

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

BExcellent Group Holdings Limited

精英匯集團控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1775)

CHANGES IN USE OF PROCEEDS

Reference is made to the prospectus of BExcellent Group Holdings Limited (“**Company**”) dated 30 June 2018 (“**Prospectus**”) in relation to the public offering and listing of the shares of the Company on the main board of The Stock Exchange of Hong Kong Limited (“**Listing**”) and the annual report of the Company for the year ended 31 July 2019 (“**Annual Report 2019**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Prospectus and the Annual Report 2019 (in the event of conflict or inconsistency, the definitions in the Annual Report 2019 shall prevail).

The Board would like to announce that it has resolved to change the use of the net proceeds raised from the Listing as disclosed in the Prospectus.

CHANGES IN USE OF PROCEEDS

Up to 31 December 2019, the Company had utilised approximately HK\$35.1 million of the total net proceeds of approximately HK\$92.0 million raised from the Listing (“**Net Proceeds**”).

Reallocation of Net Proceeds

For reasons set out in the section headed “Reasons for the Changes in Use of the Net Proceeds” herein, the Board resolved on 20 January 2020 to:

- (i) expand the original use of HK\$31.1 million of Net Proceeds allocated for acquisition of commercial premises to be used as teaching centres of the Group as disclosed in the Prospectus to cover (a) premises of all natures; and (b) other potential use of such premises such as the Group’s production hub for online education services and content, back office and/or other use for its business (“**Acquisition of Premises**”);
- (ii) reallocate an unutilised amount of the Net Proceeds of approximately HK\$10.0 million as at the date of this announcement originally intended for the optimization or establishment of teaching centres as disclosed in the Prospectus to enhancement and development of online education services and content and investment in education-related projects; and

(iii) reallocate the remaining unutilized amount of the Net Proceeds of approximately HK\$10.2 million as at the date of this announcement originally intended for the optimization or establishment of teaching centres as disclosed in the Prospectus to optimization of teaching centres only,

(collectively, “**Reallocation**”).

Details of the original allocation of the Net Proceeds, the revised allocation of the Net Proceeds and the utilisation of the Net Proceeds are set out below:

	Original allocation of Net Proceeds as set out in the Prospectus^{Note} approximately HK\$ million	Amount of Net Proceeds utilized up to 31 December 2019 before Reallocation approximately HK\$ million	Amount of Net Proceeds unutilized as at 31 December 2019 before Reallocation approximately HK\$ million	Amount of Net Proceeds unutilized as at the date of this announcement after Reallocation approximately HK\$ million
Before Reallocation:				
Acquisition of premise(s) to be used as teaching centre(s)	31.1	14.8	16.3	16.3
After Reallocation:				
Acquisition of Premise(s)				
Before Reallocation:				
Optimization/establishment of teaching centres	23.3	3.1	20.2	10.2
After Reallocation:				
Optimization of teaching centres				
Acquisition of established teaching centres or opening new teaching centres for Beacon Childhood	12.8	0.7	12.1	12.1
Upgrades of teaching centres facilities, IT infrastructure and recruitment of non-teaching staff	16.9	9.4	7.5	7.5
Enhancing brand awareness	5.8	5.6	0.2	0.2
General working capital	2.1	1.5	0.6	0.6
Enhancement and development of online education services and content; and investment in education-related projects	—	—	—	10.0
Total	<u>92.0</u>	<u>35.1</u>	<u>56.9</u>	<u>56.9</u>

Note: Details of the original allocation of the Net Proceeds are set out in the Prospectus.

Change of Intended Locations for Development

For reasons set out in the section headed “Reasons for the Changes in Use of the Net Proceeds” herein, the Board further resolved on 20 January 2020 to widen the scopes of intended locations (“**Intended Locations**”) for (i) the Acquisition of Premises; and (ii) the optimization of teaching centres of the Group and the establishment of teaching centres for its brand “Beacon Childhood” pursuant to the Group’s contemplated expansion and optimization plan in respect of its network of teaching centres as disclosed in the Prospectus (“**Change of Intended Locations for Development**”). Details of the original Intended Locations and the widened scopes of Intended Locations are set out below:

	Original Intended Locations as set out in the Prospectus^{Note}	Widened Scopes of Intended Locations
Acquisition of Premises	<ul style="list-style-type: none">• Kowloon West area (such as Yau Tsim Mong district)	<ul style="list-style-type: none">• Any appropriate location in Hong Kong
Existing private supplementary secondary school education services to be optimized	<ul style="list-style-type: none">• New Territories East area (such as Shatin and Tai Po districts)• New Territories West area (such as Tsuen Wan district)• Kowloon West area (such as Yau Tsim Mong district)	<ul style="list-style-type: none">• Any appropriate location within the Group’s existing teaching centre network
New Beacon Childhood education services to be opened	<ul style="list-style-type: none">• Eastern District (such as North Point or Fortress Hill)• New Territories East area (such as Shatin and/or Sai Kung districts)• New Territories West area (such as Yuen Long and/or Kwai Tsing districts)	<ul style="list-style-type: none">• Any appropriate location in Hong Kong

Note: Details of the original expansion and optimization plan for the Group’s network of teaching centres are set out in the Prospectus.

Save for the aforesaid changes, there is no other change in relation to the use of the Net Proceeds as disclosed in the Prospectus.

REASONS FOR THE CHANGES IN USE OF THE NET PROCEEDS

The Group is principally engaged in the provision of private supplementary secondary school education services and the operation of private secondary day schools in Hong Kong. The Group also offers ancillary education services and products targeted at pre-school, kindergarten, primary and secondary school students and individuals pursuing further education/other interest learning and/or personal development. Having considered the market environment and the overall economic and social conditions in Hong Kong, in particular the prevailing social incidents and the uncertainty arising therefrom, the Board considers that the Reallocation is beneficial for the Group to adopt a more diversified and balanced business strategy in the expansion of the Group's education services with a stronger focus on the development of the Group's scope and quality of education services, in particular to ride on the evolving online learning behavior and cultivate an effective online-to-offline integrated learning mode in the Group's education service spectrum. The Board is of the view that the Reallocation will allow the Company to deploy its financial resources more effectively to enhance operational and financial efficiency of the Group by leveraging and maximizing the synergy between different services spectrums including the education services amongst Hong Kong and with those outside Hong Kong.

Further, the Board, with due regard to the unprecedented and ongoing social incidents in extensive areas in Hong Kong, considers that it is timely and necessary for the Group to consider a wider scope of the Intended Locations for expansion and further development as disclosed above, so as to ensure the commercial viability and feasibility of the Group's expansion and optimization plan of its teaching centres.

The Board thus considers the Reallocation and the Change of Intended Locations for Development to be in the interests of the Company and its shareholders as a whole. The Board confirms that there is no material change in the nature of business of the Group as set out in the Prospectus and the Annual Report 2019. The Board believes that the changes in use of the Net Proceeds will not have any material adverse effects on the existing business and operation of the Group.

By order of the Board
BExcellent Group Holdings Limited
Leung Ho Ki, June
Chairman

Hong Kong, 20 January 2020

As at the date of this announcement, the Company's (i) executive directors are Ms. Leung Ho Ki, June (Chairman), Mr. Tam Wai Lung (Chief Executive Officer), Mr. Chan Tsz Ying, Wister and Mr. Li Man Wai; (ii) non-executive director is Dr. Shen Xu Hui; and (iii) independent non-executive directors are Mr. Kwan Chi Hong, Mr. Li Kai Sing, and Professor Wong Roderick Sue Cheun.