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New Amante Group Limited
新愛德集團有限公司

*(formerly known as BCI Group Holdings Limited (高門集團有限公司))
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8412)*

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD
ON THE RECORD DATE**

SILVERBRICKS SECURITIES COMPANY LIMITED

Underwriter



PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of (i) not more than approximately HK\$12.6 million (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date and assuming full subscription under the Rights Issue), by way of the Rights Issue of issuing up to 29,964,000 Rights Shares; or (ii) not more than approximately HK\$13 million (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date, and assuming full subscription under the Rights Issue), by way of the Rights Issue of issuing up to 30,994,000 Rights Shares, at the Subscription Price of HK\$0.42 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date.

The estimated net proceeds of the Rights Issue will be (i) not more than approximately HK\$12 million (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date and assuming full subscription under the Rights Issue); or (ii) not more than approximately HK\$12.4 million (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date, and assuming full subscription under the Rights Issue). Details of the use of proceeds are set out in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” in this announcement.

The Rights Issue will not be available to the Excluded Shareholders. To qualify for the Rights Issue, a Shareholder or an investor must be registered as the Shareholder on the Record Date and be a Qualifying Shareholder. In order to be registered as a member of the Company on the Record Date, all transfers of existing Shares (together with the relevant share certificate(s)) must be lodged with the Registrar by no later than 4:30 p.m. on Thursday, 5 January 2023. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus (without the PALs and EAFs), for information only to the extent permitted under the relevant laws and regulations and reasonably practicable, to the Excluded Shareholders on Friday, 13 January 2023.

IRREVOCABLE UNDERTAKINGS BY THE UNDERTAKING SHAREHOLDER

As at the date of this announcement, Mr. Yuan (through himself and his controlled corporation) holds an aggregate of 10,642,000 Shares (but excluding the 150,000 Shares held by his spouse which he has a deemed interest under Part XV of the SFO), representing approximately 17.76% of the total number of issued Shares.

Pursuant to the Irrevocable Undertakings, Mr. Yuan has irrevocably undertaken and warranted to the Company and the Underwriter, among other things:

- (i) to subscribe, and procure his controlled corporation to subscribe, for 5,321,000 Rights Shares to be provisionally allotted to Mr. Yuan and his controlled corporation respectively; and
- (ii) not to sell, dispose of or transfer, or agree to sell, dispose of or transfer any of the Shares beneficially held by Mr. Yuan from the date of the Irrevocable Undertakings to the date of completion of the Rights Issue.

Further, pursuant to the Irrevocable Undertakings, Mr. Yuan has irrevocably undertaken to the Company and the Underwriter that in the event he applies for excess Rights Shares, he will observe the scale-down mechanism as mentioned in the paragraph headed “Scale-down of subscriptions to avoid the triggering of MGO Obligation and non-compliance of Public Float Requirement” in this announcement so that he will not trigger any MGO Obligation or cause the Company to become non-compliant with the Public Float Requirement.

UNDERWRITING AGREEMENT

On 28 December 2022 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter, whereby, subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfillment of the conditions contained therein, the Underwriter has conditionally agreed to underwrite, on a best-effort basis, up to (i) 24,643,000 Underwritten Shares (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date); or (ii) 25,673,000 Underwritten Shares (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date).

The Rights Issue is only underwritten on a best-effort basis. Pursuant to the Company’s constitutional documents, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

In the event the Rights Issue is undersubscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares, and not subscribed by the Underwriter or other subscribers procured by the Underwriter pursuant to the Underwriting Agreement, will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers) and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to approval by the Shareholders.

GENERAL

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

The Prospectus containing further information regarding, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information in respect of the Group, and PAL(s) and EAF(s) are expected to be despatched to the Qualifying Shareholders on or before Friday, 13 January 2023. The Company will, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus to the Excluded Shareholders for their information only.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement” below). Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Wednesday, 4 January 2023. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 17 January 2023 to Friday, 27 January 2023 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

PROPOSED RIGHTS ISSUE

The Company proposes to raise gross proceeds of (i) not more than approximately HK\$12.6 million (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date and assuming full subscription under the Rights Issue), by way of the Rights Issue of issuing up to 29,964,000 Rights Shares; or (ii) not more than approximately HK\$13 million (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date, and assuming full subscription under the Rights Issue), by way of the Rights Issue of issuing up to 30,994,000 Rights Shares, at the Subscription Price of HK\$0.42 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date.

On 28 December 2022 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter in respect of the Rights Issue and further details of the Rights Issue are set out below:

Issue statistics

- Basis of the Rights Issue : One (1) Rights Share for every two (2) Shares held on the Record Date
- Subscription Price : HK\$0.42 per Rights Share
- Number of Shares in issue : 59,928,000
as at the date of this
announcement
- Number of Rights Shares : (i) up to 29,964,000 Rights Shares (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date and assuming full subscription under the Rights Issue); or
- (ii) Up to 30,994,000 Rights Shares (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date, and assuming full subscription under the Rights Issue)

- Aggregate nominal value of:
the Rights Shares
- (i) not more than HK\$5,992,800 (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date, and assuming full subscription under the Rights Issue); or
- (ii) not more than HK\$6,198,800 (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date, and assuming full subscription under the Rights Issue)
- Number of Shares in issue immediately upon completion of the Rights Issue
- (i) up to 89,892,000 Shares (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date, and assuming full subscription under the Rights Issue); or
- (ii) up to 92,982,000 Shares (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date, and assuming full subscription under the Rights Issue)
- Underwriter
- : Silverbricks Securities Company Limited
- Number of Underwritten Shares
- : on a best-effort basis, up to (i) 24,643,000 Underwritten Shares (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date); or (ii) 25,673,000 Underwritten Shares (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date)
- Number of Rights Shares undertaken to be taken up by Mr. Yuan (a substantial shareholder of the Company)
- : 5,321,000 Rights Shares

Right of excess applications : Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotment

As at the date of this announcement, there are 2,060,000 Outstanding Share Options available to subscribe for 2,060,000 Shares granted pursuant to the Share Option Scheme prior to the Record Date. Assuming full exercise of the Outstanding Share Options, the maximum number of new Shares that would fall to be allotted and issued under the Share Option Scheme on or before the Record Date would be 2,060,000.

Save as aforesaid, the Company has no other outstanding share options or outstanding derivatives, convertible securities, options or warrants in issue which entitle the holders thereof to subscribe for or convert into any Shares prior to the Record Date nor has entered into any agreement to do any of the foregoing as at the date of this announcement. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming no new Shares (other than the Rights Shares) are allotted and issued and no repurchase of the Shares takes place on or before the Record Date, the aggregate number of 29,964,000 nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 50% of the total number of Shares in issue as at the date of this announcement and will represent approximately 33.33% of the Shares in issue as enlarged by the Rights Issue.

Assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options and no other new Shares (other than the Rights Shares) are allotted and issued and no repurchase of the Shares takes place on or before the Record Date, the aggregate number of 30,994,000 nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 50% of the total number of Shares in issue as at the date of this announcement and will represent approximately 33.33% of the Shares in issue as enlarged by the Rights Issue.

The Company has not conducted any rights issue, open offer and/or specific mandate placing within the 12-month period immediately preceding the date of this announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

The Rights Issue is only underwritten on a best-effort basis. Pursuant to the Company's constitutional documents, there are no requirements for minimum levels of subscription in respect of the Rights Issue. Subject to fulfillment of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

In the event the Rights Issue is undersubscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares, and not subscribed by the Underwriter or other subscribers procured by the Underwriter pursuant to the Underwriting Agreement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

The Subscription Price

The Subscription Price is HK\$0.42 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or applications for excess Rights Shares, or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 10.6% to the closing price of HK\$0.47 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 12.1% to the average of the closing price of HK\$0.478 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 17.6% to the average of the closing price of HK\$0.51 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 7.3% to the theoretical ex-rights price of approximately HK\$0.453 per Share based on the closing price of HK\$0.47 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 5.63%, represented by the theoretical diluted price of approximately HK\$0.453 per Share to the benchmarked price of HK\$0.48 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the closing price on the Last Trading Day of HK\$0.47 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of this announcement of HK\$0.48 per Share).

The Subscription Price was arrived at after arm's length negotiations between the Company and the Underwriter with reference to the amount of fund raising targeted by the Company under the Rights Issue, the market price of the Shares under the prevailing market conditions and the financial position of the Group.

After taking into consideration the reasons for the Rights Issue as stated in the section headed “REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS” below, the Directors consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date and the maximum number of 29,964,000 Rights Shares are fully subscribed, the net price per Rights Share is estimated to be approximately HK\$0.40.

Assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date and the maximum number of 30,994,000 Rights Shares are fully subscribed, the net price per Rights Share is estimated to be approximately HK\$0.40.

IRREVOCABLE UNDERTAKINGS BY THE UNDERTAKING SHAREHOLDER

As at the date of this announcement, Mr. Yuan (through himself and his controlled corporation) holds an aggregate of 10,642,000 Shares (but excluding the 150,000 Shares held by his spouse which he has a deemed interest under Part XV of the SFO), representing approximately 17.76% of the total number of issued Shares. As at the date of this announcement, Mr. Yuan does not hold any Outstanding Share Options.

Pursuant to the Irrevocable Undertakings, Mr. Yuan has irrevocably undertaken and warranted to the Company and the Underwriter, among other things:

- (i) to subscribe, and procure his controlled corporation to subscribe, for 5,321,000 Rights Shares to be provisionally allotted to Mr. Yuan and his controlled corporation respectively; and
- (ii) not to sell, dispose of or transfer, or agree to sell, dispose of or transfer any of the Shares beneficially held by Mr. Yuan from the date of the Irrevocable Undertakings to the date of completion of the Rights Issue.

Further, pursuant to the Irrevocable Undertakings, Mr. Yuan has irrevocably undertaken to the Company and the Underwriter that in the event he applies for excess Rights Shares, he will observe the scale-down mechanism as mentioned in the paragraph headed “Scale-down of subscriptions to avoid the triggering of MGO Obligation and non-compliance of Public Float Requirement” in this announcement so that he will not trigger any MGO Obligation or cause the Company to become non-compliant with the Public Float Requirement.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholder as at the close of business on the Record Date. The PAL relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance. Any holdings (or balance of holdings) of less than two (2) Shares will not entitle their holders to be provisionally allotted a Rights Share.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder on the Record Date.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong by 4:30 p.m. on Thursday, 5 January 2023.

The last day of dealings in the Shares on a cum-rights basis is Tuesday, 3 January 2023. The Shares will be dealt with on an ex-rights basis from Wednesday, 4 January 2023.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company.

Shareholders with their Shares held by a nominee (or held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date. For investors whose Shares are held by a nominee (or held in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Thursday, 5 January 2023. Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company.

Holders of any Outstanding Share Options who wish to participate in the Rights Issue should exercise their Outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme and be registered as holders of the Shares so allotted and issued to them pursuant to such exercise with the Company on or before the Record Date.

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Closure of register of members for the Rights Issue

The Company's register of members will be closed from Friday, 6 January 2023 to Thursday, 12 January 2023, both days inclusive, to determine the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with Rule 17.41(1) of the GEM Listing Rules, the Company will make enquiries with its lawyers in the relevant jurisdictions regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, based on such legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Issue to the Overseas Shareholders due to either the legal restrictions of the relevant jurisdiction or the applicable requirements of the relevant regulatory body or stock exchange in that place, the Rights Issue will not be available to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to the Excluded Shareholders.

Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Rights Issue, to be despatched to the Qualifying Shareholders on Friday, 13 January 2023. The Company will send copies of the Prospectus to the Excluded Shareholders for their information only, but no PAL and EAF will be sent to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid to the Excluded Shareholders in Hong Kong Dollars, at their own risk, pro rata to their respective entitlements. The Company will retain individual amounts of HK\$100 or less for the benefits of the Company. Any unsold entitlement of Excluded Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by Qualifying Shareholders.

As at the date of the announcement, the Company has no Overseas Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares. Dealings in the Rights Shares will be subject to payment of (i) stamp duty, (ii) Stock Exchange trading fee, (iii) transaction levy and (iv) any other applicable fees and charges in Hong Kong.

Certificates for the Rights Shares and Refund Cheques for the Rights Shares

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or about Thursday, 9 February 2023 by ordinary post to the allottees, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on or about Thursday, 9 February 2023 by ordinary post to the applicants, at their own risk, to their registered addresses.

Fractions of Rights Shares

Fractions of the Rights Shares will not be provisionally allotted to any of the Qualifying Shareholders. Fractional entitlements will be aggregated and rounded down to the nearest whole number of Rights Shares. Any Rights Shares created from the aggregation of fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders as described in the section headed “Application for excess Rights Shares” below. Should there be no excess application by the Qualifying Shareholders, those Rights Shares created from the aggregation of fraction of the Rights Shares may or may not be taken up by the Underwriter.

Application for excess Rights Shares

The Company shall make the excess Rights Shares available for subscription by the Qualifying Shareholders by means of EAF, and the excess Rights Shares represent:

- (i) any nil-paid Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;

- (ii) subject to the provisions of the Underwriting Agreement, any entitlements of the Excluded Shareholders provisionally allotted to a nominee of the Company which are left unsold;
- (iii) any of the Rights Shares created from the aggregation of fractions of the Rights Shares; and
- (iv) the Scale-down PAL Shares (if any) and the Scale-down EAF Shares (if any).

The Company will, upon consultation with the Underwriter, allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Rights Shares applied for;
- (ii) reference will only be made to the number of excess Rights Shares being applied for but no reference will be made to the Rights Shares comprised in applications by the PALs or the existing number of Shares held by Qualifying Shareholders;
- (iii) if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for excess Rights Shares in full application; and
- (iv) no preference will be given to applications for topping up odd lots to whole board lots.

In the event that the Board notes unusual patterns of excess applications and has reason to believe that any excess application may have been made with the intention to abuse the mechanism, such application(s) for excess Rights Shares may be rejected at the sole discretion of the Board.

Should there be no excess application by the Qualifying Shareholders or such excess applications are less than the total number of Underwritten Shares, the excess Rights Shares will be underwritten by the Underwriter on a best-effort basis.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders and investors should consult their professional advisors if they are in any doubt as to their status.

Scale-down of subscriptions to avoid the triggering of MGO Obligation and non-compliance of Public Float Requirement

Without prejudice to the generality of the Underwriting Agreement, as the Rights Issue is only underwritten by the Underwriter on a best effort basis, to avoid the unwitting triggering of MGO Obligations and non-compliance of Public Float Requirements, all applications for Rights Shares whether under the PAL(s) or the EAF(s), or by transferees of nil-paid Rights Shares, or by subscribers procured by the Underwriter will be made on the basis that the applications are to be scaled-down by the Company to a level which (a) does not trigger an MGO Obligation on the part of the applicant or parties acting in concert with him/her/it, and/or (b) does not result in the non-compliance of the Public Float Requirement on the part of the Company. Any subscription monies for the Scale-down PAL Shares or the Scale-down EAF Shares will be refunded to the applicants, and the Scale-down PAL Shares and the Scale-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s).

In addition, under and/or pursuant to the Scaling-down, any application for Rights Shares, whether under the PAL(s) or the EAF(s), shall be subject to the scale-down mechanisms of the Rights Issue as determined by the Company to levels which do not trigger any MGO Obligation or non-compliance of Public Float Requirement. Such scale-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) EAF(s) should be scaled down before PAL(s); and (b) where the scale-down is necessitated by the exceeding of shareholding by a group rather than an individual shareholder, the allocations of EAF(s) and PAL(s) to members of the affected group should be made on a pro rata basis by reference to the number of Shares held by the affected applicants on the Record Date, but for the avoidance of any doubt, any or any such onward allocation(s) shall be subject to the Scaling-down as well.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Overseas Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf. None of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposing of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

Application for listing

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The nil-paid and fully-paid Rights Shares are expected to have the same board lot size as the Shares, i.e. 10,000 Shares in one board lot. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Rights Shares will be eligible for admission in CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company, will be subject to the payment of (i) stamp duty, (ii) Stock Exchange trading fee, (iii) transaction levy and (iv) any other applicable fees and charges in Hong Kong.

THE UNDERWRITING AGREEMENT

On 28 December 2022 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter. Further details of the Underwriting Agreement are set out below:

Date	:	28 December 2022 (after trading hours)
Issuer	:	The Company
Underwriter	:	Silverbricks Securities Company Limited

Number of Rights Shares : on a best-effort basis, up to (i) 24,643,000 Underwritten Shares to be underwritten (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date); or (ii) 25,673,000 Underwritten Shares (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date)

Underwriting commission : 1.5% of the total Subscription Price of the Underwritten Shares which are actually subscribed or procured to be subscribed by the Underwriter

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Underwriter and its ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons as defined under the GEM Listing Rules. The Underwriter is a licensed corporation to carry on Types 1, 2 & 6 regulated activities under the SFO and its ordinary course of business includes underwriting of securities. The Underwriter confirmed that it has complied with Rule 10.24A(i) of the GEM Listing Rules.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite, on a best effort basis, the Underwritten Shares up to (i) 24,643,000 Rights Shares (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date); or (ii) 25,673,000 Rights Shares (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date), subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfillment of the conditions contained therein.

Pursuant to the Underwriting Agreement, the Underwriter undertakes and shall ensure that (i) each of the subscribers of the Underwritten Shares procured by it shall be an Independent Third Party; (ii) none of the subscribers of the Underwritten Shares shall own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue; (iii) none of the subscribers, together with any party(ies) acting in concert with it/them, will hold 30% (or such percentage which will trigger any MGO Obligation under the Takeovers Code) or more of the voting rights of the Company upon completion of the Rights Issue; and (iv) the Public Float Requirement remains to be fulfilled by the Company upon completion of the Rights Issue.

The terms of the Underwriting Agreement (including the underwriting commission) were determined after arm's length negotiation between the Company and the Underwriter with reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition.

The Directors consider the entering into of the Underwriting Agreement with the Underwriter and the terms of the Underwriting Agreement (including the underwriting commission) to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Conditions of the Rights Issue and the Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement are conditional on:

- (i) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provision) Ordinance not later than the Prospectus Posting Date;
- (ii) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Prospectus Posting Date;
- (iii) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms by no later than the first day of their dealings;
- (iv) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with its terms; and
- (v) compliance with and performance of all undertakings and obligations of the Company under the Underwriting Agreement and the representations and warranties given by the Company under the Underwriting Agreement remaining true, correct and not misleading in all material respects.

The conditions precedents, save and except item (v) above which can only be waived by the Underwriter, are incapable of being waived. If the conditions precedents are not satisfied and/or waived (as the case may be) in whole or in part by the Company or by the Underwriter by 2 February 2023 or such other date as the Company and the Underwriter may agree, or if the Underwriting Agreement shall be rescinded pursuant to the terms of the Underwriting Agreement, the Underwriting Agreement shall terminate, all obligations and liabilities of the parties thereunder shall forthwith cease and determine and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

Termination of the Underwriting Agreement

If at any time on or before 4:00 p.m. on the Latest Termination Date:

- (a) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the warranties in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (b) there shall be:
 - (i) any new law or regulation is enacted, or there is any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong, the Cayman Islands or elsewhere;
 - (ii) any change in local, national or international financial, political, industrial or economic conditions;
 - (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
 - (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
 - (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange;
 - (vi) any suspension in the trading of the Shares on the Stock Exchange for a continuous period of 7 trading days (as defined in the GEM Listing Rules);

(vii) any change or development involving a prospective change in taxation or exchange controls in Hong Kong, the Cayman Islands or elsewhere which is or are, in the reasonable opinion of the Underwriter:–

- (a) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole; or
- (b) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares to be taken up; or
- (c) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

then the Underwriter may, by notice in writing given to the Company on or before 4:00 p.m. on the Latest Termination Date, rescind the Underwriting Agreement and thereupon all obligations of the Underwriter thereunder shall cease and determine and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save for any antecedent breaches hereof) and the Rights Issue shall not proceed.

Upon the giving of notice of termination as aforesaid, all obligations of the Underwriter thereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement and the Company shall not be liable to pay any underwriting commission.

If the Underwriter terminates the Underwriting Agreement in accordance with the terms thereof, the Rights Issue will not proceed. A further announcement would be made if the Underwriting Agreement is terminated by the Underwriter.

Expected Timetable for the Rights Issue

The expected timetable for the Rights Issue and the associated trading arrangement is set out below:

Event	Respective Date and time
Publication of the Rights Issue announcement	Wednesday, 28 December 2022
Last day of dealings in the Shares on cum-rights basis	Tuesday, 3 January 2023
Ex-date (the first day of dealings in the Shares on ex-rights basis)	Wednesday, 4 January 2023
Latest time for lodging transfers of Shares to qualify for the Rights Issue	4:30 p.m. on Thursday, 5 January 2023
Register of members closes (both days inclusive)	Friday, 6 January 2023 to Thursday, 12 January 2023
Record date for the Rights Issue	Thursday, 12 January 2023
Despatch of the Prospectus Documents	Friday, 13 January 2023
First day of dealing in nil-paid Rights Shares	Tuesday, 17 January 2023
Latest time for splitting of PAL	4:30 p.m. on Thursday, 19 January 2023
Last day of dealings in nil-paid Rights Shares	Friday, 27 January 2023
Latest time for acceptance and payment for the Rights Shares	4:00 p.m. on Wednesday, 1 February 2023
Latest time for the termination of the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Thursday, 2 February 2023
Announcement of the results of the Rights Issue	Wednesday, 8 February 2023

Event	Respective Date and time
Despatch of certificates for fully-paid Rights Shares and refund cheques	Thursday, 9 February 2023
Expected first day of dealings in fully-paid Rights Shares	9:00 a.m. on Friday, 10 February 2023

All times and dates in this announcement refer to Hong Kong local times and dates. The dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by the Company and the Underwriter. The Company will notify Shareholders in the event of any changes to the expected timetable as and when appropriate.

Effect of bad weather or extreme conditions on the latest time for acceptance of and payment for Rights Shares and application for excess Rights Shares

The latest time for acceptance of and payment for Rights Shares and application for excess Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above “extreme conditions” caused by super typhoon as announced by the Government of Hong Kong, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 1 February 2023. Instead, the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 1 February 2023. Instead, the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on Wednesday, 1 February 2023, the dates mentioned in the paragraph headed “Expected Timetable for the Rights Issue” above may be affected. The Company will notify Shareholders by way of a separate announcement of any change to the expected timetable as soon as practicable.

Undertaking given by the Company

Pursuant to the ordinary resolutions passed by the Shareholders at the AGM, the Directors were granted the General Mandate to allot and issue up to 11,985,600 new Shares, representing 20% of the total number of issued Shares as at the date of the AGM (figure adjusted based on the share consolidation effective on 16 November 2022). As at the date of this announcement, no Shares have been issued pursuant to the General Mandate. Accordingly, the maximum number of Shares that can be issued under General Mandate is 11,985,600 Shares. The Company has undertaken in the Underwriting Agreement that the Company shall not issue new Shares under General Mandate from the date of the Underwriting Agreement up to and including the Record Date (both days inclusive).

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

The tables below set out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full; and (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than Mr. Yuan pursuant to the Irrevocable Undertaking) have taken up any entitlements of the Rights Shares:

- (a) The changes in the shareholding structure of the Company arising from the Rights Issue are as follows (assuming no Outstanding Share Options are exercised before the Record Date and there being no other changes in the number of issued share capital of the Company).

	As at the date of this announcement		Immediately after completion of the Rights Issue			
	No. of Shares	Approximate %	Assuming all Qualifying Shareholders take up their respective allotment of Rights Shares in full		Assuming no Qualifying Shareholders (except Mr. Yuan has taken up the Undertaken Shares (Note 2)) take up any of the Rights Shares and the Underwriter takes up the Rights Shares in full	
No. of Shares			Approximate %	No. of Shares	Approximate %	
Substantial Shareholder(s)						
Mr. Yuan Lin (Note 1)	10,792,000	18.01	16,188,000	18.01	16,113,000	17.93
Directors						
Jiang Qiaowei	20,000	0.03	30,000	0.03	20,000	0.02
Public Shareholders						
Underwriter, sub- underwriter(s) and/ or subscriber(s) procured by them	–	–	–	–	24,643,000	27.41
Other public Shareholders	49,116,000	81.96	73,674,000	81.96	49,116,000	54.64
Total	59,928,000	100	89,892,000	100	89,892,000	100

Note 1: Mr. Yuan is the beneficial owner of 2,592,000 Shares. Further, Mr. Yuan is deemed to be interested in (i) 8,050,000 Shares through his 90% owned company, Zhongcai Herui Industry Development Co. Limited and (ii) 150,000 Shares held by his spouse, Ms. Chen Fang.

Note 2: The Undertaken Shares do not include the 75,000 Rights Shares in nil-paid form to be allotted to Mr. Yuan's spouse, Ms. Chen Fang.

- (b) The changes in the shareholding structure of the Company arising from the Rights Issue are as follows (assuming all Outstanding Share Options are exercised on or before the Record Date and there being no other changes in the number of issued share capital of the Company other than the exercise of the Outstanding Share Options).

	As at the date of this announcement		Immediately after completion of the Rights Issue			
	No. of Shares	Approximate %	Assuming all Qualifying Shareholders take up their respective allotment of Rights Shares in full		Assuming no Qualifying Shareholders (except Mr. Yuan has taken up the Undertaken Shares (Note 2)) take up any of the Rights Shares and the Underwriter takes up the Rights Shares in full	
No. of Shares			Approximate %	No. of Shares	Approximate %	No. of Shares
Substantial Shareholder(s)						
Mr. Yuan Lin (Note 1)	10,792,000	18.01	16,188,000	17.41	16,113,000	17.33
Directors						
Jiang Qiaowei	20,000	0.03	30,000	0.03	20,000	0.02
Public Shareholders						
Underwriter, sub- underwriter(s) and/ or subscriber(s) procured by them	–	–	–	–	25,673,000	27.61
Other public Shareholders	49,116,000	81.96	73,674,000	79.24	49,116,000	52.82
Holders of the Outstanding Share Options	–	–	3,090,000	3.32	2,060,000	2.22
Total	59,928,000	100	92,982,000	100	92,982,000	100

Note 1: Mr. Yuan is the beneficial owner of 2,592,000 Shares. Further, Mr. Yuan is deemed to be interested in (i) 8,050,000 Shares through his 90% owned company, Zhongcai Herui Industry Development Co. Limited and (ii) 150,000 Shares held by his spouse, Ms. Chen Fang.

Note 2: The Undertaken Shares do not include the 75,000 Rights Shares in nil-paid form to be allotted to Mr. Yuan's spouse, Ms. Chen Fang.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally engaged in the operation of club, entertainment and catering business in Hong Kong.

Financial performance/position of the Group

For the year ended 31 May 2022, the Company had a total revenue of approximately HK\$50.3 million, representing an increase of approximately 106% when compared to the previous financial year ended 31 May 2021. Whilst the Company still suffered a net loss of approximately HK\$7.9 million for this financial year, the results had been much improved when compared to the loss of approximately HK\$39.5 million for the previous year ended 31 May 2021. As at 31 May 2022, the Group had current liabilities of approximately HK\$39,416,000 and net liabilities of approximately HK\$13,337,000.

The increase in revenue and the reduction in loss was mainly attributable to the gradual relaxation of the various social distancing measures by the Hong Kong government in its anti-covid policy. The entertainment and catering business of the Group had been severely affected by the Covid pandemic in the past. However, given that the epidemic situation has subsided steadily, the Group not only intends to resume its entertainment and catering business, but it also wants to seize the opportunity to expand and develop its principal business.

Accordingly, as disclosed in the Company's announcement on 17 November 2022, the Group has found a suitable premises ("**Premises**") located at the prime business and tourist area in Lan Kwai Fong, Central and entered into a lease of such premises for setting up a high-ended cigar and alcohol lounge and club there. The Group will need further working capital to support the setting up and operation of this new club.

The directors carefully considered the future liquidity and financial positions of the Group in light of the conditions described in the preceding paragraphs and decided it is necessary to conduct fund-raising activities to help strengthen the financial positions of the Group.

The net proceeds from the Rights Issue, after deducting the underwriting commission, professional fees and all other relevant expenses, are estimated to be (i) not more than approximately HK\$12 million (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date and assuming full subscription under the Rights Issue); or (ii) not more than approximately HK\$12.4 million (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date and full subscription under the Rights Issue). The Company intends to apply such net proceeds for the following use and in the following priorities in case of under-subscription:

Use of proceeds

- (i) firstly, approximately HK\$4 million for the renovation and other costs and expenses for setting up the lounge and club at the Premises (if, after completion of all the renovation and setting up works, there remains any surplus of such HK\$ 4 million will be allocated back to the Company's general working capital as described below);
- (ii) secondly, approximately HK\$1.8 million as reserved fund for payment of rents of the Premises for the first year; and
- (iii) lastly, any balance of the net proceeds up to approximately HK\$6.2 million for general working capital in ordinary course of business, including but not limited to payment of salaries and utilities, and payment of the inventory and goods (including cigar and luxury wine) for the new business at the Premises.

Benefits of the Rights Issue

With reference to the above, the Board considers that the Rights Issue represents an opportunity for the Company to strengthen its financial position after having considered that:

- (i) the Rights Issue offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so;
- (ii) the discount of the Subscription Price to the prevailing market price in order to enhance the attractiveness of the Rights Issue and it is the Company's objective to encourage the participation of Qualifying Shareholders in the Rights Issue;
- (iii) after considering other alternative fund-raising methods, it is prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity which will not increase the Group's finance costs. In addition, the Board believes that the Rights Issue will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments as and when such opportunities arise.

In light of the foregoing, the Directors consider that the implementation of the Rights Issue and the terms of the Underwriting Agreement are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

As at present, save for the Rights Issue, the Board has no intention or plan to conduct other equity fund raising activities in the next 12 months. However, if the net proceeds from the Rights Issue cannot satisfy the Group's future funding needs for operation and development of its business or other investment opportunities, the Board does not rule out the possibility that the Company may conduct other equity fund raising activity if needed. The Company will make further announcement in accordance with the GEM Listing Rules as and when appropriate.

POSSIBLE ADJUSTMENT TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

The Rights Issue may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Outstanding Share Options under the Share Option Scheme. The Company will notify the holders of such Outstanding Share Options, and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Scheme. As at the date of this announcement, there are 2,060,000 Outstanding Share Options available to subscribe for 2,060,000 Shares granted pursuant to the Share Option Scheme.

FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

Reference is made to the announcements of the Company dated 16 May 2022 and 8 June 2022, the Company has conducted a general mandate placing and issued a total of 199,760,000 pre-consolidated shares of the Company (which shares were issued prior to the share consolidation effected by the Company on 16 November 2022) to not less than 6 places under the general mandate granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 22 October 2021 at the placing price of HK\$0.03 per pre-consolidated share and raised net proceeds of approximately HK\$5.8 million. The net proceeds were intended to be used for general working capital of the Group and have been fully utilised for such purpose up to date.

Save as disclosed above, the Company did not raise any other funds by issue of equity securities during the twelve months immediately preceding the date of this announcement.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the Rights Issue will not increase the number of issued shares or the market capitalisation of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12 month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12 month period where dealing in respect of the shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers) and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates), the Rights Issue is not subject to approval by the Shareholders.

GENERAL

The Prospectus containing further information regarding, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information in respect of the Group, and PAL(s) and EAF(s) are expected to be despatched to the Qualifying Shareholders on or before Friday, 13 January 2023. The Company will, to the extent reasonably practicable and legally permitted and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send Prospectus to the Excluded Shareholders for their information only.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement” below). Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Wednesday, 4 January 2023. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 17 January 2023 to Friday, 27 January 2023 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

DEFINITIONS

In this announcement, the following terms shall have the meanings respectively set opposite them unless the context requires otherwise:

“AGM”	the annual general meeting of the Company held on 14 November 2022
“associate(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	board of Directors
“Business Day(s)”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	New Amante Group Limited (新愛德集團有限公司)(formerly known as BCI Group Holdings Limited (高門集團有限公司)) (stock code: 8412), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for excess Rights Shares proposed to be issued to the Qualifying Shareholders in such form as may be agreed between the Company and the Underwriter

“Excluded Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose registered address(es) as shown on such register at that time is/are in (a) place(s) outside Hong Kong, where the directors of the Company consider it necessary or expedient not to issue the Rights Shares to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Final Acceptance Date”	1 February 2023 or such other date as may be agreed between the Company and the Underwriter and described as the latest date for acceptance of the Rights Shares in the Prospectus
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	the GEM listing sub-committee of the board of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted by the Shareholders to the Directors at the AGM to allot, issue and deal with up a maximum of 20% of the aggregate share capital of the Company in issue as at the date of the AGM, i.e. up to 11,985,600 Shares (figure adjusted based on the share consolidation effective on 16 November 2022)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Irrevocable Undertaking”	the irrevocable undertakings dated 28 December 2022 given by Mr. Yuan in favour of the Company and the Underwriter
“Last Trading Day”	28 December 2022, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
“Latest Termination Date”	The first Business Day following the Final Acceptance Date

“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 1 February 2023 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of the offer of and payment for, the Rights Shares
“MGO Obligation”	the obligation to make a mandatory general offer under the Takeovers Code
“Mr. Yuan”	Mr. Yuan Lin, a substantial shareholder of the Company
“Outstanding Share Option(s)”	The outstanding share options to subscribe for an aggregate of up to 2,060,000 Shares (figure adjusted based on the share consolidation effective on 16 November 2022) which are granted or may be granted under the Share Option Scheme, which remain exercisable but unexercised as at the date of the Underwriting Agreement
“Overseas Shareholder(s)”	the Shareholder(s) with registered addresses on the register of members of the Company which are outside Hong Kong on the Record Date
“PAL(s)”	the provisional allotment letter(s) to be used in connection with the Rights Issue in such form as may be agreed between the Company and the Underwriter
“PRC”	People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administration Region and Taiwan
“Prospectus”	a document relating to the Rights Issue to be despatched to Shareholders on the Record Date, in such form as may be agreed between the Company and the Underwriter
“Prospectus Documents”	Prospectus, PAL and EAF
“Prospectus Posting Date”	the date of despatch of the Prospectus Documents as the Underwriter may agree in writing with the Company
“Public Float Requirement”	the public float requirement under Rule 11.23 of the GEM Listing Rules

“Qualifying Shareholder(s)”	the Shareholder(s) other than the Excluded Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date
“Record Date”	Thursday, 12 January 2023 or such other date as may be agreed between the Company and the Underwriter for the determination of the entitlements under the Rights Issue
“Registrar”	Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, the Hong Kong branch share registrar of the Company
“Rights Issue”	the proposed issue by way of rights of the Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every two (2) existing Shares to the Qualifying Shareholders upon the terms and conditions of the Underwriting Agreement
“Rights Share(s)”	Up to 30,994,000 Shares (assuming the Outstanding Share Options being exercised in full but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date), or up to 29,964,000 Rights Shares (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date), to be issued pursuant to the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares in issue on the Record Date
“Scale-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“Scale-down EAF Shares”	such number of Rights Shares applied for as excess application under the EAF(s) which would, if allotted by the Company, result in either the incurring of an MGO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company

“Scaling-down”	the scale-down mechanisms of the Rights Issue as determined by the Company to which any application for the Rights Shares, whether under the PALs or EAFs, or transferees of nil-paid Rights Shares shall be subject to ensure that no application for the Rights Shares or the allotment thereof by the Company shall be at such level which may trigger any MGO Obligation or non-compliance with the Public Float Requirement
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with par value of HK\$0.20 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 14 March 2017
“Shareholder(s)”	registered holder(s) of the Shares of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.42 per Rights Share
“Substantial Shareholder(s)”	has the meaning as ascribed to this term under the GEM Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs
“Undertaken Shares”	5,321,000 Rights Shares, being the number of Rights Shares for which Mr. Yuan has undertaken to subscribe pursuant to the Irrevocable Undertakings
“Underwriter”	Silverbricks Securities Company Limited, a company incorporated in Hong Kong with limited liability and licensed in Hong Kong to carry out Types 1, 2 and 6 regulated activities under the SFO
“Underwriting Agreement”	underwriting agreement dated 28 December 2022 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue

“Underwritten Shares”	up to (i) 24,643,000 Underwritten Shares (assuming no new Shares are issued on or before the Record Date either pursuant to the Outstanding Share Options or otherwise and no repurchase of Shares on or before the Record Date); or (ii) 25,673,000 Underwritten Shares (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of all Outstanding Share Options, but otherwise no other Shares are issued and no repurchase of Shares on or before the Record Date) underwritten by the Underwriter on best-effort basis pursuant to the terms and conditions of the Underwriting Agreement, excluding the Undertaken Shares to be taken up by Mr. Yuan
“Untaken Shares”	the Underwritten Shares for which duly completed PAL or EAF (accompanied by cheques or banker’s cashier orders for the full amount payable on application which are honoured on first or, at the option of the Company, subsequent presentation) have not been lodged for acceptance, or received, as the case may be, on or before 4:00 p.m. on the Final Acceptance Date
“%”	per cent

By order of the Board
New Amante Group Limited
Wong Chi Yung
Chairman of the Board and Chief Executive Officer

Hong Kong, 28 December 2022

As at the date of this announcement, the executive Directors are Mr. Wong Chi Yung, Mr. Ng Shing Chun Ray and Ms. Lui Lok Yan, and the independent non-executive Directors are Mr. Hui Wai Hung, Mr. Jiang Qiaowei and Mr. Pong Chun Yu.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

This announcement will remain on the “Latest Company Announcements” page of the GEM website <http://www.hkgem.com> for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at <http://www.new-amante.com>.