

SPACE GROUP HOLDINGS LTD:

**THE COMPANY IS, CLEARLY, ON A ROLL, TODAY,
BUT WILL IT CONTINUE TO CONFOUND PESSIMISTS ?**

As at June 30, 2017, Space Group Holdings Ltd () (Code: 2448, Main Board, The Stock Exchange of Hongkong Ltd) had, 8,229,000 patacas* as its total cash and cash equivalents, recorded in its Current Accounts, while its total indebtedness stood at 134,349,000 patacas, as at that date.

Amounts due from the Company's Directors, however, were standing at 158,466,000 patacas, as at June 30, 2017.

* (A pataca [**MOP**] is the lawful medium of exchange of the Macau Special Administrative Region [MSAR] of the People's Republic of China [PRC] and is equivalent to about 1.03 MOP: \$HK1.00)

Space Group Holdings Ltd is one of the latest companies to seek a listing on the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the PRC.

The Company's Share Offer Prospectus was published and disseminated in the HKSAR on December 28, 2017.

The Company is Offering 190 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.00 to a high of \$HK1.40.

HKSAR Investors are Offered 19 million Shares and the remaining 171 million Shares have been reserved

for select investors with deep pockets via Share Placements.

At the midpoint of the Indicative Offer Price Per Share, being \$HK1.20, Management anticipates, netting about \$HK188.80 million from this call for cash.

This amount of money is, presently, expected to be utilised as follows, according to Page 237 of the Share Offer Prospectus:

- Approximately, \$HK46.10 million (equivalent to approximately MOP47.40 million), that is about 24.40 percent of the net proceeds, *‘to finance our fitting-out projects in Macau, which include payment of start-up costs for new projects, among which approximately HK\$15.3 million (equivalent to approximately MOP15.7 million or 8.1% of net proceeds) to be used for provision of performance bonds and approximately HK\$30.8 million (equivalent to approximately MOP31.7 million or 16.3% of net proceeds) to be used for prepayment of material costs and subcontracting fees’*;
- Approximately, \$HK127.60 million (equivalent to approximately MOP131.50 million), that is about 67.60 percent of the net proceeds, *‘to finance our building construction projects in Macau, which include (i) approximately HK\$19.4 million (equivalent to approximately MOP20.0 million or 10.2% of net proceeds) to be used for purchase of construction machineries and equipment; (ii) approximately HK\$5.2 million (equivalent to approximately MOP5.4 million or 2.8% of net proceeds) to be used for payment of labour costs; and (iii) the remaining amount of approximately HK\$103.0 million (equivalent to approximately MOP106.1 million or 54.5% of net proceeds) to be used for start-up costs for new projects, among which approximately HK\$43.8 million (equivalent to approximately MOP45.1 million or 23.2% of net proceeds) to be used for provision of performance bonds and approximately HK\$59.2 million (equivalent to approximately MOP61.0 million or 31.3% of net proceeds) to be used for prepayment of material costs and subcontracting fees’*; and,
- Approximately, \$HK15.10 million (equivalent to approximately MOP15.60 million), that is about eight percent of the net proceeds, *‘to be the general working capital of our Group.’*

The Business Of Space Group Holdings Ltd

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