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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

The Board is pleased to announce that on 20 May 2020, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Preliminary Agreement with the Vendor, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at the consideration of HK\$17,225,000.00.

The Property is intended to be used as the Group's permanent information technology base for all-round research and development of education technology and support services, so as to empower and align with the Group's latest strategic direction in the development of education and related services by way of information technology, such as cloud computing for education, adaptive online learning and machine learning, as well as the exploring of the applicability of artificial intelligence and 5G technology in education and digital transformation in its business, such as telecommuting, in order to meet the possible societal change brought by the COVID-19 pandemic.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Group under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

As completion of the Acquisition is subject to the execution of the Formal Agreement, the fulfilment of conditions precedent as stipulated in the Formal Agreement, and the satisfactory verification and requisition in respect of the title to the Property, the Acquisition may or may not proceed. Shareholders and any potential investors are advised to take caution when dealing in the securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 20 May 2020, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Preliminary Agreement with the Vendor, pursuant to which the Purchaser agreed to acquire and the Vendor agreed to sell the Property at the consideration of HK\$17,225,000.00. The Property is intended to be used as the Group's permanent information technology base for all-round research and development of education technology and support

services, so as to empower and align with the Group's latest strategic direction in the development of education and related services by way of information technology, such as cloud computing for education, adaptive online learning and machine learning, as well as the exploring of the applicability of artificial intelligence and 5G technology in education and digital transformation in its business, such as telecommuting, in order to meet the possible societal change brought by the COVID-19 pandemic.

THE PRELIMINARY AGREEMENT

A summary of the principal terms of the Preliminary Agreement is as follows:

Date : 20 May 2020

Parties : Purchaser : HUGE PROFIT ASIA PACIFIC LIMITED
佳利亞太有限公司, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

Vendor : MABLE ROAD COMPANY LIMITED, a company incorporated in Hong Kong with limited liability

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Vendor is principally engaged in investment holding; and (ii) the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

Property to be acquired : The Property to be acquired is Unit No. 02 on 3rd Floor of Tower III, Enterprise Square, New Kowloon Inland Lot No. 6115, Hong Kong. The Property is a commercial property with a total gross floor area of approximately 2,650 square feet. The Property is being acquired on an "as is" basis.

Consideration : The consideration for the Acquisition is HK\$17,225,000.00 which shall be paid in cash by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit of HK\$819,000.00 has been paid upon signing of the Preliminary Agreement;
- (b) a further deposit of HK\$903,500.00 shall be paid on or before 8 June 2020; and
- (c) the remaining balance of the consideration in the sum of HK\$15,502,500.00 shall be paid upon completion of the Acquisition.

The consideration was agreed between the Vendor and the Purchaser after arm's length negotiation with reference to, amongst other things, the current market value of comparable properties in the vicinity of the Property. No formal valuation has been conducted in respect of the Property at the time of entering into the Preliminary Agreement. It is expected that the consideration of the Property and the relevant costs and expenses of the Acquisition (including without limitation stamp duty) will be financed first by the entire net proceeds raised by the Group from the IPO reallocated for acquisition of premise(s) by the Group pursuant to the use of proceeds plan as disclosed in the announcement of the Company dated 20 January 2020 and any remaining part of the consideration will be funded by the Group's internal resources.

- Formal Agreement** : The Vendor and the Purchaser shall enter into the Formal Agreement on or before 8 June 2020.
- Completion** : Completion of the Acquisition shall take place on or before 5:00 p.m. on 21 August 2020.

INFORMATION ON THE GROUP

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.

REASONS FOR AND BENEFITS OF THE ACQUISITION

Given the COVID-19 pandemic since early 2020 and the rapid evolvement and changes in market conditions, the Board considers that the Acquisition could empower and align with its latest strategic direction in the development of education and related services by way of information technology, such as exploring the applicability of artificial intelligence and 5G technology in education and digital transformation in its business, such as telecommuting. The Property is intended to be used as the Group's permanent information technology base for all-round research and development of education technology and support services, including but not limited to cloud computing for education, adaptive online learning and machine learning, as well as big data analysis application in

assessment and learning behaviour tracing. Such information technology base and infrastructure is expected to enable the Group to ride on the evolving online learning behavior of students and other individuals and cultivate an effective online-to-offline integrated learning mode in the Group's education service spectrum.

The Board is also satisfied with the size and location of the Property and considers the price and timing of the Acquisition to be apt, having taken into account the recent prevailing prices of the general Hong Kong property market and comparable properties within the vicinity of the Property, and the overall economic conditions in Hong Kong.

Given that the Preliminary Agreement was entered into on normal commercial terms and in light of the foregoing, the Directors are of the view that the terms of the Preliminary Agreement and the transaction contemplated thereunder are fair and reasonable and the entering into of the Preliminary Agreement is in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are above 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Group under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

As completion of the Acquisition is subject to the execution of the Formal Agreement, the fulfilment of conditions precedent as stipulated in the Formal Agreement, and the satisfactory verification and requisition in respect of the title to the Property, the Acquisition may or may not proceed. Shareholders and any potential investors are advised to take caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	acquisition of the Property by the Purchaser from the Vendor pursuant to the Preliminary Agreement
“Board”	board of Directors
“Company”	BExcellent Group Holdings Limited 精英匯集團控股有限公司 (Stock Code: 1775), a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal agreement for sale and purchase to be entered into between the Vendor and the Purchaser in relation to the Acquisition
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), 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)”	person(s) or company(ies) who/which is(are) independent of the Company and its connected persons
“IPO”	the initial public offering and listing of the Shares on the Main Board on 13 July 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the GEM of the Stock Exchange
“percentage ratio(s)”	has the same meaning ascribed to it under the Listing Rules
“Preliminary Agreement”	the legally binding memorandum of sale dated 20 May 2020 entered into between the Vendor as vendor and the Purchaser as purchaser in relation to the sale and purchase of the Property
“Property”	Unit No. 02 on 3rd Floor of Tower III, Enterprise Square, New Kowloon Inland Lot No. 6115, Hong Kong
“Purchaser”	HUGE PROFIT ASIA PACIFIC LIMITED 佳利亞太有限公司, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor”

MABLE ROAD COMPANY LIMITED, a company incorporated in Hong Kong with limited liability

“%”

per cent

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

Hong Kong, 20 May 2020

As at the date of this announcement, the Company’s 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; the non-executive Director is Dr. Shen Simon (formerly known as Dr. Shen Xu Hui); and the independent non-executive Directors are Mr. Kwan Chi Hong, Mr. Li Kai Sing, and Professor Wong Roderick Sue Cheun.