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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2023

HIGHLIGHTS

- For the year ended 31 March 2023, the revenue recorded by the Group amounted to approximately HK$2,305,907,000, representing an increase of approximately 16.3% as compared to approximately HK$1,983,526,000 for the year ended 31 March 2022.

- Profit attributable to owners of the Company for the year ended 31 March 2023 was approximately HK$200,997,000 (2022: approximately HK$109,804,000), representing an increase of approximately 83.1%. If excluding the Government subsidies of approximately HK$17,996,000 received during the year ended 31 March 2023, the Group recorded an increase of approximately 66.7% profit attributable to owners.

- Earnings per share attributable to owners of the Company for the year ended 31 March 2023 was approximately HK20.1 cents (2022: HK11.0 cents).

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of Best Mart 360 Holdings Limited (the "**Company**") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2023 (the "**Financial Year under Review**"), together with the comparative figures for the year ended 31 March 2022, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Notes	**2023** *HK$'000*	2022 *HK$'000*
Revenue	*5*	**2,305,907**	1,983,526
Cost of sales		**(1,488,644)**	(1,315,872)
Gross profit		**817,263**	667,654
Other income and other gains, net	*6*	**19,920**	875
Selling and distribution expenses		**(515,266)**	(457,812)
Administrative and other expenses		**(72,996)**	(69,224)
Operating profit		**248,921**	141,493
Finance costs	*7*	**(8,708)**	(7,309)
Profit before income tax	*8*	**240,213**	134,184
Income tax expense	*9*	**(39,216)**	(24,380)
Profit for the year attributable to owners of the Company		**200,997**	109,804
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of overseas operations		**(328)**	108
Other comprehensive income for the year, net of tax		**(328)**	108
Total comprehensive income for the year		**200,669**	109,912
Total comprehensive income attributable to owners of the Company		**200,669**	109,912
Earnings per share attributable to owners of the Company:			
– Basic and diluted (HK cents)	*11*	**20.1**	11.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	Notes	2023 HK$'000	2022 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**444,408**	442,411
Deposits		**42,560**	34,311
Deposits paid for purchase of property, plant and equipment		**944**	782
Deferred tax assets		**2,311**	1,516
		490,223	479,020
Current assets			
Inventories		**244,219**	217,969
Trade receivables	*12*	**6,139**	5,749
Deposits, prepayments and other receivables		**50,999**	67,339
Cash and bank balances		**146,047**	130,076
		447,404	421,133
Total assets		**937,627**	900,153
Current liabilities			
Trade payables	*13*	**68,926**	75,624
Accruals and other payables	*13*	**42,026**	44,116
Bank borrowings		**79,349**	82,981
Lease liabilities		**133,218**	129,913
Income tax payable		**21,908**	16,778
		345,427	349,412
Net current assets		**101,977**	71,721
Total assets less current liabilities		**592,200**	550,741

	Notes	**2023**	2022
		HK$'000	*HK$'000*
Non-current liabilities			
Accruals and other payables	*13*	**1,919**	1,942
Lease liabilities		**111,569**	110,756
		113,488	112,698
Net assets		**478,712**	438,043
EQUITY			
Equity attributable to the owners of the Company			
Share capital		**10,000**	10,000
Reserves		**468,712**	428,043
Total equity		**478,712**	438,043

NOTES

For the year ended 31 March 2023

1. GENERAL

Best Mart 360 Holdings Limited (the "**Company**") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 24 January 2018. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business in Hong Kong is 11/F., C-Bons International Centre, No. 108 Wai Yip Street, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively referred to as the "**Group**") are principally engaged in retailing of food and beverage, household and personal care products under the "Best Mart 360° (優品360°)" and "FoodVille" branded stores in Hong Kong, the Macau Special Administrative Region ("**Macau**") and the People's Republic of China ("**PRC**") and wholesaling in Hong Kong.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

(a) Adoption of new or amended HKFRSs

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

- Amendments to HKAS 37 Onerous Contracts – Cost of Fulfilling a Contract
- Amendments to HKAS 16 Property, Plant and Equipment – Proceeds before Intended Use
- Amendments to HKFRSs Annual Improvements to HKFRSs 2018-2020
- Amendments to HKFRS 3 Reference to the Conceptual Framework

The new or amended HKFRSs that are effective from 1 April 2022 did not have any significant impact on the Group's accounting policies.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies[1]
Amendments to HKAS 8	Definition of Accounting Estimates[1]
Amendments to HKAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction[1]
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback[2]
Amendments to HKAS 1 Presentation of Financial Statements	Classification of Liabilities as Current or Non-current[2]
Amendments to HKAS 1 Presentation of Financial Statements	Non-current Liabilities with Covenants[2]
HK Interpretation 5 (Revised) Presentation of Financial Statements	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

[1] Effective for annual periods beginning on or after 1 January 2023
[2] Effective for annual periods beginning on or after 1 January 2024
[3] Effective for annual periods beginning on or after a date to be determined

Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies

HKAS 1 is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

The directors of the Company are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKAS 8 – Definition of Accounting Estimates

The amendments define accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty – that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, an entity develops an accounting estimate to achieve the objective set out by the accounting policy. Developing accounting estimates involves the use of judgements or assumptions based on the latest available, reliable information.

In addition, the concept of changes in accounting estimates in HKAS 8 is retained with additional clarifications.

The directors of the Company are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKAS 12 – Deferred tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of HKAS 12 so that it does not apply to such transactions as leases and decommissioning provisions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Consequently, entities will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on these transactions.

The directors of the Company are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKFRS 16 Lease Liability in a Sale and Leaseback

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements of HKFRS 15 to be accounted for as a sale. The amendments require a seller-lessee to determine "lease payments" or "revised lease payments" such that the seller-lessee would not recognise a gain or loss that relates to the right of use retained by the seller-lessee. The amendments also clarify that applying the requirements does not prevent the seller-lessee from recognising in profit or loss any gain or loss relating to subsequent partial or full termination of a lease.

The directors of the Company are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current and HK Interpretation 5 (Revised), Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability and explain that rights are in existence if covenants are complied with at the end of the reporting period. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

HK Int 5 (Revised) was revised as a consequence of the Amendments to HKAS 1 issued in August 2020. The revision to HK Int 5 (Revised) updates the wordings in the interpretation to align with the Amendments to HKAS 1 with no change in conclusion and do not change the existing requirements.

The directors of the Company are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKAS 1 – Non-current Liabilities with Covenants ("the 2022 Amendments")

The 2022 Amendments modify the requirements introduced by the amendments to HKAS 1 issued in 2020, Classification of Liabilities as Current or Non-current ("**the 2020 Amendment**") on how an entity classifies debt and other financial liabilities with covenants as current or non-current. The amendments specify that only covenants with which the entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date. Covenants which are required to comply with only after the reporting period do not affect whether that right exists at the end of the reporting period.

The amendments also specify the disclosure requirements about information that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, if the entity classify liabilities arising from loan arrangements as non-current when the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period.

The amendments also defer the effective date of the 2020 Amendments to annual reporting periods beginning on or after 1 January 2024. The amendments, together with the 2020 Amendments, are effective for annual reporting periods beginning on or after 1 January 2024, with early application permitted. If an entity applies the 2020 amendments for an earlier period after the issue of the 2022 Amendments, the entity should also apply the 2022 Amendments for that period.

The directors of the Company are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company are currently assessing the impact that the application of the amendments will have on the Group's consolidated financial statements.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the "**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong Dollars ("**HK$**"), which is also the functional currency of the Company and its subsidiaries and all values are rounded to the nearest thousand except when otherwise indicated.

4. SEGMENT INFORMATION

During the years ended 31 March 2023 and 2022, the Group operates one reportable and operating segment which is the retailing sales of food and beverage, household and personal care products under the "Best Mart 360° (優品360°)" and "FoodVille" branded stores in Hong Kong, Macau and the PRC and wholesaling in Hong Kong. The Group determines its operating segment based on information reported to executive directors of the Company who are also the chief operating decision-maker that are used to make strategic decisions. Accordingly, the Group does not present separately segment information.

Geographical segment

The Group's geographical segments are based on the location of the Group's assets. Revenue to external customers disclosed in geographical segments are based on the geographical location of its customers.

The following table presents revenue and certain non-current assets information regarding the Group's geographical segments as at and for the years ended 31 March 2023 and 2022.

	Hong Kong	**Macau**	**PRC**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
31 March 2023				
Revenue	2,242,462	59,624	3,821	2,305,907
Non-current assets*	431,155	11,002	2,251	444,408
31 March 2022				
Revenue	1,921,810	60,749	967	1,983,526
Non-current assets*	417,519	20,828	4,064	442,411

* Excludes deposits and deferred tax assets.

Information about major customers

Since none of the Group's sales to a single customer amounted to 10% or more of the Group's total revenue for the year ended 31 March 2023 (2022: Nil), no information about major customers in accordance with HKFRS 8 Operating Segments is presented.

5. REVENUE

The Group principally engages in retailing of food and beverage, household and personal care products under the "Best Mart 360° (優品360°)"and "FoodVille" branded stores in Hong Kong, Macau and the PRC and wholesaling in Hong Kong. All revenue of the Group is recognised at a point in time.

Revenue from the Group's principal activities during the year is as follows:

	2023	2022
	HK$'000	*HK$'000*
Revenue from		
Retailing sales	**2,296,460**	1,979,589
Wholesale	**36,142**	16,889
Less: Sales discounts	**(26,695)**	(12,952)
	2,305,907	1,983,526

6. OTHER INCOME AND OTHER GAINS, NET

	2023	2022
	HK$'000	*HK$'000*
Interest income from bank deposits	**1,292**	43
Losses on written-off/disposal of property, plant and equipment, net	**(868)**	(367)
Gains on lease modification	**805**	–
Government grant *(Note)*	**17,996**	–
Others	**695**	1,199
	19,920	875

Note:

The government grant recognised during the year ended 31 March 2023 is mainly related to the COVID-19 related subsidy from Employment Support Scheme of Hong Kong Government. During the year ended 31 March 2023, the Group recognised a government grant of HK$17,996,000 (2022: Nil) from Employment Support Scheme of Hong Kong Government. The Group has elected to present this government grant separately, rather than reducing the related expense. The Group had to commit to spending the assistance on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time. The Group does not have any unfulfilled obligations relating to this government grant.

7. FINANCE COSTS

	2023	2022
	HK$'000	*HK$'000*
Interest expenses on bank borrowings	**1,844**	1,416
Interest expenses on lease liabilities	**6,864**	5,893
	8,708	7,309

8. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	2023	2022
	HK$'000	*HK$'000*
Directors' emoluments	**1,476**	1,476
Staff costs:		
– Wages, salaries and other benefits	**194,538**	173,629
– Contributions to defined contribution pension plans	**8,800**	7,706
Depreciation of property, plant and equipment	**184,104**	194,847
Auditor's remuneration	**920**	880
Exchange differences, net	**(888)**	112
Cost of inventories recognised as expenses	**1,488,644**	1,315,872
Written-off of inventories	**7,576**	7,203
Operating lease payments in respect of retail stores		
– Short-term lease expenses	**22,978**	6,354
– Contingent rents	**19,587**	17,802
	42,565	24,156

9. INCOME TAX EXPENSE

The income tax expense in the consolidated statement of profit or loss and other comprehensive income during the year represents:

	2023	2022
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong Profits Tax	**39,004**	23,823
– Macau Complementary Income Tax ("**MCIT**")	**511**	524
	39,515	24,347
– Under provision/(over-provision) in respect of prior year	**496**	(353)
	40,011	23,994
Deferred income tax	**(795)**	386
Income tax expense	**39,216**	24,380

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is not subject to income tax in the Cayman Islands.

During the years ended 31 March 2023 and 2022, under the two-tiered Hong Kong profits tax rates regime, the first HK$2 million of estimated assessable profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of other group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

MCIT has been provided at the progressive rate on the estimated assessable profits. The maximum tax rate is 12% for the years ended 31 March 2023 and 2022.

No provision of the PRC Corporation Income Tax ("**CIT**") has been made as the Group has no assessable profit for CIT for the years ended 31 March 2023 and 2022.

10. DIVIDENDS

	2023	2022
	HK$'000	*HK$'000*
Final dividend in respect of previous financial year, approved and paid during the year	**80,000**	25,000
Interim dividend declared and paid	**80,000**	15,000
	160,000	40,000

On 18 August 2021, a final dividend of HK2.5 cents per share for the year ended 31 March 2021 was approved by the Company's shareholders ("**2021 Final Dividend**"). The 2021 Final Dividend of HK$25,000,000 was paid during the year ended 31 March 2022.

On 26 November 2021, the Board has resolved to pay an interim dividend of HK1.5 cents per share, amounting to a total dividend of HK$15,000,000 ("**2022 Interim Dividend**"), in respect of the six months ended 30 September 2021. The 2022 Interim Dividend of HK$15,000,000 was paid during the year ended 31 March 2022.

On 19 August 2022, a final dividend of HK8.0 cents per share for the year ended 31 March 2022 was approved by the Company's shareholders ("**2022 Final Dividend**"). The 2022 Final Dividend of HK$80,000,000 was paid during the year ended 31 March 2023.

On 24 November 2022, the Board has resolved to pay an interim dividend of HK8.0 cents per share, amounting to a total dividend of HK$80,000,000 ("**2023 Interim Dividend**"), in respect of the six months ended 30 September 2022. The 2023 interim dividend of HK$80,000,000 was paid during the year ended 31 March 2023.

The Board has decided to convene another Board meeting to consider the declaration and payment of final dividend for the financial year ended 31 March 2023, if any, on a date after the end of the Offer Period (as defined under the Hong Kong Code of Takeovers and Mergers). Further announcement will be made as and when appropriate.

11. EARNINGS PER SHARE

The basic earnings per share attributable to owners of the Company for the year is calculated based on the profit attributable to owners of the Company of HK$200,997,000 (2022: HK$109,804,000) and the weighted average number of ordinary shares of 1,000,000,000 in issue (2022: 1,000,000,000). The Company did not have any potential dilutive shares for the years ended 31 March 2023 and 2022. Accordingly, the diluted earnings per share are the same as the basic earnings per share.

12. TRADE RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade receivables	**6,139**	5,749

Trade receivables mainly represent the outstanding amounts receivable by the Group from Octopus Cards Limited and credit card companies. The settlement terms with credit card companies and octopus card sales are usually within two business days after the date on which the sales are made. No credit term has been granted to any customers of the retail stores.

The ageing analysis of the Group's trade receivables based on invoice date is as follows:

	2023	2022
	HK$'000	*HK$'000*
0-30 days	**5,779**	5,164
31-60 days	**272**	160
61-90 days	**53**	392
Over 90 days	**35**	33
	6,139	5,749

13. TRADE PAYABLES AND ACCRUALS AND OTHER PAYABLES

(a) Trade payables

The ageing analysis of the Group's trade payables based on invoice date is as follows:

	2023	2022
	HK$'000	*HK$'000*
0-30 days	**56,564**	67,002
31-60 days	**12,296**	8,233
61-90 days	**–**	122
Over 90 days	**66**	267
	68,926	75,624

(b) Accruals and other payables

	2023	2022
	HK$'000	*HK$'000*
Current:		
Accruals for employee benefit expenses	**20,632**	17,164
Accruals for rental expenses	**5,871**	8,714
Accruals for logistic expenses	**6,299**	8,222
Contract liabilities in relation to customer loyalty programme	**640**	491
Accruals for property, plant and equipment	**684**	192
Contract liabilities in relation to cash coupon	**–**	25
Provision for reinstatement costs	**2,206**	1,704
Accruals for operating expenses and other payables	**5,694**	7,604
	42,026	44,116
Non-current:		
Provision for reinstatement costs	**1,919**	1,942

14. CAPITAL COMMITMENTS

	2023	2022
	HK$'000	*HK$'000*
Commitments for acquisition of property, plant and equipment	**681**	534

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a leisure food retailer operating chain retail stores under the brands "Best Mart 360° (優品360°)" and "FoodVille" in Hong Kong, Macau and Mainland China. The Group offers wide selection of imported pre-packaged leisure foods and other grocery products principally from overseas, which can be broadly categorised into (i) chocolates and confectioneries; (ii) nuts and dried fruits; (iii) packaged bakery products and snacks; (iv) biscuits and pastries; (v) cereals and milk; (vi) beverages and wine; (vii) rice, noodles and groceries; (viii) frozen and chilled food; and (ix) other products, such as personal care products and daily items. It is the Group's business objective to offer "Best Quality" and "Best Price" products to customers through continuous efforts on global procurement with a mission to provide comfortable shopping environment and pleasurable shopping experience to customers.

BUSINESS REVIEW

During the Financial Year under Review, Hong Kong's economy continued to face difficulties. In early 2022, the novel coronavirus variant Omicron broke out, ushering in the fifth wave of the epidemic in Hong Kong. In order to control the infection of the coronavirus, Hong Kong has re-implemented strict anti-epidemic measures, such as vaccine permits, compulsory quarantine measures and continued border closures. Industries such as tourism and retail are the first to bear the brunt, weakening personal consumption expenditures, and the market continues to be full of uncertainties. However, despite the challenging business environment in Hong Kong, the Hong Kong retail market was still dominated by local demand. The Group still actively faced challenges, including rapidly adjusting product structure and strengthening the supply of basic food products such as cereals, noodles, canned food, milk, frozen and refrigerated food, etc., to meet the daily needs of consumers in the local community. As a result, the Group still recorded considerable sales growth in the first half of of the Financial Year under Review.

In the second half of 2022, the COVID-19 epidemic was gradually brought under control, and driven by the Consumption Voucher Scheme and festive atmosphere, the retail market gradually recovered. Entering 2023, the global COVID-19 pandemic epidemic has further stabilized. Hong Kong's economy and retail market has gradually returned to normal as well. In February 2023 when Hong Kong resumed normal travel customs clearance with other regions, the number of tourist arrivals rebounded, driving the recovery of the retail industry and showing clear signs of improvement. According to statistics from the Census and Statistics Department, for the whole of 2022, the value of total retail sales decreased by 0.9% year-on-year; while in March 2023, the value and volume of total retail sales increased by 40.9% and 39.4% year-on-year respectively. In addition, according to the monthly statistics released by the Hong Kong Tourism Board, the number of tourists visiting Hong Kong in February 2023 exceeded one million for the first time in a single month, far exceeding two times the total number of last year. Hence, the business environment in Hong Kong has gradually stabilized, and the atmosphere in the retail market has continued to improve. The Group continued to adjust product mix and optimize existing stores to provide customers with a more comfortable shopping environment, successfully grasped the opportunities brought by the market recovery, and achieved double-digit sales growth in the Financial Year under Review.

For the year ended 31 March 2023, the Group recorded revenue of approximately HK$2,305,907,000, representing an increase of approximately 16.3% from approximately HK$1,983,526,000 for the year ended 31 March 2022. Profit attributable to owners of the Company was approximately HK$200,997,000 (2022: approximately HK$109,804,000), representing a significant increase of approximately 83.1%. Even though the overall retail sales were weak in the first half of the Financial Year under Review, the Group actively faced challenges and responded to changes in public demand with rapid product structure adjustments resulting in the Group maintaining considerable growth. In the second half of the Financial Year under Review, the business environment in Hong Kong gradually stabilized, and the retail market continued to improve. Taking advantage of this momentum, the Group continued to implement a steady expansion strategy. The total number of stores increased by 16 for the Financial Year under Review, and the Group has been actively taking measures according to current conditions to improve cost-effectiveness. During the Financial Year under Review, the Group recorded an approximately 2.5% growth in same store sales performance (2022: approximately 7.3% growth). Such decrease in growth was mainly attributable to the high base of the financial year ended 31 March 2022. In addition, the Group has received approximately HK$17,996,000 in subsidies from the Hong Kong Government under the Employment Support Scheme the Financial Year under Review, resulting in an impressive growth in both the Group's annual revenue and profit.

The Group's gross profit for the year ended 31 March 2023 was approximately HK$817,263,000 and the gross profit for the year ended 31 March 2022 was approximately HK$667,654,000, representing an increase of approximately 22.4%. For the Financial Year under Review, the Group's gross profit margin was approximately 35.4%, an increase of approximately 1.7 percentage points compared with approximately 33.7% for the year ended 31 March 2022. The increase in gross profit margin depends on the Group's efforts to optimize product structure and effectively adjust sales and marketing strategies.

Chain Retail Stores

The Group adopts a dual-brand strategy by operating two retail brands, namely "Best Mart 360˚ (優品360˚)", a common food brand, and "FoodVille", a global gourmet brand. The Group strives to offer "Quality" and "Better Price" products to customers through efforts on global procurement, satisfying the needs of different customer segments. As at 31 March 2023, the Group operated a total of 154 chain retail stores (31 March 2022: 138 stores), comprising 150 "Best Mart 360˚" stores and four "FoodVille" stores (31 March 2022: 135 stores and three stores, respectively). In terms of geographical coverage, as at 31 March 2023, the Group operated 145 stores, seven stores and two stores in Hong Kong, Macau and Mainland China, respectively (31 March 2022: 130 stores, six stores and two stores, respectively). During the Financial Year under Review, the Group opened 26 new retail stores (including 25 in Hong Kong, one in Macau), and closed 10 stores upon expiration of their respective lease terms in line with the adjustment in the Group's store opening strategy. Over 80% of the stores operated by the Group are situated in local business area communities or mostly at shopping malls in residential districts). Rental expenses (cash basis) for retail stores were approximately HK$220,230,000 for the year ended 31 March 2023, representing an increase of approximately 3.8% as compared with approximately HK$212,136,000 for the financial year ended 31 March 2022. The ratio of rental expense of retail stores to sales revenue was approximately 9.6%, which was lower than that of approximately 10.7% for the financial year ended 31 March 2022.

Employees

Employees are crucial to the sustainable development of the Group's business, and in particular, front-line staff represents an important component of the labour force of the Group's retail business. The Group maintained a steady pace and gradually accelerated the expansion during the Financial Year under Review. Therefore, the staff costs were higher due to the increase in the number of employees. As at 31 March 2023, the total number of employees of the Group was 1,121 (excluding five Directors) and comprising of 813 full-time employees and 308 part-time employees, while the total number of employees of the Group as at 31 March 2022 was 937, (excluding five Directors) and comprising of 733 full-time employees and 204 part-time employees. The staff cost (excluding the Directors' emoluments) for the year ended 31 March 2023 amounted to approximately HK$203,338,000, representing an increase of approximately 12.1% from approximately HK$181,335,000 for the year ended 31 March 2022. The staff costs (excluding the Directors' emoluments) for the year ended 31 March 2023 represented approximately 8.8% of the Group's revenue for the Financial Year under Review, while the staff costs (excluding the Directors' emoluments) for the year ended 31 March 2022 represented approximately 9.1% of the Group's revenue for the last corresponding year, amongst which the staff costs of frontline and warehouse staff (including basic salary, bonus and other benefits) represented approximately 6.9% and 7.2% of the revenue for each of the financial years ended 31 March 2023 and 31 March 2022, respectively. In order to retain talented and skilled labour force and suitably incentivise the Group's employees so as to increase staff cohesion and loyalty, the Group regularly reviews and refreshes its employee benefit scheme and remuneration packages with reference to the supply in the labour market and the trend of labour costs and according to the individual performance of the employees.

The Products

During the Financial Year under Review, the Group continued its global procurement policy and mission by sourcing a broad spectrum of products worldwide to meet and satisfy market trend and customers' diverse demand. To better cater to the needs of the local community and the international travellers, in addition to further strengthening the supply of basic foodstuffs such as cereals, noodles, canned food, milk, frozen and chilled food, daily necessities and basic groceries, the Group also continued to enhance the sale of its private labels in retail stores, including nuts and dried fruits, organic cereals, wet tissues, snacks and other products, offering consumers a more diversified range of selections.

For the financial year ended 31 March 2023, the Group procured quality products from suppliers overseas and brand owners or importers in Hong Kong and sold a total of about 3,770 SKUs of products (for the financial year ended 31 March 2022: about 3,560 SKUs) to all over the world, with product origins mainly from, among others, Japan, Korea, the United States, Europe, Australia, Vietnam and Thailand, as well as other Asia-Pacific countries. The Group sourced the most popular and trendy food products from every country or region to offer a globally-diversified, multi-brand and multi-category selection for every customer.

During the Financial Year under Review, the Group continued to actively develop private label products that allowed the Group to better control costs and exercise higher level of quality control on its products, capturing pricing opportunities and on the other hand further uplifted the Group's brand awareness and strengthened customers' loyalty. However, during the Financial Year under Review, sales derived from private label products amounted to approximately HK$346,352,000 (for the year ended 31 March 2022: approximately HK$323,556,000), representing an increase of approximately 7.0% from that of last financial year.

As at 31 March 2023, the total inventory of the Group amounted to approximately HK$244,219,000 (2022: approximately HK$217,969,000), representing a year-on-year increase of 12.0%. The increase in the Group's total inventory was mainly in line with the expansion of stores as well as the changes of the product structures and the Group has been implementing effective and stringent inventory control management throughout the year.

Membership Scheme and Marketing and Promotional Activities

Given that the retail business is a consumer-driven business, substantial efforts by the Group are placed in developing and reinforcing its customer base. Accordingly, the Group established a membership scheme since April 2015 to promote consumer loyalty, stimulate sales and expand customer base. In order to further deepen customer stickiness and expand customers' coverage, the Group used big data analysis and reformulated from time to time its marketing strategies to launch a new three-tier membership scheme and a second-generation mobile app in 2020. The new membership scheme helps to elevate brand positioning and market recognition, and the membership rewards have been fully optimized and enhanced, with more member benefits such as multiple items purchase stamp reward, special offers for selected products and access to latest market information. Through diversified marketing strategies, the Group aims to internally strengthen the membership core from within and attract new customers through external expansion, so as to effectively and purposefully foster the ties between members and the Group, thereby driving recurring business from members and promoting sustainable growth of the Group's business. During the Financial Year under Review, the number of the Group's members increased from 1,861,245 as at 31 March 2022 to 2,059,688 as at 31 March 2023, representing an increase of approximately 10.7%. Since the launch of the mobile app in 2019, 895,919 people have registered as members through the Group's mobile app as of 31 March 2023. In China, as of 31 March 2023, 4,718 people have become members through the WeChat public website, and 1,411 people have become members automatically through the WeChat app. The Group will proactively explore market trends and adjust product categories in an effort to improve the business model of e-commerce and increase sales. Meanwhile, for the purpose of strengthening its marketing strategy and enhancing brand awareness, the Group has conducted various marketing and promotional activities to enhance the brand's exposure in the market during the Financial Year under Review. These marketing initiatives included: (i) partnering with various e-payment platforms to offer electronic coupons to customers during the disbursement period of the government's consumption vouchers; (ii) launching the "Money Saving Strategies", which meant that customers could receive cash coupons upon spending a specified amount of money; (iii) collaborating with Berndes, a century-old German premium cookware brand to conduct exclusive redemption events; and (iv) cooperating with different TV artists and "KOL", live webcasting, and advertising on TV, newspapers and social media platforms, which successfully attracted returning customers as well as the new ones, greatly increasing the buzz of the Group in the market; (v) collaborating with nutritionists to promote a healthy image and related healthy food. Through these efforts, the Group successfully generated recurring businesses and attracted new customers to garner a significant volume of consumer buzz for the Group in the market.

Other Business Development

Developing E-commerce in Mainland China

In January 2023, the Group has officially started the pilot e-commerce business in Mainland China, allowing customers to shop online through WeChat mini-apps with the coverage of the 3-kilometer radius from where the stores are located with delivery services. The Group will actively strive to explore market tastes and adjust product categories in order to improve the new electronic business model and increase sales.

Introducing CMHT as a Major Shareholder

As disclosed in the announcement of the Company dated 27 March 2023, Mr. Lin Tsz Fung ("**Mr. Lin**") and Ms. Hui Ngai Fan ("**Ms. Hui**"), the controlling shareholders of the Group, had entered into a formal Sale and Purchase Agreement ("**S&P Agreement**") with China Merchants Hoi Tung Trading Company Limited (the "**CMHT**"), in relation to the sale and purchase of the Company's Shares (the "**Shares**"). Pursuant to the S&P Agreement, CMHT will purchase 490,000,000 Shares in aggregate, representing 49% of the total issued Shares. The total consideration for the sale Shares is HK$862,400,000, equivalent to HK$1.76 per sale share.

Upon completion, Mr. Lin and Ms. Hui, through entities wholly owned by them, will each continue to hold their retained shares respectively, representing in aggregate 26% of the total issued Shares.

OUTLOOK

Looking ahead, the Board anticipates that Hong Kong's economy recovery will accelerate and the retail business environment will continue to improve. The Group will take a cautiously optimistic approach in speeding up business expansion, closely monitoring market changes and taking quick and appropriate measures to enhance business operational effectiveness, as well as capturing market opportunities. Therefore, the Group will continue to strengthen its core competitiveness in the Hong Kong market by optimizing its product mix to cover more basic foodstuffs and necessities and enhancing the development of its private label products, in order to cater to the needs of the local market. The Group will continue to adopt dual-brand strategy and consistently look for suitable opportunities to expand the store network of its major retail brand "Best Mart 360˚ (優品360˚)" and global gourmet store "FoodVille" in Hong Kong, Macau and Mainland China, with a target of achieving a net increase of 20 retail stores each year to satisfy the demand of different customer segments for quality food products. The "Best Mart 360˚ (優品360˚)" brand will focus on serving the residential areas and expanding the coverage of its store network, while "FoodVille" will target large and medium-to-high-end shopping malls in Hong Kong as well as stores with larger area and locations with higher customer traffic and stronger consumer spending power. In addition to the ongoing internal enhancement to optimize product display space and provide a more comfortable shopping environment for customers, the Group will endeavor to increase the number of exclusive products of "FoodVille" and actively look for medium-to-high-end diversified quality products around the world so as to further differentiate the two brands.

To adhere to the mission of providing products with "Best Quality and "Best Prices", the Group is committed to strengthen the core competitiveness of its brand. The Group will continue to source a diversified range of food products worldwide, as well as to step up the development of its private label products, which can satisfy market demand for daily necessities, enrich the choices for customers and effectively control product quality. Also, the Group will actively identify upstream suppliers to secure a lower procurement cost so as to maintain its competitive advantages in pricing. The Board is of the view that business diversification can effectively expand the Group's income stream and enable the Group to better attract recurring purchases from customers. In the view of expanding the Group's potential customer base and generate more steady streams of revenue to maintain the profitability, the Group will further develop its business-to-business (B2B) segment by bulk selling its private label products and other imported products to other retailers, merchants, enterprises or even online stores in Hong Kong and overseas markets. In addition, the Group will fully accelerate its expansion in the Greater Bay Area, exploring the development of a business model with both direct stores and franchisees to achieve the goal of a nationwide physical store. Regarding CMHT, an extensive trading company covering food and commodities, the Board believes that great business synergy with our major shareholder in B2B area and the development of the Greater Bay Area could be created.

FINANCIAL REVIEW

Revenue

During the Financial Year under Review, the revenue of the Group mainly represented the retail sales to walk-in customers through its retail stores which accounted for approximately 98.4% of the revenue of the Group. For the year ended 31 March 2023, the revenue of the Group was approximately HK$2,305,907,000, representing an increase of approximately 16.3% as compared to approximately HK$1,983,526,000 for the year ended 31 March 2022. The increase in revenue was mainly attributed to additional revenue from the net opening of 16 new stores by the Group during this financial year.

Profit for the Year

Profit of the Group for the financial year ended 31 March 2023 amounted to approximately HK$200,997,000, representing an increase of approximately 83.1% from approximately HK$109,804,000 for the financial year ended 31 March 2022. Net profit margin before interest and tax for the financial year ended 31 March 2023 was approximately 10.8%, while the net profit margin before interest and tax for the financial year ended 31 March 2022 was approximately 7.1%. Net profit margin was approximately 8.7% as compared to 5.5% in the previous financial year. The increase in profit attributable to owners of the Company for the financial year ended 31 March 2023 as compared to that of the financial year ended 31 March 2022 was mainly attributable to the substantial increase in the overall sales from the Group's retail stores and gross profit as compared to that of the corresponding period in last year.

Gross Profit and Gross Profit Margin

For the financial year ended 31 March 2023, the gross profit of the Group was approximately HK$817,263,000 (2022: approximately HK$667,654,000), representing an increase of approximately 22.4%, while the gross profit margin was approximately 35.4% (2022: approximately 33.7%). The increase was attributable to timely adjustment of sales and marketing strategy and continuous optimisation of product mix.

Other Income and Other Gains, Net

For the financial year ended 31 March 2023, the Group recorded net other income and other gains of approximately HK$19,920,000, while for the financial year ended 31 March 2022 it recorded net other income and other gains of approximately HK$875,000. The increase in other income and other gains, net, was mainly due to HK$17,996,000 received from the Employment Support Scheme provided by the Government of the Hong Kong SAR during this financial year (2022: nil).

Selling and Distribution Expenses

For the financial year ended 31 March 2023, selling and distribution expenses of the Group amounted to approximately HK$515,266,000, representing an increase of approximately 12.5% from approximately HK$457,812,000 for the financial year ended 31 March 2022. The increase in selling and distribution expenses was mainly due to the reason that during the Financial Year under Review, a net of 16 new retail stores were opened in Hong Kong and Macau, resulting in a corresponding increase in rental expenses and other operating expenses, logistics costs, depreciation provisions, etc.; and hiring of additional frontline staff to cope with the expansion of the retail store network.

Administrative and Other Expenses

For the financial year ended 31 March 2023, administrative and other expenses of the Group amounted to approximately HK$72,996,000, representing an increase of approximately 5.4% from approximately HK$69,224,000 for the financial year ended 31 March 2022. The increase in administrative and other expenses was mainly due to the recruitment of additional personnel during the Financial Year Under Review to cope with business development and strengthen internal control and back office support.

Finance Costs

Finance costs of the Group for the financial year ended 31 March 2023 amounted to approximately HK$8,708,000, representing an increase of approximately 19.1% from approximately HK$7,309,000 for the financial year ended 31 March 2022 which was mainly due to the increase of interest expenses on lease liabilities as well as the increase of interest expenses on bank borrowings as a result of increase in HIBOR for the Financial Year under Review.

Financial Position, Liquidity and Financial Resources

As at 31 March 2023, the Group's total cash and bank balances (including cash and cash equivalents) were approximately HK$146,047,000 (2022: HK$130,076,000), representing an increase of approximately HK$15,971,000 which was mainly generated from operating activities. The overview of the Group's cash flow for the financial year ended 31 March 2023 and 31 March 2022 respectively are set out as follows:

	For the financial year ended 31 March	
	2023	2022
	HK$'000	*HK$'000*
Net cash generated from operating activities	**369,074**	305,876
Net cash used in investing activities	**(28,003)**	(26,431)
Net cash used in financing activities	**(324,887)**	(240,750)
	16,184	38,695
Exchange (losses)/gains on cash and cash equivalents	**(213)**	69
Net increase in cash and cash equivalents	**15,971**	38,764

As at 31 March 2023, the Group has total bank borrowings of approximately HK$79,349,000, representing an decrease of approximately 4.4% as compared with approximately HK$82,981,000 as at 31 March 2022. The total unutilised banking facility extended by commercial banks as at 31 March 2023 amounted to approximately HK$244,411,000 (2022: HK$234,639,000). The carrying amounts of the Group's borrowings are denominated in Hong Kong dollars, secured and approximate to their fair value.

The Group financed its liquidity and working capital requirements through a combination of various sources, including but not limited to cash generated from the Group's operations, bank borrowings, and other external equity and debt financings as and when appropriate.

The Group continued to maintain a strong financial position with cash and bank balances of approximately HK$146,047,000 and the Group's working capital amounted to HK$101,977,000. Based on the Group's steady cash inflow from operations, coupled with sufficient cash and bank balances and readily available banking facilities, the Group has adequate liquidity and financial resources to meet its working capital requirements in the next twelve months from the balance sheet date. During the Financial Year under Review, the majority of the Group's cash and bank balances were in Hong Kong dollar, Macau Pataca, Renminbi and deposited in reputable financial institutions.

Capital Structure

The Shares were successfully listed on the main board of the Stock Exchange on 11 January 2019 by way of share offer. Since then, there has been no change in the capital structure of the Company. The capital structure of the Company comprises of issued share capital and reserves. As at 31 March 2023, the Company had 1,000,000,000 Shares in issue.

The capital structure of the Group as at 31 March 2023 in terms of debt profile is mainly bank borrowings and as at 31 March 2023, the Group had outstanding bank borrowing of approximately HK$79,349,000 (2022: HK$82,981,000) repayable within one year or contain a repayment on demand clause. Bank borrowings bear interest at floating interest rates. The effective interest rates of the Group's bank borrowings is HIBOR plus 1.3% (2022: HIBOR plus 1.3%) per annum for the year ended 31 March 2023.

Capital Commitments

Details of the capital commitments are set out in note 14 to the financial statements.

Pledge of Assets

As at 31 March 2023, the bank borrowings and other banking facilities of the Group are secured by:

(i) a corporate guarantee provided by the Company and a subsidiary; and

(ii) property, plant and equipment of office premises of the Group with carrying amount of HK$166,358,000 (2022: HK$171,350,000).

Foreign Currency Risk

The Group operates in Hong Kong and is exposed to foreign exchange risk from (i) the purchase of products from various overseas suppliers, which purchases are primarily settled in foreign currencies mainly USD, JPY, EUR, GBP, AUD, SGD and RMB; and (ii) the revenue generated from the operation in Macau and in Mainland China. Nevertheless, taking into account the retail industry practice and the Group's current operation and the stable exchange rate of Macau Pataca historically and cash balance of Renminbi considered to be not material, the Directors do not consider the Group is subject to material foreign exchange risk. The Group will take proactive measures and monitor closely its exposure to such currencies movement.

Treasury Policies

The Group adopts prudent treasury management policies and does not engage in any highly leveraged or speculative derivative products. Cash balances are mostly placed in Hong Kong dollars bank deposit with appropriate maturity period for meeting future funding requirements.

EMPLOYEES REMUNERATION POLICIES

The remuneration policy of the Group to reward the employees is based on their performance, qualifications, experience and competence. Remuneration package typically comprises salary, contribution to pension schemes, discretionary annual bonus, performance-related bonus, sales target bonus and miscellaneous duties-related allowances. The Group conducts annual review on the performance of the employees and make reference to such performance review for assessing discretionary annual bonus, salary adjustments and promotion appraisals. The remuneration package of the executive Directors and the senior management is determined with reference to those paid by comparable companies, time commitment and performance of the Directors and senior management, as well as the performance of the Group. A remuneration committee is set up for reviewing the Group's emolument policy and structure of all remuneration of the Directors and senior management of the Group with reference to their experience, responsibilities, workload and time devoted to the Group and performance of the Group.

Our Group makes contributions to the social security fund for our employees in Macau that qualify and based on, inter alia, whether long term employees or fixed term employees. As stipulated by the labour regulations of the PRC, the Group participates in various defined contribution retirement plans organised by municipal and provincial governments for its PRC employees. The Group is required to make contributions to the retirement plans at rates ranging from 14% to 15% of the eligible employees' salaries for the year ended 31 March 2023 (2022: 14% to 15%).

The Company's employer contribution for each of the above mentioned scheme/fund/plan vests fully with the employees when contributed into each respective scheme/fund/plan. Accordingly, for the financial years ended 31 March 2022 and 31 March 2023, there were no forfeited contributions (by employers on behalf of employees who leave the Scheme prior to vesting fully in such contributions) that may be used by the employer to reduce the existing level of contributions.

The Company has adopted a share option scheme (the "**Share Option Scheme**") on 18 December 2018 for the purpose of providing incentives and rewards to the participants for their contributions to the Group. As at the date of this announcement, no option has been granted under the Share Option Scheme.

MATERIAL INVESTMENTS

Save as disclosed in this announcement, the Group did not have any material investments during the financial year ended 31 March 2023.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this announcement, the Group did not have other material acquisitions and disposals during the financial year ended 31 March 2023.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this announcement, the Group did not have other plans for material investments and capital assets as at 31 March 2023.

CONTINGENT LIABILITIES

Save as disclosed in this announcement, the Group did not have any significant contingent liabilities as at 31 March 2023.

DIVIDEND

The Board has decided to convene another Board meeting to consider the declaration and payment of final dividend for the financial year ended 31 March 2023, if any, on a date after the end of the Offer Period (as defined under the Takeovers Code). Further announcement will be made as and when appropriate.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Save as disclosed in this announcement, there were no other important events affecting the Group that have occurred since 31 March 2023 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the Financial Year under Review.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company on the Directors, all Directors have confirmed that they had complied with the required standard set out in the Model Code during the Financial Year under Review.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance, to formulate good corporate governance practice for improvement of accountability and transparency in operations, and to strengthen the internal control system from time to time so as to ensure to meet with the expectations of the shareholders of the Company.

During the financial year under review, the Company has adopted and complied with all applicable code provisions in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

The roles of the Chairman and the Chief Executive Office are separate and performed by Mr. Lin Tsz Fung and Mr. Hui Chi Kwan respectively to ensure a balance of power and authority, so that power is not concentrated in any one individual.

The Board is primarily responsible for overseeing and supervising the overall management of the Group's business. The Board is collectively responsible for promoting the success of the Company by providing effective leadership and direction to its business, formulating group policies and business directions, monitoring internal controls and performances, and ensuring transparency and accountability of its operations. The Board has established three committees, namely the audit committee, the remuneration committee and the nomination committee to assist in carrying out its responsibilities and functions. Each of these committees has specific written terms of reference setting out its duties and authorities, and are available for review on the respective website of the Company and the Stock Exchange.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The Group's audited annual results for the financial year ended 31 March 2023 had been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures were made.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement of the Company is published on the respective websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.bestmart360.com). The annual report for the year ended 31 March 2023 will be available on the above websites and despatched to Shareholders in due course.

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

Hong Kong, 5 June 2023

As at the date of this 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.