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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)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**



#### **SILVERBRICKS SECURITIES COMPANY LIMITED**

On 16 May 2022 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, for up to 199,760,000 new Shares to not less than six Placee(s) independent of the Company at a price of HK\$0.03 per Placing Share, for and on behalf of the Company. The Placing Shares will be allotted and issued under the General Mandate.

The Placing Price of HK\$0.03 per Placing Share represents: (i) a discount of approximately 3.23% to the closing price of HK\$0.031 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 1.32% to the average closing price per Share of HK\$0.0304 as quoted on the Stock Exchange for last five consecutive trading days immediately preceding to the date of the Placing Agreement.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the maximum number of 199,760,000 new Shares under the Placing represents 20% of the existing issued share capital of the Company of 998,800,000 Shares as at the date of this announcement, and approximately 16.67% of the issued share capital of the Company as enlarged by the Placing. The aggregate nominal value of the Placing Shares will be HK\$1,997,600. Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the net proceeds from the Placing will amount to approximately HK\$5,800,000 (assuming all the Placing Shares are fully placed and after deducting all relevant expenses), which are intended to be used as general working capital of the Group.

**Shareholders and potential investors should note that the completion of the Placing is subject to the fulfillment of conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## THE PLACING AGREEMENT

Date: 16 May 2022

Issuer: The Company

Placing Agent: Silverbricks Securities Company Limited

To the best of the Directors' knowledge, information and belief after making reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placee(s): The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placee(s) (who will be independent individual, institutional or professional investor(s)). The Placee(s) and his/their ultimate beneficial owners will be Independent Third Party(ies) and will not become substantial Shareholder(s) (as defined in the GEM Listing Rules) immediately upon completion of the Placing.

Number of Placing Shares: Up to 199,760,000 new Shares to be placed by the Placing Agent on a best effort basis. Assuming the Placing Shares are fully placed, the Placing Shares represents 20% of the existing issued share capital of the Company as at the date of this announcement, and approximately 16.67% of the issued share capital of the Company as enlarged by the Placing. The aggregate nominal value of the Placing Shares is HK\$1,997,600.

Placing Price: HK\$0.03 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent with reference to, among other things, the recent trading price of the Shares on GEM. The Placing Price represents:

- (a) a discount of approximately 3.23% to the closing price of HK\$0.031 per Share as quoted on the GEM on 16 May 2022, being the date of the Placing Agreement;
- (b) a discount of approximately 1.32% to the average closing price of approximately HK\$0.0304 per Share as quoted on the GEM for the last 5 full trading days of the Shares immediately before 16 May 2022 being the date of the Placing Agreement.

The Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK\$5,800,000 (assuming all the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK\$0.029.

The Directors consider that the Placing Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Placing Commission: The Placing Agent will receive a placing commission of 2% on the gross proceeds of the Placing.

General Mandate: The Placing Shares will be issued pursuant to the general mandate granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 22 October 2021 to allot, issue and deal with up to 20% of the issued share capital of the Company as at the date of the annual general meeting, which is 998,800,000 Shares. As at the date of this announcement, no Share has been issued pursuant to the general mandate and the maximum number of 199,760,000 Placing Shares to be allotted and issued will fully utilise 100% of the said general mandate. Given the Placing Shares are to be issued pursuant to the General Mandate, the Placing is not subject to further Shareholders' approval.

Ranking of Placing Shares: The Placing Shares, upon issued, will rank *pari passu* in all respects among themselves and with Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions to the Placing: The Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Placing Shares;
- (b) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with terms of the Placing Agreement.

If the above conditions are not fulfilled on or prior to 6 June 2022, the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

Application will be made by the Company to the Listing Committee of the Stock Exchange for granting the approval for the listing of, and permission to deal in, the Placing Shares.

Completion of the Placing: Completion of the Placing will take place on or before the third (3rd) Business Day after the date upon which the conditions set out in the paragraph headed “Conditions to the Placing” are fulfilled or such later date as the Placing Agent and the Company may agree.

Termination: Notwithstanding anything contained in the Placing Agreement, the Placing Agent may terminate the Placing Agreement prior to completion of the Placing Agreement if in the reasonable opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or is likely to be materially and adversely affected by:

- (a) any material breach of any of the representations and warranties set out in the Placing Agreement; or
- (b) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (c) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
- (d) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (e) a change or development involving a prospective change in taxation in Hong Kong or the Cayman Islands which shall or might materially and adversely affect the Group or its present or prospective shareholders in their capacity as such; or
- (f) any change or deterioration in the conditions of local, national or international securities markets occurs.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

## EFFECT OF THE PLACING ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholdings structure of the Company as at the date of this announcement and immediately upon completion of the Placing assuming all the Placing Shares are fully placed is set out as follows:

Shareholders	As at the date of this announcement		Immediately upon completion of the Placing	
	No. of Shares	Shareholding approximate %	No. of Shares	Shareholding approximate %
<b>Director</b>				
Mr. Jiang Qiaowei	400,000	0.04	400,000	0.03
<b>Substantial Shareholder</b>				
Mr. Sze Ching Lau	359,590,000	36.00	359,590,000	30.00
<b>Public Shareholders</b>				
Placee(s)	–	–	199,760,000	16.67
Others	<u>638,810,000</u>	<u>63.96</u>	<u>638,810,000</u>	<u>53.30</u>
	<u>998,800,000</u>	<u>100.00</u>	<u>1,198,560,000</u>	<u>100.00</u>

## REASONS FOR AND BENEFITS OF THE PLACING AND USE OF THE PROCEEDS

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

Due to the impact of the COVID-19, the Group's business has been severely affected as the operation of the club and entertainment premises has been forced to be suspended for several months already. Whilst the Company expects most of its club and entertainment business may resume soon with the expected uplifting of the relevant anti-epidemic measurements as recently announced by the Hong Kong government, it will take time for the business to fully revive. The Directors believe that the Placing represents a good opportunity to provide immediate funding to strengthen the Company's financial position as well as to replenish the Company's cash reserves. As at 31 March 2022, the Company only had cash reserve of not more HK\$1 million.

The aggregate gross proceeds from the Placing (assuming it is fully placed) are expected to be HK\$5,992,800, and the aggregate net proceeds from the Placing, after deducting the fees and expenses, are expected to be approximately HK\$5,800,000. The Company intends to use all the net proceeds of the Placing for general working capital of the Group.

Accordingly, the Directors (including the independent non-executive Directors) are of the view that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable, and the Placing is in the interests of the Company and the Shareholders as a whole.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any fund raising activities in the past twelve months immediately preceding the date of this announcement.

### **GENERAL**

**Shareholders and potential investors should note that the completion of the Placing is subject to the fulfillment of conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

### **DEFINITIONS**

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	board of Directors
“Business Day”	has the meaning ascribed thereto under the GEM Listing Rules
“Company”	BCI Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is/ are independent of and not connected with the Company, its connected persons and their respective associates
“Placee(s)”	any individual, institutional or professional investor(s) procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agreement

“Placing”	the placing of the Placing Shares by the Company, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	Silverbricks Securities Company Limited, a company incorporated in Hong Kong with limited liability and licensed in Hong Kong to carry out Types 1, 2 and 6 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 16 May 2022 in relation to the Placing
“Placing Price”	HK\$0.03 per Placing Share
“Placing Shares”	Up to 199,760,000 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**BCI Group Holdings Limited**  
**Wong Chi Yung**  
*Chairman of the Board and Chief Executive Officer*

Hong Kong, 16 May 2022

*As at the date of this announcement, the executive Directors are Mr. Wong Chi Yung, Mr. Ng Shing Chun Ray and Ms. Lui Lok Yan, 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 <http://www.hkgem.com> for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at <http://www.bci-group.com.hk>.*