



**AL Group Limited**  
**利駿集團（香港）有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8360)**

**ANNOUNCEMENT**  
**ESTABLISHMENT OF A M&A TEAM**  
**WITH A SCALE OF NO FEWER THAN 50 MEMBERS**  
**ORGANIC EXTENSION + CAPITALIZATION**  
**TO DRIVE A NEW ROUND OF HIGH GROWTH**

The board (the “**Board**”) of directors (the “**Director(s)**”) of AL Group Limited (the “**Company**”) is pleased to announce that, the Company has established a merger and acquisition (M&A) team with a scale of no fewer than 50 members, with the hope of integrating the industry structure and facilitating the integration of the upstream, midstream and downstream of the industry through acquisition of high-quality peers in the fit out works industry which is highly fragmented currently, so as to fully serve the three major business sources of residential, commercial and retail sectors in Hong Kong, and achieve economies of scale.

The overall market of fit out works in Hong Kong is considered to be highly fragmented and with fierce competition, which is prone to form a vicious circle. Some enterprises obtain contracts through aggressive pricing, dragging down the industry’s overall revenue performance. As the fit out works industry emphasizes personalization and customization, coupled with low barriers to entry, many self-employed individuals were also able to provide services in the past, through cross-promotion cooperation with a small number of upstream, midstream and downstream sectors, that is, materials, design, fit out and customer services, a highly fragmented industry ecosystem with many small-scale enterprises has developed.

To address the pain points of the industry, the Company has established a M&A team of no fewer than 50 members, hoping to create a one-stop platform integrating the upstream, midstream and downstream of the industry, from materials to customer service, by providing partnership programs and capitalization options to help the above small-scale enterprises in fit out works industry, so as to achieve economies of scale and provide customers with all-round support to achieve organic extension. These enterprises may choose to convert their value into tangible market value of stock or other consideration during the integration,

and the value of small-scale fit out enterprises or service providers was to crumble to dust after close of business, which could be avoided by incorporating them into the Company's platform through mergers and acquisitions.

According to a report by Frost & Sullivan, an independent market research company, as the Hong Kong Government has decided to increase housing supply and community facilities, the gross value of construction works performed by main contractors is expected to increase to nearly HK\$290 billion by the end of 2024, representing a CAGR of 4.5%. The fit out works industry in Hong Kong is promising. Through the newly established M&A team, the Company is expected to help the Company and the industry to achieve further progress by promoting economies of scale in the fit out works industry.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board  
**AL Group Limited**  
**Chan Hung Kai**  
*Executive Director*

Hong Kong, 14 July 2022

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Kwan Tek Sian (Chairman), Mr. Wong Kin Yeung and Mr. Chan Hung Kai; and three independent non-executive Directors, namely, 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 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 Listed Company Information" page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its publication and on the Company's website at [www.AL-Grp.com](http://www.AL-Grp.com).*