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BCI Group Holdings Limited

高門集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8412)

DISCLOSEABLE TRANSACTION IN RELATION TO THE LEASE AGREEMENT

THE LEASE AGREEMENT

On 15 April 2021, the Tenant has entered into the Lease Agreement with the Landlord in respect of the lease of the Premises for a term of three years commencing from 1 March 2021 to 29 February 2024 (both dates inclusive) to continue operating Mudita, one of the Group's food and beverage and entertainment business.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to rule 19.07 of the GEM Listing Rules in respect of the Lease Agreement exceeds 5% but less than 25%, the entering into of the Lease Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 15 April 2021, the Tenant has entered into the Lease Agreement with the Landlord in respect of the lease of the Premises for a term of three years commencing on 1 March 2021 to 29 February 2024 (both dates inclusive) to continue operating Mudita, one of the Group's food and beverage and entertainment business.

PRINCIPAL TERMS OF THE LEASE AGREEMENT

Date:	15 April 2021
Parties:	(i) Trans-Profit Limited as the landlord (ii) Grand Diamond Limited as the tenant
Premises:	Ground Floor of Shun Ho Tower, Nos. 24-30 Ice House Street, Central, Hong Kong
Lease term:	Three years commencing on 1 March 2021 and expiring on 29 February 2024 (both dates inclusive)

Use of the Premises:	The tenant shall use the Premises solely as a food and beverage outlet
Aggregate value of consideration payable:	The total rent payable during the lease term of the Lease Agreement is approximately HK\$5,478,000 (exclusive of air conditioning, management charges and government rates)
Rent-free period:	a one months' rent free period from 1 March 2021 to 31 March 2021 (both days inclusive)
Payment terms:	The monthly rent shall be payable monthly in advance on the first day of each calendar month
Rates:	The Tenant shall pay the rates during the term of the Lease Agreement
Security deposit:	A cash deposit of HK\$658,200

RIGHT-OF-USE ASSETS

Pursuant to HKFRS 16, the lease of the Premises will be recognised as right-of-use assets for an amount of approximately HK\$5.1 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the Lease Agreement.

REASONS FOR, AND BENEFITS OF, THE ENTERING INTO OF THE LEASE AGREEMENT

The Group is currently leasing the Premises to operate the night club, Mudita. Since the existing lease agreement has expired on 28 February 2021, the renewal of the lease of the Premises will enable the Group to continue to operate Mudita's business.

The terms of the Lease Agreement including, but not limited to, the rent payable by the Tenant were determined after arm's length negotiations between the Landlord and the Tenant with reference to the prevailing market rent for properties of similar use, floor area and location. The Directors considered that the transaction contemplated under the Lease Agreement was entered into in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the Lease Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company

The Company is an investment holding company principally engaged in club, entertainment and restaurant businesses in Hong Kong through its subsidiaries.

Grand Diamond

Grand Diamond Limited is a limited liability company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company. The principal activity of Grand Diamond is to operate a night club.

The Landlord

Trans-Profit Limited is a limited liability company incorporated under the laws of Hong Kong, which is 93% owned by Shun Ho Property Investments Limited, a listed company in Stock Exchange with stock code: 219. The principal activity of the Trans-Profit is property investments. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiry, Trans-Profit and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER GEM LISTING RULES

As one or more of the applicable percentage ratios calculated pursuant to rule 19.07 of the GEM Listing Rules in respect of the Lease Agreement exceeds 5% but less than 25%, the entering into of the Lease Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	BCI Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, and the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8412)
“connected persons(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“Grand Diamond” or “Tenant”	Grand Diamond Limited, a limited liability company incorporated under the laws of Hong Kong, and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKFRS 16”	Hong Kong Financial Reporting Standards 16 “Leases” which includes standards and interpretations promulgated by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Lease Agreement”	a lease agreement dated 15 April 2021 entered into between Tenant and the Landlord in relation to the lease of the Premises
“Premises”	Ground Floor of Shun Ho Tower, Nos. 24-30 Ice House Street, Central, Hong Kong
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Trans-Profit” or “Landlord”	Trans-Profit Limited, a limited liability company incorporated under the laws of Hong Kong
“%”	per cent.

By order of the Board of
BCI Group Holdings Limited
Wong Chi Yung
Chairman of the Board

Hong Kong, 15 April 2021

As at the date of this announcement, the executive Directors are Mr. Ng Shing Chun Ray and Mr. Wong Kui Shing Danny, the non-executive Director is Mr. Wong Chi Yung and the independent non-executive Directors are Mr. Hui Wai Hung, Mr. Jiang Qiaowei and Mr. Pong Chun Yu.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of seven days from the date of its publication and on the Company’s website at www.bci-group.com.hk.