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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**



On 29 November 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, and the Company has conditionally agreed to issue and allot, 6,849,315 Placing Shares to the Placees for the total consideration of HK\$5,000,000 pursuant to the terms and conditions set out in the Placing Agreement.

As at the date of this announcement, the Company had 355,360,000 Shares in issue. The 6,849,315 Placing Shares represent: (i) approximately 1.93% of the existing total number of Shares in issue; and (ii) approximately 1.89% of the total number of Shares in issue as enlarged by the allotment and issuance of the Placing Shares upon Completion (assuming there is no other change in the total number of Shares from the date of this announcement up to Completion other than the issue of the Placing Shares).

The Placing Shares will be allotted and issued under the General Mandate, which has been granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 30 June 2022 to allot and issue up to 71,072,000 new Shares, representing 20% of the total number of Shares in issue on the date of the passing of the relevant ordinary resolution.

The gross proceeds from the Placing will be in aggregate approximately HK\$5,000,000. The net proceeds after deducting the placing commission and all relevant costs and expenses of the Placing are estimated to be approximately HK\$4,800,000. The Company intends to utilize the net proceeds to be raised from the Placing for general working capital.

**Completion is subject to satisfaction of the condition precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

On 29 November 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, and the Company has conditionally agreed to issue and allot, 6,849,315 Placing Shares to the Placees for the total consideration of HK\$5,000,000 pursuant to the terms and conditions set out in the Placing Agreement.

## **THE PLACING AGREEMENT**

Set out below is a summary of the principal terms of the Placing Agreement:

### **Date**

29 November 2022 (after trading hours)

### **Parties**

Issuer : the Company

Placing Agent : Forwin Securities Group Limited

As at the date of this announcement, 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 third parties independent of and not connected with the Company and its connected persons.

Pursuant to the Placing Agreement, the Placing Agent shall use its best endeavours to ensure that the Placees (and their ultimate beneficial owners) shall be third parties independent of and not connected with the Company and its connected persons.

### **Subject matter**

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to place, on a best effort basis, and the Company has conditionally agreed to issue and allot, 6,849,315 Placing Shares to the Placees at the Placing Price of HK\$0.73 per Placing Share.

### **Placing commission**

The Placing Agent will receive a placing commission of 1% of the amount equal to the Placing Price multiplied by the number of Placing Shares successfully placed by the Placing Agent on behalf of the Company in accordance with its obligations under the Placing Agreement. The placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent and with reference to the prevailing market rate.

### **The Placing Price**

The Placing Price of HK\$0.73 per Placing Share represents:

- (i) a discount of approximately 18.90% to the closing price of HK\$0.90 per Share as quoted on the Stock Exchange on 29 November 2022, being the date of the Placing Agreement;
- (ii) a discount of approximately 14.12% to the closing price of HK\$0.85 per Share as quoted on the Stock Exchange on 28 November 2022, being the Last Trading Day;
- (iii) a discount of approximately 15.12% to the average of the closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.86 per Share; and
- (iv) a discount of approximately 15.12% over the average of the closing price of the Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.86 per Share.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent which had taken into account, among other things, the market condition, the prevailing market price of the Shares and the financial position of the Group.

The net Placing Price, after taking into account the maximum placing commission and the estimated costs and expenses of the Placing, is approximately HK\$0.70 per Placing Share.

### **The Placing Shares**

As at the date of this announcement, the Company had 355,360,000 Shares in issue. The 6,849,315 Placing Shares represent:

- (i) approximately 1.93% of the existing total number of Shares in issue; and
- (ii) approximately 1.89% of the total number of Shares in issue as enlarged by the allotment and issuance of the Placing Shares upon Completion (assuming there is no other change in the total number of Shares from the date of this announcement up to Completion other than the issue of the Placing Shares).

The aggregate nominal value of the Placing Shares under the Placing will be HK\$684,931.5 based on the nominal value of HK\$0.1 per Share.

### **Placees**

Pursuant to the Placing Agreement, the Placing Agent will procure the Placing Shares to be placed to not less than six placees, who/which will be individual, professional, institutional or other investors.

It is expected that the Placees and their respective ultimate beneficial owners shall be third parties independent of and not connected with the Company and its connected persons. It is expected that none of the Placees will become a substantial shareholder of the Company as a result of the Placing.

### **Ranking**

The Placing Shares will be issued and allotted fully paid and will rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of allotment and issuance of the Placing Shares.

## **Conditions precedent**

Completion is conditional upon the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Placing Shares, and such approval not having been revoked or cancelled before the allotment and issue of the Placing Shares, on or before the Long Stop Date.

The condition precedent above is not waivable by the Placing Agent or the Company. If the condition set out above has not been satisfied by the Long Stop Date, the Placing Agreement shall automatically lapse with immediate effect and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing, save for any antecedent breaches.

## **Completion**

Completion is expected to take place not later than 4:00 p.m. on the Completion Date.

## **Termination**

Notwithstanding anything contained in the Placing Agreement, if at any time on or prior to 10:00 a.m. on the Completion Date:

- (i) there shall develop, occur or come into force, since the date of the Placing Agreement, any change (whether or not permanent) in national, regional, international, financial, military, industrial or economic conditions or prospect, stock market, fiscal or political conditions, laws or regulations, regulatory or market conditions and matters and/or disasters in Hong Kong, China, the Cayman Islands or any other jurisdictions relevant to the Company or any of its subsidiaries which, in the sole and reasonable opinion of the Placing Agent, has or may be expected to have or is likely to have a material adverse effect on the business or financial conditions or prospect of the Company or its subsidiaries or the consummation of the Placing; or

- (ii) there shall develop, occur or come into force, any event, or series of events, beyond the control of the Placing Agent, including but not limited to the imposition of economic sanctions (in whatever form, directly or indirectly) in Hong Kong, China, the Cayman Islands or any other jurisdictions relevant to the Company or its subsidiaries, acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, outbreaks, escalation or adverse mutation of diseases, economic sanctions, strikes, lock-outs, natural disasters, civil commotion, riots, public disorders, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism which, in the sole and reasonable opinion of the Placing Agent, has or is likely to have a material adverse effect on the business or financial conditions or prospect of the Company and its subsidiaries or the consummation of the Placing; or
- (iii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date thereof and prior to the Completion Date which if it had occurred or arisen before the date thereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or
- (iv) there shall develop, occur or come into force any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (v) trading of the Shares of the Company on the Stock Exchange has been suspended for more than 10 consecutive trading days except for trading halts pending announcement to be made by the Company in relation to the Placing,

then and in any such case, the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company prior to 10:00 a.m. on the Completion Date.

In the event the Placing Agent terminates the Placing Agreement pursuant to the paragraph set out above, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement, save for any antecedent breaches.

## **Lock-up undertaking**

The Placing Agent has unconditionally and irrevocably undertaken to the Company to procure each of the Placees to unconditionally and irrevocably undertake, to the Company that, for the period of 24 months from the Completion Date, each of the Placees will not, directly or indirectly, sell, give, transfer, assign or dispose of or otherwise create any encumbrance on the Placing Shares in any manner.

## **MANDATE TO ISSUE THE PLACING SHARES**

The Placing Shares will be allotted and issued under the General Mandate, which has been granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 30 June 2022 to allot and issue up to 71,072,000 new Shares, representing 20% of the total number of Shares in issue on the date of the passing of the relevant ordinary resolution.

As at the date of this announcement, the General Mandate has not been utilized. Accordingly, the issue of the Placing Shares is not subject to further approval of the Shareholders.

## **APPLICATION FOR LISTING**

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

## **REASONS FOR AND BENEFITS OF THE PLACING**

The Company is the holding company of the Group. Its subsidiaries are principally engaged in the provision of interior design and fit out solutions as well as overall project management in Hong Kong.

The Directors consider that the Placing represents an opportunity to raise capital for the Company while broadening its Shareholder and capital base. The Directors are of the view that the Placing will strengthen the financial position and liquidity of the Group and provide funding to the Group for general working capital.

Based on the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Placing Agreement (including the Placing Price and the placing commission) are negotiated after arm's length negotiation, on normal commercial terms and the Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## USE OF PROCEEDS

The gross proceeds from the Placing will be in aggregate approximately HK\$5,000,000. The net proceeds after deducting the placing commission and all relevant costs and expenses of the Placing are estimated to be approximately HK\$4,800,000. The Company intends to utilize the net proceeds to be raised from the Placing for general working capital.

## EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming there is no other change in the total number of Shares from the date of this announcement up to Completion other than the issue of the Placing Shares):

	As at the date of this announcement		Immediately upon Completion	
	Number of Shares	Approximate %	Number of Shares (Note 1)	Approximate %
Lui Yu Kin	68,403,200	19.25	68,403,200	18.88
The Placees (Note 2)	–	–	6,849,315	1.89
Other Public Shareholders	<u>286,956,800</u>	<u>80.75</u>	<u>286,956,800</u>	<u>79.23</u>
<b>Total</b>	<b><u>355,360,000</u></b>	<b><u>100.00</u></b>	<b><u>362,209,315</u></b>	<b><u>100.00</u></b>

*Notes:*

1. Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
2. It is expected that the Placees and their respective ultimate beneficial owners shall be third parties independent of and not connected with the Company and its connected persons, and that none of the Placees will become a substantial shareholder of the Company as a result of the Placing. Therefore, the Placees are expected to be public shareholders (within the meaning of the Listing Rules) upon Completion.



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

The Company has not conducted any equity fund raising activities in the past twelve-month period immediately preceding the date of this announcement.

## **INFORMATION ON THE COMPANY AND THE GROUP**

The Company is a company incorporated in the Cayman Islands with limited liability and the principal activity of the Company is investment holding. The Group is principally engaged in the provision of interior design and fit out solutions as well as overall project management in Hong Kong.

**Completion is subject to satisfaction of the condition precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“business day(s)”	a day on which banks in Hong Kong are open for business, other than: (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon on which banks generally are open for business in Hong Kong
“Company”	AL Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange (stock code: 8360)
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement

“Completion Date”	the date on which Completion shall take place, being not later than the 2nd business day following the date of the Company’s notification to the Placing Agent that all condition(s) are satisfied and Completion shall take place or such later date as may be agreed by the Company and the Placing Agent in writing
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 30 June 2022 to issue and allot up to 71,072,000 new Shares, representing 20% of the total number of Shares in issue on the date of the passing of the relevant ordinary resolution
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	28 November 2022, being the last trading day of the Shares prior to the date of the Placing Agreement
“Long Stop Date”	28 February 2023 or such later date as the parties hereto may agree in writing
“Placee(s)”	any individual, professional, institutional or other investor(s) who are third parties independent of and not connected with the Company and its connected persons procured by the Placing Agent or its sub-placing agent(s) and/or sub-underwriter(s) to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement

“Placing”	the offer by way of a private placing of the Placing Shares procured by the Placing Agent pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	Forwin Securities Group Limited, a corporation licensed to carry on type 1 (dealing in securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 29 November 2022 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	the placing price of HK\$0.73 per Placing Share
“Placing Share(s)”	6,849,315 new Shares to be placed by the Placing Agent and issue and allotted by the Company to the Placee(s) pursuant to the terms and conditions of the Placing Agreement
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“substantial shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 29 November 2022

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Chan Hung Kai (Chairman), Mr. Wong Kin Yeung and Mr. Kwan Tek Sian; 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 Stock Exchange’s website at <http://www.hkexnews.hk> 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).*