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Unless otherwise defined, capitalised terms in this announcement shall have the same meanings as those defined in the prospectus dated 29 November 2016 (the “Prospectus”) of K W Nelson Interior Architect Group Limited (the “Company”).

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company. Potential investors should read the Prospectus carefully for detailed information about the Placing described below before deciding whether or not to invest in the Placing Shares thereby being offered.

Prospective investors of the Placing Shares should note that any of the Sole Sponsor and the Sole Lead Manager (for itself and on behalf of the Underwriters) is entitled, in its absolute discretion, to terminate the Underwriting Agreement with immediate effect by giving notice in writing to the Company if any of the events set forth under the section headed “Underwriting – Underwriting arrangements and expenses – Grounds for termination” in the Prospectus occurs at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date.

K W Nelson Interior Architect Group Limited

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF PLACING

Number of Placing Shares	: 250,000,000 Placing Shares
Placing Price	: HK\$0.2 per Placing Share (plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%)
Nominal Value	: HK\$0.01 per Share
Stock Code	: 8411

Sole Sponsor



Sole Bookrunner and Sole Lead Manager



SUMMARY

- The Placing Price is HK\$0.2 per Placing Share (excluding brokerage of 1%, the SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%).
- Based on the Placing Price of HK\$0.2 per Placing Share, the net proceeds from the Placing to be received by the Company, after deducting the underwriting commission, the SFC transaction levy, the Stock Exchange trading fee and related expenses, are estimated to be approximately HK\$30.6 million. The Directors intend to apply the net proceeds from the Placing in accordance with the purposes set forth in the paragraph headed “Placing Price and use of proceeds” below.
- The 250,000,000 Placing Shares offered by the Company under the Placing have been slightly over-subscribed.
- Pursuant to the Placing, 250,000,000 Placing Shares have been conditionally allocated to a total of 112 selected professional, institutional and other investors.
- A total of 54 placees have been allotted two board lots of Shares or less, representing approximately 48.21% of the total number of placees under the Placing, and approximately 0.35% of the total number of the Placing Shares. A total of 64 placees have been allotted five board lots of Shares or less, representing approximately 57.14% of the total number of placees under the Placing, and approximately 0.48% of the total number of the Placing Shares.
- The Directors confirm that, to the best of their knowledge and belief, all placees and their respective ultimate beneficial owners are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries or close associates of any of them, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries or close associates of any of them in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it. No placee will, individually, be placed with more than 10.0% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company immediately after completion of the Capitalisation Issue and the Placing.
- Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25.0% of its total number of issued Shares at the time of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50.0% of the Shares in public hands at the time of the Listing shall be beneficially owned by the three largest public Shareholders. The Directors confirm that, immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be 25.0% of the enlarged issued share capital of the Company, and not more than 50.0% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders.

- No receipt will be issued for any subscription monies paid for the Placing Shares. The Company will not issue any temporary documents of title.
- Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Thursday, 8 December 2016. Shares will be traded in board lots of 10,000 Shares each. The stock code of the Shares is 8411.
- **Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

PLACING PRICE AND USE OF PROCEEDS

The Placing Price is HK\$0.2 per Placing Share (excluding brokerage of 1%, the SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%). The net proceeds from the Placing to be received by the Company, after deduction of underwriting commissions, the SFC transaction levy, the Stock Exchange trading fee and related expenses, are estimated to be approximately HK\$30.6 million. The Directors intend to apply the net proceeds from the Placing for the following purposes:

- approximately HK\$13.8 million, representing approximately 45% of the net proceeds from the Placing, will be used for establishing at a new office an international team comprising staff with substantial design and sales capabilities and proven track records that allow the Group to have distinctive line of business focusing on multi-national corporates, particularly those who plan to establish their first footprints in Hong Kong;
- approximately HK\$6.0 million, representing approximately 20% of the net proceeds from the Placing, will be used for sales and marketing activities to enhance the Group's market recognition in Hong Kong and the PRC;
- approximately HK\$4.6 million, representing approximately 15% of the net proceeds from the Placing, will be used for expanding the Group's capabilities by recruiting and retaining talents in design and project management with a focus on high-end customers;
- approximately HK\$3.1 million, representing approximately 10% of the net proceeds from the Placing, will be used for expanding the Group's business operations in the PRC by expanding its office facilities in the PRC and recruiting talents to build its marketing team in the PRC; and
- approximately HK\$3.1 million, representing approximately 10% of the net proceeds from the Placing, will be used for general working capital of the Group.

LEVEL OF INDICATIONS OF INTERESTS UNDER THE PLACING

The 250,000,000 Shares offered by the Company under the Placing have been slightly over-subscribed.

RESULTS OF ALLOCATION

Pursuant to the Placing, 250,000,000 Placing Shares (representing 25% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing) have been conditionally allocated to a total of 112 selected professional, institutional and other investors. A total of 54 placees have been allotted two board lots of Shares or less, representing approximately 48.21% of the total number of placees under the Placing, and approximately 0.35% of the total number of the Placing Shares. A total of 64 placees have been allotted five board lots of Shares or less, representing approximately 57.14% of the total number of placees under the Placing, and approximately 0.48% of the total number of the Placing Shares. The distribution of the Placing Shares is set out below:

	Aggregate number of Placing Shares allocated	Approximate percentage of the total number of Placing Shares allocated	Approximate percentage of shareholding to the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing
Top placee	30,000,000	12.00%	3.00%
Top 5 placees	105,000,000	42.00%	10.50%
Top 10 placees	166,500,000	66.60%	16.65%
Top 25 placees	238,700,000	95.48%	23.87%

Number of Placing Shares allocated

Number of placees

10,000 to 100,000	71
100,001 to 1,000,000	15
1,000,001 to 10,000,000	18
10,000,001 and above	8

Total

112

The Directors confirm that, to the best of their knowledge and belief, all placees and their respective ultimate beneficial owners are independent of and not connected with the Company and any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders (as defined under the GEM Listing Rules) of the Company or any of its subsidiaries, and their respective close associates (as defined under the GEM Listing Rules), and are not any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing, and none of the Shares subscribed by the placees has been financed directly or indirectly by any of the Directors, chief executive, Controlling Shareholders,

substantial shareholders or significant shareholders of the Company or any of its subsidiaries or close associates of any of them, and none of the placees is accustomed to taking instructions from any of the Directors, chief executive, Controlling Shareholders, substantial shareholders or significant shareholders of the Company or any of its subsidiaries or close associates of any of them in relation to the acquisition, disposal, voting or other disposition of the Shares registered in his/her/its name or otherwise held by him/her/it. No placee will, individually, be placed with more than 10.0% of the enlarged issued share capital of the Company immediately after completion of the Capitalisation Issue and the Placing. The Directors confirm that there will not be any new substantial shareholder of the Company immediately after completion of the Capitalisation Issue and the Placing.

Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares. Consequently, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(2)(b) of the GEM Listing Rules, the Shares in the hands of the public should, as at the time of Listing, be held among at least 100 persons.

Pursuant to Rule 11.23(7) of the GEM Listing Rules, the Company is required to maintain a public float of at least 25.0% of its total number of issued Shares at the time of the Listing and at all times thereafter. Pursuant to Rule 11.23(8) of the GEM Listing Rules, not more than 50.0% of the Shares in public hands at the time of the Listing shall be beneficially owned by the three largest public Shareholders. The Directors confirm that, immediately after completion of the Capitalisation Issue and the Placing, the public float of the Company will be 25.0% of the enlarged issued share capital of the Company, and not more than 50.0% of the Shares in public hands at the time of the Listing will be beneficially owned by the three largest public Shareholders.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date, which is expected to be on Thursday, 8 December 2016, or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS.

No receipt will be issued for any subscription monies paid for the Placing Shares. The Company will not issue any temporary documents of title.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on or about Wednesday, 7 December 2016 for credit to the relevant CCASS Participants' stock accounts designated by the Sole Lead Manager (for itself and on behalf of the Underwriters), the placing agents, the placees or their agents (as the case may be). Prospective investors of the Placing Shares should note that any of the Sole Sponsor and the Sole Lead Manager (for itself and on behalf of

the Underwriters) is entitled, at their absolute discretion, to terminate their obligations under the Underwriting Agreement with immediate effect by giving notice in writing prior to 8:00 a.m. (Hong Kong time) on the Listing Date, which is expected to be on Thursday, 8 December 2016, to the Company, if any of the events set forth under the section headed “Underwriting – Underwriting arrangements and expenses – Grounds for termination” in the Prospectus occur at any time prior to such time. In the event that the Underwriting Agreement does not become unconditional or is terminated in accordance with its terms and conditions, the Placing shall lapse. Notice of lapse of the Placing will be published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at kwnelson.com.hk accordingly immediately following such lapse.

All share certificates for the Placing Shares will only become valid certificates of title when the Placing has become unconditional in all respects and the Underwriting Agreement has not been terminated in accordance with its terms prior to 8:00 a.m. (Hong Kong time) on the Listing Date, which is expected to be on Thursday, 8 December 2016.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:00 a.m. (Hong Kong time) on Thursday, 8 December 2016. Shares will be traded in board lots of 10,000 Shares each. The stock code of the Shares is 8411.

If there is any change to the expected timetable, an announcement will be published immediately by the Company on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at kwnelson.com.hk.

By order of the Board of
K W Nelson Interior Architect Group Limited
Lau King Wai
Chairman and executive Director

Hong Kong, Wednesday, 7 December 2016

As at the date of this announcement, the executive Directors are Mr. Lau King Wai, Ms. Leung May Yan and Mr. Wong Siu Hong Edward, and the independent non-executive Directors are Mr. Hui Harry Chi, Mr. Li Wai Kwan and Ms. So Patsy Ying Chi.

This announcement, for which the Directors jointly and severally 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 matters the omission of which would make any statement in this announcement misleading.

This announcement and a copy of the Prospectus will remain on the Stock Exchange’s website at www.hkexnews.hk and in the case of this announcement, on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement and a copy of the Prospectus will also be published on the Company’s website at kwnelson.com.hk.