

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)

VOLUNTARY ANNOUNCEMENT ON BUSINESS UPDATE AND GRANT OF SHARE OPTIONS

INTRODUCTION

This announcement is made (i) on a voluntary basis to keep Shareholders and potential investors of the Company informed of the latest business developments of the Group; and (ii) pursuant to rule 17.06A of the Listing Rules.

BUSINESS UPDATE

Amidst the devastating effects brought by the rampant COVID-19 pandemic on the economy of Hong Kong, the Company has tried every means to turn a crisis into a business opportunity. In the past six months, we have observed a substantial increase in the demand for online education services. This invariably implies the gradual acceptance of learning online by a greater number of people than before. Such a change in learners' behaviour is, in our view, exceedingly promising, which has bolstered our confidence and hence quickened our pace in the development of digital learning business; it targets not only our existing customers but also the wider mass of learners while this designated project runs independently, with online revenue generation as the objective. With the aim of beefing up our performance both in student enrolment and the generation of revenue, the Board has been seeking synergy with insightful people to help further strengthen our current online education development, so as to cater to the anticipated growing number of learner users. It is our conviction that the proposed synergy will elevate our business to a higher level, and add a greater variety of educational products to our portfolio.

A swift reaction to adverse changes is the key to success. Despite the class suspension during the period from late January 2020 to late May 2020 (the “**Period**”), the Group managed to convert offline teaching activities to online education services, making it possible for our teachers to successfully deliver their teaching of over 400,000 course hours through our online student service portal. As far as the increase in the demand for such online services is concerned, it has been evident in three areas during the Period:

- (i) the number of visitors to Group's business website has doubled compared with that in the same period last year;

- (ii) a sizeable number of unique students, which was over 24,000, had been engaged in the Group's online student service portal for online services delivery; and
- (iii) the proportion of enrollment completed through our online student service portal has recorded an increasing trend. The figure reached approximately 50% in June 2020.

The encouraging results have culminated the Board's intention to speed up the development of digital learning business and possible transformation of part of the Group's business to an effective offline-online integrated learning platform, with a wider education service spectrum ready for markets inside and outside Hong Kong in the future, so as to meet the rapid market and societal changes, manage the risks brought by the aforesaid unprecedented challenges, as well as differentiate and maintain the Group's brand of education excellence. In fact, prior to the date of this announcement, the Group has been making continuous and diversified investment in the development and enhancement of its existing business by way of information technology.

Moreover, the Group's permanent information technology base for all-round research and development of education technology and support services is expected to be in operation in September 2020. Such a base will enable the Group to take bigger steps in digital learning business development and expand the Group's education services spectrum to encompass those beyond private supplementary secondary school education services, including without limitation education and related services, such as examination preparation courses, for professional qualifications, interest learning and personal development targeting youth and adult individuals, inside and outside Hong Kong.

The Board expects to achieve this by way of, amongst others, establishing synergy with Dr. Lam, who is the founder of an online platform called PhD Online ("**PhD Online Platform**"), which is an online education platform for professional qualifications, financial knowledge and interest learning. On 29 July 2020, Advance Learning Limited, a wholly-owned subsidiary of the Company, has completed the subscription for new shares in PhD Online Limited, which was solely and beneficially owned by Dr. Lam and by and under which PhD Online Platform has been operating, representing approximately 60% of the total issued share capital of PhD Online Limited upon completion of the allotment and issuance of such new shares ("**Subscription**"). Upon completion of the Subscription, PhD Online Limited has become a non-wholly owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group. As all the applicable percentage ratios calculated pursuant to rule 14.07 of the Listing Rules in respect of the Subscription are less than 5%, the Subscription does not constitute a notifiable transaction of the Group under Chapter 14 of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, PhD Online Limited and its ultimate beneficial owner, Dr. Lam, are Independent Third Parties.

PhD Online Platform is ready to serve as the platform for the Group's expansion of its online education and learning business beyond the secondary school market, including without limitation to preparatory courses and related education and learning services for professional licensing examinations mainly in the financial and advisory sectors, such as the Licensing Examination for Securities and Futures Intermediaries of the Hong Kong Securities and Investment Institute, the

Chartered Financial Analyst Examinations, the Insurance Intermediaries Qualifying Examination, the Estate Agents Qualifying Examination and the Chartered Governance Qualifying Programme of the Hong Kong Institute of Chartered Secretaries.

The Group and Dr. Lam intend to synergise their efforts and expertise in developing online learning courses, such as those for professional qualification examinations mentioned above, and machine learning, online learning and assessment tools. The Board aims to enlarge the source of revenue of the Group's education services spectrum through the Subscription and the collaboration with Dr. Lam following it. We believe that the collaboration with Dr. Lam will add a new dimension to our online education business. His expertise in finance, which has earned him a high status and reputation in the corresponding field, as well as the up and running PhD Online Platform currently and mainly contributed by him would be invaluable assets to the Group.

Further to the contemplated collaboration in relation to PhD Online Platform, on 29 July 2020, the Company has appointed Dr. Lam as its Strategic Development Consultant to advise on and assist in formulating and overseeing the potential development of the Group's business in the aforesaid strategic direction of online and digital learning. Dr. Lam is a well-known investor in Hong Kong. Over the years, Dr. Lam has participated in various types of business investment such as book publishing, education, games and toys, property agency and financial consultancy, etc. Dr. Lam is a Chartered Financial Analyst, a post-doctorate in Financial Engineering from the Shanghai Jiaotong University and holds a doctor of philosophy degree in Finance from the Chinese University of Hong Kong. Dr. Lam has extensive senior management experience in banking and finance, with local, mainland China and overseas market exposure, in various financial institutions including CITIC Securities International, China CITIC Bank International and Hong Kong Mortgage Corporation. The Company is of the view that the appointment of Dr. Lam may offer visionary advice for the formulation and execution of business and investment strategies in diversified digital education initiatives for local and non-local markets for the Group.

GRANT OF SHARE OPTIONS

On 29 July 2020, the Board resolved that the Company grant to Dr. Lam share options, subject to acceptance by Dr. Lam and satisfaction of the conditions described below, to subscribe for and be allotted 20,000,000 Shares at an exercise price of HK\$0.60 per Share.

Conditions

The grant of the Share Options is conditional upon the following:

- (a) the approval of the Shareholders at the EGM for the grant of the Share Options to Dr. Lam, as required under the Note to rule 17.03(4) of the Listing Rules and Note (1) to rule 17.03(3) of the Listing Rules respectively and the rules of the Share Option Scheme as the number of Shares issuable to Dr. Lam upon full exercise of the Share Options:
 - (i) exceeds 1% of all Shares in issue as at the Grant Date; and

(ii) together with all Shares issued or issuable under all share options already granted under the Share Option Scheme and the Pre-IPO Share Option Scheme exceeds the Scheme Mandate Limit; and

(b) Dr. Lam being a holder of at least 0.7% of the total number of Shares in issue, i.e. at least 3,500,000 Shares (500,000,000 Shares (being the total number of Shares in issue as at the Grant Date) x 0.7%).

Summary of the Principal Terms of the Share Options

Date of grant	:	29 July 2020 (“Grant Date”)
Number of Shares issuable upon full exercise of the Share Options	:	20,000,000 Shares, representing 4% of all Shares in issue as at the Grant Date (on the basis that each Share Option shall entitle Dr. Lam to subscribe for one Share)
Exercise price of the Share Options granted	:	HK\$0.60 per Share, which exceeds the highest of: <ul style="list-style-type: none">(i) HK\$0.36, being the closing price per Share as stated in the daily quotations sheet of the Stock Exchange on the Grant Date;(ii) HK\$0.378, being the average closing price per Share as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the Grant Date; and(iii) HK\$0.01, being the nominal value per Share.
Grant of the Share Options becoming unconditional	:	The grant of the Share Options shall automatically become unconditional on the day on which all the Conditions have been fulfilled.

Dr. Lam shall forthwith notify the Company in writing upon the fulfilment of Condition (b) within the same day.

The conditional grant of the Share Options shall automatically lapse if the Conditions are not fulfilled by 5:00 p.m. (Hong Kong time) on the date falling on the end of the six months from the Grant Date, and all rights, obligations and liabilities of the Company and Dr. Lam shall cease and terminate and none of them shall have any claim against the other in respect of the grant of the Share Options save for any cause of action arising prior to such lapse, subject to the terms and conditions of the Share Option Scheme.

- Validity period of the Share Options : The validity period of the Share Options shall be ten (10) years from the Grant Date, subject to the vesting and exercise period of the Share Options described below (“**Validity Period**”) and the Share Options shall lapse at the expiry of the Validity Period or earlier if the service relationship between the Company and Dr. Lam has terminated prior to the expiry of the Validity Period, subject to the terms and conditions of the Share Option Scheme.
- Vesting and exercise period of the Share Options : The Share Options granted to Dr. Lam shall vest in and be exercisable by him as follows:
- (i) 30% of the Share Options shall vest in and be exercisable from the date on which the grant of the Share Options becomes unconditional;
 - (ii) another 30% of the Share Options shall vest in and be exercisable from the first anniversary of the Grant Date; and
 - (iii) the remaining 40% of the Share Options shall vest in and be exercisable from the second anniversary of the Grant Date.
- Grantee’s undertaking : Dr. Lam shall undertake not to transfer or otherwise dispose of any Shares allotted to him pursuant to any exercise of the Share Options at a price per Share which is lower than HK\$1.08, being the final price per Share offered under the initial public offering and listing of the Shares on the Main Board of the Stock Exchange on 13 July 2018, during the period of 10 years from the Grant Date.

Listing Rules Implications

Given that the total number of Shares to be issued upon full exercise of the Share Options which are proposed to be granted to Dr. Lam exceeds 1% of the Shares in issue as at the Grant Date, pursuant to the Note to rule 17.03(4) of the Listing Rules, the grant of the Share Options to Dr. Lam shall be subject to approval by the Shareholders at the EGM.

Further, the total number of Shares to be issued upon full exercise of the Share Options which are proposed to be granted to Dr. Lam, together with the share options granted by the Company under the Pre-IPO Share Option Scheme on 27 June 2018 and the Share Option Scheme on 23 January 2019 and 1 April 2019 respectively, exceeds the existing Scheme Mandate Limit as specified in the Share Option Scheme. Pursuant to Note (1) to rule 17.03(3) of the Listing Rules and clause 8.2 of the Share Option Scheme, the Company will seek approval by the Shareholders at the EGM for the refreshment of the Scheme Mandate Limit (which shall be 10% of the total number of Shares in issue as at the date of such approval), under which 14,400,000 Share Options, being in excess of the existing Scheme Mandate Limit, out of the total 20,000,000 Share Options are proposed to be granted to Dr. Lam.

Extraordinary General Meeting

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the grant of the Share Options to Dr. Lam and the refreshment of the Scheme Mandate Limit.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Dr. Lam and his associates (as defined under the Listing Rules) are Independent Third Parties and do not have any notifiable interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and no Shareholder has a material interest in the grant of the Share Options and the proposed refreshment of the Scheme Mandate Limit which is different from that of the other Shareholders. Accordingly, no Shareholder is required to abstain from voting in respect of the resolutions to approve the grant of the Share Options and the refreshment of the Scheme Mandate Limit at the EGM.

Circular

A circular containing, among other things, (i) information relating to the grant of the Share Options and the proposed refreshment of the Scheme Mandate Limit; and (ii) notice of the EGM will be dispatched to the Shareholders in due course.

Shareholders and potential investors of the Company should be aware that the grant of the Share Options is subject to the fulfillment of all the conditions set out under the paragraph headed “Conditions” in this announcement, and accordingly, the grant of the Share Options may or may not proceed. As such, they are advised to exercise 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:

“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
“Conditions”	the conditions precedent to the grant of the Share Options becoming unconditional as set out in the paragraph headed “Conditions” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Dr. Lam”	Dr. Lam, Yat Ming (林一鳴)

“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider, and if thought fit, approve the grant of the Share Options and the refreshment of the Scheme Mandate Limit
“Grant Date”	has the meaning ascribed to it in the paragraph headed “Summary of the Principal Terms of the Share Options” in this announcement
“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
“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 GEM of the Stock Exchange
“Period”	has the meaning ascribed to it in the paragraph headed “BUSINESS UPDATE” in this announcement
“PhD Online Limited”	PhD Online Limited (博士在線有限公司), a company incorporated in Hong Kong with limited liability
“PhD Online Platform”	has the meaning ascribed to it in the paragraph headed “BUSINESS UPDATE” in this announcement
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on 21 June 2018
“Scheme Mandate Limit”	50,000,000 Shares, which represents 10% of the Shares in issue upon listing of the Shares on the Main Board of the Stock Exchange, being the maximum number of Shares which may be issued upon exercise of all share options granted and to be granted under the Share Option Scheme and the Pre-IPO Share Option Scheme pursuant to the terms of the Share Option Scheme
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Share Option Scheme”	the share option scheme adopted by the Company on 21 June 2018

“Share Options”	the share options conditionally granted to Dr. Lam under the Share Option Scheme to subscribe for and be allotted up to 20,000,000 Shares, the principal terms of which are set out in the paragraph headed “Summary of the Principal Terms of the Share Options” in this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	has the meaning ascribed to it in the paragraph headed “BUSINESS UPDATE” in this announcement
“Validity Period”	has the meaning ascribed to it in the paragraph headed “Summary of the Principal Terms of the Share Options” in this announcement
“%”	per cent

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

Hong Kong, 29 July 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.