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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)

VOLUNTARY ANNOUNCEMENT
FULLY EXEMPTED CONNECTED TRANSACTION IN RELATION TO
ACQUISITION OF 34% EQUITY INTEREST OF
SURICH ASSET MANAGEMENT LIMITED
INVOLVING THE ISSUE OF PROMISSORY NOTE

This announcement is made by the Company on a voluntary basis for the purpose of keeping the Shareholders and potential investors informed of the latest development of the Group.

THE ACQUISITION

The Board is pleased to announce that on 21 March 2023, (after trading hours) the Purchaser and the Company entered into the Agreement with the Vendor.

Pursuant to the Agreement, the Purchaser has agreed to purchase and the Vendor has agreed to sell the Sale Shares, representing 34% equity interest in the Target Company, at a consideration of HK\$500,000.

The Vendor is an investment holding company incorporated in Hong Kong with limited liability. It is owned as to 34% by Mr. Lui Yu Kin (“**Mr. Lui**”) and as to remaining 66% by two Independent Third Parties. Mr. Lui is a substantial Shareholder holding approximately 20.05% equity interest in the Company as at the date of the announcement. Hence, the Vendor is a connected person of the Company. Upon Completion, the Target Company is owned as to 34% by the Purchaser and as to 66% by the Vendor.

Consideration

The Consideration shall be satisfied by issue of the Promissory Notes to the Vendor upon Completion.

The Consideration was arrived at after arm’s length negotiations and on normal commercial terms between the Purchaser and the Vendor with reference to, among other things, the valuation of 34% equity interest of the Target Company of HK\$710,000 as at 28 February 2023 (the “**Valuation**”) prepared by an independent valuer based on market approach.

The Consideration represents a discount of approximately 30% to the Valuation. In view of the above, the Directors (including independent non-executive Directors) consider that the Consideration is fair and reasonable and the Agreement is on normal commercial terms and is fair and reasonable, and the entering into of the Agreement is in the interest of the Company and the Shareholders as a whole.

Completion

Completion has taken place simultaneously upon signing of the Agreement. Upon Completion, the Company holds 34% equity interest in the Target Company.

Board Composition

The board of directors of the members of the Target Company shall consist of not more than three (3) directors, of which the Purchaser shall be entitled to nominate two (2) directors.

THE PROMISSORY NOTE

Set out below are the principal terms of the Promissory Note:

Issuer:	The Company
Principal amount:	HK\$500,000
Maturity:	2 years from the date of issue of the Promissory Note (the “ Maturity Date ”)
Interest:	3% per annum on the principal amount of the Promissory Note, payable on the Maturity Date
Transferability:	The Promissory Note may only be transferable and assignable by the Vendors to any other person with prior written approval of the Company
Early repayment:	The Company may pay to the Vendors prior to the Maturity Date all or part of outstanding principal amount (together with the outstanding accrued interests) of the Promissory Note

INFORMATION OF TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and it is an investment holding company. Prior to Completion, the Target Company was wholly owned by the Vendor.

The Target Company is a corporation licensed under the SFC and permitted to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities.

Financial information of the Target Company

Set out below is a summary of certain financial information of the Target Company, extracted from its audited financial statements prepared in accordance with the HKFRS for two financial years ended 31 March 2022:

	31 March 2022	31 March 2021
	(audited)	(audited)
	<i>HK\$</i>	<i>HK\$</i>
Net profit before taxation	52,660	848,881
Net profit after taxation	52,660	848,881

According to the unaudited management accounts of the Target Company, it recorded net assets of approximately HK\$707,000 as at 28 February 2023.

REASONS FOR AND BENEFITS OF THE ACQUISITION

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

From the market's perspective, the overall valuation level of the capital market in Hong Kong is relatively low and the market is expected to have limited room for further downside. In addition, the end of Covid restrictions and China's reopening are expected to spur growth in the overall economy in Hong Kong. In this connection, the Board is optimistic about the long-term growth prospect of the financial services industry in Hong Kong. The Directors consider that the Acquisition will provide an opportunity for the Group to expand its foothold in the financial service industry and broaden its revenue stream.

In addition, the Acquisition does not create significant burden on cash flow of the Group as the Consideration will be satisfied by the issue of the Promissory Note.

Base on the foregoing, the Directors consider that the terms of the Acquisition are fair and reasonable, on normal commercial terms and the Acquisition is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

The Vendor is owned as to 34% by Mr. Lui, which is the substantial Shareholder holding approximately 20.05% equity interest in the Company as at the date of the announcement. Hence, the Vendor is a connected person of the Company. The Acquisition shall therefore constitute a connected transaction on the part of the Company.

As all of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition is less than 5% and the total consideration is less than HK\$3,000,000, the Acquisition is fully exempt from the reporting, announcement, circular and independent shareholders' approval requirements under Chapters 19 and 20 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Shares pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 21 March 2023 entered into among the Company, the Purchaser and the Vendor in relation to, among other things, the Acquisition
“Board”	the board of Directors
“Company”	AL Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (Stock Code: 8360)
“Completion”	the completion of the Acquisition in accordance with the Agreement
“Consideration”	the consideration for the Acquisition, being HK\$500,000
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the GEM Listing Rules)
“Promissory Note”	the promissory note with a principal amount of HK\$500,000 issued by the Company to the Vendor upon Completion
“Purchaser”	Inno Chase Limited, a company incorporated in British Virgin Islands with limited liability, a direct wholly-owned subsidiary of the Company
“Sale Shares”	442,000 ordinary shares of the Target Company, representing the entire issued share capital of the Target Company
“SFC”	Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with par value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Surich Asset Management Limited, a company incorporated in Hong Kong with limited liability

“Vendor” Surich Capital Holdings Limited, a company incorporated in Hong Kong with limited liability

“%” per cent.

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

Hong Kong, 21 March 2023

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.