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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)**

### **FURTHER CHANGE IN USE OF PROCEEDS**

Reference is made to (i) 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**”); (ii) the announcement dated 20 January 2020 relating to the change in the use of proceeds from the Listing of the Company (the “**2020 Announcement**”); and (iii) the annual report of the Company for the year ended 31 July 2021 (“**Annual Report 2021**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Prospectus and the Annual Report 2021 (in the event of conflict or inconsistency, the definitions in the Annual Report 2021 shall prevail).

The Board would like to announce that it has resolved to further change the use of the net proceeds raised from the Listing as disclosed in the Prospectus and the 2020 Announcement in the manner as more particularly set out in this announcement.

### **CHANGES IN USE OF PROCEEDS AS DISCLOSED IN THE 2020 ANNOUNCEMENT**

The original intended use of the net proceeds from the Listing (the “**Net Proceeds**”), which amounted to approximately HK\$92.0 million after deducting underwriting fees and commissions and all related expenses in relation to the Listing, was disclosed in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

As disclosed in the 2020 Announcement, the Board resolved to change and reallocate the use of the Net Proceeds which remained unutilized as at 31 December 2019 (the “**First Reallocation**”) amounting to approximately HK\$56.9 million.

As at the date of this announcement, the Group had utilized approximately HK\$72.7 million of the Net Proceeds and the unutilized Net Proceeds amounted to approximately HK\$19.3 million (the “**Unutilized Net Proceeds**”).

## FURTHER CHANGE IN USE OF PROCEEDS

For reasons set out in the section headed “Reasons for and Benefits of the Further Change in Use of the Net Proceeds” herein, the Board resolved on 29 March 2022 to further reallocate the Unutilized Net Proceeds to general working capital of the Group for, among others, meeting rental expenses in respect of the Group’s teaching centres and the salary expenses of the Group (the “**Second Reallocation**”).

The table below sets out the original allocation of the Net Proceeds, the First Reallocation, the utilized and unutilized Net Proceeds as at the date of this announcement before the Second Reallocation, the Second Reallocation, and the unutilized Net Proceeds as at the date of this announcement after the Second Reallocation:

	<b>Original Allocation of Net Proceeds</b>	<b>First Reallocation</b>	<b>Amount of Net Proceeds utilized up to the date of this announcement</b>	<b>Amount of Net Proceeds unutilized as at the date of this announcement</b>	<b>Second Reallocation</b>	<b>Amount of Net Proceeds unutilized after Second Reallocation as at the date of this announcement</b>
	<i>approximately HK\$ million</i>	<i>approximately HK\$ million (Note)</i>	<i>approximately HK\$ million</i>	<i>approximately HK\$ million</i>	<i>approximately HK\$ million</i>	<i>approximately HK\$ million</i>
Before First Reallocation:						
Acquisition of premise(s) to be used as teaching centre(s)						
After First Reallocation:						
Acquisition of Premise(s)	31.1	—	(31.1)	—	—	—
Before First Reallocation:						
Optimization/establishment of teaching centres						
After First Reallocation:						
Optimization of teaching centres	23.3	(10.0)	(10.0)	3.3	(3.3)	—
Acquisition of established teaching centres or opening new teaching centres for Childhood education services	12.8	—	(4.9)	7.9	(7.9)	—
Upgrades of teaching centres facilities, IT infrastructure and recruitment of non-teaching staff	16.9	—	(16.9)	—	—	—
Enhancing brand awareness	5.8	—	(5.8)	—	—	—
General working capital	2.1	—	(2.1)	—	19.3	19.3
Enhancement and development of online education services and content; and investment in education-related projects	—	10.0	(1.9)	8.1	(8.1)	—
<b>Total</b>	<b>92.0</b>	<b>—</b>	<b>(72.7)</b>	<b>19.3</b>	<b>—</b>	<b>19.3</b>

*Note:* Details of the original allocation and the First Reallocation of the Net Proceeds are set out in the Prospectus and the 2020 Announcement respectively.

The Unutilized Net Proceeds are expected to be fully utilized by July 2023. The timeline of using such proceeds will be determined based on the Group's actual business needs, operational costs and expenses, and future business development.

Save for the First Reallocation and the Second Reallocation, there is no other change in the use of the Net Proceeds.

## **REASONS FOR AND BENEFITS OF THE FURTHER CHANGE 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. As a result of the COVID-19, the uncertain economic conditions in Hong Kong and the unstable schooling under prolonged face-to-face class suspension and restriction in class size and time imposed by the EDB in the past two academic years have led to a gloomy learning environment for students of all levels and a continuous decrease in students' motivation of obtaining supplementary education services. The business of the Group has been heavily hit by the abovementioned unfavorable circumstances brought about by the COVID-19 pandemic, since the date of the 2020 Announcement.

Due to the drastic increase of COVID-19 cases in Hong Kong since January 2022, the Hong Kong government again has mandated suspension of face-to-face classes of secondary schools in Hong Kong since then and announced to bring forward the summer holidays for students in Hong Kong as part of the public health measures. As at the date of this announcement, the COVID-19 pandemic is still evolving rapidly. Having considered the uncertainty arising from the resurgence of COVID-19 and its substantial negative impacts to the general economic and market conditions in Hong Kong, the Board considers that the adoption of a more cautious and conservative business strategy of the Group by maintaining additional working capital and enhancing capital management will strengthen its ability to respond to any market fluctuations, regulatory changes to the education industry and business and operating needs.

The Board is of the view that the Second Reallocation will allow the Company to deploy its financial resources more effectively to enhance operational and financial efficiency to improve the Group's profitability, and is in the interests of the Group as well as the Shareholders as a whole. The Board believes that the further change in use of the Net Proceeds will not have any material adverse effects on the existing business and operations of the Group.

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

Hong Kong, 29 March 2022

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