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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 TRANSACTIONS SUBSCRIPTIONS OF FINANCIAL PRODUCTS

SUBSCRIPTIONS OF FINANCIAL PRODUCTS

During the period from 2 August 2017 to 11 September 2017, Bannock Holdings Limited, a wholly-owned subsidiary of the Company, subscribed for the Financial Products with an aggregate principal amount of US\$2,550,000 (equivalent to approximately HK\$19.9 million).

IMPLICATIONS UNDER THE GEM LISTINGS 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 Subscriptions are more than 5% but less than 25%, the Subscriptions constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and are subject to the notification and announcement requirements set out under the GEM Listing Rules.

The Company fully acknowledges that the notification and announcement in respect of the Subscriptions as required under Chapter 19 of the GEM Listing Rules had been delayed due to its inadvertent oversight. The failure to make timely disclosure was due to a misunderstanding by the management of the Company on the back of a miscommunication with the company secretary. The company secretary did not previously consider the Subscriptions would constitute notifiable transactions under the GEM Listing Rules and hence had omitted to make a timely disclosure in respect of the Subscriptions.

INTRODUCTION

During the period from 2 August 2017 to 11 September 2017, Bannock Holdings Limited, a wholly-owned subsidiary of the Company, subscribed for the Financial Products with an aggregate principal amount of US\$2,550,000 (equivalent to approximately HK\$19.9 million).

SUBSCRIPTIONS OF FINANCIAL PRODUCTS

The Financial Products consist of US\$-denominated short dated corporate bonds with an average maturity of approximately 24 months from the dates of the Subscriptions and the credit rating of such bonds are mostly BBB or above. Further details regarding the terms of the Financial Products are set out below:

International Securities Identification Number (ISIN)	Product name	Principal amount subscribed (in USD)	Expected rate of return (%)	Subscription date	Maturity date	Expected amount upon redemption at the date of this announcement (in USD) (Note 1)
XS0963156350	CENTURY MASTER INVESTMENT (4 3/4% 19/09/18)	300,000	4.75%	6 September 2017	19 September 2018	306,090
XS0996662853	CHINA OS GRAND OCEAN FIN (5 1/8% 23/01/19)	300,000	5.125%	6 September 2017	23 January 2019	307,530
XS1411405233	CICC HK FINANCE 2016 MTN EMTN (2 3/4% 18/05/19)	300,000	2.75%	6 September 2017	18 May 2019	300,180
XS1132156230	DOUBLE ROSY (3 5/8% 18/11/19)	400,000	3.625%	2 August 2017	18 November 2019	404,840
XS1505860624	FUXIANG INVST MGMT EMTN (3 5/8% 30/11/19)	350,000	3.625%	6 September 2017	30 November 2019	352,065
US88032XAC83	TENCENT HOLDINGS LTD SER REGS (2 7/8% 11/02/20)	350,000	2.875%	7 September 2017	11 February 2020	355,320
USG22117AB45	HPHT FINANCE 15 LTD REG-S (2 7/8% 17/03/20)	350,000	2.875%	11 September 2017	17 March 2020	352,415
XS0507147725	LI & FUNG LTD (5 1/4% 13/05/20)	200,000	5.25%	11 September 2017	13 May 2020	211,800
Total		2,550,000				2,590,240

Note 1: Assuming holding the bonds until their respective maturity, the expected total return will be the principal redemption par value plus all the interests or coupons received for the period between the Subscriptions to maturities.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Group is principally engaged in food and beverage and entertainment industry based in Hong Kong. Currently, the Group owns and operates two night entertainment clubs, namely Volar and Fly; and three restaurants focusing on Japanese-style curry dishes under our proprietary “Tiger” brand.

Taking into account of, among others, (i) the level of risks; (ii) the expected rate of return; and (iii) the terms to maturity, the Company considers that the Subscriptions, which were financed by bank borrowing secured by the Financial Products, will provide the Group better return for its treasury management purposes and that the liquidity of the investment corresponds to the funding need of the Group. Further, the Subscriptions were funded by secured bank borrowing and thus would not affect the working capital or the operation of the Group. As such, the Directors are of the view that the Subscriptions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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 Subscriptions are more than 5% but less than 25%, the Subscriptions constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and are subject to the notification and announcement requirements set out under the GEM Listing Rules.

The Company fully acknowledges that the notification and announcement in respect of the Subscriptions as required under Chapter 19 of the GEM Listing Rules had been delayed due to its inadvertent oversight. The failure to make timely disclosure was due to a misunderstanding by the management of the Company on the back of a miscommunication with the company secretary. The company secretary did not previously consider the Subscriptions by the Company would constitute notifiable transactions under the GEM Listing Rules and hence had omitted to timely comply with the GEM Listing Rules in respect of the Subscriptions.

REMEDIAL ACTIONS

To prevent similar situation from occurring in the future, the Company will take the following measures and actions:

- a) the Company shall conduct an internal training session for the Directors as well as senior management and company secretary of the Company to reiterate and explain the relevant GEM Listing Rules’ requirements and the reporting procedures for notifiable transactions under the GEM Listing Rules, and to emphasize the importance of identifying such transactions prior to execution;

- b) the Company shall, as and when appropriate and necessary, seek its external legal or other professional advice as to any action required to be taken in relation to any proposed transactions or events in the future; and
- c) the Company will consult its compliance adviser, and if necessary its legal adviser, in a timely manner;

Going forward, the company secretary and the management of the Company will make sure such required disclosures to be announced in a timely manner in accordance to 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, a company incorporated in the Cayman Islands on 19 May 2016 as an exempted company with limited liability, the issued shares of which are listed on the GEM operated by the Stock Exchange (stock code: 8412);
“Director(s)”	the director(s) of the Company;
“Financial Products”	the US\$-denominated short dated corporate bonds subscribed for by the Company during the period from 2 August 2017 to 11 September 2017 as disclosed in this announcement;
“GEM”	the Growth Enterprise Market 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 dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Subscriptions”	the subscriptions of the Financial Products with an aggregate principal amount of US\$2,550,000 (equivalent to approximately HK\$19.9 million) during the period from 2 August 2017 to 11 September 2017;
“US\$” or “USD”	United States dollar, the lawful currency of the United States of America; and
“%”	per cent.

By order of the Board of
BCI Group Holdings Limited
Wong Chi Wai
Company Secretary

Hong Kong, 2 October 2017

As at the date of this announcement, the executive Directors are Mr. Ng Shing Joe Kester and Ms. Lau Sze Yuen, 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.

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 beliefs 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 Stock Exchange’s website at www.hkexnews.hk and the GEM website at www.hkgem.com on the “Latest Listed Company Information” page for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at www.bci-group.com.hk.