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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)

SUPPLEMENTAL ANNOUNCEMENT

IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2020

Reference is made to the annual report of BExcellent Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 July 2020 (the “**Annual Report**”). Unless otherwise defined, terms used herein shall bear the same meanings as defined in the Annual Report.

Further to the information provided in the Annual Report, the Board would like to provide the shareholders of the Company and the potential investors with the supplemental information in relation to (i) the unutilized Net Proceeds from the Listing of the Company on page 12 of the Annual Report; (ii) the pension obligations of the Group as stated in note 2.22(a) on page 72 of the Annual Report; and (iii) the post-IPO share option scheme adopted by the Company on 21 June 2018 (“**Post-IPO Share Option Scheme**”) as disclosed in paragraph (e) on page 25 and on page 30 of the Annual Report.

UNUTILISED FUNDS FROM LISTING

As at 31 July 2020, the aggregate amount of unutilised net proceeds out of the Net Proceeds was approximately HK\$41.5 million with breakdown as follows:

Usage	Amount of net proceeds unutilized as at 31 July 2020 <i>HK\$ million</i>	The expected timeline of utilization after 31 July 2020
Acquisition of premise(s)	13.3	The Group completed the acquisition of a property located at Kowloon Bay and fully utilized the remaining net proceeds on 14 August 2020.
Optimization of teaching centres	7.1	The Group has been in progress of reviewing all centres’ utilization for the purpose of further optimisation and expects to utilize the remaining net proceeds for such purpose within 3 years from 31 July 2020. ^{Note}

Usage	Amount of net proceeds unutilized as at 31 July 2020 <i>HK\$ million</i>	The expected timeline of utilization after 31 July 2020
Acquisition of established teaching centres or opening new teaching centres for Childhood education services	11.1	The Group has been looking for further appropriate investment opportunities and expects to utilize the remaining net proceeds for such purpose within 3 years from 31 July 2020. ^{Note}
Enhancement and development of online education services and content; and investment in education-related projects	10.0	The Group has been looking for further appropriate investment opportunities and expects to utilize the remaining net proceeds for such purpose within 3 years from 31 July 2020. ^{Note}

Note: The expected timeline for utilization of the unutilized Net Proceeds above is subject to the market and socio-economic conditions from time to time which may affect the availability and suitability of investment opportunities to the Group. The Board, taking into account the market environment and the overall economic and social conditions in Hong Kong since the second half of 2019, in particular the social incidents in Hong Kong and the outbreak of the COVID-19 pandemic, considers that it is beneficial for the Group to adopt a more prudent approach in utilizing the unutilized Net Proceeds to reserve liquid capital in the Group to face and adapt to the ever-changing market and socio-economic conditions, whilst continuing to look for investment opportunities that are apt for the Group's diversified and balanced business strategy for a wider education service spectrum. As such, the Board proposes the expected timeline stated above to allow more time for the Group to look for appropriate investment opportunities for the utilization of the unutilized Net Proceeds.

PENSION OBLIGATIONS

Contributions to the defined contribution pension plan operated by the Group as post-employment scheme for its employees are fully and immediately vested in the employees once the contributions are made. There are no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution. Hence, there is no such an issue whether forfeited contributions may be used by the Group to reduce the existing level of contributions as described in paragraph 26(2) of Appendix 16 of the Listing Rules.

POST-IPO SHARE OPTION SCHEME

As disclosed in paragraph (e) on page 25 of the Annual Report, the Scheme Mandate Limit, being the total number of the Shares which may be issued upon exercise of all options granted or to be granted under the Post-IPO Share Option Scheme, together with all options to be granted under any other share option scheme(s) of the Company, has been refreshed by Shareholders' approval on 28 September 2020 to be 50,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of such Shareholders' approval and as at the date of the Annual Report.

As disclosed in page 30 of the Annual Report, the Company has granted a total of 31,900,000 options under the Post-IPO Share Option Scheme which were outstanding as of 31 July 2020 to the employees and consultant of the Group with breakdown as follows as required under Rule 17.07 of the Listing Rules:

Grantee	Grant date	Exercisable period (Note 1)	Exercise price per option (Note 3)	Number of options held on 1 August 2019	Options granted during the year ended 31 July 2020 (number of underlying Shares)	Options exercised, lapsed or cancelled during the year ended 31 July 2020	Number of options held as at 31 July 2020 (number of underlying Shares)
Employees of the Group (Note 4)	23 January 2019	23 January 2020 - 22 January 2029	HK\$0.493	8,500,000	—	—	8,500,000
	1 April 2019	1 April 2020 - 31 March 2029	HK\$0.730	3,400,000	—	—	3,400,000
Dr. Lam Yat Ming as consultant of the Group (Note 5)	29 July 2020 (Note 2)	16 October 2020 - 28 July 2030	HK\$0.600	—	20,000,000	—	20,000,000

Note 1: The options granted to the employees of the Group on 23 January 2019 and 1 April 2019 are exercisable in the following manner:

- 30% of the options shall vest in and be exercisable from the first anniversary of the grant date;
- 30% of the options shall vest in and be exercisable from the second anniversary of the grant date; and
- 40% of the options shall vest in and be exercisable from the third anniversary of the grant date.

The options granted to Dr. Lam Yat Ming on 29 July 2020 are exercisable in the following manner:

- 30% of the options shall vest in and be exercisable from the date on which the grant of the options becomes unconditional on 16 October 2020;
- 30% of the options shall vest in and be exercisable from the first anniversary of the grant date; and
- 40% of the options shall vest in and be exercisable from the second anniversary of the grant date.

Note 2: The grant of the 20,000,000 options on 29 July 2020 was conditional upon the following:

- the approval of the Shareholders at the extraordinary general meeting convened and held on 28 September 2020 for the grant of the 20,000,000 options to the grantee;
- the grantee being a holder of at least 0.7% of the total number of Shares in issue as of the grant date, 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%); and
- the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares that may be issued pursuant to the exercise of 14,400,000 of the total 20,000,000 options (which is in excess of the then existing Scheme Mandate Limit).

The grant of the 20,000,000 options to the grantee on 29 July 2020 fulfilled the above conditions and became unconditional on 16 October 2020.

Note 3: For the options granted to the employees of the Group on 23 January 2019 and 1 April 2019, the exercise price per option represents the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five consecutive business days immediately preceding the relevant grant date; for the options granted to Dr. Lam Yat Ming on 29 July 2020, the exercise price payable in respect of each Share upon the exercise of the options is determined in accordance with the terms of the Post-IPO Share Option Scheme, which exceeds 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. For the options granted with exercise price per option of HK\$0.493, HK\$0.730 and HK\$0.600 as detailed above, the closing price of the Shares on the relevant grant date was HK\$0.490, HK\$0.700 and HK\$0.360 respectively, and the closing price of the Shares on the business day immediately before the relevant grant date was HK\$0.490, HK\$0.740 and HK\$0.380 respectively.

Note 4: The employees of the Group are employees working under employment contracts that are regarded as "continuous contracts" for the purposes of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

Note 5: Dr. Lam Yat Ming was appointed by the Company as Strategic Development Consultant on 29 July 2020. The terms of the 20,000,000 options granted to Dr. Lam are detailed in the announcement and circular of the Company dated 29 July 2020 and 7 September 2020 respectively. The rationale for and benefits of making the grant of options to Dr. Lam are set out in the circular of the Company dated 7 September 2020.

The above supplemental information does not affect other information contained in the Annual Report and, save as disclosed in this announcement, the contents of the Annual Report remain correct and unchanged.

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

Hong Kong, 23 July 2021

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; and the independent non-executive Directors are Mr. Kwan Chi Hong, Mr. Li Kai Sing and Professor Wong Roderick Sue Cheun.