BCI Group Holdings Limited
高 門 集 團 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8412)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 28 FEBRUARY 2017

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the "**Directors**") of BCI Group Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

The board of Directors (the "**Board**") is pleased to announce the unaudited condensed consolidated results of the Group for the nine months ended 28 February 2017, together with the unaudited comparative figures for the corresponding period in 2016 as set out below. Unless otherwise specified, terms used herein shall have the same meanings as those defined in the Company's prospectus dated 24 March 2017 (the "**Prospectus**").

FINANCIAL HIGHLIGHTS

- The Group's revenue for the nine months ended 28 February 2017 was approximately HK$73.8 million, representing an increase of approximately 11.0% when compared with that of the corresponding period in 2016.

- The Group recorded a loss and total comprehensive expense for the nine months ended 28 February 2017 of approximately HK$1.8 million, while there was a profit and total comprehensive income of approximately HK$6.6 million for the nine months ended 29 February 2016. Excluding the non-recurring listing expenses of approximately HK$8.5 million charged for the nine months ended 28 February 2017, the profit and total comprehensive income would increase to approximately HK$6.7 million for the nine months ended 28 February 2017.

- The Board did not recommend payment of any dividend for the nine months ended 28 February 2017.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 28 FEBRUARY 2017

	Notes	For the three months ended		For the nine months ended	
		28 February 2017	29 February 2016	**28 February 2017**	29 February 2016
		HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
		(unaudited)	*(unaudited)*	***(unaudited)***	*(unaudited)*
Revenue	2	**27,198**	27,183	**73,833**	66,533
Cost of inventories sold		**(4,987)**	(5,634)	**(14,621)**	(14,079)
Other income and gains		**—**	233	**72**	449
Property rentals and related expenses		**(5,752)**	(5,616)	**(17,237)**	(15,367)
Advertising and marketing expenses		**(2,823)**	(3,225)	**(8,367)**	(8,228)
Employee benefits expenses		**(4,452)**	(3,828)	**(13,353)**	(9,478)
Depreciation		**(1,097)**	(1,070)	**(3,262)**	(3,173)
Listing expenses		**(354)**	—	**(8,545)**	—
Other expenses		**(2,913)**	(3,158)	**(9,004)**	(8,642)
Profit/(loss) before income tax expense		**4,820**	4,885	**(484)**	8,015
Income tax expense	3	**(859)**	(566)	**(1,352)**	(1,368)
Profit/(loss) and total comprehensive income/(expense) for the period		**3,961**	4,319	**(1,836)**	6,647
Profit/(loss) and total comprehensive income/(expense) for the period attributable to:					
— Owners of the Company		**3,912**	4,319	**(1,765)**	6,647
— Non-controlling interests		**49**	—	**(71)**	—
		3,961	4,319	**(1,836)**	6,647
Earnings/(loss) per share (HK cents)	5				
Basic and diluted		**0.66**	0.72	**(0.31)**	1.11

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 28 FEBRUARY 2017

	Attributable to owners of the Company					
	Share capital	**Share premium**	**Retained earnings**	**Sub-total**	**Non-controlling interests**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
Balances at 1 June 2015	—*	—	3,590	3,590	—	3,590
Profit and total comprehensive income for the period	—	—	6,647	6,647	—	6,647
Balances at 29 February 2016	—*	—	10,237	10,237	—	10,237
Balances at 1 June 2016	—*	—	11,974	11,974	—	11,974
Issue of new shares	—*	5,100	—	5,100	—	5,100
Disposed of equity interest to a non-controlling interest	—	—	745	745	(120)	625
Loss and total comprehensive expense for the period	—	—	(1,765)	(1,765)	(71)	(1,836)
Balances at 28 February 2017	—*	5,100	10,954	16,054	(191)	15,863

* The balance represents an amount less than HK$1,000.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 28 FEBRUARY 2017

1. GENERAL INFORMATION, BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands on 19 May 2016 and its registered office is located at PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. Its principal place of business in Hong Kong is located at Unit B, 24/F Wyndham Place, 44 Wyndham Street, Central, Hong Kong. The shares of the Company were listed on the GEM of the Stock Exchange by way of share offer since 7 April 2017.

On the listing date, a total of 200,000,000 Shares of HK$0.01 each were offered under the share offer, of which 100,000,000 Shares, representing 50% of the total Offer Shares, were offered by way of placing. The remaining 100,000,000 Shares, representing 50% of the total Offer Shares, were offered under the public offer.

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in the operation of clubbing and restaurant business in Hong Kong.

The unaudited condensed consolidated financial statements for the nine months ended 28 February 2017 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the nine months ended 28 February 2017 are consistent with those adopted in the preparation of accountants' report included in the Prospectus except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "**New and Revised HKFRSs**") (which include all HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the HKICPA that are adopted for the first time for the current periods financial statements.

The adoption of the New and Revised HKFRSs has had no significant effect on the unaudited condensed consolidated financial statements for the nine months ended 28 February 2017 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the nine months ended 28 February 2017.

The Group has not applied any new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

The unaudited condensed consolidated financial statements for the nine months ended 28 February 2017 have been prepared on the historical cost basis. The unaudited condensed consolidated financial statements for the nine months ended 28 February 2017 are presented in Hong Kong dollars ("**HK$**"), which is the functional currency of the Company and its subsidiaries.

The condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the audit committee of the Company.

2. Revenue

The Group's principal activities are the operations of clubs and restaurants.

Revenue represents the amount received or receivable from the sales of food and beverages, entrance fees, sponsorship income and others (including tips, cloakroom fees, photobooth and event rental income).

The Group's customer base is diversified and no individual customer had transactions which exceeded 10% of the Group's revenue during the period under review.

Revenue from the Group's principal activities during the period under review is as follows:

	For the three months ended		**For the nine months ended**	
	28 February 2017	29 February 2016	**28 February 2017**	29 February 2016
	HK$'000 (unaudited)	*HK$'000 (unaudited)*	***HK$'000 (unaudited)***	*HK$'000 (unaudited)*
Revenue from:				
Clubbing operations				
Sales of beverage	**23,622**	23,718	**63,741**	57,554
Less: Sales discounts	**(2,779)**	(3,780)	**(10,184)**	(8,773)
Net sales of beverage	**20,843**	19,938	**53,557**	48,781
Entrance fee	**849**	1,123	**2,569**	2,332
Sponsorship income	**668**	906	**2,761**	2,075
Others	**245**	730	**1,110**	1,247
Total clubbing revenue	**22,605**	22,697	**59,997**	54,435
Restaurant operations				
Sales of food and beverage	**4,590**	4,497	**13,764**	12,147
Less: Sales discounts	**(4)**	(15)	**(33)**	(71)
Net sales of food and beverage	**4,586**	4,482	**13,731**	12,076
Others	**7**	4	**105**	22
Total restaurant revenue	**4,593**	4,486	**13,836**	12,098
Total revenue	**27,198**	27,183	**73,833**	66,533

3. TAXATION

The Group is subject to income tax on profits arising in or derived from Hong Kong, being its principal place of business. The income tax expense in the unaudited condensed consolidated statement of comprehensive income during the period under review represents:

	For the three months ended		**For the nine months ended**	
	28 February 2017	29 February 2016	**28 February 2017**	29 February 2016
	HK$'000 ***(unaudited)***	*HK$'000* *(unaudited)*	***HK$'000*** ***(unaudited)***	*HK$'000* *(unaudited)*
Current income tax	**1,045**	790	**1,364**	1,374
Deferred tax	**(186)**	(224)	**(12)**	(6)
Income tax expense	**859**	566	**1,352**	1,368

Pursuant to the rules and regulations of Cayman Islands, the Group is not subject to any taxation under the jurisdictions of Cayman Islands.

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the period under review.

4. DIVIDEND

No dividends were paid, declared and proposed by the Company during the nine months ended 29 February 2016 and 28 February 2017.

5. EARNINGS/(LOSS) PER SHARE

	For the three months ended		**For the nine months ended**	
	28 February 2017	29 February 2016	**28 February 2017**	29 February 2016
	(unaudited)	*(unaudited)*	***(unaudited)***	*(unaudited)*
Profit/(loss) and total comprehensive income/(expense) for the period *(HK$'000)*	**3,961**	4,319	**(1,836)**	6,647
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(losses) per share *(in thousands)*	**600,000**	600,000	**600,000**	600,000

The number of ordinary shares for the purpose of calculating basic earnings/(losses) per share has been determined on the assumption that the reorganisation and the capitalisation issue as disclosed in the Prospectus had been effective on 1 June 2016.

No diluted earnings/(losses) per share for the periods was presented as there were no potential ordinary shares in issue during the periods.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is a food and beverage and entertainment group based in Hong Kong that owns and operates two night entertainment clubs, namely Volar and Fly; and three restaurants focusing on Japanese-style curry dishes under the proprietary "Tiger" brand.

Business Review

During the nine months ended 28 February 2017 and up to the date of this announcement, the Group had been principally engaged in the operation of clubbing and restaurant business in Hong Kong.

Operation of clubbing business

During the period under review, the Group strategically positions two clubs, namely Volar and Fly, to cover different segments of the night entertainment club market. Volar targets customers with strong spending power and aims to provide a premium clubbing experience, while Fly aims to appeal to the younger white collar professionals and university students and graduates and provide a high-end clubbing experience. Leveraging on the success in clubbing business, the Group is also engaged in organising music-related featured events to offer music entertainment to its customers. In general, the Group conducts the overall organisation, ranging from sourcing of disc jockey ("**DJ**"), marketing, ticketing and stage design and set up. Internationally renowned DJs and artists are usually engaged to perform at these featured events which would enhance the premium and high-end image of the clubs, increase customer traffic and increase the overall revenue. The revenue generated from operation of clubbing business increased by approximately HK$5.6 million, or approximately 10.2%, from approximately HK$54.4 million for the nine months ended 29 February 2016 to approximately HK$60.0 million for the nine months ended 28 February 2017. Such increase was mainly due to the revenue contributed by Fly to the Group which came under the Group's operation through acquisition of its operating company in November 2015.

Operation of restaurant business

The three "Tiger" branded restaurants aim to provide a contemporary Japanese dining experience in a relaxing atmosphere for their customers. Tiger Curry and Tiger Curry & Cafe are casual dining restaurants while Tiger Curry Jr. is a quick service restaurant. During the period under review, the Group seeks to distinguish itself from other local casual dining and quick service restaurant concepts by creating food menus centered on Japanese-style curry dishes yet at the same time offering a variety of other Japanese dishes with broad appeal. The revenue generated from operation of restaurant business increased by approximately HK$1.7 million, or approximately 14.4%, from approximately HK$12.1 million for the nine months ended 29 February 2016 to approximately HK$13.8 million for the nine months ended 28 February 2017. The increase in revenue was primarily attributable to the revenue from Tiger Curry & Cafe, which commenced business on 30 July 2015.

Financial Review

Revenue

During the period under review, the Group's revenue was generated from the operation of clubbing and restaurant business in Hong Kong. As at 28 February 2017, the Group was operating two clubs and three restaurants, located in Hong Kong.

The Group recognised revenue from (a) the clubbing operations when (i) sales of beverages were delivered; (ii) services were provided or other products were delivered (including tips, cloakroom fees, photobooth income and rental income from leasing the club premises for events) to its customers; and (b) the restaurant operations when food and beverage and other related service have been rendered.

The table below sets forth the breakdown of the revenue by clubbing and restaurant operations for the period under review.

	For the three months ended				**For the nine months ended**			
	28 February 2017		29 February 2016		**28 February 2017**		29 February 2016	
	HK$'000 (unaudited)	***% of total revenue***	*HK$'000 (unaudited)*	*% of total revenue*	***HK$'000 (unaudited)***	***% of total revenue***	*HK$'000 (unaudited)*	*% of total revenue*
Clubbing operations	**22,605**	**83.1**	22,697	83.5	**59,997**	**81.3**	54,435	81.8
Restaurant operations	**4,593**	**16.9**	4,486	16.5	**13,836**	**18.7**	12,098	18.2
Total	**27,198**	**100.0**	27,183	100.0	**73,833**	**100.0**	66,533	100.0

The revenue generated from operation of clubbing business increased by approximately HK$5.6 million, or approximately 10.2%, from approximately HK$54.4 million for the nine months ended 29 February 2016 to approximately HK$60.0 million for the nine months ended 28 February 2017. Such increase was mainly due to the revenue contributed by Fly to the Group which came under the Group's operation through acquisition of its operating company in November 2015.

The revenue generated from operation of restaurant business increased by approximately HK$1.7 million, or approximately 14.4%, from approximately HK$12.1 million for the nine months ended 29 February 2016 to approximately HK$13.8 million for the nine months ended 28 February 2017. The increase in revenue was primarily attributable to the revenue from Tiger Curry & Cafe, which commenced business on 30 July 2015.

Cost of inventories sold

The cost of inventories sold mainly represents the cost of beverage and food ingredients used in the Group's clubbing and restaurant operations. The major beverage and food ingredients purchased by the Group includes, but is not limited to, champagne, frozen food, dried food, etc.. The cost of inventories sold was one of the components of the operating expenses which increased by approximately HK$0.5 million, or approximately 3.8%, from approximately HK$14.1 million for the nine months ended 29 February 2016 to approximately HK$14.6 million for the nine months ended 28 February 2017. The increase was mainly due to the expansion of (i) the clubbing operations by acquiring Grand Diamond, the operating company of Fly, in November 2015; and (ii) the restaurant operations by opening Tiger Curry & Cafe in July 2015.

Other income and gains

Other income and gains mainly represents the gain on disposal of property, plant and equipment, management fee income and bank interest income.

The table below sets forth the breakdown of the other income and gains for the period under review.

	For the three months ended		**For the nine months ended**	
	28 February 2017	29 February 2016	**28 February 2017**	29 February 2016
	HK$'000 ***(unaudited)***	*HK$'000* *(unaudited)*	***HK$'000*** ***(unaudited)***	*HK$'000* *(unaudited)*
Gain on disposal of property plant and equipment	**—**	125	**—**	125
Management fee income	**—**	108	**72**	324
Total	**—**	223	**72**	449

The other income and gains decreased by approximately HK$0.3 million, or approximately 84.0%, from approximately HK$0.4 million for the nine months ended 29 February 2016 to approximately HK$0.1 million for the nine months ended 28 February 2017. The decrease was mainly due to (i) the decrease in management fee income; and (ii) the disposal of a motor vehicle during the nine months ended 29 February 2016.

Property rentals and related expenses

Property rentals and related expenses primarily represent the rental payments under operating leases and property management fee paid for the club premises, restaurants and office premises. The property rentals and related expenses were the largest component of the operating expenses which increased by approximately HK$1.8 million, or approximately 12.2%, from approximately HK$15.4 million for the nine months ended 29 February 2016 to approximately HK$17.2 million for the nine months ended 28 February 2017. The increase was mainly due to (i) the property rentals and related expenses incurred by Fly, which came under the Group's operation through acquisition of its operating company in November 2015; and (ii) the property rentals and related expenses incurred by the Group's head office.

Advertising and marketing expenses

Advertising and marketing expenses primarily consist of advertising and promotional expenses such as the cost of engaging resident and guest DJs and the expenses incurred for engaging a public relations company for the provision of marketing and promotion services to the Group's clubbing and restaurant operations. The advertising and marketing expenses increased by approximately HK$0.2 million, or approximately 1.7%, from approximately HK$8.2 million for the nine months ended 29 February 2016 to approximately HK$8.4 million for the nine months ended 28 February 2017. The increase was primarily due to the marketing expenses incurred for Fly, which came under the Group's operation through acquisition of its operating company in November 2015.

Employee benefits expenses

Employee benefits expenses primarily consisted of all salaries and benefits payable to all employees and staff, including the executive director, headquarters staff and operational staff in each outlet. The employee benefits expenses increased by approximately HK$3.9 million, or approximately 40.9%, from approximately HK$9.5 million for the nine months ended 29 February 2016 to approximately HK$13.4 million for the nine months ended 28 February 2017. The increase in staff costs was mainly due to (i) the staff costs attributable to Fly which came under the Group's operation through acquisition of its operating company in November 2015; (ii) the staff costs attributable to Tiger Curry & Cafe which commenced business in July 2015; and (iii) the increase in head office staff costs as a result of the expansion of the Group's clubbing and restaurant operations.

Depreciation

Depreciation represents the depreciation charge for property, plant and equipment, including, among others, leasehold improvements, furniture, fixtures and equipment and motor vehicles. Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The depreciation remained relatively stable at approximately HK$3.2 million for the nine months ended 29 February 2016 as compared to approximately HK$3.3 million for the nine months ended 28 February 2017.

Listing expenses

Listing expenses of approximately HK$8.5 million were recognised for the nine months ended 28 February 2017. No such expenses were incurred for the nine months ended 29 February 2016.

Other expenses

Other expenses mainly represents security expenses for the clubs, credit card commissions, repairs and maintenance costs and cleaning expenses. The other expenses increased by approximately HK$0.4 million, or approximately 4.2%, from approximately HK$8.6 million for the nine months ended 29 February 2016 to approximately HK$9.0 million for the nine months ended 28 February 2017. Such increase was mainly due to the expansion of (i) the clubbing operations by acquiring Grand Diamond Limited, the operation company of Fly, in November 2015; and (ii) the restaurant operations by opening Tiger Curry & Cafe in July 2015.

Profit/(loss) before income tax expense

As a result of the foregoing, the Group changed from a profit before income tax expense of approximately HK$8.0 million for the nine months ended 29 February 2016 to a loss before income tax expenses of approximately HK$0.5 million for the nine months ended 28 February 2017. Excluding the non-recurring listing expenses of approximately HK$8.5 million incurred during the nine months ended 28 February 2017, the Group would have recorded a profit before income tax expenses of approximately HK$8.1 million for the nine months ended 28 February 2017.

Income tax expense

The Group's operations in Hong Kong are subject to Hong Kong profits tax of 16.5% on estimated assessable profit arising in Hong Kong and have no tax obligation arising from other jurisdictions during the period under review.

The income tax expense remained relatively stable at approximately HK$1.4 million for both the nine months ended 29 February 2016 and 28 February 2017.

Profit and total comprehensive income/(expense) for the period

As a result of the cumulative factors discussed above, the Group changed from a profit and total comprehensive income of approximately HK$6.6 million for the nine months ended 29 February 2016 to a loss position of approximately HK$1.8 million for the nine months ended 28 February 2017. Excluding the non-recurring listing expenses of approximately HK$8.5 million incurred during the nine months ended 28 February 2017, the Group would have recorded a profit of approximately HK$6.7 million for the nine months ended 28 February 2017.

For the nine months ended 29 February 2016 and 28 February 2017, excluding the non-recurring listing expenses incurred for the period, the net profit margins were approximately 10.0% and 9.1%, respectively. The slight decrease was mainly due to the fact that the Group has experienced rising operating expenses (including property rentals and related expenses and employee benefits expenses) as a result of the operations of Fly, Tiger Curry & Cafe and head office during the nine months ended 28 February 2017.

Outlook

According to the industry report prepared by Frost & Sullivan Limited, the Group was one of the leading market players in the clubbing market in Hong Kong in terms of revenue for the year ended 31 May 2016 with a market share of approximately 10.6% and Volar is internationally recognised. In May 2016, Volar was awarded "Asia's Best Club" by the Asian Club and Bar Association. In December 2016, Volar and Fly were awarded "Quality Bar Label Award" by the Hong Kong Bar & Club Association.

"Tiger" branded restaurants are aimed at mass market customers. The Group seeks to distinguish itself from other local casual dining and quick service restaurant concepts by creating food menus centered on Japanese-style curry dishes yet at the same time offering a variety of other Japanese dishes with broad appeal.

The Group will pursue the following key business strategies (i) continue to expand and diversify the outlet network by establishing sports-themed bars and expanding the restaurant network under the "Tiger" brand; and (ii) upgrade the club facilities.

The Group will continue to control its operating cost. With a higher number of sports-themed bars, the Group will increase the demand of beverage products while the purchase volume of such beverage products is linked to different levels of value and cash incentives, which means the more beverage products we purchase, the higher level of incentives we will get, whereas, with a higher number of restaurants, the Group will modify our centralised purchasing procedures. This will help reduce inventory build-up in case expected usage does not materialise and lower the risk of shortages in case of unexpected increases in demand.

The Group ongoing expansion plans will enhance the market share in both clubbing and restaurant business while the Group will continue to refine the business strategy to cope with the continuing challenges.

DISCLOSURE OF ADDITIONAL INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the date of this announcement, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in the shares as at the date of this announcement

Name of Director	Capacity/Nature of interest	No. of shares held/interested in	Approximate shareholding percentage of interest (%)
Mr. Ng Shing Joe Kester ("**Mr. Kester Ng**")*(Note 1)*	Interest in a controlled corporation	371,520,000	46.44

Note:

1. Mr. Kester Ng beneficially owns 100% of the issued share capital of Aplus Concept Limited. By virtue of the SFO, Mr. Kester Ng is deemed to be interested in 371,520,000 shares held by Aplus Concept Limited.

Save as disclosed above, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at the date of this announcement, the interests and short positions of substantial shareholders and other persons (not being a Director or chief executive of the Company) in the shares and underlying shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions of the shares as at the date of this announcement

Name of Director	Capacity/Nature of interest	No. of shares held/ interested in	Approximate shareholding percentage of interest (%)
Aplus Concept Limited *(Note 1)*	Beneficial owner	371,520,000	46.44
Ms. Louey Andrea Alice *(Note 2)*	Interest of spouse	371,520,000	46.44
Phoenix Year Limited *(Note 3)*	Beneficial owner	159,180,000	19.90
CSI Properties Limited *(Note 4)*	Interest in a controlled corporation	159,180,000	19.90
Mr. Chung Cho Yee Mico *(Note 5)*	Interest in a controlled corporation	159,180,000	19.90
Digisino Assets Limited *(Note 5)*	Interest in a controlled corporation	159,180,000	19.90
Earnest Equity Limited *(Note 5)*	Interest in a controlled corporation	159,180,000	19.90

Notes:

1. The entire issued share capital of Aplus Concept Limited is wholly-owned by Mr. Kester Ng.

2. Ms. Louey Andrea Alice is the spouse of Mr. Kester Ng. By virtue of the SFO, Ms. Louey Andrea Alice is deemed to be interested in the same number of shares in which Mr. Kester Ng is deemed to be interested under the SFO.

3. The entire issued share capital of Phoenix Year Limited is wholly-owned by CSI Properties Limited.

4. CSI Properties Limited is deemed to be interested in the same number of shares held by Phoenix Year Limited under the SFO.

5. Mr. Chung Cho Yee Mico ("**Mr. Chung**") owns the entire interest of Digisino Assets Limited ("**Digisino**") which in turn owns the entire interest in Earnest Equity Limited ("**Earnest Equity**"). Earnest Equity and Mr. Chung own approximately 45.91% and 0.03% of the entire issued share capital of CSI Properties Limited respectively. Therefore, Mr. Chung, Digisino

and Earnest Equity are deemed to be interested in the same number of shares held by CSI Properties Limited under SFO.

SHARE OPTIONS

The Company has conditional adopted a share option scheme (the "**Share Option Scheme**") on 14 March 2017. For the principal terms of the Share Option Scheme, please refer to "Other Information — 15. Share option scheme" in Appendix IV to the Prospectus.

Up to the date of this announcement, no share option has been granted by the Company pursuant to such Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 28 February 2017.

DIRECTORS' INTERESTS IN CONTRACTS

As at 28 February 2017, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' COMPETING INTEREST

As at 28 February 2017, save as disclosed in the Prospectus, none of the directors or substantial shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete with the business of the Group, or have any other conflict of interests with the Group.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted written guidelines regarding Directors' securities transactions on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiries to all Directors, the Directors confirmed that they have complied with the required standard of dealings and the said guidelines regarding Directors' securities transactions up to the date of this announcement.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Directors consider that up to the date of this announcement, the Company has applied the principles and complied with all the applicable code provisions set out in Appendix 15 — Corporate Governance Code to the GEM Listing Rules.

INTERESTS OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Lego Corporate Finance Limited ("**Lego**") to be the compliance adviser. Lego, being the sponsor to the listing of the Company, has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. Save as provided for under the underwriting agreement relating to the share offer, neither Lego nor any of its associates and none of the directors or employees of Lego who have been involved in providing advice to the Company as the sponsor, has or may, as a result of the share offer, have any interest in any securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities).

The compliance adviser's appointment is for a period commencing on the listing date and ending on the date on which the Company complies with Rule 18.03 of the GEM Listing Rules in respect of the despatch of its annual report of the financial results for the second full financial year commencing after the listing date, i.e. for the year ending 31 May 2019, or until the compliance adviser agreement is terminated, whichever is earlier.

AUDIT COMMITTEE AND REVIEW OF ACCOUNTS

Pursuant to Rule 5.28 of the GEM Listing Rules, the Company established an audit committee (the "**Audit Committee**") with written terms of reference aligned with the provision of the code provisions set out in Appendix 15 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. As at the date of this announcement, the Audit Committee comprises Mr. Wong Sui Chi (chairman), Mr. Li Lap Sun and Mr. Ng Kwok Kei Sammy, all of whom are independent non-executive Directors.

The Audit Committee had reviewed with the management of the Company the accounting principles and practices adopted by the Group and this announcement. The condensed consolidated financial results for the nine months ended 28 February 2017 are unaudited, but have been reviewed by the Audit Committee.

DIVIDEND

No dividend has been paid or declared by the Company, or by any of the companies now comprising the Group during the nine months ended 29 February 2016 and 28 February 2017.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition or disposal of subsidiaries or associates during the nine months ended 28 February 2017.

PUBLICATION OF THIRD QUARTERLY REPORT

The 2017 third quarterly report of the Company containing all the information required by the GEM Listing Rules will be despatched to the shareholders of the Company pursuant to Rule 18.03 of the GEM Listing Rules.

By order of the Board
BCI Group Holdings Limited
Ng Shing Joe Kester
Chairman and executive Director

Hong Kong, 13 April 2017

As at the date of this announcement, the executive Directors are Mr. Ng Shing Joe Kester and Ms. Lau Sze Yuen; the non-executive Director is Mr. Kan Sze Man; and the independent non-executive Directors are Mr. Li Lap Sun, Mr. Wong Sui Chi and Mr. Ng Kwok Kei Sammy,

This announcement will remain on the Stock Exchange's website at www.hkexnews.hk on the "Latest Listed Company Information" page for at least 7 days from the date of its posting. This announcement will also be published on the Company's website at www.bcigroup.com.hk.