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招商局海通貿易有限公司
CHINA MERCHANTS HOI TUNG TRADING COMPANY LIMITED

**China Merchants
Hoi Tung Trading
Company Limited**
*(Incorporated in Hong Kong
with limited liability)*

**Sea Wealth
Ventures Limited**
*(Incorporated in the British Virgin
Islands with limited liability)*



**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)

JOINT ANNOUNCEMENT

**(1) ACQUISITION OF SALE SHARES IN
BEST MART 360 HOLDINGS LIMITED BY
CHINA MERCHANTS HOI TUNG TRADING COMPANY LIMITED;
AND
(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY
LEGO SECURITIES LIMITED FOR AND ON BEHALF OF
THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES
(OTHER THAN THOSE SHARES ALREADY
OWNED OR AGREED TO BE ACQUIRED BY
THE OFFEROR, THE PURCHASER AND
PARTIES ACTING IN CONCERT WITH ANY OF THEM)**

Financial adviser to the Purchaser

CMS  **招商證券國際**

Financial adviser to the Offeror

 **Lego Corporate
Finance Limited**
力高企業融資有限公司

THE SALE AND PURCHASE AGREEMENT

References are made to the Rule 3.7 Announcement and the monthly update announcements of the Company dated 23 September 2022, 21 October 2022, 21 November 2022, 22 December 2022, 20 January 2023, 20 February 2023 and 20 March 2023.

On 27 March 2023 (after trading hours), the Company was informed by Mr. Lin and Ms. Hui that the Purchaser (as purchaser) entered into the Sale and Purchase Agreement with (i) Mr. Lin and Ms. Hui (as guarantors) and (ii) the Vendors (as vendors), pursuant to which the Vendors conditionally agreed to sell and the Purchaser conditionally agreed to purchase in aggregate 490,000,000 Shares (representing 49% of the total issued share capital of the Company as at the date of this joint announcement) free from all Encumbrances subject to the terms and conditions set out in the Sale and Purchase Agreement. The Total Consideration for the Sale Shares is HK\$862,400,000, equivalent to HK\$1.76 per Sale Share, which was agreed between the Purchaser and the Vendors after arm's length negotiations and having taken into account, among other things, (i) the financial performance and financial position of the Group; (ii) share price performance of the Company; and (iii) the business outlook of the Group. Upon Completion, Mr. Lin and Ms. Hui, through entities respectively owned by them, will each continue to hold the Lin Retained Shares and the Hui Retained Shares respectively, representing in aggregate 26% of the total issued share capital of the Company as at the date of this joint announcement, which will be subject to the Lock-up Undertaking and the Share Charge Agreement.

Completion is conditional upon the fulfilment or waiver (if applicable) of a number of conditions as set out in the sub-section headed "Conditions under the Sale and Purchase Agreement" under the section headed "The Sale and Purchase Agreement" of this joint announcement. Completion will take place on the fifth Business Day after all the Conditions are satisfied (or waived by the Purchaser in accordance with the Sale and Purchase Agreement, if applicable) or such other date as the parties to the Sale and Purchase Agreement may agree in writing.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER TO ACQUIRE THE OFFER SHARES

As at the date of this joint announcement, there are 1,000,000,000 Shares in issue, and there are no outstanding securities, options, warrants or derivatives in issue which are convertible into or which confer any rights to holder(s) thereof to subscribe for, convert or exchange into Shares, nor are there any agreement entered into by the Company for the issue of such options, derivatives or warrants or other securities of the Company.

Assuming there are no other changes to the issued share capital of the Company from the date of this joint announcement to the Completion Date, immediately following the Completion, the Purchaser will hold 490,000,000 Shares, representing 49% of the total issued share capital of the Company as at the date of this joint announcement and together with the Excluded Shares, the Offeror, the Purchaser and parties acting in concert with any of them will hold 750,000,000 Shares, representing 75% of the total issued share capital of the Company as at the date of this joint announcement.

As the Acquisition will lead to a change in or consolidation of control of the Company, an obligation to make a mandatory general offer in respect of the Offer Shares pursuant to Rule 26.1 of the Takeovers Code will be triggered upon Completion.

Pursuant to Sale and Purchase Agreement, the Vendors undertook to the Purchaser to, following and subject to Completion, make or, subject to the prior written approval of the Purchaser, procure other entities to make, the Share Offer under the Takeovers Code. The Vendors have procured one of the Vendors, i.e. the Offeror, to make the Share Offer as the offeror under the Takeovers Code. The Vendors (including the Offeror) and the Purchaser acknowledge that they are parties acting in concert to consolidate control of the Company for the purpose of the Takeovers Code by virtue of entering into the Sale and Purchase Agreement.

PRINCIPAL TERMS OF THE SHARE OFFER

Subject to Completion, the Share Offer will be made by Lego Securities for and on behalf of the Offeror on the terms to be set out in the Composite Document in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$1.76 in cash

The Share Offer Price of HK\$1.76 per Offer Share under the Share Offer is equal to the purchase price per Sale Share under the Sale and Purchase Agreement.

The Share Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all liens, charges, encumbrances, rights of preemption and any other third party rights of any nature and together with all rights attaching to them as at the date of the Composite Document or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the date on which the Share Offer is made, being the date of the Composite Document.

As at the date of this joint announcement, (i) the Company has not declared any dividend which is outstanding and not yet paid; and (ii) the Company does not have any intention to make or declare any future dividend/make other distributions before the close of the Share Offer.

The Share Offer, if made, will be unconditional in all aspects if and when made, and will not be conditional upon any minimum level of acceptances being received or any other conditions.

The Offeror will not increase the Share Offer Price. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Share Offer Price and the Offeror does not reserve the right to increase the Share Offer Price.

CONFIRMATION OF FINANCIAL RESOURCES

The financial resources required to satisfy (i) the Total Consideration for all the Sale Shares; (ii) the consideration for the Share Offer; and (iii) transaction costs in connection with the Share Offer will be funded by the Facility. CMS, being the financial adviser to the Purchaser and Lego Corporate Finance, being the financial adviser to the Offeror, are satisfied that sufficient financial resources are available to satisfy the Total Consideration and the consideration payable upon full acceptances of the Share Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee will be constituted in due course in accordance with Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders in respect of the Share Offer, as to whether the terms of the Share Offer are fair and reasonable and as to the acceptance of the Share Offer. The Independent Board Committee is expected to comprise all the independent non-executive Directors, being Mr. Sze Irons, Ms. Choy So Yuk and Mr. Lee Ka Lun.

The Independent Financial Adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee. An announcement of such appointment will be made in due course. The letter of advice from the Independent Financial Adviser as to whether the Share Offer is fair and reasonable, and as to the acceptance of the Share Offer will be set out in the Composite Document to be despatched to the Shareholders.

DESPATCH OF COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the offeree board circular into a Composite Document (accompanied by the form of acceptance and transfer), which will contain, amongst others, details of the Share Offer, the recommendation from the Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Share Offer. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement. As Completion is conditional upon the fulfilment or waiver (if applicable) of a number of conditions as set out in the sub-section headed "Conditions under the Sale and Purchase Agreement" under the section headed "The Sale and Purchase Agreement" of this joint announcement, if the conditions cannot be fulfilled or waived within 21 days of the date of this joint announcement, the Offeror and the Company will seek the consent from the Executive for an extension of time to despatch the Composite Document within 7 days of the fulfillment of the conditions.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

WARNING

The making of the Share Offer is subject to Completion which in turn is subject to satisfaction and/or waiver of the Conditions contained in the Sale and Purchase Agreement. The Share Offer therefore may or may not be made. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the securities of the Company and, if they are in any doubt about their position, they should consult their professional advisers. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders and potential investors of the Company of the possibility that the Share Offer may be made.

THE SALE AND PURCHASE AGREEMENT

References are made to the Rule 3.7 Announcement and the monthly update announcements of the Company dated 23 September 2022, 21 October 2022, 21 November 2022, 22 December 2022, 20 January 2023, 20 February 2023 and 20 March 2023.

On 27 March 2023 (after trading hours), the Company was informed by Mr. Lin and Ms. Hui that the Purchaser (as purchaser) entered into the Sale and Purchase Agreement with (i) Mr. Lin and Ms. Hui (as guarantors) and (ii) the Vendors (as vendors) with the principal terms set out below:

Date

27 March 2023 (after trading hours)

Parties involved

- (1) CMHT as purchaser;
- (2) Mr. Lin;
- (3) Ms. Hui;

(Mr. Lin and Ms. Hui together known as the “**Guarantors**”)

- (4) UEGL;
- (5) UTL;
- (6) Offeror; and
- (7) SSEL.

(UEGL, UTL, Offeror and SSEL together known as the “**Vendors**”)

Sale Shares

Pursuant to the Sale and Purchase Agreement, the Vendors conditionally agreed to sell and the Purchaser conditionally agreed to purchase in aggregate 490,000,000 Shares (representing 49% of the total issued share capital of the Company as at the date of this joint announcement) free from all Encumbrances subject to the terms and conditions set out in the Sale and Purchase Agreement.

Upon Completion, Mr. Lin and Ms. Hui, through entities respectively owned by them, will each continue to hold the Lin Retained Shares and the Hui Retained Shares respectively, representing in aggregate 26% of the total issued share capital of the Company as at the date of this joint announcement, which will be subject to the Lock-up Undertaking and the Share Charge Agreement.

Consideration

The Total Consideration for the Sale Shares is HK\$862,400,000, equivalent to HK\$1.76 per Sale Share, which was agreed between the Purchaser and the Vendors after arm's length negotiations and having taken into account, among other things, (i) the financial performance and financial position of the Group; (ii) share price performance of the Company; and (iii) the business outlook of the Group.

Pursuant to the Sale and Purchase Agreement, the Total Consideration shall be settled in the following manner:

- at Completion, the Purchaser will pay (i) the Initial Consideration to the Vendors; and (ii) the Deferred Consideration to the Vendors by depositing the Deferred Consideration into an interest-bearing escrow account (the “**Deferred Consideration Account**”), the escrow agent of which shall be an authorised institution within the meaning of the Banking Ordinance (Cap. 155);
- after restoration of the public float requirement pursuant to the Listing Rules upon closing of the Share Offer, the Purchaser will pay the Retention Amount to the Vendors after deducting the consideration to be paid under the Share Offer (for the avoidance of doubt, the consideration for the Share Offer, if any, will be paid by CMHT as part payment of the Retention Amount) pursuant to the terms of the Sale and Purchase Agreement; and
- on the date falling on the third anniversary of the Completion Date, the cash balance in the Deferred Consideration Account will be released to the Vendors by the escrow agent (being the Deferred Consideration (together with all interests in the Deferred Consideration Account, or balance thereof after deducting the amount (if any) for satisfying any claim/demand pursuant to the indemnities as set out in the Sale and Purchase Agreement during the three-year period from the Completion Date)) to the Vendors.

Conditions under the Sale and Purchase Agreement

Completion is subject to all of the following conditions being satisfied:

- (i) the passing of a resolution by the directors and shareholders of the Vendors (in terms satisfactory to the Purchaser) approving the Transactions;
- (ii) the following having been obtained:
 - (a) all necessary consents from third parties, which would otherwise prohibit, restrict or materially delay the Transactions or the operation of the Group upon Completion; and
 - (b) all other consents, approvals and clearances which are necessary or which the Purchaser has been advised that it is desirable to obtain (including from Stock Exchange, the SFC or SASAC or any other relevant authorities in Hong Kong, PRC or any other jurisdictions in which the Group operates in accordance with the relevant laws and regulations) in connection with the execution, delivery and performance of the Transaction Documents and the consummation of the Transactions.
- (iii) the warranties set out in the Sale and Purchase Agreement remaining true, accurate, complete and not misleading at Completion as if repeated at Completion and at all times between the date of the Sale and Purchase Agreement and the time of Completion;
- (iv) each Vendor having complied with the pre-Completion obligations specified in the Sale and Purchase Agreement and otherwise having performed all of the covenants and agreements required to be performed by it under the Sale and Purchase Agreement;
- (v) there having been no material adverse change on the ability of any of the Vendors, any of the Guarantors or any member of the Group to perform its respective obligations under the Transaction Documents, or the business, assets and liabilities, condition (financial or otherwise), results of operations or prospects of the Group as a whole, or listing status of the Company, since the date of the Sale and Purchase Agreement;
- (vi) no statute, regulation or decision which would prohibit, restrict or materially delay the execution, delivery or performance of the Transaction Documents, the consummation of the Transactions or the operation of the members of the Group after Completion having been proposed, enacted or taken by any governmental or official authority whether in Hong Kong, the PRC or elsewhere; and
- (vii) the current listing of the Shares not having been withdrawn, the Shares continuing to be traded on the Stock Exchange on and prior to the Completion Date (save for any temporary suspension for no longer than five (5) consecutive trading days) and neither the Stock Exchange nor the SFC having indicated that it will object to such continued listing for any reasons. (Collectively, the “**Conditions**”).

Except for such Conditions (ii), (vi) and (vii) above, the Purchaser may in its absolute discretion waive any of the Conditions either in whole or in part at any time by notice in writing to the Vendors.

As at the date of this joint announcement, save for clearance from the Stock Exchange and the Executive to the publication of this joint announcement on the Stock Exchange's website and SASAC's approval on the Acquisition, the parties are not aware of any necessary waiver, consent or approval required to be obtained from any relevant government or regulatory authorities or any other third parties for entering into and the implementation of the Sale and Purchase Agreement and the transactions contemplated thereunder.

Completion will take place on the fifth Business Day after all the Conditions are satisfied (or waived by the Purchaser in accordance with the Sale and Purchase Agreement, if applicable) or such other date as the parties to the Sale and Purchase Agreement may agree in writing.

If any of the Conditions is not satisfied, or where applicable, waived, by 5:00 p.m. on 31 December 2023 (or such other date as may be agreed by the parties to the Sale and Purchase Agreement), then the Purchaser shall not be bound to proceed with the purchase of the Sale Shares, and the Sale and Purchase Agreement shall cease to be of any effect save for those clauses which shall remain in force in accordance with the Sale and Purchase Agreement and save in respect of claims arising from any antecedent breach of the Sale and Purchase Agreement.

Irrevocable Undertaking

Pursuant to the Sale and Purchase Agreement, the Vendors have irrevocably undertaken not to transfer or dispose of the Shares (other than the Sale Shares to the Purchaser) they hold during the Share Offer Period which shall cease to be binding on the Vendors upon the termination of the Sale and Purchase Agreement.

Lock-up Undertaking

Pursuant to the Sale and Purchase Agreement, the Vendors, GBGL the Guarantors and Mr. Hui (the chief executive officer of the Company and the brother of Ms. Hui) shall enter into a deed of lock-up undertaking (the "**Lock-up Undertaking**") at Completion in favour of the Purchaser, pursuant to which each of them will not in respect of all Shares or other securities of the Company legally or beneficially owned by him/her/it (excluding the Sale Shares), at any time during the period commencing on the date of the Lock-up Undertaking and ending on, and including the date that is thirty six (36) months from the Completion Date, amongst others, sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly (including by way of altering the composition or classes of beneficiaries of any trust), conditionally or unconditionally, any Shares or other securities of the Company (including, without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase any Shares), or deposit any Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts, immediately following which they would collectively hold less than 20% in the issued share capital of the Company from time to time (for the avoidance of doubt, other than any corporate action by the Company which results in them collectively holding less than 20% in the issued share capital of the Company).

Mr. Hui is not related to Mr. Lin. As at the date of this joint announcement, Mr. Hui does not hold any Shares.

Guarantee

Pursuant to the Sale and Purchase Agreement, each of the Guarantors has irrevocably and unconditionally guaranteed to the Purchaser, as a continuing obligation, punctual performance by the Vendors of all the Vendors' obligations under, amongst other Transaction Documents, the Sale and Purchase Agreement.

Deed of Non-Competition

Pursuant to the Sale and Purchase Agreement, the Guarantors and Mr. Hui (the “**Covenantors**” and each of them a “**Covenantor**”) shall enter into the Deed of Non-Competition at Completion in favour of the Company (for itself and as trustee for its subsidiaries) and the Purchaser, pursuant to which each of them shall not, and shall procure companies controlled by him/her/it (other than members of the Group) and/or their respective associates (has the meaning ascribed to it in the Listing Rules) not to, directly or indirectly, either on his/her own or in conjunction with or on behalf of other person, firm or company (in each case whether as a shareholder, partner, agent, employee or otherwise):–

- (i) carry on, engage, participate, hold any right or interest in or in any way assist in or provide support (whether financial, technical or otherwise) to any business similar to or which competes (either directly or indirectly) or is likely to compete with the existing business of the Group and any other business conducted by the Group from time to time (“**Restricted Business**”), save for the holding of not more than 5% shareholding interests (individually or any of the Covenantors with their associates collectively) in any company conducting the Restricted Business and listed on the Stock Exchange;
- (ii) canvass, solicit, interfere with or endeavour to entice away from the Group any person, firm, company or organization which to his/her/its knowledge has from time to time or has at any time with the immediate past 18 months before the date of such solicitation, interference or enticement been a customer, a supplier or a business partner or employee of any member of the Group for the purpose of conducting any Restricted Business;
- (iii) procure orders from or solicit business from any person, firm, company or organization which to his/her/its knowledge has dealt with any member of the Group or is in the process of negotiating with any member of the Group in relation to any Restricted Business;
- (iv) do or say anything which may be harmful to the reputation of any member of the Group or which may lead any person to reduce their level of business with any member of the Group or seek to improve their terms of trade with any member of the Group;
- (v) solicit or entice or endeavour to solicit or entice for employment by him/her/it or entities or companies controlled by him/her/it (other than members of the Group) or at any time employ or procure the employment of any person who has, at any time within the immediate past 18 months before the date of such solicitation or employment, been or is a director, manager, employee of or consultant to any member of the Group who is or may be likely to be in possession of any confidential information or trade secrets relating to the Restricted Business carried on by the Group; and

- (vi) make use of any information pertaining to the business of the Group which may have come to his/her/its knowledge in his/her/its capacity as a shareholder of the Company and/or director of any member of the Group for the purpose of competing with the business of the Group,

in each case until the third anniversary from the date of termination of the respective Covenantor's employment or his/her holding of positions (including directorship, but excluding being a shareholder) with the Company (whichever is later).

Share Charge Agreement

Under the Sale and Purchase Agreement, the Vendors have further undertaken to sell any Shares held by them to restore sufficient public float in the Shares as soon as possible after the end of the Share Offer Period in accordance with the Listing Rules or as required by the Stock Exchange. To secure such obligation, UEGL, UTL, SSEL and GBGL (as chargors) entered into the Share Charge Agreement in favour of the Purchaser (as chargee) in respect of the Excluded Shares until such obligation has been discharged by the Vendors.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER TO ACQUIRE THE OFFER SHARES

As at the date of this joint announcement, there are 1,000,000,000 Shares in issue and there are no outstanding securities, options, warrants or derivatives in issue which are convertible into or which confer any rights to holder(s) thereof to subscribe for, convert or exchange into Shares, nor are there any agreement entered into by the Company for the issue of such options, derivatives or warrants or other securities of the Company.

Assuming there are no other changes to the issued share capital of the Company from the date of this joint announcement to the Completion Date, immediately following the Completion, the Purchaser will hold 490,000,000 Shares, representing 49% of the total issued share capital of the Company as at the date of this joint announcement and together with the Excluded Shares, the Offeror, the Purchaser and parties acting in concert with any of them will hold 750,000,000 Shares, representing 75% of the total issued share capital of the Company as at the date of this joint announcement.

As the Acquisition will lead to a change in or consolidation of control of the Company, an obligation to make a mandatory general offer in respect of the Offer Shares pursuant to Rule 26.1 of the Takeovers Code will be triggered upon Completion.

Pursuant to Sale and Purchase Agreement, the Vendors undertook to the Purchaser to, following and subject to Completion, make or, subject to the prior written approval of the Purchaser, procure other entities to make, the Share Offer under the Takeovers Code. The Vendors have procured one of the Vendors, i.e. the Offeror, to make the Share Offer as the offeror under the Takeovers Code. The Vendors (including the Offeror) and the Purchaser acknowledge that they are parties acting in concert to consolidate control of the Company for the purpose of the Takeovers Code by virtue of entering into the Sale and Purchase Agreement.

PRINCIPAL TERMS OF THE SHARE OFFER

Subject to Completion, the Share Offer will be made by Lego Securities for and on behalf of the Offeror on the terms to be set out in the Composite Document in compliance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$1.76 in cash

The Share Offer Price of HK\$1.76 per Offer Share under the Share Offer is equal to the purchase price per Sale Share under the Sale and Purchase Agreement. The Share Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all liens, charges, encumbrances, rights of preemption and any other third party rights of any nature and together with all rights attaching to them as at the date of the Composite Document or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, the record date of which is on or after the date on which the Share Offer is made, being the date of the Composite Document.

As at the date of this joint announcement, (i) the Company has not declared any dividend which is outstanding and not yet paid; and (ii) the Company does not have any intention to make or declare any future dividend/make other distributions before the close of the Share Offer.

The Share Offer, if made, will be unconditional in all aspects if and when made, and will not be conditional upon any minimum level of acceptances being received or any other conditions.

The Offeror will not increase the Share Offer Price. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Share Offer Price and the Offeror does not reserve the right to increase the Share Offer Price.

Comparison of Value

The Share Offer Price of HK\$1.76 per Offer Share represents:

- (i) a discount of approximately 29.32% to the closing price of HK\$2.49 per Share as quoted on the Stock Exchange on 27 March 2023, being the Last Trading Day;
- (ii) a discount of approximately 21.43% to the average closing price of HK\$2.24 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 16.98% to the closing price of HK\$2.12 per Share as quoted on the Stock Exchange on the last trading day prior to the date of the Rule 3.7 Announcement (i.e. the commencement of the Share Offer Period), being 24 August 2022;

- (iv) a discount of approximately 18.89% to the average closing price of approximately HK\$2.17 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 18.52% to the average closing price of HK\$2.16 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 301.83% over the Company's audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.4380 per Share (based on the audited consolidated net assets attributable to the Shareholders of approximately HK\$438,043,000 as at 31 March 2022 and the total number of 1,000,000,000 issued Shares as at the date of this joint announcement) as at 31 March 2022 as set out in the annual report of the Company for the year ended 31 March 2022; and
- (vii) a premium of approximately 300.27% over the Company's unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$0.4397 per Share (based on the unaudited consolidated net assets attributable to the Shareholders of approximately HK\$439,744,000 as at 30 September 2022 and the total number of 1,000,000,000 issued Shares as at the date of this joint announcement) as at 30 September 2022 as set out in the interim report of the Company for the six months ended 30 September 2022.

Highest and Lowest Share Prices

During the six-month period preceding 24 August 2022 (being the date of publication of the Rule 3.7 Announcement) and up to the date of this joint announcement, the highest and lowest daily closing prices of the Shares as quoted on the Stock Exchange were HK\$2.65 per Share on 25 August 2022 and HK\$1.18 per Share on 14 March 2022, respectively.

VALUE OF THE SHARE OFFER

On the basis of the Share Offer Price of HK\$1.76 per Offer Share and 1,000,000,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at approximately HK\$1,760,000,000. Excluding the Sale Shares and Excluded Shares which will be held by the Offeror, the Purchaser and parties acting in concert with any of them, 250,000,000 Shares will be subject to the Share Offer and the total value of the Share Offer will be HK\$440,000,000 based on the Share Offer Price.

CONFIRMATION OF FINANCIAL RESOURCES

The financial resources required to satisfy (i) the Total Consideration for all the Sale Shares; (ii) the consideration for the Share Offer; and (iii) transaction costs in connection with the Share Offer will be funded by the Facility. CMS, being the financial adviser to the Purchaser and Lego Corporate Finance, being the financial adviser to the Offeror, are satisfied that sufficient financial resources are available to satisfy the Total Consideration and the consideration payable upon full acceptances of the Share Offer.

EFFECTS OF ACCEPTING THE SHARE OFFER

Acceptance of the Share Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that all Shares to be sold by such person under the Share Offer are fully paid and free from all liens, charges, options, claims, encumbrances, adverse interests, pre-emptive rights and all third party rights of any nature together with all rights attached thereto as at the date on which the Share Offer is made or subsequently becoming attached to them, including the right to receive all dividends and other distributions recommended or declared, if any, paid or made on or after the date on which the Share Offer is made, being the date of the Composite Document.

Acceptance of the Share Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

SETTLEMENT

Payment in cash in respect of acceptances of the Share Offer will be made within seven (7) business days (as defined under the Takeovers Code) following the date on which a duly completed acceptance of the Share Offer was received. Relevant documents of title in respect of such acceptances must be received by the Offeror (or its agent) to render each acceptance of the Share Offer complete and valid. No fractions of a cent will be payable and the amount of the consideration payable to an Independent Shareholder who accepts the Share Offer will be rounded up to the nearest cent.

HONG KONG STAMP DUTY

The seller's Hong Kong ad valorem stamp duty payable by the Independent Shareholders who accept the Share Offer is calculated at a rate of 0.13% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

TAXATION ADVICE

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Share Offer. None of the Offeror, the Purchaser and the parties acting in concert with any of them, the Company, and their respective directors, officers, advisors, agents or associates or any other person involved in the Share Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer.

OVERSEAS SHAREHOLDERS

The availability of the Share Offer to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Overseas Shareholders and Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe all applicable legal or regulatory requirements and, where necessary, seek their own legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer of other taxes due by such accepting Overseas Shareholders in respect of such jurisdiction).

Acceptance of the Share Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers in case of any doubt.

In the event that the despatch of the Composite Document to the Overseas Shareholders is prohibited by any relevant law or may only be effected after compliance with conditions or requirements that are unduly burdensome, subject to the Executive's consent, the Composite Document may not be despatched to such Overseas Shareholders while all material information in the Composite Document shall still be made available to such Overseas Shareholders to the extent practicable. The Offeror will apply for waiver from the Executive regarding the despatch of the Composite Document to particular Overseas Shareholders pursuant to Note 3 to Rule 8 of the Takeovers Code at such time (where appropriate). Relevant Overseas Shareholders may still decide to accept the Share Offer. As at the date of this joint announcement, there are no Overseas Shareholders.

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

The Offeror confirms that, as at the date of this joint announcement:

- (i) save for the Sale Shares and Excluded Shares, none of the Offeror, the Purchaser and parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (ii) none of the Offeror, the Purchaser and the parties acting in concert with any of them has received any irrevocable commitment to accept the Share Offer;
- (iii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, the Purchaser or any of the parties acting in concert with any of them;
- (iv) save for the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares and which may be material to the Share Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);

- (v) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Share Offer;
- (vi) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, the Purchaser or any parties acting in concert with any of them has borrowed or lent;
- (vii) save for the Total Consideration to be paid by the Purchaser to the Vendors, there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, the Purchaser or parties acting in concert with any of them to the Vendors or any parties acting in concert with any of them in connection with the Acquisition;
- (viii) there is no understanding, arrangement or agreement which constitutes a special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder, on the one hand, and; (i) the Offeror, the Purchaser and parties acting in concert with any of them; or (ii) the Company or any of the subsidiaries or associated companies of the Company, on the other hand; and
- (ix) save for the Acquisition, none of the Offeror, the Purchaser and the parties acting in concert with any of them had dealt for value in any Shares, warrants, options, other securities convertible into the Shares or any derivatives in respect of such securities in the six months immediately prior to the date of the Rule 3.7 Announcement and up to and including the date of this joint announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately after Completion but before the Share Offer (assuming there is no other change to the issued share capital of the Company and shareholding structure of the Company since the date of this joint announcement):

| The Offeror, the Purchaser and parties acting in concert with any of them | As at the date of this joint announcement | | Immediately after Completion but before the Share Offer | |
|---|---|---------------------|---|---------------------|
| | No. of Shares | % | No. of Shares | % |
| UEGL (Note 1) | 206,250,000 | 20.63 | 71,500,000 | 7.15 |
| UTL (Note 1) | 168,750,000 | 16.87 | 58,500,000 | 5.85 |
| the Offeror (Note 2) | 200,000,000 | 20.0 | – | – |
| SSEL (Note 2) | 95,000,000 | 9.5 | 50,000,000 | 5.0 |
| GBGL (Note 2) | 80,000,000 | 8.0 | 80,000,000 | 8.0 |
| Aggregate number of Shares held by the Vendors and GBGL | 750,000,000 | 75.0 | 260,000,000 | 26.0 |
| Purchaser/CMHT | – | – | 490,000,000 | 49.0 |
| Sub-total | 750,000,000 | 75.0 | 750,000,000 | 75.0 |
| Public Shareholders | <u>250,000,000</u> | <u>25.0</u> | <u>250,000,000</u> | <u>25.0</u> |
| Total | <u><u>1,000,000,000</u></u> | <u><u>100.0</u></u> | <u><u>1,000,000,000</u></u> | <u><u>100.0</u></u> |

Notes

1. Each of UEGL and UTL is wholly owned by Mr. Lin. Under the SFO, Mr. Lin is deemed to be interested in the same number of Shares held by UEGL and UTL, respectively.
2. Each of the Offeror, SSEL and GBGL is wholly owned by Ms. Hui. Under the SFO, Ms. Hui is deemed to be interested in the same number of Shares held by the Offeror, SSEL and GBGL, respectively.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally a leisure food retailer operating under the brands “Best Mart 360” and “FoodVille” in Hong Kong, Macau and the PRC.

Set out below is a summary of (i) the audited financial information of the Group for each of the two financial years ended 31 March 2022 as extracted from the annual report of the Company for the year ended 31 March 2022; and (ii) the unaudited financial information of the Group for the six months ended 30 September 2021 and 2022 as extracted from the interim report of the Company for the six months ended 30 September 2022:

| | Year ended/ As at 31 March | | Six months ended/ As at 30 September | |
|--|-------------------------------|-------------------------------|---|---------------------------------|
| | 2021 HK\$'000 (audited) | 2022 HK\$'000 (audited) | 2021 HK\$'000 (unaudited) | 2022 HK\$'000 (unaudited) |
| Turnover | 1,627,891 | 1,983,526 | 862,978 | 1,031,896 |
| Gross profit | 520,154 | 667,654 | 279,132 | 364,712 |
| Profit before tax | 91,747 | 134,184 | 26,864 | 96,261 |
| Profit for the year/period attributable to the Shareholders | 81,449 | 109,804 | 22,699 | 82,049 |
| Net assets attributable to the Shareholders | 368,131 | 438,043 | 365,830 | 439,744 |

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability and wholly owned by Ms. Hui as at the date of this joint announcement. Ms. Hui and Mr. Lin have mutually agreed that all responsibilities and liabilities arising from the Share Offer to be made by the Offeror will be borne equally. The principal activity of the Offeror is investment holding.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liabilities and is a comprehensive trading company covering food, transportation, and commodity, with subsidiaries in 10 cities in China and 7 branches overseas and a wholly-owned subsidiary of CMG.

CMG is a state wholly-owned enterprise established under the laws of the PRC on 14 October 1986 under the direct control of the SASAC. CMG is a large-scale conglomerate with diversified businesses that mainly focus on three core industries, namely comprehensive transportation, featured finance, holistic development and operation of residential communities and industrial parks. It has also been engaging in the transformation from these three primary industries to the three platforms of industrial management, financial services, and investment and capital operation.

Save for the entering into of the Transaction Documents and the transaction contemplated thereunder, the Purchaser and its ultimate beneficial owner(s) is/are third parties independent of the Company and its connected persons. Having considered the market potential offered by the leisure food retail industry, the Acquisition enables the Purchaser to tap into this market in Hong Kong. Through the Acquisition, the Purchaser can leverage on the retail management experience and retail network of the Group which can in turn facilitate the Purchaser in diversifying its business scope into the leisure food retail market.

INTENTIONS OF THE OFFEROR AND THE PURCHASER

The Offeror, the Purchaser and parties acting in concert with any of them intend to maintain the Company's existing principal activities and the Purchaser will assist the Company in reviewing its business and operations with a view to formulate a long term strategy and business plan and seek for new opportunities to enhance and strengthen the business of the Group.

The Offeror, the Purchaser and parties acting in concert with any of them currently have no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. The Offeror, the Purchaser and parties acting in concert with any of them currently have no plan to terminate the employment of any other employees or other personnel of the Group. As at the date of this joint announcement, the Offeror, the Purchaser and parties acting in concert with any of them have no intention to enter into, nor have they entered into, any negotiation, arrangements or agreements concerning the injection or disposal of any businesses or assets of the Group. However, the Offeror, the Purchaser and parties acting in concert with any of them reserve the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group.

BOARD COMPOSITION

As at the date of this joint announcement, the Board is currently made up of five Directors, comprising two executive Directors and three independent non-executive Directors. As at the date of this joint announcement, the Offeror and the Purchaser have not decided on the future composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company, and a separate announcement will be made in this regard as and when appropriate. It is the intention of the Purchaser and Offeror that both Mr. Lin and Ms. Hui will remain as Directors after the close of the Share Offer.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror has no intention to privatise the Group and intends to maintain the listing of the Shares on the Stock Exchange. The Offeror will undertake to the Stock Exchange to take appropriate steps to ensure that not less than 25% of the issued share capital of the Company will be held by the public at all time following closing of the Share Offer. As mentioned in the section headed “Share Charge Agreement” in this joint announcement, the Vendors have undertaken under the Sale and Purchase Agreement to sell any Shares held by them to restore sufficient public float in the Shares as soon as possible after the end of the Share Offer Period in accordance with the Listing Rules or as required by the Stock Exchange.

Pursuant to the Listing Rules, if, at the closing of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued share capital of the Company, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealing in the Shares.

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the Share Offer Period has commenced on the date of the Rule 3.7 Announcement (i.e. 24 August 2022).

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code and including a person who owns or controls 5% or more of any class of relevant securities) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee will be constituted in due course in accordance with Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders in respect of the Share Offer, as to whether the terms of the Share Offer are fair and reasonable and as to the acceptance of the Share Offer. The Independent Board Committee is expected to comprise all the independent non-executive Directors, being Mr. Sze Irons, Ms. Choy So Yuk and Mr. Lee Ka Lun.

The Independent Financial Adviser to the Independent Board Committee will be appointed with the approval of the Independent Board Committee. An announcement of such appointment will be made in due course. The letter of advice from the Independent Financial Adviser as to whether the Share Offer is fair and reasonable, and as to the acceptance of the Share Offer will be set out in the Composite Document to be despatched to the Shareholders.

DESPATCH OF COMPOSITE DOCUMENT

The Offeror and the Company intend to combine the offer document and the offeree board circular into a Composite Document (accompanied by the form of acceptance and transfer), which will contain, amongst others, details of the Share Offer, the recommendation from the Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Share Offer. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document is required to be despatched within 21 days of the date of this joint announcement. As Completion is conditional upon the fulfilment or waiver (if applicable) of a number of conditions as set out in the sub-section headed “Conditions under the Sale and Purchase Agreement” under the section headed “The Sale and Purchase Agreement” of this joint announcement, if the conditions cannot be fulfilled or waived within 21 days of the date of this joint announcement, the Offeror and the Company will seek the consent from the Executive for an extension of time to despatch the Composite Document within 7 days of the fulfillment of the conditions.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

Independent Shareholders are encouraged to read the Composite Document carefully, including the advice from the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Share Offer, before deciding whether or not to accept the Share Offer.

WARNING:

The making of the Share Offer is subject to Completion which in turn is subject to satisfaction and/or waiver of the Conditions contained in the Sale and Purchase Agreement. The Share Offer therefore may or may not be made. Shareholders and potential investors of the Company are advised to exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers. This joint announcement is made in compliance with the Takeovers Code for the purpose of, among other things, informing the Shareholders and potential investors of the Company of the possibility that the Share Offer may be made.

DEFINITIONS

In this joint announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

| | |
|-----------------------|--|
| “Acquisition” | the acquisition of the Sale Shares |
| “acting in concert” | has the meaning ascribed to it in the Takeovers Code |
| “associates” | has the meaning ascribed to it in the Takeovers Code |
| “Board” | the board of Directors of the Company from time to time |
| “Business Day” | a day on which banks in Hong Kong are open for normal banking business throughout their normal business hours (except Saturdays, Sundays, public holidays or a day on which tropical cyclone warning signal number 8 is in force at any time during such day in Hong Kong) |
| “CMG” | China Merchants Group Limited, a state wholly-owned enterprise established under the laws of the PRC under the direct control of the SASAC, which is the ultimate controlling shareholder of the Purchaser |
| “CMHT” or “Purchaser” | China Merchants Hoi Tung Trading Company Limited (招商局海通貿易有限公司), a company incorporated in Hong Kong limited by shares, which is ultimately wholly-owned by CMG |
| “CMS” | China Merchants Securities (HK) Co., Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities and the financial adviser to the Purchaser |

| | |
|----------------------------------|--|
| “Company” | Best Mart 360 Holdings Limited (優品360控股有限公司), a company established in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2360) |
| “Completion” | completion of the Sale and Purchase Agreement |
| “Completion Date” | the fifth Business Day after all the Conditions have been fulfilled, (or, where applicable, waived by the Purchaser) or such other date as the parties to the Sale and Purchase Agreement may agree in writing |
| “Composite Document” | the composite offer and response document to be jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Share Offer, the recommendation from the Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Share Offer |
| “Conditions” | has the meaning set out under the section headed “The Sale and Purchase Agreement – Conditions under the Sale and Purchase Agreement” |
| “Deed of Non-Competition” | the deed of non-competition to be entered into by the Guarantors and Mr. Hui in favour of the Company and the Purchaser |
| “Deferred Consideration” | the amount of HK\$10,000,000, representing approximately 1.16% of the Total Consideration |
| “Deferred Consideration Account” | has the meaning set out under the section headed “The Sale and Purchase Agreement – Consideration” |
| “Director(s)” | the director(s) of the Company |
| “Encumbrance(s)” | any claim, mortgage, charge, pledge, lien, restriction, assignment, power of sale, hypothecation, security interest, title retention, trust arrangement, subordination arrangement, contractual right of set-off or any other agreement or arrangement the effect of which is the creation of security, or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption), or any agreement, arrangement or obligation to create any of the same |

| | |
|---------------------------------|---|
| “Excluded Shares” | the Lin Retained Shares and the Hui Retained Shares, in aggregate 260,000,000 Shares, representing 26% of the issued capital of the Company as at the date of this joint announcement |
| “Executive” | the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director |
| “Facility” | certain loan facilities up to an aggregate amount of HK\$920,000,000 granted by CMB Wing Lung Bank Limited to the Purchaser |
| “GBGL” | Giant Blessing Global Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Ms. Hui |
| “Group” | the Company and its subsidiaries |
| “Guarantors” | Mr. Lin and Ms. Hui |
| “HK\$” | Hong Kong dollar(s), the lawful currency for the time being of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Hui Retained Shares” | the 130,000,000 Shares, representing 13% of the total issued share capital of the Company as at the date of this joint announcement, which would be continued to be held and owned by entities wholly owned by Ms. Hui immediately following the Completion and subject to the Lock-up Undertaking and Share Charge Agreement |
| “Independent Board Committee” | an independent committee of the Board comprising all the independent non-executive Directors who have no direct or indirect interest in the Share Offer, to be established for the purpose of advising and giving a recommendation to the Independent Shareholders as to whether the terms of the Share Offer are fair and reasonable and as to acceptance of the Share Offer |
| “Independent Financial Adviser” | the independent financial adviser to be appointed by the Company for the purpose of advising the Independent Board Committee in respect of the Share Offer and as to its acceptance |
| “Independent Shareholders” | Shareholders other than the Offeror, the Purchaser and parties acting in concert with any of them |

| | |
|--------------------------|--|
| “Initial Consideration” | the amount of HK\$412,400,000, representing approximately 47.82% of the Total Consideration |
| “Last Trading Day” | 27 March 2023, being the last trading day of the Shares before the publication of this joint announcement |
| “Lego Corporate Finance” | Lego Corporate Finance Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in connection with the Share Offer |
| “Lego Securities” | Lego Securities Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) regulated activity under the SFO, being the offer agent making the Share Offer for and on behalf of the Offeror |
| “Lin Retained Shares” | the 130,000,000 Shares, representing 13% of the total issued share capital of the Company as at the date of this joint announcement, which would be continued to be held and owned by Mr. Lin immediately following the Completion and subject to the Lock-up Undertaking and Share Charge Agreement |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Lock-up Undertaking” | has the meaning set out in the section headed “The Sale and Purchase Agreement – Lock-up Undertaking” of this joint announcement |
| “Mr. Hui” | Mr. Hui Chi Kwan, the chief executive officer of the Company and the brother of Ms. Hui |
| “Mr. Lin” | Mr. Lin Tsz Fung, an executive Director |
| “Ms. Hui” | Ms. Hui Ngai Fan, an executive Director and the sole director and beneficial owner of the Offeror, SSEL and GBGL |
| “Offer Shares” | all the Shares in issue, other than those Shares already owned or agreed to be acquired by the Offeror, the Purchaser and parties acting in concert with any of them |
| “Offeror” | Sea Wealth Ventures Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Ms. Hui |

| | |
|-------------------------------|--|
| “Overseas Shareholders” | Independent Shareholders whose addresses, as shown on the register of members of the Company, are outside Hong Kong |
| “PRC” | the People’s Republic of China which for the purpose of this joint announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Retention Amount” | the amount of HK\$440,000,000, representing approximately 51.02% of the Total Consideration |
| “Rule 3.7 Announcement” | the first announcement pursuant to Rule 3.7 of the Takeovers Code made by the Company dated 24 August 2022 in connection with the Acquisition |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 27 March 2023 entered into amongst the Vendors, the Purchaser and the Guarantors in relation to the Acquisition |
| “Sale Share(s)” | the 490,000,000 Shares, representing 49% of the existing issued share capital of the Company as at the date of this joint announcement |
| “SASAC” | State-owned Assets Supervision and Administration Commission of the State Council of the PRC |
| “Security Documents” | the Share Charge Agreement and such other documents to be entered into by the Vendors in favour of the Purchaser to secure the Vendors’ obligations in respect of the restoration of public float of the Company pursuant to the Sale and Purchase Agreement |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share Charge Agreement” | the share charge agreement to be entered into by UEGL, UTL, SSEL and GBGL and in favour of the Purchaser to charge an aggregate of 260,000,000 Shares held by them |
| “Share Offer” | the possible unconditional mandatory cash offer to be made by Lego Securities on behalf of the Offeror for the Offer Shares in accordance with the Takeovers Code |

| | |
|-------------------------|---|
| “Share Offer Period” | has the meaning ascribed to it under the Takeovers Code, being the period commencing from the date of the Rule 3.7 Announcement (i.e. 24 August 2022), and ending on the date of the close of the Share Offer, or such other time or date to which the Offeror may decide to extend the Share Offer in accordance with the Takeovers Code |
| “Share Offer Price” | the price of HK\$1.76 per Offer Share payable by the Offeror to the Shareholders for each Offer Share accepted under the Share Offer |
| “Shareholder(s)” | holder(s) of the Shares |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “SSEL” | Sino Sea Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Ms. Hui |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Code on Takeovers and Mergers issued by the SFC as amended from time to time |
| “Total Consideration” | the total consideration payable by the Purchaser to the Vendors pursuant to the Sale and Purchase Agreement |
| “Transaction Costs” | the fees, costs and expenses (and taxes on them), stamp, registration and other taxes incurred in connection with the Acquisition and the Share Offer |
| “Transaction Documents” | the Sale and Purchase Agreement, the Deed of Non-Competition, the Lock-up Undertaking and the Security Documents |
| “Transactions” | the Acquisition and other transactions contemplated under the Sale and Purchase Agreement |
| “UEGL” | United East Global Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Lin |
| “UTL” | Universal Tycoon Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Lin |

“Vendors” collectively, UEGL, UTL, the Offeror and SSEL

“%” per cent.

By Order of the board of
directors of
**China Merchants Hoi Tung
Trading Company Limited**
Li Guanpeng
Managing Director

By Order of the sole director of
Sea Wealth Ventures Limited
Hui Ngai Fan
Director

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

Hong Kong, 27 March 2023

As at the date of this joint announcement, the directors of the Purchaser are Mr. Li Yadong, Mr. Li Guanpeng, Mr. Cao Jieshui, Mr. Fan Duanwei, Mr. Li Xiaofei, Ms. Luo Li and Mr. Wong For Yam.

The directors of the Purchaser jointly and severally accept full responsibility for the accuracy of the information (other than those relating to the Group, the Directors and the Offeror) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors and the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than those relating to the Purchaser and the Offeror) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Purchaser and the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Ms. Hui Ngai Fan.

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this joint announcement (other than those relating to the Group and the Purchaser) and confirms, having made all reasonable inquiries, that to the best of her knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Purchaser and the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The English text of this joint announcement shall prevail over its Chinese text.