (2022: HK0.6 cent per share, in an aggregate amount of approximately HK\$6.7 million) to the Shareholders whose names appears in the register of members of the Company at the close of business on Friday, 18 August 2023. The payment of the 2023 Final Dividend was approved by the Shareholders in the 2023 annual general meeting held on Friday, 28 July 2023. The 2023 Final Dividend was paid on or about Friday, 15 September 2023.

EMPLOYEES AND REMUNERATION POLICIES

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

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

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

As at 30 September 2023, the Group employed a total of 97 (as at 30 September 2022: 94) full-time employees and 15 (as at 30 September 2022: 16) part-time employees. The staff costs, including Directors' emoluments, of the Group for the six months ended 30 September 2023 was approximately HK\$17.5 million (six months ended 30 September 2022: HK\$18.5 million). The Company maintains a share option scheme for the purpose of providing incentives and rewards to the participants for their contributions to the Group. As at the date of this interim report, no option has been granted under the share option scheme.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

The Group had no material acquisitions or disposals of subsidiaries and affiliated companies during the six months ended 30 September 2023.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2023, the Group did not have any plan for material investments and capital assets.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 September 2023, the interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO") held by the Directors and chief executives of the Company which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO) or which as entered in the register required to be kept by the Company pursuant to Section 352 of the SFO, or otherwise required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are set out as follows:

(a) Interests in the Shares of the Company

Name of Directors	Capacity/ nature of interest	Number of Shares interested (Note 1)	Percentage of shareholding in the Company
Ms. Yuen Mi Ming Erica ("Ms. Erica Yuen") (Note 2)	Interest in controlled corporation	542,000,000 (L)	48.39%
Mr. Lam Yue Yeung Anthony ("Mr. Anthony Lam") (Note 3)	Interest of spouse	542,000,000 (L)	48.39%
Ms. Yuen Mimi Mi Wahng ("Ms. Mimi Yuen") (Note 4)	Interest in controlled corporation	47,000,000 (L)	4.20%
Mr. Cheung Siu Hon Ronald ("Mr. Ronald Cheung") (Note 5)	Interest of spouse	47,000,000 (L)	4.20%

(b) Interests in the Shares of the associated corporation of the Company

Name of Director	Capacity/ nature of interest	Name of associated corporation	Number of share interested (Note 1)	Percentage of shareholding in the associated corporation
Ms. Erica Yuen	Beneficial owner	Prime Era Holdings Limited ("Prime Era")	1 (L)	100%
Ms. Mimi Yuen	Beneficial owner	Webber Holdings Limited ("Webber")	1 (L)	100%

Notes:

- The letter "L" denotes long position in the relevant share interests.
- Prime Era held direct interests of 542,000,000 Shares. Prime Era is wholly and beneficially owned by Ms. Erica Yuen. Therefore, Ms. Erica Yuen is deemed to be interested in all the Shares held by Prime Era under the SFO.

- (3) Mr. Anthony Lam is the spouse of Ms. Erica Yuen. Mr. Anthony Lam is deemed to be interested in the same number of Shares in which Ms. Erica Yuen is interested by virtue of the SFO.
- (4) Webber held direct interests of 47,000,000 Shares. Webber is wholly and beneficially owned by Ms. Mimi Yuen. Therefore, Ms. Mimi Yuen is deemed to be interested in all the Shares held by Webber under the SFO.
- (5) Mr. Ronald Cheung is the spouse of Ms. Mimi Yuen. Mr. Ronald Cheung is deemed to be interested in the same number of Shares in which Ms. Mimi Yuen is interested by virtue of the SFO.

Save as disclosed above, as at 30 September 2023, none of the Directors or chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

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

As at 30 September 2023, the following persons (not being a Director or chief executive of the Company) had or were deemed or taken to have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO who, are directly or indirectly interested in 5% or more of the Shares:

Name of shareholder	Capacity/ nature of interest	Number of Shares held (Note 1)	Percentage of shareholding in the Company
Prime Era (Note 2)	Beneficial owner	542,000,000 (L)	48.39%
Ms. Ying Ka Kwok Tania	Beneficial owner	244,530,000 (L)	21.83%

Notes:

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

Save as disclosed above, as at 30 September 2023, none of the Directors was aware of any other person (other than the Directors or chief executive of the Company as disclosed in the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations" above) who had any interest or short position in the Shares or underlying Shares which would have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, who are directly or indirectly interested in 5% or more of the Shares.

SHARE OPTION SCHEME

The Company has a share option scheme (the “**Share Option Scheme**”) which was approved and adopted by the written resolutions of the then sole shareholder of the Company passed on 23 January 2018. A summary of the principal terms of the Share Option Scheme is set out in Appendix IV of the Prospectus dated 30 January 2018 published by the Company. No share option has been granted under the Share Option Scheme since its adoption.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (“**Required Standard of Dealings**”) as the code for securities transactions by the Directors. Further, the Company had made specific enquiry with all Directors and each of them has confirmed his/her compliance with the Required Standard of Dealings during the six months ended 30 September 2023.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

During the six months ended 30 September 2023, none of the Directors or the controlling shareholders or their respective associates (as defined in the GEM Listing Rules) of the Company had any interest in a business which competed with or might compete with the business of the Group.

CORPORATE GOVERNANCE PRACTICES

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

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

During the six months ended 30 September 2023, the Company had complied with the CG Code except for the following deviation:

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

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

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed the Company’s listed securities during the six months ended 30 September 2023.

RELEVANT DATES FOR INTERIM DIVIDEND

Ex-entitlement date	Tuesday, 28 November 2023
Latest time to lodge share transfer	4:30 p.m., Wednesday, 29 November 2023
Closure of register of members	From Thursday, 30 November 2023 to Friday, 1 December 2023, both dates inclusive
Record date	Friday, 1 December 2023
Payment date	Friday, 29 December 2023

In order to qualify for the abovementioned interim dividend, all share transfer form, accompanied by the relevant share certificates, must be lodged with Tricor Investor Services Limited, the Company's Hong Kong branch share registrar and transfer office, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Wednesday, 29 November 2023.

AUDIT COMMITTEE

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

The primary duties of the Audit Committee are to assist the Board in providing an independent review of the effectiveness of the Group's financial reporting process, internal control and risk management systems, and to oversee the audit process. The Audit Committee had reviewed the unaudited condensed consolidated financial statements and the interim report for the six months ended 30 September 2023.

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

Hong Kong, 10 November 2023

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