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*This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.*

**MR. SZE CHING LAU**

**BCI Group Holdings Limited**

**高門集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8412)**

**JOINT ANNOUNCEMENT**

- (1) ACQUISITION OF THE SALE SHARES IN BCI GROUP HOLDINGS LIMITED BY MR. SZE CHING LAU AND MR. WONG KUI SHING DANNY;**  
**(2) MANDATORY UNCONDITIONAL CASH OFFER BY SHENWAN HONGYUAN SECURITIES (H.K.) LIMITED FOR AND ON BEHALF OF MR. SZE CHING LAU TO ACQUIRE ALL THE ISSUED SHARES OF BCI GROUP HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH HIM);**  
**(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER; AND**  
**(4) RESUMPTION OF TRADING**

**Joint Financial Advisers to the Offeror**



**INCUB Corporate Finance Limited**



**Shenwan Hongyuan Capital (H.K.) Limited**

**Independent Financial Adviser to the Independent Board Committee**



**Octal Capital Limited**

## **THE SALE AND PURCHASE AGREEMENT**

The Company was informed by the Vendors that on 14 December 2020 (after trading hours), Aplus Concept and Phoenix Year as the Vendors, Mr. Ng as Guarantor and Mr. Sze and Mr. Wong as the Purchasers entered into the Sale and Purchase Agreement, pursuant to which (i) Aplus Concept has agreed to sell, and Mr. Sze has agreed to purchase, the Sale Shares 1; and (ii) Phoenix Year has agreed to sell, and Mr. Wong has agreed to purchase, the Sale Shares 2 for a total Consideration of HK\$42,456,000 (equivalent to HK\$0.08 per Sale Share). The Sale Shares 1 and the Sale Shares 2, being in aggregate of 530,700,000 Shares (representing approximately 55.28% of the entire issued share capital of the Company as at the date of this joint announcement).

Completion took place immediately after the signing of the Sale and Purchase Agreement on 14 December 2020.

## **MANDATORY UNCONDITIONAL CASH OFFER**

Immediately prior to Completion, the Offeror and parties acting in concert with him (including Mr. Wong) did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with him (including Mr. Wong) are interested in an aggregate of 530,700,000 Shares, representing approximately 55.28% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with him (including Mr. Wong).

As at the date of this joint announcement, the Company has 960,000,000 Shares in issue and does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares.

The Offer will be a mandatory unconditional cash offer. Shenwan Hongyuan Securities, on behalf of the Offeror, will make the Offer to all Independent Shareholders to acquire all the Offer Shares in compliance with the Takeovers Code on the following basis:

**For each Offer Share. . . . . HK\$0.08 in cash**

The Offer Price of HK\$0.08 per Offer Share under the Offer is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

The principal terms of the Offer are set out under the section headed “Mandatory unconditional cash offer” below.

### **Confirmation of financial resources available for the Offer**

The Offeror intends to finance the entire consideration payable under the Offer by his own financial resources.

INCU and Shenwan Hongyuan Capital, being the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror under the Offer.

On the basis of the Offer Price of HK\$0.08 per Offer Share and excluding 530,700,000 Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him (including Mr. Wong), there are 429,300,000 Shares subject to the Offer and the value of the Offer is therefore HK\$34,344,000.

### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Wong Sui Chi, Mr. Li Lap Sun and Mr. Ng Kwok Kei Sammy, has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

With the approval by the Independent Board Committee, Octal Capital has been appointed by the Company to act as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offer, in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

### **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular in the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) details of the Offer; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer; and (iv) the relevant form(s) of acceptance and transfer, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may consent to.

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

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 15 December 2020 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 18 December 2020.

## **WARNING**

**The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offer and the letter of advice from the Independent Financial Adviser.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## **INTRODUCTION**

The Company was informed by the Vendors that on 14 December 2020 (after trading hours), Aplus Concept and Phoenix Year as the Vendors, Mr. Ng as Guarantor and Mr. Sze and Mr. Wong as the Purchasers entered into the Sale and Purchase Agreement, pursuant to which (i) Aplus Concept has agreed to sell, and Mr. Sze has agreed to purchase, the Sale Shares 1; and (ii) Phoenix Year has agreed to sell, and Mr. Wong has agreed to purchase, the Sale Shares 2, for a total Consideration of HK\$42,456,000 (equivalent to HK\$0.08 per Sale Share). The Sale Shares 1 and the Sale Shares 2, being in aggregate of 530,700,000 Shares (representing approximately 55.28% entire issued share capital of the Company as at the date of this joint announcement).

## **THE SALE AND PURCHASE AGREEMENT**

**Date:** 14 December 2020

### **Parties:**

- (i) Purchasers:
- (1) Mr. Sze (as to Sale Shares 1), being the Offeror; and
  - (2) Mr. Wong (as to Sale Shares 2)
- (ii) Vendors:
- (1) Aplus Concept (as to Sale Shares 1); and
  - (2) Phoenix Year (as to Sale Shares 2)
- (iii) Guarantor: Mr. Ng, being the Guarantor of Aplus Concept

## **Subject matter**

Pursuant to the Sale and Purchase Agreement, (i) Aplus Concept has agreed to sell, and Mr. Sze has agreed to purchase, Sale Shares 1; and (ii) Phoenix Year has agreed to sell, and Mr. Wong has agreed to purchase, Sale Shares 2, for a total Consideration of HK\$42,456,000 (equivalent to HK\$0.08 per Sale Share). The Sale Shares 1 and the Sale Shares 2, being in aggregate of 530,700,000 Shares (representing approximately 55.28% of the entire issued share capital of the Company as at the date of this joint announcement).

The Sale Shares were acquired free from all Encumbrances and together with all rights attaching to them at Completion and thereafter, including all rights to any dividend or other distribution declared, made or paid on and after the date of Completion.

Aplus Concept and Phoenix Year ceased to be Shareholders after Completion.

## **Consideration for the Sale Shares**

The total Consideration payable by the Purchasers to the Vendors in respect of the Sale Shares shall be HK\$42,456,000 (payable (i) by Mr. Sze as to HK\$29,721,600 to Aplus Concept in respect of Sale Shares 1 and (ii) by Mr. Wong as to HK\$12,734,400 to Phoenix Year in respect of Sale Shares 2), equivalent to HK\$0.08 per Sale Share, which was agreed between the Purchasers and the Vendors after arm's length negotiations, taking into account the outlook of the food & beverage and entertainment industry in Hong Kong. The Consideration shall be payable by the Purchasers to the Vendors in cash upon Completion.

Each of the Consideration 1 and Consideration 2 was paid by Mr. Sze and Mr. Wong to Aplus Concept and Phoenix Year respectively.

## **Completion**

Completion took place immediately after the signing of the Sale and Purchase Agreement on 14 December 2020.

## **MANDATORY UNCONDITIONAL CASH OFFER**

Immediately prior to Completion, the Offeror and parties acting in concert with him (including Mr. Wong) did not own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately following Completion and as at the date of this joint announcement, the Offeror and parties acting in concert with him (including Mr. Wong) are interested in an aggregate of 530,700,000 Shares, representing approximately 55.28% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, upon Completion, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with him (including Mr. Wong)).

As at the date of this joint announcement, the Company has 960,000,000 Shares in issue and does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) that are convertible or exchangeable into Shares.

## Principal terms of the Offer

The Offer will be a mandatory unconditional cash offer. Shenwan Hongyuan Securities, on behalf of the Offeror, will make the Offer to all the Independent Shareholders to acquire all the Offer Shares, in compliance with the Takeovers Code on the following basis:

For each Offer Share . . . . . HK\$0.08 in cash

The Offer Price of HK\$0.08 per Offer Share under the Offer is the same as the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching thereto, including but not limited to all rights to any dividend or other distribution, if any, declared, made or paid on or after the date on which the Offer is made, being the despatch date of the Composite Document. The Company has not declared any dividend and the Company does not intend to declare, make or pay any dividend prior to close of the Offer.

The Offer, if made, will be unconditional in all respects and will not be conditional upon acceptances being received in respect of a minimal number of the Shares or any other conditions.

## Comparison of value

The Offer Price of HK\$0.08 per Offer Share represents:

- (i) a discount of approximately 55.06% to the closing price of HK\$0.178 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 55.06% to the average closing price of approximately HK\$0.178 per Share based on the daily closing prices as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a discount of approximately 55.06% to the average closing price of approximately HK\$0.178 per Share based on the daily closing prices as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a discount of approximately 55.06% to the average closing price of approximately HK\$0.178 per Share based on the daily closing prices as quoted on the Stock Exchange for the last thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 15,900% over the adjusted net asset value attributable to the owners of the Company of approximately HK\$0.0005 per Share based on (i) the audited loss attributable to owners of the Company of approximately HK\$19,888,000 as at 31 May 2020; (ii) the net proceeds from placing of shares completed on 18 August 2020 of approximately HK\$20,334,000; and (iii) the total number of issued Shares as at the date of this joint announcement; and
- (vi) a premium of approximately 2,566.67% over the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.003 per Share (based on the total number of issued Shares as at the date of this joint announcement) as at 31 August 2020 with reference to the unaudited condensed consolidated statement of changes in equity of the first quarterly report of the Company for the three months ended 31 August 2020.

### **Highest and lowest closing prices of the Shares**

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the commencement of the Offer Period and up to and including the Last Trading Day were HK\$0.191 per Share on 19 June 2020 and HK\$0.100 per Share on 18 June 2020 respectively.

### **Value of the Offer**

On the basis of the Offer Price of HK\$0.08 per Offer Share and excluding 530,700,000 Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with him (including Mr. Wong), there are 429,300,000 Shares subject to the Offer and the value of the Offer is therefore HK\$34,344,000.

### **Confirmation of financial resources available for the Offer**

The Offeror intends to finance the entire consideration payable under the Offer by his own financial resources.

INCUB and Shenwan Hongyuan Capital, being the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror under the Offer.

### **Effect of accepting the Offer**

By accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror free from all Encumbrances together with all rights attached thereto, including but not limited to all rights to receive any dividend or other distribution, if any, declared, made or paid on or after the date on which the Offer is made, being the despatch date of the Composite Document.

The Company has not declared any dividend and the Company does not intend to declare, make or pay any dividend prior to close of the Offer.

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code.

### **Hong Kong stamp duty**

The seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable to Independent Shareholders who accept the Offer.

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

## **Overseas Shareholders**

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should obtain information about and observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers and/or seek legal advice. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdiction).

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

## **Payment**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent acting on its behalf) to render each such acceptance complete and valid.

## **Taxation advice**

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

## **DEALING AND INTERESTS IN THE COMPANY'S SECURITIES**

Save for the Sale Shares pursuant to the Sale and Purchase Agreement, none of the Offeror or any parties acting in concert with him (including Mr. Wong) has dealt in nor owned any Share or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six (6) months prior to the commencement of the Offer Period and up to and including the date of this joint announcement.

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

- (i) save for the Sale Shares under the Sale and Purchase Agreement held by the Offeror, neither the Offeror nor any of the parties acting in concert with him (including Mr. Wong) owned or had control or direction over any voting rights or rights over any Shares, convertible securities, warrants, options or derivatives of the Company;
- (ii) neither the Offeror nor any of the parties acting in concert with him (including Mr. Wong) had received any irrevocable commitment(s) to accept or decline the Offer;



- (iii) neither the Offeror nor any of the parties acting in concert with him (including Mr. Wong) held any convertible securities, derivatives, warrants or options in respect of the Shares;
- (iv) neither the Offeror nor any of the parties acting in concert with him (including Mr. Wong) had entered into any outstanding derivative in respect of securities in the Company;
- (v) save for the Sale and Purchase Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares between the Offeror or any of the parties acting in concert with him (including Mr. Wong) and any other person which might be material to the Offer;
- (vi) there is no agreement or arrangement to which the Offeror or any parties acting in concert with him (including Mr. Wong) is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or condition to the Offer;
- (vii) neither the Offeror nor any of the parties acting in concert with him (including Mr. Wong) had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (viii) apart from the Consideration, none of the Offeror nor the parties acting in concert with him (including Mr. Wong) have paid and/or will pay any other consideration, compensation or benefit in whatever form to the Vendors and any parties acting in concert with them in connection with the sale and purchase of the Sale Shares;
- (ix) there is no understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between the Offeror or any parties acting in concert with him (including Mr. Wong) on the one hand, and the Vendors and any parties acting in concert with them on the other hand; and
- (x) there is no understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) the Offeror and the parties acting in concert with him (including Mr. Wong), or (b) the Company, its subsidiaries or associated companies (as defined in the Takeovers Code).

#### **INFORMATION ON THE OFFEROR AND MR. WONG**

Mr. Sze, BBS, JP, is an experienced investor and currently a shareholder of China Putian Food Holding Limited (Stock Code: 1699), Xinyang Maojian Group Limited (Stock Code: 362) and Sparkle Roll Group Limited (Stock Code: 970) with more than 5% shareholdings as required to be disclosed under the relevant SFO. In addition, Mr. Sze is currently the Chairman of Lung Shing International (Group) Limited\* (隆誠國際(集團)有限公司) (a company principally engaged in trading of recycled plastic products), a member of the National Committee of the Chinese People's Political Consultative Conference\* (全國政協委員), as well as the Vice Chairman of Hong Kong Federation of Fujian Associations\* (香港福建社團聯會副主席). Mr. Sze has extensive experience in the financial and investment fields, and a diversified personal investment portfolio. As such, Mr. Sze decided to invest in the catering business in order to further broaden the scope of his investments.

Mr. Wong, holds a Bachelor of Arts degree from the University of Hong Kong. He has extensive exposure in the financial and investment fields for over 20 years and is well experienced in the international investment market. He is currently the chairman and chief executive officer of the China Information Technology Development Limited (Stock Code: 8178), a non-executive director of TFG International Group Limited (Stock Code: 542), and an independent non-executive director of Far East Holdings International Limited (Stock Code: 36). Mr. Wong has extensive experience in the financial and investment fields as well as experience in corporate and business management in listed companies, as disclosed above. Mr. Wong has carefully assessed his current business and investment portfolio and decided to invest in the catering business in order to widen variety of his investments and diversify investment risk in his investment portfolio.

Though Mr. Sze and Mr. Wong did not have direct experience in the catering sector, both of them intend to retain the management, including Mr. Ng Shing Chun Ray, and experienced staff of the Group to leverage on their expertise in the catering industry to run the catering operation. Mr. Sze and Mr. Wong will review the business of the Group and might consider to hire more experienced management staff to the Board or as senior management if they deem fit.

Save for the Sale Shares pursuant to the Sale and Purchase Agreement, the Offeror and the parties acting in concert with him (including Mr. Wong) do not hold any Shares or any other securities of the Company as at the date of this joint announcement.

## INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued shares are listed on GEM (stock code: 8412). The Company and its subsidiaries are a food and beverage and entertainment group based in Hong Kong that owns and operates (i) two night clubs, namely Volar and Mudita; (ii) one sports-themed bar, namely Paper Street; (iii) one entertainment studio, namely Maximus Studio; and (iv) one restaurant focusing on Japanese-style dishes under the proprietary “Tiger” brand, namely Tiger San.

### Financial information of the Group

The following table is a summary of certain audited consolidated financial information of the Group for the three financial years ended 31 May 2020 as extracted from the annual reports of the Company for the three years ended 31 May 2018, 2019 and 2020:

	<b>For the year ended 31 May</b>		
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	50,397	81,889	85,343
Loss before tax	(36,624)	(27,706)	(23,945)
Loss and total comprehensive income attributable to the owners of the Company	(35,704)	(26,780)	(25,135)
		<b>As at 31 May</b>	
	<b>2020</b>	<b>2019</b>	<b>2018</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/Equity attributable to the owners of the Company	(19,888)	15,816	42,596

## Shareholding structure of the Company

Set out below is the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately after Completion and as at the date of this joint announcement:

	Immediately prior to Completion		Immediately after Completion and as at the date of this joint announcement	
	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>The Offeror and parties acting in concert with him</b>				
The Offeror	–	–	371,520,000	38.70
Mr. Wong	–	–	159,180,000	16.58
	–	–	530,700,000	55.28
<b>Vendors</b>				
Aplus Concept ( <i>Note 1</i> )	371,520,000	38.70	–	–
Phoenix Year ( <i>Note 2</i> )	159,180,000	16.58	–	–
Public Shareholders	429,300,000	44.72	429,300,000	44.72
<b>Total</b>	<u>960,000,000</u>	<u>100.00</u>	<u>960,000,000</u>	<u>100.00</u>

Notes:

1. Aplus Concept is wholly-owned by Mr. Ng.
2. Phoenix Year is wholly-owned by CSI Properties Limited, the shares of which are listed on the Stock Exchange (stock code: 497). The controlling shareholder of CSI Properties Limited is Mr. Chung Cho Yee, Mico, who is the beneficial owner of approximately 52.67% of the issued share capital of CSI Properties Limited.

## THE OFFEROR'S INTENTION IN RELATION TO THE GROUP

Upon Completion, the Offeror has become the controlling Shareholder. The Offeror has no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group. The Offeror also intends to retain the management and experienced staff of the Group to continue to run the catering operating immediately following Completion. The Offeror will, following the close of the Offer, conduct a detailed review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any restructuring and/or integration of the existing businesses of the Group will be appropriate in order to enhance long-term growth potential of the Group.

## **PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY**

The Board is currently made up of seven (7) Directors, comprising three (3) executive Directors, one (1) non-executive Director and three (3) independent non-executive Directors. Upon Completion, the Offeror intends to retain Mr. Ng Shing Chun Ray as executive Director and nominate new Directors to the Board with effect from the earliest time permitted under the Takeovers Code, the GEM Listing Rules or other applicable rules or regulations. As at the date of this joint announcement, the Offeror has not reached any final decision as to who will be nominated as new Directors and which Director(s) will resign. Any changes to the Board will be made in compliance with the Takeovers Code and the GEM Listing Rules and further announcement(s) will be made accordingly.

## **MAINTAINING THE LISTING STATUS AND SUFFICIENT PUBLIC FLOAT OF THE COMPANY**

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends to maintain the listing of the Shares on GEM following the close of the Offer. The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer. The Offeror and the Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer. In this connection, in the event that the public float of the Company falls below 25% upon the close of the Offer, the Offeror will, as soon as practicable, dispose of such number of Shares either directly in the market or through a placing agent to be appointed by the Offeror to ensure that the public float requirement under the GEM Listing Rules can be met. The Company and the Offeror will issue a separate announcement as and when necessary in this regard in compliance with the GEM Listing Rules.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee comprising all independent non-executive Directors who have no direct or indirect interest in the Offer, namely, Mr. Wong Sui Chi, Mr. Li Lap Sun and Mr. Ng Kwok Kei Sammy, has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Given that Phoenix Year, one of the Vendors, is a wholly-owned subsidiary of CSI Properties Limited, the shares of which are listed on the Stock Exchange (stock code: 497), and that Mr. Kan Sze Man, being a non-executive Director, is the executive director of CSI Properties Limited, Mr. Kan Sze Man is therefore not considered to be independent to become a member of the Independent Board Committee.

With the approval by the Independent Board Committee, Octal Capital has been appointed by the Company to act as the Independent Financial Adviser to advise the Independent Board Committee in relation to the Offer, in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

## **DESPATCH OF THE COMPOSITE DOCUMENT**

It is the intention of the Offeror and the Company to combine the offer document and the Company's board circular in the Composite Document to be posted.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) details of the Offer; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Offer; and (iv) the relevant form(s) of acceptance and transfer, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may consent to.

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

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company in due course.

## **DEALING DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, respective associates of the Company (as defined in the Takeovers Code, including among others, Shareholders having interests of 5% or more in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company) and of the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

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

### ***“Responsibilities of stockbrokers, banks and other intermediaries***

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

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

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

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 15 December 2020 pending the publication of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 18 December 2020.

## WARNING

**The Directors make no recommendation as to the fairness or reasonableness of the Offer or as to the acceptance of the Offer in this joint announcement, and strongly recommend the Independent Shareholders not to form a view on the Offer unless and until they have received and read the Composite Document, including the recommendations of the Independent Board Committee in respect of the Offer and a letter of advice from the Independent Financial Adviser.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

## DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Aplus Concept”	Aplus Concept Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Ng
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Company”	BCI Group Holdings Limited (高門集團有限公司), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM (stock code: 8412)
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Sale and Purchase Agreement
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Independent Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the form of acceptance and transfer) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser

“Consideration”	the aggregate consideration payable by the Purchasers to the Vendors for the acquisition of the Sale Shares, being HK\$42,456,000
“Consideration 1”	the consideration payable by Mr. Sze to Aplus Concept for Sale Shares 1, being HK\$29,721,600
“Consideration 2”	the consideration payable by Mr. Wong to Phoenix Year for Sale Shares 2, being HK\$12,734,400
“controlling shareholder(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	the Executive Director of the Corporate Finance Division of the SFC for the time being or any of his delegates
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantor” or “Mr. Ng”	Mr. Ng Shing Joe Kester, being an executive Director and the ultimate beneficial owner of Aplus Concept
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“INCU”	INCU Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being one of the joint financial advisers to the Offeror in relation to the Offer

“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors, namely, Mr. Wong Sui Chi, Mr. Li Lap Sun and Mr. Ng Kwok Kei Sammy, established to advise the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer
“Independent Financial Adviser” or “Octal Capital”	Octal Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee in relation to the Offer, in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with him (including Mr. Wong)
“Last Trading Day”	14 December 2020, being the last trading day of the Shares before the publication of this joint announcement
“Mr. Sze” or “Offeror”	Mr. Sze Ching Lau
“Mr. Wong”	Mr. Wong Kui Shing Danny
“Offer”	the mandatory unconditional cash offer to be made by Shenwan Hongyuan Securities, on behalf of the Offeror, to acquire all the issued Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with him (including Mr. Wong) pursuant to Rule 26.1 of the Takeovers Code
“Offer Period”	has the same meaning ascribed to it under the Takeovers Code
“Offer Price”	HK\$0.08 per Offer Share
“Offer Share(s)”	the issued Share(s) other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with him (including Mr. Wong)
“Overseas Shareholder(s)”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Phoenix Year”	Phoenix Year Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by CSI Properties Limited, the shares of which are listed on the Stock Exchange (stock code: 497)



“PRC”	the People’s Republic of China, which for the purpose of this joint announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchasers”	Mr. Sze and Mr. Wong
“Sale and Purchase Agreement”	the sale and purchase agreement dated 14 December 2020 and entered into between the Vendors and the Purchasers in relation to the sale and purchase of the Sale Shares
“Sale Share(s)”	530,700,000 Shares, beneficially owned by the Vendors representing approximately 55.28% of the total issued share capital of the Company upon the signing of the Sale and Purchase Agreement
“Sale Shares 1”	371,520,000 Shares beneficially owned by Aplus Concept, representing 38.70% of the entire issued share capital of the Company upon the signing of the Sale and Purchase Agreement
“Sale Shares 2”	159,180,000 Shares beneficially owned by Phoenix Year, representing approximately 16.58% of the entire issued share capital of the Company upon the signing of the Sale and Purchase Agreement
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of par value HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenwan Hongyuan Capital”	Shenwan Hongyuan Capital (H.K.) Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror in relation to the Offer
“Shenwan Hongyuan Securities”	Shenwan Hongyuan Securities (H.K.) Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

“Vendors” Aplus Concept and Phoenix Year

“%” per cent.

**Mr. Sze Ching Lau**

By order of the Board  
**BCI Group Holdings Limited**  
**Ng Shing Joe Kester**  
*Chairman and Executive Director*

Hong Kong, 17 December 2020

\* *For identification purpose only*

*As at the date of this joint announcement, the executive Directors are Mr. Ng Shing Joe Kester, Ms. Lau Sze Yuen and Mr. Ng Shing Chun Ray, the non-executive Director is Mr. Kan Sze Man and the independent non-executive Directors are Mr. Wong Sui Chi, Mr. Li Lap Sun and Mr. Ng Kwok Kei Sammy.*

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

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

*This joint announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of seven days from the date of its publication and on the Company’s website at [www.bcigroup.com.hk](http://www.bcigroup.com.hk).*