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[For Immediate Release]



**LC Group Holdings Limited
Announces Details of its Proposed Listing on the Main Board of SEHK**

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Share Offer of 125,000,000 Shares

**At an Offer Price not less than HK\$0.85 and not more than HK\$1.00 Per Share
Net Proceeds Ranging from Approximately HK\$83.2 Million to HK\$101.2 Million**

Investment Highlights

- A one-stop integrated interior design solutions provider primarily focused on the residential property segment in Hong Kong, the PRC and Macau, by providing integrated interior design services for residential show flats and sales offices of property developers
- Stable and long-term business relationships with major group customers which mainly include Hong Kong blue chip listed property developers and listed companies
- One-stop integrated approach provide customers a convenient time and cost saving place to obtain tailor-made and comprehensive interior design solution
- An overall increase in profit margins over the three years during the track record period, with gross profit margin rising from approximately 24.6% to 38.5% and net profit margin growing from approximately 14.8% to 20.5% from the year ended 30 September 2012 to 2014.

(Hong Kong, 24 August 2015) – **LC Group Holdings Limited** ("LC Group" or the "Group"), a one-stop integrated interior design solutions provider based in Hong Kong, announced the details of its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited ("SEHK").

LC Group intends to issue a total of 125,000,000 offer shares (the “Offer Shares”), of which 90%, or 112,500,000 new shares of LC Group (the “Shares”), are for placing (the “Placing”), subject to reallocation. The remaining 10% of the Offer Shares, or 12,500,000 new Shares, are for the subscription by the public in Hong Kong (the “Public Offer”). After deducting underwriting fees and estimated expenses in connection with the Placing and the Public Offer and assuming an offer price (the “Offer Price”) of HK\$0.925 per share (being the mid-point of the indicative Offer Price range of HK\$0.85 to HK\$1.00 per new Share), net proceeds from the Share Offer are estimated to be approximately HK\$92.2 million.

The Public Offer will begin on 21 August 2015 (Friday) and end at noon on 26 August 2015 (Wednesday). The final Offer Price and allotment results is expected to be announced on or around 7 September 2015 (Monday). Trading of LC Group’s shares is expected to commence on the Main Board of the Stock Exchange on 8 September 2015 (Tuesday) under the stock code 1683. The Shares will be traded in board lots of 4,000 Shares each.

Ample Capital Limited is the sponsor. Pacific Foundation Securities Limited is the sole bookrunner. Pacific Foundation Securities Limited and Ample Orient Capital Limited are the joint lead managers.

Business Review

LC Group is a one-stop integrated interior design solutions provider based in Hong Kong. The Group’s two major types of projects are broadly classified as (1) design and/or decoration (“DD”) and (2) design, fit out and decoration (“DFD”). The Group is also responsible for the overall project implementation by providing or coordinating with material suppliers and subcontractors to provide the necessary materials, labour, expertise and technical know-how required and place the customers in their desired market position and meet customers’ expectation on time and within budget.

During the track record period, the Group primarily focused on the residential property segment in Hong Kong, the PRC and to a lesser extent in Macau. Over 90% of the revenue were derived from the group customers who are either Hong Kong blue chip listed property developers or Hong Kong listed companies. The average contract size of the Group’s DD projects and DFD projects during the track record period were HK\$1.9 million and HK\$18.4 million, respectively. As at the latest practicable date, the Group had 32 on-going projects with a total outstanding contract sum up to 30 June 2015 of approximately HK\$109.5 million.

During the track record period, the majority of the Group’s revenue was derived from corporate clients who are mostly well-established property developers. The types of properties for which LC Group provided the one-stop integrated interior design solutions to corporate clients include residential properties, hotels and others. While primarily focusing on providing our integrated interior design services for residential show flats and sales offices of property developers, the scope of contract of our residential show flat and sales office related projects awarded by our customers often included also other residential facilities such as entrance lobby, lift lobby and clubhouse. Besides corporate clients, the Group also provided interior design solutions for high-end residential flats engaged directly by individual customers or through a corporate entity by the individual customers for private use. These private customers are mostly wealthy individuals who principally engaged for DFD services coupled with the overall project management.

Competitive Strengths

Stable and long-term customer relationships with major group customers

LC Group has established stable and long-term business relationships with major group customers that mainly include Hong Kong blue chip listed property developers and Hong Kong listed companies. During the track record period, the majority of projects awarded have been given or referred by recurring customers. Over 80% of the Group’s revenue during the track record period was contributed by the group customers that have had a relationship with LC Group for over seven years.

Strong and stable relationships with quality suppliers

The Group has established good and long-term relationships with quality suppliers which possess extensive experience in respective fields. The Group has been cooperated with many of these approved material suppliers and subcontractors for over five years. Through close communication and collaboration with major suppliers to regularly obtain the latest market information in anticipation of customer's future needs, the Group is able to strengthen relationship with key customers and maintain its competitiveness.

Offer one-stop integrated interior design solutions

The one-stop integrated approach which includes DFD coupled with project management gives customers a one-stop service and provides a convenient time and cost saving place to obtain a tailor-made and comprehensive solution to the projects. With this one-stop integrated service approach, the Group is able to manage and coordinate different aspects of a project such as planning, market positioning, sourcing, designing, executing and coordinating with different suppliers, and endeavours to deliver a result that exceeds customers' expectations.

Effective and efficient projects management within customers' time constraints

The Group understands that timing is of the essence for projects and therefore it is vital that completion and time of delivery meet the customers' timetable. Any delays may have a detrimental impact on customers. During the track record period, none of the completed projects were completed subject to payment by the Group of any penalty charges to the clients for late completion and delivery. The Group's ability to effectively and efficiently manage projects within customers' time constraints has been a major factor that has set the Group apart from its competitors.

Strong and experienced management team with proven track record

The Group's management team combines extensive experience in DFD as well as corporate management. In particular, the Group's directors, Mr. Leong and Ms. Chew, have over 22 years of experience in architectural design, interior design and fit out in Australia and Hong Kong. Their in-depth industry knowledge and extensive project management experiences have ensured smooth progression and completion of the projects.

Going forward, the Group will continue to leverage on its experience and capacity to further explore market potentials in Hong Kong. The Group will further enhance customer relationships by proactively approaching the recurring customers, business referrals and networking. Also, the Group intends to build its brand name recognition through various marketing platforms, including the participation in industry exhibitions and advertising.

Besides, the Group plans to establish new regional offices in Shanghai and Beijing for further expansion in the PRC, and to devote additional service enhancement and design resources to offer a wider range of designs tailored for the taste and preferences of the PRC market. LC Group will continue to recruit talents and enhance internal training to support future growth.

Mr. Leong Hing Loong Rudoff, Chairman and Executive Director of LC Group, concluded, "I am pleased to see that the Group has achieved an important milestone in its business development. Ever since our founding, our passion and exquisite attention to details from design to fit out to decoration has enabled us to garner the trust and appreciation from our customers and become one of the reputable players in the integrated interior design services market in Hong Kong. We believe our listing in Hong Kong further advances the Group's future development. With rich operating experience and distinctive competitive edge, we are ready to strengthen our market position in the integrated interior design services industry and grow further, aiming to create fruitful returns to shareholders in the long run."

Offering Details

Offering Size	125,000,000 new Shares
Offering Structure	Public Offer: Accounts for about 10% of the total number of Share Offer, or 12,500,000 new Shares (subject to reallocation)
	Placing: Accounts for about 90% of the total number of Share Offer, or 112,500,000 new Shares (subject to reallocation)
Offer Price	HK\$0.85 to HK\$1.00 per Share
Capitalisation	HK\$425 million to HK\$500 million
Stock Code	1683

Use of Proceeds

Assuming the offer price is fixed at HK\$0.925 per Share (being the mid-point of the indicative range of the Offer Price of HK\$0.85 to HK\$1.00 per Share), net proceeds are estimated to be approximately HK\$92.2 million and will be used as follows:

	Approximately
Potential acquisitions of DFD companies and/or businesses	45%
Establishment of new regional offices in the PRC	20%
Brand promotion by strengthening marketing efforts	15%
Recruitment of high caliber talents and enhancement of internal training	10%
Working capital and other general corporate purposes	10%

Historical Performance

(HK\$'000)	For the year ended 30 September			For the five months ended 28 Feb
	2012	2013	2014	2015
Revenue	270,293	183,429	113,786	56,240
Gross Profit	66,589	42,711	43,850	20,915
Gross Profit Margin	24.6%	23.3%	38.5%	37.2%
Net Profit	40,096	23,335	23,351	7,235
Net Profit Margin	14.8%	12.7%	20.5%	12.9%

Revenue by Project Types

(HK\$'000)	For the year ended 30 September			For the five months ended 28 Feb
	2012	2013	2014	2015
DD				
- Corporate	8,821	5,609	12,323	7,723
<i>Sub-total</i>	8,821	5,609	12,323	7,723
<i>% of total Revenue</i>	3.3%	3.1%	10.8%	13.7%
DFD				
- Private	3,533	22,841	13,323	9,705
- Corporate	257,939	154,979	88,140	38,812
<i>Sub-total</i>	261,472	177,820	101,463	48,517
<i>% of total Revenue</i>	96.7%	96.9%	89.2%	86.3%
Total	270,293	183,429	113,786	56,240

- End -

About LC Group Holdings Limited

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