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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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation on the basis that every twenty (20) issued and unissued Shares of par value of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.20 each.

GENERAL

The AGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation to be proposed at the AGM.

The Circular containing, among other things, further details of the Share Consolidation together with a notice of AGM will be despatched to the Shareholders on or before 20 October 2022.

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Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each, of which 1,198,560,000 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, on the basis that the Company does not allot, issue or repurchase any Shares prior thereto, the authorised share capital of the Company shall become HK\$100,000,000 divided into 500,000,000 Consolidated Shares of HK\$0.20 each, of which 59,928,000 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares will not be allocated to the Shareholders who may otherwise be entitled.

Conditions Precedent to the Share Consolidation

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the AGM;
- (ii) the GEM Listing Committee granting the approval for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the Cayman Islands Law (if applicable) and the GEM Listing Rules to effect the Share Consolidation.

As at the date of this announcement, none of the conditions above had been fulfilled. The Share Consolidation will become effective when the conditions mentioned above are fulfilled.

Listing Application

An application will be made by the Company to the GEM Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the Circular.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

No change in Board lot size

Currently, the Shares are traded on the Stock Exchange in the board lot size of 10,000 Shares. Upon the Share Consolidation becoming effective, there will be no change in board lot size and the board lot size for trading in the Consolidated Shares will remain as 10,000 Consolidated Shares.

Based on the closing price of HK\$0.038 per Share (equivalent to the theoretical closing price of HK\$0.76 per Consolidated Share) as at the Latest Practicable Date, the value of each board lot of the Shares is HK\$380 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$7,600.

Free exchange of Consolidated Shares' certificates and trading arrangement

Subject to the Share Consolidation becoming effective, the Shareholders may during the period from Wednesday, 16 November 2022 to Thursday, 22 December 2022 (both days inclusive) submit the existing share certificates in the colour of light beige for the Shares to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Ltd. at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong to exchange, at the expense of the Company, for new share certificates in the colour of light blue for the Consolidated Shares.

Thereafter, certificates of the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever is higher.

After 4:10 p.m. on Tuesday, 20 December 2022, existing share certificates for the Shares will only remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

Adjustments in relation to other securities of the Company

As at the date of this announcement, there are outstanding Options for subscription of an aggregate of 30,000,000 Shares under the Share Option Scheme. The Share Consolidation may lead to adjustments to the exercise price and/or the number of Consolidated Shares falling to be issued upon exercise of the outstanding Options pursuant to the terms and conditions of the Share Option Scheme and the GEM Listing Rules. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save for the aforesaid, the Company has no other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has further stated that (i) market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

As at the date of this announcement, the closing price is HK\$0.038 per Share, with a board lot size of 10,000 Shares, which are trading under HK\$2,000 per board lot. It is contemplated that the expected value per board lot after the Share Consolidation would theoretically be HK\$7,600 (based on the closing price per Share as at the date of this announcement) and thus exceed HK\$2,000 and could render the trading of the Consolidated Shares in compliance with the relevant trading requirement. Further, for the purpose of reducing transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes the Share Consolidation. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Shares.

The Board considers that the Share Consolidation would maintain the trading amount for each board lot at a reasonable level in order to attract more investors. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

In view of the above, the Directors are of the view that the Share Consolidation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any other plan, arrangement, understanding or intention on any fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Consolidation:

Event	Time	Date
Expected despatch date of the circular, proxy form and notice of the AGM		Thursday, 20 October 2022
Latest time for lodging transfers of Shares to qualify for attendance and voting at the AGM	4:30pm	Tuesday, 8 November 2022
Register of members closes for the purpose of determining members who are entitled to attend the AGM (both days inclusive)		Wednesday, 9 November 2022 to Monday, 14 November 2022
Latest time for lodging of proxy form for the AGM	11:00am	Saturday, 12 November 2022
Expected time and date of the AGM	11:00am	Saturday, 12 November 2022
Announcement of the poll results of the AGM		Monday, 14 November 2022
Effective date of the Share Consolidation		Monday, 14 November 2022
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares		Wednesday, 16 November 2022
Commencement of dealings in the Consolidated Shares	9:00am	Wednesday, 16 November 2022
Original counter for trading in Shares in board lots of 10,000 (in form of existing share certificates) temporarily closes	9:00am	Wednesday, 16 November 2022
Temporary counter for trading in Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) opens	9:00am	Wednesday, 16 November 2022
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates for Consolidated Shares) re-opens	9:00am	Wednesday, 30 November 2022
Parallel trading in the Shares and Consolidated Shares (in the form of the existing and new share certificates) commences	9:00am	Wednesday, 30 November 2022
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00am	Wednesday, 30 November 2022

Event	Time	Date
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	4:00pm	Tuesday, 20 December 2022
Temporary counter for trading in board lots of 500 Consolidated Shares (in the form of existing share certificates) closes	4:10pm	Tuesday, 20 December 2022
Parallel trading in the Shares and the Consolidated Shares (in the form of new and existing share certificates) ends	4:10pm	Tuesday, 20 December 2022
Last day of free exchange of existing share certificates for new share certificates for the Consolidated Shares		Thursday, 22 December 2022

Note:

All times and dates in this circular refer to Hong Kong local times and dates. Shareholders should note that the dates and deadlines specified herein is subject to the satisfaction of all the conditions of the Share Consolidation, including without limitation, the approval of the Share Consolidation by the Shareholders at the SGM, and are therefore for indicative purpose only.

In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the GEM website of the Stock Exchange and on the website of the Company as and when appropriate.

GENERAL

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The Circular containing, among other things, further details of the Share Consolidation together with a notice of AGM will be despatched to the Shareholders on or before 20 October 2022.

DEFINITIONS

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

“AGM”	The annual general meeting of the Company to be convened and held on 14 November 2022 to consider, and if thought fit, to approve, among other things, the Share Consolidation
“Board”	board of Directors
“Business Day”	has the meaning ascribed thereto under the GEM Listing Rules
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company to be despatched to the Shareholders to provide, among other things, further details regarding the Share Consolidation
“Company”	BCI Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Consolidated Share(s)”	the ordinary share(s) of HK\$0.20 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	the GEM listing sub-committee of the board of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the terms of the Share Option Scheme
“Share Consolidation”	the proposed consolidation of every twenty (20) issued and unissued Shares of par value of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of par value of HK\$0.20 each
“Share Option Scheme”	the share option scheme adopted by the Company on 14 March 2017
“Share(s)”	existing 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 7 October 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.

This announcement will remain on the “Latest Listed Company Announcements” page of the Stock Exchange’s website 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.bcigroup.com.hk>.