

BCI GROUP HOLDINGS LTD:**THE QUESTION:
WHY WOULD CSI PROPERTIES LTD
WANT TO SLEEP WITH THIS COMPANY ?**

It could be held that the éminence grise, operating in the shadows of Senior Management of BCI Group Holdings Ltd () (Code: 8412, The Growth Enterprise Market [the GEM] of The Stock Exchange of Hongkong Ltd) has been (and, probably, still is) CSI Properties Ltd () (Code: 497, Main Board, The Stock Exchange of Hongkong Ltd).

According to the database of **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, CSI Properties Ltd has been making cash advances to BCI, in one form or another, going back to at least the start of the 2014 Financial Year – and, probably, long before that date.

In respect of the 2014 Financial Year, the cash advances, paid to BCI Group Holdings Ltd and/or Buzz Concepts International Holdings Ltd, were in the neighbourhood of \$HK3.37 million, rising to \$HK3.82 million in respect of the 2015 Financial Year, and rising, once again, to \$HK7,795,000 in respect of the 2016 Financial Year.

For CSI Properties Ltd, the advances to BCI Group Holdings Ltd were little more than petty cash, but, for BCI Group Holdings Ltd, in days of yore, it must have been a material amount of money for this start-up company.

Otherwise, for what other reason would Senior Management of BCI Group Holdings Ltd have accepted it?

Today, BCI Group Holdings Ltd is a publicly listed company, albeit on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

It published and disseminated its Share Offer Prospectus on March 24, 2017.

The Share Offer Prospectus states that Management was Offering 200 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 25 cent to a high of 35 cents.

Only 20 million Shares represented the Offer tranche, afforded to the Investing Public, the remaining 180 million were reserved to be Placed with, presumably, investors with deep pockets.

The Share Price Determination will be announced, today, with trading in the shares of the Company, expected tomorrow.

The Use Of The Net Proceeds Of The Share Offering Of BCI Group Holdings Ltd

Management of BCI Group Holdings Ltd has stated, at Pages 208 and 209 of the Share Offer Prospectus, that it is pitching this Share Offer, inter alia, for the following reasons:

‘Our Directors believe that the Listing is strategically critical to our long-term growth as it will provide us with additional avenues to raise capital for expansion and other

development needs whilst reducing any reliance on the financial strength from our shareholders, promoting our brand awareness and strengthening our competitiveness.

‘We have historically been relying on internally generated funds and advances from related parties to support our capital requirements. As at 31 January 2017, our amounts due to shareholders were approximately HK\$2.1 million, all of which was allocated for capital expenditures for our clubs and restaurants. During the Track Record Period (the 28 months, ended September 30, 2016), we did not seek bank borrowing to support our capital requirements...’.

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