

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



BC TECHNOLOGY GROUP LIMITED

BC 科技集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 0863)

SUPPLEMENTAL ANNOUNCEMENT

SUBSCRIPTION OF NEW SHARES AND CONVERTIBLE NOTE UNDER SPECIFIC MANDATE AND ISSUE OF UNLISTED WARRANT UNDER SPECIFIC MANDATE

Reference is made to the announcement of the Company dated 10 November 2019 (the “**Announcement**”) in relation to the subscription of the Subscription Shares and the Convertible Note by the Subscriber and issue of the Warrant by the Company under the Specific Mandate. Unless the context otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the Announcement.

The Board announces that, on 8 February 2020, the Company and the Subscriber entered into a supplemental subscription agreement (the “**Supplemental Subscription Agreement**”) and a supplemental warrant subscription agreement (the “**Supplemental Warrant Subscription Agreement**”) to amend certain terms of the Subscription Agreement and the Warrant Subscription Agreement respectively.

The Board further announces that, on 25 March 2020, the Company and the Subscriber entered into a second supplemental subscription agreement (the “**Second Supplemental Subscription Agreement**”) and a second supplemental warrant subscription agreement (the “**Second Supplemental Warrant Subscription Agreement**”) to amend certain terms of the Subscription Agreement and the Warrant Subscription Agreement respectively. The Subscriber also, on the same date, provided an undertaking to the Company (the “**Undertaking**”).

The major amendments to the Subscription Agreement and the Warrant Subscription Agreement are set out below.

THE SUBSCRIPTION AGREEMENT

Principal terms of the Convertible Note

Pursuant to the Second Supplemental Subscription Agreement, the following amendments to the principal terms of the Convertible Note are effected:

	Original principal terms of the Convertible Note	Amendments effected by the Second Supplemental Subscription Agreement
Rights upon issuance of options and convertible securities	CN Purchase Rights as stated on page 4 of the Announcement.	<p>The CN Purchase Rights are replaced by adjustments to the Conversion Price as detailed in paragraphs (iv) and (v) below.</p> <p>In the event of an adjustment to the Conversion Price as detailed in paragraphs (iv) or (v) below, the number of Conversion Shares issuable by the Company upon conversion of the Convertible Note will increase.</p>

Pursuant to the Subscription Agreement (as amended and/or supplemented by the Supplemental Subscription Agreement and the Second Supplemental Subscription Agreement), the initial Conversion Price of HK\$9.52 per Conversion Share will be subject to adjustment if any of the following events occurs:

- (i) issue of any bonus shares by the Company;
- (ii) making of a dividend or distribution by the Company that is payable in Shares;
- (iii) an alteration to the share capital structure of the Company as a result of consolidation or subdivision of the Shares;
- (iv) grant, issue or sale of any options or convertible securities by the Company pro rata to all or substantially all of the Shareholders; and
- (v) grant, issue or sale of any rights to purchase any shares, warrants, securities or other property by the Company pro rata to all or substantially all of the Shareholders.

Furthermore, pursuant to the Subscription Agreement (as amended and/or supplemented by the Supplemental Subscription Agreement and the Second Supplemental Subscription Agreement):

Conditions precedent

Completion of the Subscription is conditional upon the fulfilment of the following conditions:

- (a) The obligation of the Company to allot and/or issue the Subscription Shares and the Convertible Note to the Subscriber at Completion is subject to the satisfaction, at or before the Completion Date, of the following conditions, provided that these conditions are for the Company's sole benefit and, in the case of paragraph (a)(iii) below, may be waived by the Company at any time in its sole discretion:
 - (i) The Company shall have obtained approval by the Shareholders in a special general meeting giving a specific mandate to the Directors for the allotment and issuance of the Subscription Shares, the Convertible Note, the Conversion Shares, the Warrant and the Warrant Shares;
 - (ii) The listing of, and permission to deal in, all of the Subscription Shares, the Conversion Shares and the Warrant Shares shall have been granted by the listing committee of the Stock Exchange (on an unconditional basis) and such listing and permission remaining in full force and effect and shall not have been subsequently revoked;
 - (iii) The representations and warranties of the Subscriber shall be true and correct in all material respects as of the date when made and as of the Completion Date as though originally made at that time, and the Subscriber shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by the Subscription Agreement to be performed, satisfied or complied with by the Subscriber at or prior to the Completion Date; and
 - (iv) All of the conditions precedent under the Warrant Subscription Agreement shall have been satisfied or waived (other than the conditions precedent therein requiring all of the conditions precedent set forth in the Subscription Agreement to be satisfied or waived).
- (b) The obligation of the Subscriber to subscribe for the Subscription Shares and the Convertible Note at Completion is subject to the satisfaction, at or before the Completion Date, of each of the following conditions, provided that these conditions are for the Subscriber's sole benefit and may be waived by the Subscriber at any time in its sole discretion (except that the conditions set forth in paragraphs (ii) through (v) below may not be waived by the Subscriber):
 - (i) Each and every representation and warranty of the Company shall be true and correct as of the date when made and shall be true and correct in all material respects as of the Completion Date as though originally made at that time and the

Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Completion Date;

- (ii) The Company shall have obtained approval by the Shareholders in a special general meeting giving a specific mandate to the Directors for the allotment and issuance of the Subscription Shares, the Convertible Note, the Conversion Shares, the Warrant and the Warrant Shares;
- (iii) The Company shall have obtained all governmental and regulatory consents and approvals, if any, necessary for the issuance of the Subscription Shares and the issuance of the Conversion Shares upon conversion of the Convertible Note;
- (iv) No law or injunction shall have been enacted, entered, promulgated or endorsed by any governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Subscription Agreement;
- (v) The listing of, and permission to deal in, all of the Subscription Shares, the Conversion Shares and the Warrant Shares shall have been granted by the listing committee of the Stock Exchange (on an unconditional basis) and such listing and permission remaining in full force and effect and shall not have been subsequently revoked;
- (vi) The Company shall have obtained all third-party consents and approvals, if any, necessary for the issuance of the Subscription Shares and the issuance of the Conversion Shares upon conversion of the Convertible Note (excluding any approval required from the Shareholders as contemplated by paragraph (b)(ii) above);
- (vii) The listing status of the Company on the Stock Exchange shall not have been revoked or withdrawn, the Shares shall continue to be traded on the Stock Exchange (save and except for any temporary suspension in connection with the contemplated transactions under the Subscription Agreement) and there shall have been no indication from the Stock Exchange that the listing status of the Company will be suspended, cancelled, revoked or withdrawn; and
- (viii) Since the date of execution of the Subscription Agreement, no event or series of events shall have occurred that has or have resulted in or would reasonably be expected to have any Material Adverse Effect.

Completion

Completion of the Subscription shall take place on the first Business Day on which all conditions precedent have been satisfied or waived and shall occur simultaneously with the completion of the Warrant Issuance.

Termination

The Subscription Agreement shall automatically be terminated simultaneously with a termination of the Warrant Subscription Agreement.

THE WARRANT SUBSCRIPTION AGREEMENT AND THE UNDERTAKING

Principal terms of the Warrant

Pursuant to the Second Supplemental Warrant Subscription Agreement, the following amendments to the principal terms of the Warrant are effected:

	Original principal terms of the Warrant	Amendments effected by the Second Supplemental Warrant Subscription Agreement
Restrictions on distribution of assets	As stated on page 11 of the Announcement, the Company shall not declare or make any dividend or other distribution of any of its assets (or rights to acquire any of its assets) to all or substantially all of the Shareholders, by way of return of capital or otherwise without the prior written consent of the Warrant Holder.	Such restriction is removed.
Rights upon issuance of options and convertible securities	Warrant Purchase Rights as stated on page 11 of the Announcement.	The Warrant Purchase Rights are removed.

**Original principal terms
of the Warrant**

**Amendments effected by
the Second Supplemental
Warrant Subscription Agreement**

Exercise Period

Please refer to page 21 of the
Announcement.

In addition to the periods as stated on page 21 of the Announcement under the definition of “Exercise Period”, with respect to (i) the declaration or making of any dividend or other distribution by the Company of any of its assets (or rights to acquire any of its assets) to all or substantially all of the Shareholders, by way of return of capital or otherwise; or (ii) the grant, issuance or sale by the Company of any options, convertible securities or rights to purchase shares, warrants, securities or other property in each case pro rata to all or substantially all of the Shareholders (each a “**Corporate Action**”), the period commencing on the first day immediately following such Corporate Action being approved by the Board and such information being published by the Company (if required) and ending immediately following the consummation of such Corporate Action.

Pursuant to the Undertaking, the Subscriber has undertaken to the Company that, among others, except in the case of a triggering event set out under the Warrant, it shall not, and it shall procure any person or entity acting on behalf of the Subscriber or any Subscriber Designee (as defined below) not to, pledge, sell, contract to pledge or sell, sell any contract to purchase or otherwise transfer or dispose of, create any options, rights, interests or encumbrances in respect of, either conditionally or unconditionally, or directly or indirectly, or otherwise, any of the Warrant Shares that are issued to the Subscriber or any person or entity designated by the Subscriber to take up such Warrant Shares (“**Subscriber Designee**”) upon its exercise of the Warrant during an Exercise Period that is triggered as a result of the Company undertaking a Corporate Action (or any additional Shares arising solely from such Warrant Shares thereafter as a result of any actions undertaken by the Company) until the first day immediately following the end of the Warrant Measuring Period.

In other words, pursuant to the Warrant Subscription Agreement (as amended and/or supplemented by the Supplemental Warrant Subscription Agreement and the Second Supplemental Warrant Subscription Agreement) and the Undertaking, if the Company undertakes any Corporate Action, the Warrant Holder can exercise the Warrant (to the extent of the Aggregate Available Warrant Shares accrued prior to such Corporate Action) immediately and such Warrant Shares would be subject to a lock-up period until the end of the Warrant Measuring Period (i.e. 24th month anniversary of the issue date of the Warrant or on an earlier date if the Company elects to end the Warrant Measuring Period earlier pursuant to a Termination Trigger Event).

Furthermore, pursuant to the Warrant Subscription Agreement (as amended and/or supplemented by the Supplemental Warrant Subscription Agreement and the Second Supplemental Warrant Subscription Agreement):

Conditions precedent

Completion of the Warrant Issuance (“**Warrant Completion**”) is conditional upon the fulfilment of the following conditions:

- (a) The obligation of the Company to issue and sell the Warrant to the Subscriber at Warrant Completion is subject to the satisfaction, at or before the date on which the Warrant Completion occurs (“**Warrant Completion Date**”), of the following conditions, provided that these conditions are for the Company’s sole benefit and, in the case of paragraph (a)(iii) below, may be waived by the Company at any time in its sole discretion:
 - (i) The Company shall have obtained approval by the Shareholders in a special general meeting giving a specific mandate to the Directors for the allotment and issuance of the Subscription Shares, the Convertible Note, the Conversion Shares, the Warrant and the Warrant Shares;
 - (ii) The listing of, and permission to deal in, all of the Subscription Shares, the Conversion Shares and the Warrant Shares shall have been granted by the listing committee of the Stock Exchange (on an unconditional basis) and such listing and permission remaining in full force and effect and shall not have been subsequently revoked;
 - (iii) The representations and warranties of the Subscriber shall be true and correct in all material respects as of the date when made and as of the Warrant Completion Date as though originally made at that time, and the Subscriber shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by the Warrant Subscription Agreement to be performed, satisfied or complied with by the Subscriber at or prior to the Warrant Completion Date; and
 - (iv) All of the conditions precedent under the Subscription Agreement shall have been satisfied or waived (other than the conditions precedent therein requiring all of the conditions precedent set forth in the Warrant Subscription Agreement to be satisfied or waived).

- (b) The obligation of the Subscriber to purchase the Warrant at Warrant Completion is subject to the satisfaction, at or before the Warrant Completion Date, of each of the following conditions, provided that these conditions are for the Subscriber's sole benefit and may be waived by the Subscriber at any time in its sole discretion (except that the conditions set forth in paragraphs (ii) through (v) below may not be waived by the Subscriber):
- (i) Each and every representation and warranty of the Company shall be true and correct as of the date when made and shall be true and correct in all material respects as of the Warrant Completion Date as though originally made at that time and the Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Warrant Completion Date;
 - (ii) The Company shall have obtained approval by the Shareholders in a special general meeting giving a specific mandate to the Directors for the allotment and issuance of the Subscription Shares, the Convertible Note, the Conversion Shares, the Warrant and the Warrant Shares;
 - (iii) The Company shall have obtained all governmental and regulatory consents and approvals, if any, necessary for the issuance and sale of the Warrant and the Warrant Shares;
 - (iv) No law or injunction shall have been enacted, entered, promulgated or endorsed by any governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Warrant Subscription Agreement;
 - (v) The listing of, and permission to deal in, all of the Subscription Shares, the Conversion Shares and the Warrant Shares shall have been granted by the listing committee of the Stock Exchange (on an unconditional basis) and such listing and permission remaining in full force and effect and shall not have been subsequently revoked;
 - (vi) The Company shall have obtained all third-party consents and approvals, if any, necessary for the issuance and sale of the Warrant (and the Warrant Shares issuable upon exercise of the Warrant) (excluding any approval required from the Shareholders as contemplated by paragraph (b)(ii) above);
 - (vii) The listing status of the Company on the Stock Exchange shall not have been revoked or withdrawn, the Shares shall continue to be traded on the Stock Exchange (save and except for any temporary suspension in connection with the contemplated transactions under the Warrant Subscription Agreement) and there shall have been no indication from the Stock Exchange that the listing status of the Company will be suspended, cancelled, revoked or withdrawn; and
 - (viii) Since the date of execution of the Warrant Subscription Agreement, no event or series of events shall have occurred that has or have resulted in or would reasonably be expected to have any Material Adverse Effect.

Completion

Completion of the Warrant Issuance shall take place on the first Business Day on which all conditions precedent have been satisfied or waived and shall occur simultaneously with the completion of the Subscription.

Termination

The Warrant Subscription Agreement shall automatically be terminated simultaneously with a termination of the Subscription Agreement.

EGM

As stated in the Announcement, the EGM will be convened and held for the purpose of considering and, if thought fit, approving the Subscription Agreement, the Warrant Subscription Agreement and the transactions contemplated thereunder, including the issue of the Subscription Shares, the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Note and the Warrant Shares upon exercise of the subscription rights attaching to the Warrant.

A circular containing, among other things, details of the Subscription Agreement (as amended and/or supplemented from time to time), the Warrant Subscription Agreement (as amended and/or supplemented from time to time) and a notice to convene the EGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

By order of the Board
BC Technology Group Limited
Lo Ken Bon
Executive Director

Hong Kong, 25 March 2020

As at the date of this announcement, the executive Directors are Mr. Lo Ken Bon, Mr. Ko Chun Shun, Johnson, Mr. Tiu Ka Chun, Gary, Mr. Madden Hugh Douglas and Mr. Chapman David James, and the independent non-executive Directors are Mr. Chau Shing Yim, David, Mr. Chia Kee Loong, Lawrence and Mr. Tai Benedict.