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B & S INTERNATIONAL HOLDINGS LTD.

賓仕國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1705)

**CHANGE IN USE OF PROCEEDS RAISED FROM
THE COMPANY’S SHARE OFFER**

Reference is made to: (1) the prospectus of B&S International Holdings Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 26 February 2018 (the “**Prospectus**”); (2) the Company’s announcement dated 13 March 2018 (the “**Allotment Results Announcement**”) and (3) the Company’s announcement dated 20 August 2018 (the “**August 2018 Announcement**”) regarding, among others, the allocation of the use of net proceeds (the “**IPO Proceeds**”) raised from the Company’s listing on the Main Board of the Stock Exchange by way of share offer. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus and the August 2018 Announcement. The Board would like to announce that the Company has decided to change the allocation of the IPO Proceeds.

CHANGE IN USE OF PROCEEDS

The below table shows detailed information on the original allocation of the IPO proceeds (as disclosed in the Allotment Results Announcement), the revised allocation of the IPO Proceeds (as disclosed in the August 2018 Announcement), an analysis of the utilisation of the IPO Proceeds as at the date of this announcement, and the proposed reallocation of any unutilised IPO Proceeds:

	Original allocation of the IPO proceeds (as disclosed in the Allotment Results Announcement) <i>HK\$'000</i>	Revised allocation of the IPO Proceeds (as disclosed in the August 2018 Announcement) <i>HK\$'000</i>	Utilised IPO Proceeds as at the date of this announcement <i>HK\$'000</i>	Unutilised IPO Proceeds as at the date of this announcement <i>HK\$'000</i>	Second revised allocation of unutilised IPO Proceeds <i>HK\$'000</i>
Opening new shops					
– TenRen	26,200	26,200	(26,200)	–	6,830
– Jiu Tang Wu	18,000	18,000	(3,170)	14,830	–
– Uncle Tetsu	2,400	–	–	–	–
Introducing a new beverage brand	–	1,640	(1,640)	–	–
Introducing another new food brand	–	–	–	–	8,000
Upgrading the ERP system	3,600	3,600	(2,924)	676	676
Leasing of warehouse facilities	12,300	12,300	(5,397)	6,903	6,903
Expansion of sales and marketing team	2,500	2,500	(1,661)	839	839
General working capital	6,100	6,860	(6,860)	–	–
Total	<u>71,100</u>	<u>71,100</u>	<u>(47,852)</u>	<u>23,248</u>	<u>23,248</u>

REASONS FOR THE CHANGE

The Company had planned to use approximately HK\$14.8 million of the IPO Proceeds to open six Jiu Tang Wu's retail outlets, which are unutilised as at the date of this announcement. The Company considered the financial performance of Jiu Tang Wu's retail business for the year ended 31 March 2019 was short of expectation due to lack of publicity of the brand. Therefore, the Group intends to adjust its expansion strategy to focus more of its business on TenRen (天仁茗茶) retail business and to seek opportunity for new retail brand. As such, the Board has decided to reallocate such unutilised IPO Proceeds as follows:

- approximately HK\$6.8 million to open five new retail outlets under the brand of “TenRen (天仁茗茶)”; and
- approximately HK\$8.0 million to open two new retail outlets for a newly franchised Taiwanese beef noodle brand, which sells signature award-winning traditional Taiwanese beef noodle.

The Board considers that the above change in use of the IPO Proceeds is in line with the current business development of the Group, allows the Group to deploy its financial resources more effectively and is hence in the interests of the Company and its Shareholders as a whole.

By order of the Board
B & S International Holdings Ltd.
Chan Kam Chuen Andrew
Chairman and Chief Executive Officer

Hong Kong, 14 August 2019

As at the date of this announcement, the Board comprises Mr. Chan Kam Chuen Andrew, Mr. Chan Siu Cheung Stephen, Mr. Chau Wing Kong William and Ms. Tin Hau Ling Janny as executive Directors; and Mr. Pang Koon Kwai, Mr. See Hung Yan Peter and Mr. Chung Kwok Mo John as independent non-executive Directors.