
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 Best Mart 360 Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the 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.

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Best Mart 360 Holdings Limited

優品360控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2360)

PROPOSALS FOR

(1) GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES;

(2) RE-ELECTION OF DIRECTORS;

(3) DECLARATION OF FINAL DIVIDEND;

AND

NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company (the “AGM”) to be held at 6th Floor, SML Tower, 165 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 7 August 2019 at 10:00 a.m. is set out on pages 14 to 18 of this circular. A form of proxy for use in connection with the AGM is enclosed with this circular. Whether or not you are able to attend the AGM in person, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or its adjournment. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or its adjournment should you so wish. If you attend and vote at the AGM, the authority of your proxy will be revoked.

9 July 2019

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 6th Floor, SML Tower, 165 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 7 August 2019 at 10:00 a.m. for the purpose of considering and, if thought fit, approving the resolutions proposed in the notice of the AGM
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Best Mart 360 Holdings Limited, a company incorporated in the Cayman Islands on 24 January 2018 as an exempted company with limited liability, whose issued Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 2360)
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“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
“Issue Mandate”	the general and unconditional mandate proposed to be granted at the AGM to the Directors to exercise all powers of the Company to allot, issue and otherwise deal with unissued Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the relevant resolution granting such general mandate

DEFINITIONS

“Latest Practicable Date”	3 July 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Member(s)” or “Shareholder(s)”	holder(s) of the Share(s)
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted at the AGM to the Directors to exercise all powers of the Company to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of passing of the relevant resolution for granting such general mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 18 December 2018
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong as amended, supplemented or otherwise modified from time to time
“%”	per cent

LETTER FROM THE BOARD



Best Mart 360 Holdings Limited

優品360控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2360)

Executive Directors:

Mr. Lin Tsz Fung (*Chairman*)

Ms. Hui Ngai Fan

Independent non-executive Directors:

Mr. Sze Irons *BBS JP*

Ms. Choy So Yuk *BBS JP*

Mr. Lee Ka Lun

Registered office:

Cricket Square, Hutchins Drive

P. O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place of Business

in Hong Kong:

14/F, SML Tower

165 Hoi Bun Road

Kwun Tong

Kowloon, Hong Kong

9 July 2019

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
(3) DECLARATION OF FINAL DIVIDEND;
AND
NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to give Shareholders information regarding the resolutions to be proposed at the AGM including, among other matters, (i) the granting of the Issue Mandate and the Repurchase Mandate; (ii) the extension of the Issue Mandate to include the Shares repurchased by the Company under the Repurchase Mandate; (iii) the proposed re-election of Directors; and (iv) the declaration of Final Dividend, to enable Shareholders to make an informed decision on whether to vote for or against those resolutions and to give you the notice of the AGM.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

On 18 December 2018, ordinary resolutions were passed by the then sole Shareholder of the Company for granting of general mandate, to the Directors to exercise all powers of the Company (i) to allot, issue and deal with unissued Shares in the capital of the Company not exceeding 20% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and the Share Offers (as both defined in the prospectus of the Company issued on 28 December 2018) (the “**Existing Issue Mandate**”); and (ii) to repurchase Shares not exceeding 10% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and the Share Offers (the “**Existing Repurchase Mandate**”). The Existing Issue Mandate and the Existing Repurchase Mandate will lapse at the conclusion of the AGM.

At the AGM, separate ordinary resolutions will be proposed:

- (a) to grant the Issue Mandate to the Directors to exercise all powers of the Company to allot, issue and deal with unissued Shares in the capital of the Company not exceeding 20% of the total number of issued Shares as at the date of passing of the resolution. The Issue Mandate, if granted, shall expire (i) at the conclusion of the next annual general meeting of the Company, or (ii) at the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held, or (iii) at the passing of an ordinary resolution of the Shareholders in general meeting of the Company revoking or varying, the authority given to the Directors, whichever is the earliest. Based on the 1,000,000,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued and no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM, the Directors will be authorized to allot, issue and deal with up to a total of 200,000,000 Shares, being 20% of the total number of issued Shares as at the date of passing of the resolution theretofore the Issue Mandate.
- (b) to grant the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase Shares subject to the criteria set out in this circular. Under the Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed 10% of the total number of issued Shares as at the date of passing of the resolution. As at the Latest Practicable Date, the number of shares in issue was 1,000,000,000 Shares. Subject to the passing of the proposed ordinary resolution for approving the Repurchase Mandate and assuming that no further Shares will be issued and no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed to repurchase a maximum of 100,000,000 Shares, being 10% of the total number of issued Shares as at the date of passing of the resolution theretofore the Repurchase Mandate. The Repurchase Mandate, if granted, shall expire (i) at the conclusion of the next annual general meeting of the Company, or (ii) at the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held, or (iii) at the passing of an ordinary resolution of the Shareholders in general meeting of the Company revoking or varying, the authority given to the Directors, whichever is the earliest.

LETTER FROM THE BOARD

- (c) subject to the passing of ordinary resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate to include the number of Shares which may be repurchased under the Repurchase Mandate.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix II to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the executive Directors of the Company are Mr. Lin Tsz Fung and Ms. Hui Ngai Fan, and the independent non-executive Directors (the “INEDs”) are Mr. Sze Irons, Ms. Choy So Yuk and Mr. Lee Ka Lun.

Article 84(1) of the Articles of Association provides that at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. According to Article 84(2), the Directors to retire by rotation shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless otherwise agree among themselves) be determined by lot. Accordingly, Mr. Lin Tsz Fung and Ms. Hui Ngai Fan shall retire by rotation at the AGM in accordance with the Articles of Association. Mr. Lin Tsz Fung and Ms. Hui Ngai Fan will retire and being eligible, offer themselves for re-election at the AGM.

At the AGM, ordinary resolutions will be proposed to re-elect each of Mr. Lin Tsz Fung and Ms. Hui Ngai Fan as executive Directors.

The biographical details of each of the retiring Directors to be re-elected at the AGM are set out in Appendix I to this circular in accordance with the relevant requirements under the Listing Rules.

The nomination committee of the Company (the “**Nomination Committee**”) has assessed and reviewed each of the INEDs’ annual written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all the INEDs, namely, Mr. Sze Irons, Ms. Choy So Yuk and Mr. Lee Ka Lun remained independent. Upon the nomination of the Nomination Committee, the Board has recommended that the retiring Directors, namely Mr. Lin Tsz Fung and Ms. Hui Ngai Fan stand for re-election as Directors at the AGM. As good corporate governance practice, each of the retiring Directors abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders.

LETTER FROM THE BOARD

DECLARATION OF FINAL DIVIDEND

The Board has proposed a final dividend of HK6.0 cents per Share for the year ended 31 March 2019. Subject to the approval of the Shareholders at the AGM, the proposed final dividend will be payable on or around Friday, 23 August 2019 to the Shareholders whose names appear on the register of members of the Company on Thursday, 15 August 2019.

AGM

The Company will convene the AGM at 6th Floor, SML Tower, 165 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 7 August 2019 at 10:00 a.m., at which resolutions will be proposed for the purpose of considering and, if thought fit, approving, among others, (i) the granting of the Issue Mandate and the Repurchase Mandate; (ii) the extension of the Issue Mandate to include Shares repurchased by the Company under the Repurchase Mandate; (iii) the re-election of Directors; and (iv) the declaration of Final Dividend. The notice convening the AGM is set out on pages 14 to 18 of this circular.

A form of proxy for use in connection with the AGM is enclosed with this circular and can be downloaded from the respective websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.bestmart360.com>). Whether or not you are able to attend the AGM in person, you are requested to complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return the completed form of proxy to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or its adjournment. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or its adjournment should you so wish. If you attend and vote at the AGM, the authority of your proxy will be revoked.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all proposed resolutions as set out in the notice convening the AGM will be voted by poll and, after being verified by the scrutineer, the results of the poll will be published in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility for the accuracy of information contained herein, includes particulars given in compliance with the 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 this circular or any statement herein misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that (i) the granting of the Issue Mandate and the Repurchase Mandate; (ii) the extension of the Issue Mandate to include the Shares repurchased by the Company pursuant to the Repurchase Mandate; (iii) the re-election of Directors; and (iv) the declaration of Final Dividend as set out in the notice of AGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM as set out in the notice of the AGM on pages 14 to 18 of this circular.

MISCELLANEOUS

Your attention is drawn to the additional information set out in the Appendices to this circular. This circular is prepared in both English and Chinese. In the event of any inconsistency, the English text of this circular shall prevail.

Yours faithfully,
By order of the Board
Best Mart 360 Holdings Limited
Lin Tsz Fung
Chairman

The following are the biographical details of the Directors who will retire as required by the Articles of Association and the Listing Rules and are proposed to be re-elected at the AGM.

Mr. Lin Tsz Fung

Mr. Lin Tsz Fung (林子峰)(“**Mr. Lin**”), aged 47, one of the founders of the Group, is the chairman and was appointed as an executive Director on 24 January 2018. Mr. Lin is also one of the controlling shareholders of the Company. Mr. Lin is primarily responsible for formulating the Group’s strategic planning and overall business development and overseeing overall management and operation of the Group. Mr. Lin is also a director of the subsidiaries of the Company, i.e. CIAO International Limited, Quality Food 360° (Holdings) Limited, Best Mart 360 International Limited, Best Mart 360 Macau Holdings Limited and Best Mart 360 Macau Limited. Mr. Lin has accumulated over 21 years of experience in retail and wholesale businesses.

Mr. Lin was a member of the 11th Qing Hai Committee of Chinese People’s Political Consultative Conference (中國人民政治協商會議第十一屆青海省委員會). He was appointed as a director of The Hong Kong Fujian Charitable Education Fund (香港福建希望工程基金會) since 2014, a permanent honorary president of Hong Kong Federation of Fujian Associations Limited (香港福建社團聯會有限公司) in 2013, a vice president of The Federation of Hong Kong Footwear Limited (香港鞋業(1970)總會有限公司) in 2014, a permanent honorary president of Hong Kong Federation of Chendai Zhen Clans Limited (香港陳埭鎮同鄉總會有限公司) in 2016, and a vice president of The Federation of Jinjiang Hong Kong Associations Limited (formerly known as “JinJiang Clans Association (H.K.) Limited”) (香港晉江社團總會有限公司, formerly known as 「香港晉江同鄉會有限公司」) in 2013. Mr. Lin was admitted as Honorary Fellow by The Professional Validation Centre of Hong Kong Business Sector in July 2017.

Mr. Lin has entered into a service agreement with the Company for an initial term of three years commenced from the Listing Date (i.e. 11 January 2019) and is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. The term of the service agreement shall be renewed and extended automatically for successive terms of one year upon the expiry of the then current term until terminated by not less than six months’ notice in writing served by either party on the other. His emolument comprises basic annual salary of HK\$360,000 per annum plus discretionary management bonus to be determined by the Board. His emolument was determined by the Board based on the recommendation of the remuneration committee with reference to his experience, responsibilities, workload and time devoted to the Group and performance of the Group.

As at the Latest Practicable Date, Mr. Lin was interested and deemed to be interested in 750,000,000 Shares pursuant to Part XV of the SFO.

Save as disclosed above, Mr. Lin (i) did not hold other positions in the Company or other members of the Group as at the Latest Practicable Date; (ii) had no relationship with any of the Directors, senior management, controlling shareholders or substantial shareholders of the Company as at the Latest Practicable Date; and (iii) did not hold any other directorship(s) in any other company listed in Hong Kong or overseas in the last three years prior to the Latest Practicable Date.

Save as disclosed above, there was no other matters in respect of Mr. Lin that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other material matters relating to Mr. Lin that need to be brought to the attention of the Shareholders as at the Latest Practicable Date.

Ms. Hui Ngai Fan

Ms. Hui Ngai Fan (許毅芬)(“**Ms. Hui**”), aged 40, one of the founders of the Group, was appointed as an executive Director on 24 January 2018. Ms. Hui is also one of the controlling shareholders of the Company. She is the sister of Mr. Hui Chi Kwan, the chief executive officer of the Company. Ms. Hui is primarily responsible for formulating the Group’s strategic planning and overall business development and overseeing overall management and operation of the Group. Ms. Hui is also a director of the subsidiaries of the Company, i.e. CIAO International Limited, Quality Food 360° (Holdings) Limited, Best Mart 360 International Limited, Best Mart 360 Macau Holdings Limited and Best Mart 360 Macau Limited. Ms. Hui has over 9 years of experience in the retail industry.

Ms. Hui has entered into a service agreement with the Company for an initial term of three years commenced from the Listing Date (i.e. 11 January 2019) and is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association. The term of the service agreement shall be renewed and extended automatically for successive terms of one year upon the expiry of the then current term until terminated by not less than six months’ notice in writing served by either party on the other. Her emolument comprises basic annual salary of HK\$360,000 per annum plus discretionary management bonus to be determined by the Board. Her emolument was determined by the Board based on the recommendation of the remuneration committee with reference to her experience, responsibilities, workload and time devoted to the Group and performance of the Group.

As at the Latest Practicable Date, Ms. Hui was interested and deemed to be interested in 750,000,000 Shares pursuant to Part XV of the SFO.

Save as disclosed above, Ms. Hui (i) did not hold other positions in the Company or other members of the Group as at the Latest Practicable Date; (ii) had no relationship with any of the Directors, senior management, controlling shareholders or substantial shareholders of the Company as at the Latest Practicable Date; and (iii) did not hold any other directorship(s) in any other company listed in Hong Kong or overseas in the last three years prior to the Latest Practicable Date.

Save as disclosed above, there was no other matters in respect of Ms. Hui that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other material matters relating to Ms. Hui that need to be brought to the attention of the Shareholders as at the Latest Practicable Date.

APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules, to provide the requisite information to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM for approving the Repurchase Mandate.

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

1. SHAREHOLDERS' APPROVAL

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

2. REPURCHASE OF SECURITIES FROM CORE CONNECTED PERSONS

Under Rule 10.06(2)(c) of the Listing Rules, the Company is prohibited from knowingly purchasing Shares on the Stock Exchange from a core connected person.

As at the Latest Practicable Date, no core connected person of the Company has notified the Company that he or she or it has a present intention to sell Shares to the Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised of 1,000,000,000 Shares, and there were no share options granted under the Share Option Scheme entitling the holders thereof to subscribe for any Share.

Subject to the passing of the proposed ordinary resolution for the approval of the Repurchase Mandate and assuming that no further Shares are issued and no Shares are repurchased and cancelled after the Latest Practicable Date and up to the date of passing the relevant resolution, the Company will be allowed under the Repurchase Mandate to repurchase up to a maximum of 100,000,000 Shares, representing 10% of the total number of issued Shares as at the date of passing of the relevant resolution at the AGM. The Repurchase Mandate, if granted, will expire (i) at the conclusion of the next annual general meeting of the Company; or (ii) at the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) at the passing of an ordinary resolution of the Shareholders in general meeting of the Company revoking or varying the authority given to the Directors, whichever is the earliest.

4. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but believe that it is in the best interest of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

5. FUNDING OF REPURCHASES

Repurchases must be paid out of funds legally available for the purpose in accordance with the applicable laws of the Cayman Islands, the memorandum of association of the Company and the Articles of Association. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Under Cayman Islands law, any repurchases by the Company may be made either (i) out of the profits of the Company; (ii) out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase; (iii) from sums standing to the credit of the share premium account of the Company; or (iv) if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital. Any premium payable on the repurchase of the Shares must be provided for out of the profits of the Company or from sums standing to the credit of the share premium account of the Company, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Law, out of capital.

6. IMPACT ON WORKING CAPITAL OR GEARING LEVELS

On the basis of the current financial position of the Company as disclosed in its audited consolidated financial statements for the year ended 31 March 2019, and taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse impact on the working capital and/or the gearing position of the Group as compared with the position disclosed in its audited consolidated financial statements for the year ended 31 March 2019. The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Group or on the gearing levels of the Company, which in the opinion of the Directors, are from time to time appropriate for the Group.

7. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Main Board of the Stock Exchange, commenced from the Listing Date (i.e. 11 January 2019) up to the Latest Practicable Date were as follows:

Year	Month	Highest Price HK\$	Lowest Price HK\$
2019	January*	1.670	1.340
	February	2.080	1.430
	March	3.340	1.980
	April	4.520	3.370
	May	4.530	3.420
	June	3.740	2.080
	July**	2.300	2.190

* *From the Listing Date*

** *Up to the Latest Practicable Date*

8. DIRECTORS AND THEIR CLOSE ASSOCIATES

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, has any present intention to sell any of the Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders at the AGM.

9. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate to repurchase any Shares in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles of Association.

10. EFFECT OF TAKEOVERS CODE

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of the Company is increased, such an increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), could obtain or consolidate control of the Company and becomes obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Lin Tsz Fung and Mr. Hui Ngai Fan are the controlling shareholders of the Company, holding 750,000,000 Shares or 75% of the issued share capital of the Company, through Long Ease Holdings Limited (“**Long Ease**”). In the event that the Directors will exercise in full the Repurchase Mandate, the interests in the Company of each of Mr. Lin Tsz Fung, Ms. Hui Ngai Fan and Long Ease would increase to approximately 83.33% of the issued share capital of the Company. However, such increase will not give rise to any obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Assuming that there is no issue of Shares in the Company between the Latest Practicable Date and the date of the repurchase, an exercise of the Repurchase Mandate in whole or in part will result in the number of Shares in the public hands falling below the prescribed minimum percentage of 25% as required by the Stock Exchange. The Directors confirm that the Repurchase Mandate will not be exercised if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

11. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



Best Mart 360 Holdings Limited

優品360控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2360)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “**AGM**”) of Best Mart 360 Holdings Limited (the “**Company**”) will be held at 6th Floor, SML Tower, 165 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong on Wednesday, 7 August 2019 at 10:00 a.m. for the following purposes:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and the report of the directors and independent auditor of the Company for the year ended 31 March 2019.
2. To approve the payment of a final dividend of HK6.0 cents per share of the Company for the year ended 31 March 2019.
3. To re-elect each of Mr. Lin Tsz Fung and Ms. Hui Ngai Fan as an executive director of the Company.
4. To authorize the board (“**Board**”) of directors of the Company (“**Directors**”) to fix the remuneration of the Directors for the year ending 31 March 2020.
5. To re-appoint BDO Limited as the independent auditor of the Company to hold office until the conclusion of the next AGM and authorize the Board to fix its remuneration.
6. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

(A) “**THAT:**

- (i) subject to sub-paragraph (iii) of this Resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”), the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with unissued shares in the capital of the Company (“**Shares**”) and to make or grant offers, agreements and options which may require the exercise of such powers be and it is hereby generally and unconditionally approved;

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- (ii) the approval in sub-paragraph (i) of this Resolution shall authorize the Directors during the Relevant Period (as defined below) to make or grant offers, agreements, and options which may require the exercise of such powers at any time during or after the expiry of the Relevant Period (as defined below);

 - (iii) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraph (i) of this Resolution, otherwise than pursuant to (aa) a Rights Issue (as defined below); or (bb) any scrip dividend scheme or similar arrangement providing for allotment of Shares in lieu of the whole or part of any dividend in accordance with the articles of association of the Company (“**Articles of Association**”), or (cc) pursuant to the exercise of any options which have been or may be granted under the share option scheme (“**Share Option Scheme**”) of the Company; or (dd) any issue of Shares upon exercise of rights or subscription or conversion attaching to any warrants of the Company or any securities which are convertible into Shares, shall not exceed the sum of:
 - (AA) 20% of the total number of Shares in issue as at the date of passing of this Resolution; and

 - (BB) (if the Directors are so authorised by a separate resolution of the shareholders of the Company (“**Shareholders**”)) the number of Shares which may be purchased by the Company subsequent to the passing of this Resolution up to a maximum of 10% of the total number of Shares in issue as at the date of passing of this Resolution;
- and the said approval shall be limited accordingly;
- (iv) for the purpose of this Resolution, “**Rights Issue**” means an offer of Shares in the Company or an offer or issue of warrants or options or similar instruments to subscribe for Shares open for a period fixed by the Directors to the Shareholders whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, or in any territory outside Hong Kong or the expense or delay that may be incurred in the determination of any such restrictions or obligations); and

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- (v) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
 - (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable Cayman Islands laws to be held; or
 - (c) the passing of an ordinary resolution by the Shareholders in general meeting of the Company revoking or varying the authority given to the Directors under this Resolution.”

(B) “**THAT**:

- (i) subject to sub-paragraph (ii) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase Shares on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (“**Commission**”) and the Stock Exchange for this purpose be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of Shares which may be purchased or agreed to be purchased by the Company pursuant to the authority granted under sub-paragraph (i) of this Resolution during the Relevant Period (as defined below) shall not exceed 10% of the total number of Shares in issue as at the date of the passing of this Resolution, and the authority pursuant to sub-paragraph (i) of this Resolution shall be limited accordingly; and
- (iii) for the purpose of this Resolution, “**Relevant Period**” shall have the same meanings as ascribed to it under sub-paragraph (v) of the Resolution 6(A) above.”

- (C) “**THAT** conditional upon the passing of Resolution nos. 6(A) and 6(B) set out in this notice convening the annual general meeting of the Company (“**Notice**”), the general mandate granted to the Directors pursuant to Resolution no. 6(A) above be and it is hereby extended to include by the addition to the number of Shares which number of Shares may be purchased or repurchased by the Company pursuant to or in accordance with the authority granted under Resolution no. 6(B) above.”

By order of the Board
Best Mart 360 Holdings Limited
Lin Tsz Fung
Chairman and Executive Director

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Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal place of business in Hong Kong:

14/F, SML Tower,
165 Hoi Bun Road,
Kwun Tong, Kowloon
Hong Kong

As at the date hereof, the executive directors are Mr. Lin Tsz Fung and Ms. Hui Ngai Fan; and the independent non-executive Directors are Mr. Sze Irons, Ms. Choy So Yuk and Mr. Lee Ka Lun.

Notes:

- (i) Any member of the Company (“Member” or “Shareholder”) entitled to attend and vote at the annual general meeting (“AGM”) or its adjourned meeting (as the case may be) is entitled to appoint one or more proxies to attend and vote on his/her/its behalf. A proxy need not be a Member but must be present in person at the AGM to represent the Member. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which such proxy is so appointed.
- (ii) In order to be valid, the duly completed and signed form of proxy must be deposited together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time for holding the AGM or its adjourned meeting. Completion and return of a form of proxy will not preclude a Member from attending and voting in person at the AGM or its adjourned meeting should he/she so wish.
- (iii) For determining the entitlement of the Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 2 August 2019 to Wednesday, 7 August 2019 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify to attend and vote at the AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 1 August 2019.
- (iv) Subject to the approval of the Shareholders at the AGM, the proposed final dividend is expected to be paid on or around Friday, 23 August 2019 to the Shareholders whose names appear on the register of members of the Company on Thursday, 15 August 2019. To ascertain shareholders’ entitlement to the final dividend, if the proposed final dividend is approved by the Shareholders at the AGM, the register of members of the Company will be closed from Tuesday, 13 August 2019 to Thursday, 15 August 2019 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 12 August 2019.

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- (v) In relation to the proposed Resolution no. 6(A), approval is being sought from the members of the Company for the grant to the directors of the Company (“**Directors**”) a general mandate to authorize the allotment and issue of shares of the Company (“**Shares**”) under the Listing Rules.
- (vi) In relation to the proposed Resolution no. 6(B), the Directors wish to state that they have no intention to repurchase any Shares but believe that it is in the best interest of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares in the market. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision to vote for or against the proposed resolution as required by the Listing Rules is set out in Appendix II to the circular of the Company dated 9 July 2019.
- (vii) In compliance with Rule 13.39(4) of the Listing Rules, voting on all proposed resolutions set out in the notice of AGM will be decided by way of poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by show of hands.
- (viii) If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 7:00 a.m. and 5:00 p.m. on the date of the AGM, the AGM will be postponed and Members will be informed of the date, time and venue of the postponed AGM by an announcement posted on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited. If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled at or before 7:00 a.m. on the date of the AGM and where conditions permit, the AGM will be held as scheduled.

The AGM will be held as scheduled when an amber or red rainstorm warning signal is in force.

After considering their own situations, Members should decide on their own whether or not they would attend the AGM under any bad weather condition and if they do so, they are advised to exercise care and caution.