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**Space Group Holdings Limited**  
**恆宇集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 2448)**

**VOLUNTARY ANNOUNCEMENT**  
**ACQUISITION OF THE TARGET COMPANY**

This announcement is made by Space Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders (the “**Shareholders**”) and potential investors of the Company with information on the latest business development of the Group.

**THE SALE AND PURCHASE AGREEMENT**

Reference is made to the voluntary announcement of the Company dated 30 December 2021 regarding the entering into a memorandum of understanding in relation to a possible acquisition of the entire equity interest of a company (the “**Announcement**”). Capitalized terms used herein shall have the same meanings as those defined in the Announcement unless the context otherwise requires.

The Board is pleased to announce that pursuant to the negotiation between the Company and the Vendor, on 21 February 2022 (after trading hours), the Company entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) with the Vendor and the Target Company. The Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire equity interest in the Target Company, at a consideration of HK\$105,000,000 (the “**Acquisition**”).

The principal terms of the Sales and Purchase Agreement are set out as follows:

Date: 21 February 2022

- Parties: (1) Purchaser: Space Financial Holdings Limited (an indirect wholly-owned subsidiary of the Company);
- (2) Target Company: Advent Corporate Finance Limited; and
- (3) Vendor: Mr. Leong Lap Kun (a third party independent from the Company and its connected person).

### **Subject Matter**

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Shares, representing the entire equity interest of the Target Company.

### **Consideration**

The Consideration for the Acquisition is HK\$105,000,000, which will be settled by the Purchaser by way of a combination of (i) cash in the amount of HK\$30,000,000; and (ii) issue and allotment of a total of 7,500,000 shares of Space Financial Holdings Limited at an issue price of HK\$10 per share with a total value of HK\$75,000,000 (the “**Consideration Shares**”).

### **Basis for the Consideration**

The Consideration was arrived at after arm’s length negotiation between the Purchaser and the Vendor, after taking into consideration of, among others, (i) the historical financial performance and (ii) the future development potential of the Target Company. Therefore, the Board considers that the Consideration is fair and reasonable and is in the interests of the Group and Shareholders as a whole.

### **Conditions Precedent**

The completion of the Sales and Purchase Agreement (the “**Completion**”) is conditional upon the fulfillment (or waiver) of, among others, the following:

- (i) the Vendor has completed and fulfilled all necessary procedures and legal requirements for the Acquisition;
- (ii) the completion of the due diligence on the Target Company to the reasonable satisfaction of the Purchaser; and
- (iii) the approval of the SFC for the Purchaser or its designated persons to become a substantial shareholder of the Target Company.

If the conditions precedent set forth in the Sales and Purchase Agreement have not been fulfilled on or before 31 July 2022 (the “**Long Stop Date**”) (or such later date as the Parties may agree), the Sale and Purchase Agreement shall automatically terminate.

## **Completion**

Subject to the fulfillment (or waiver) of the conditions precedent before the Long Stop Date, the Completion shall take place within 7 days after the date on which the aforesaid conditions precedent have been fulfilled or waived (the “**Completion Date**”).

Assuming that there is no change in the issued share capital of Space Financial Holdings Limited other than the issue of the Consideration Shares since the date of this announcement and up to the Completion Date, the Vendor will hold 6.98% of the enlarged share capital of Space Financial Holdings Limited immediately after the Completion.

## **ABOUT THE TARGET COMPANY**

The Target Company is a limited company incorporated in Hong Kong and holds the Type 6 license issued by the SFC to carry out Type 6 regulated activity (advising on corporate finance) under the SFO.

## **ABOUT THE GROUP**

The Group is principally engaged in fitting-out works, building construction works and provision of financial services. In connection with its financial service business, the Group established Space Financial Holdings Limited in 2020, with subsidiaries including Space Securities Limited and Space Asset Management Limited which hold the Type 1 license and Type 4 and 9 licenses issued by the SFC respectively.

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

The Group has been focusing on its development in the finance industry in recent years. It has been seeking business and investment opportunities to strengthen its core financial businesses and broaden its profit base. The Group provides financial services including securities trading, investment advice and asset management through its subsidiaries since 2020. Space Prospering Wealth OFC, a direct wholly-owned subsidiary of Space Asset Management Limited, has also been approved by the SFC to become an open-ended fund company, providing pre-IPO fund services to professional investors. In addition, Space Prospering Wealth (Guangdong) Private Equity Fund Management Limited, a direct wholly-owned subsidiary of the Space Asset Management Limited, has also obtained a Qualified Foreign Limited Partner License (QFLP) approved by the Zhuhai Hengqin New Area Finance Bureau to provide private equity investment and venture capital fund management services in China. The Group has set up its China headquarters in Hengqin, Zhuhai and branch offices in Shanxi, Qingdao and Anhui. The Group is gradually expanding its scope of business in the finance industry and it hopes to radiate its business across China.

The Board believes that the Acquisition will drive the development of the company's financial businesses and accelerate its expansion in the Greater Bay Area for the following reasons.

- i. The senior management of the Target Company has rich experience in assisting in the listing and corporate transactions of companies. It is qualified to act as sponsor in respect of an application for the listing of securities on the Stock Exchange and/or compliance adviser to Hong Kong listed companies under the capacity of its license. Its main business includes assisting companies to carry out initial public offerings (the "IPOs"), acting as independent financial adviser or financial advisers for different corporate advisory services, including but not limited to acquisition and disposal, equity and debt financing, business restructuring and other financial advisory services, and providing advice to listed companies on compliance-related matters in accordance with the requirements under the Listing Rules. It is therefore believed that the Acquisition is of great commercial potential which is able to greatly drive the development of the company's business in Hong Kong and as well as generate new sources of profit.
- ii. The Group has a strong network in China and has been establishing a number of branches to facilitate the Target Company to reach out to more Chinese clients and assist potential Chinese companies to list in Hong Kong.
- iii. In addition, through the Acquisition, the Group will gain access to more institutional clients, which is conducive to the Group's diversified development and enhanced prospects.
- iv. The subsidiaries of the Group hold the Type 1, 4 and 9 licenses. The Acquisition allows the Group to obtain the Type 6 license which allows the Group to extend its coverage in the financial industry and become an enterprise that is capable of providing clients with one-stop comprehensive financial services (including pre-IPO financing, IPOs, underwriting of new shares, bookrunner, custody and placing), effectively integrating resources and reducing operating costs.

## **LISTING RULES IMPLICATIONS**

Since the Vendor is a third party independent of the Company and its connected persons, the Acquisition does not constitute a connected transactions under Chapter 14A of the Listing Rules.

As none of the applicable percentage (as defined in Rule 14.07 of the Listing Rules) of the Acquisition exceeds 5%, the Acquisition does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

**As Completion is conditional upon the satisfaction and/or waiver of the Conditions Precedent set out in the Sale and Purchase Agreement, the Acquisition may or may not proceed accordingly. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

By order of the Board  
**Space Group Holdings Limited**  
**Che Chan U**  
*Chairman*

Hong Kong, 21 February 2022

*As at the date of this announcement, the Board comprises Mr. Che Chan U, Ms. Lei Soi Kun and Mr. Ho Kwong Yu as executive Directors; and Mr. Fan Chun Wah, Andrew, Mr. Eulógio dos Remédios, José António and Ms. Leong Iat Lun as independent non-executive Directors.*