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AL Group Limited
利駿集團(香港)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8360)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

All Evergreen Securities Limited

華夏常青證券有限公司

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 17 August 2020 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best efforts basis currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 141,400,000 Placing Shares at the Placing Price of HK\$0.037 per Placing Share.

The maximum of 141,400,000 Placing Shares represent (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$0.037 per Placing Share represents (i) a discount of 9.76% to the closing price of HK\$0.041 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of 14.75% to the average of the closing prices per Share of HK\$0.0434 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

The Placing Shares will be allotted and issued pursuant to the General Mandate and is not subject to further Shareholders' approval. An application will be made by the Company to the Listing committee of the Stock Exchange for the listing of, and

permission to deal in, the Placing Shares.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$5,232,000. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing, are estimated to be approximately HK\$5,159,000. The Company intends to use such net proceeds for the general working capital of the Group and improve the financial position of the Group which then can help establishing and strengthening the existing and future business of the Group.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the condition set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 17 August 2020 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure on a best efforts basis currently expected to be not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 141,400,000 Placing Shares at the Placing Price of HK\$0.037 per Placing Share. Details of the Placing Agreement are set out below:

The Placing Agreement

Date: 17 August 2020 (after trading hours of the Stock Exchange)

Parties: (i) the Company, as the issuer; and
(ii) All Evergreen Securities Limited, as the placing agent.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 1% of the amount which is equal to the Placing Price multiplied by the number of Placing Shares actually placed by the Placing Agent. The placing commission in respect of the Placing was negotiated on arm's length basis between the Company and the Placing Agent and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents, the size of the Placing and the price performance of the Shares.

The Directors consider that the placing commission in respect of the Placing are fair and

reasonable based on the current market conditions.

Placees

The Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. Upon completion of the Placing, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after completion of the Placing, further announcement will be made by the Company.

Placing Shares

The maximum of 141,400,000 Placing Shares represent (i) 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares.

The aggregate nominal value of the maximum of 141,400,000 Placing Shares is HK\$1,414,000.

Ranking of the Placing Shares

The Placing Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.037 per Placing Share represents (i) a discount of 9.76% to the closing price of HK\$0.041 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of 14.75% to the average of the closing prices per Share of HK\$0.0434 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price and the recent trading performance of the Shares. The Directors consider that the Placing Price and the terms of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Condition of the Placing

The Placing is conditional upon the Listing committee of the Stock Exchange granting listing of, and permission to deal in, the Placing Shares. If the above condition is not fulfilled by 31 August 2020 (or such later date as may be agreed by the parties in writing thereto), all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and determine and neither of the parties thereto shall have any claim against the other save for any antecedent breach under the Placing Agreement prior to such termination.

Completion

Completion of the Placing shall take place on a date falling within five Business Days after the day on which the condition set out in the Placing Agreement has been fulfilled (or such later date as may be agreed between the parties thereto).

Application for listing

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate to issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 141,400,000 Shares. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. The General Mandate is sufficient for the allotment and issue of all the Placing Shares. As such, the issue of the Placing Shares is not subject to further Shareholders' approval. The General Mandate will be utilised as to 100.00% upon the allotment and issue of all the Placing Shares.

Termination

The Placing Agent shall be entitled by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the date of Completion to terminate the Placing Agreement if:

- (i) any Specified Event or force majeure event comes to the notice of the Placing Agent; or
- (ii) there develops, occurs or comes into force:
 - (a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the reasonable opinion of the Placing Agent and in its reasonable discretion may materially and adversely affect the business or financial condition or prospects of the Company as a whole; or
 - (b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the reasonable opinion of the Placing Agent and in its reasonable discretion will, or may be expected to, have a material adverse effect on the Placing; or
 - (c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the reasonable opinion of the Placing Agent and in its reasonable discretion has or may have a material adverse effect on the Placing; or

- (iii) there is any adverse change in the business or in the financial or trading position of the Company taken as a whole which being unaware of by the Placing Agent and in the reasonable opinion of the Placing Agent and in its reasonable discretion is material in the context of the Placing.

If notice is given pursuant to the above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of integrated interior design and fit out management services in Hong Kong.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$5,232,000. The net proceeds, after deduction of all relevant expenses (including but not limited to placing commission, legal expenses and disbursements) incidental to the Placing, are estimated to be approximately HK\$5,159,000, representing a net issue price of approximately HK\$0.0365 per Placing Share. The Company intends to use such net proceeds for the general working capital of the Group.

The Directors consider that the Placing represents an opportunity to raise additional funding for the business operations of the Group and will strengthen the Group's financial position, and enlarge shareholders' base of the Company which may in turn establish and strengthen the existing and future business of the Group, enhance the liquidity of the Shares, and provide working capital to the Group to meet any financial obligations of the Group.

CHANGES IN SHAREHOLDING STRUCTURE

The changes in the shareholding structure of the Company as a result of the Placing (assuming that there are no other changes in the issued share capital of the Company from the date of this announcement up to and immediately after Completion) are as follows:

	As at the date of this announcement		Immediately after completion of the Placing (assuming all the Placing Shares are fully placed)	
	Number of Shares	Approx.%	Number of Shares	Approx.%
Climb Up Limited (" Climb Up ") (<i>Note 1</i>)	115,000,000	16.27%	115,000,000	13.55%
Jantix Management Limited (" Jantix Management ") (<i>Note 2</i>)	113,760,000	16.09%	113,760,000	13.41%
To Kit Yan Yuki	75,800,000	10.72%	75,800,000	8.93%
The Placees	-	-	141,400,000	16.67%

Other public Shareholders	402,440,000	56.92%	402,440,000	47.44%
<u>Total</u>	<u>707,000,000</u>	<u>100.00%</u>	<u>848,400,000</u>	<u>100.00%</u>

Notes:

1. 115,000,000 shares are owned by Climb Up. Climb Up is a company incorporated in the British Virgin Islands with limited liability. The entire share capital of Climb Up is owned as to 50% by Mr. Wong Yu Ki Andy and 50% by Mr. Lam Leslie.
2. 113,760,000 shares are owned by Jantix Management. Jantix Management is a company incorporated in Hong Kong with limited liability. The entire share capital of Jantix Management is owned by Mr. Lui Yu Kin.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company had not conducted any equity fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

Shareholders and potential investors of the Company should note that completion of the Placing is subject to the fulfilment of the condition set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“associates”	has the meaning ascribed thereunder the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	means a day (excluding Saturday, Sunday or public or statutory holiday in Hong Kong and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business in Hong Kong throughout their normal business hours

“Company”	AL Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM (stock code: 8360)
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“connected persons”	has the meaning as ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“Listing committee”	the listing sub-committee of the board of directors of the Stock Exchange
“GEM listing rule”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 14 May 2020, pursuant to which a maximum of 141,400,000 new Shares may fall to be allotted and issued as at the date of this announcement
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial Shareholders of the Company or their respective associates
“Last Trading Day”	17 August 2020, being the last trading day for the Shares prior to the issue of this announcement
“Placing”	the placing, on a best efforts basis, of up to 141,400,000 new Shares pursuant to the terms of the Placing Agreement
“Placees”	any person or entity by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	All Evergreen Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) regulated activity under the SFO

“Placing Agreement”	the conditional placing agreement dated 17 August 2020 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.037 per Placing Share
“Placing Shares”	up to 141,400,000 new Shares to be placed under the Placing
“SFO”	Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong
“Share(s)”	ordinary issued share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
"Specified Event"	means an event occurring or matter arising on or after the date of the Placing Agreement and prior to the date of Completion which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the undertakings, warranties and representations given by the Company in the Placing Agreement untrue or incorrect and such would have an adverse impact/effect on the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
AL Group Limited
Lam Chung Ho Alastair
Chairman of the Board and Executive Director

Hong Kong, 17 August 2020

As at the date of this announcement, the executive Directors are Mr. Lam Chung Ho Alastair, Mr. Kwan Tek Sian and Mr. Wong Kang Man; and the independent non-executive Directors are Mr. Tse Chi Shing, Mr. Tse Wai Hei and Mr. Tam Chak Chi.

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, (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and (2) 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 on the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company’s website at www.AL-Grp.com.