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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)

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

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The Board is pleased to announce that, on 26 July 2023, the Company (as issuer) entered into eight Subscription Agreements with six Subscribers in respect of the Subscription of an aggregate of 193,440,000 Subscription Shares at the Subscription Price of HK\$0.202 per Share. Each of the Subscriber is an independent private investor.

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM.

Given that completion of the Subscriptions is subject to conditions and the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS

Date: 26 July 2023

Parties to the Subscription Agreements:

- (1) the Company, as the issuer; and
- (2) the Subscribers.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscribers is an Independent Third Party.

Subscription Shares

The 193,440,000 Subscription Shares in aggregate represent (i) approximately 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date save for the issue of the Subscription Shares). The aggregate nominal value of the Subscription Shares will be HK\$1,934,000.

Subscription Price

The Subscription Price is HK\$0.202 per Share, representing:

- (i) a premium of approximately 14.12% to the closing price of HK\$0.177 per Share as quoted on the Stock Exchange on 26 July 2023, being the date of the Subscription Agreements; and
- (ii) a premium of approximately 15.83% to the average closing price of HK\$0.174 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was arrived at after arm's length negotiations between the Company and each of the Subscribers with reference to the recent market price of the Shares. The Directors consider that the Subscription Price is fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Rights of the Subscription Shares

The Subscription Shares will be fully paid and rank *pari passu* with all other issued Shares in all respects as at the date of issue.

General Mandate

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the Company's annual general meeting held on 23 June 2023 pursuant to which the Directors are allowed to allot and issue up to 193,440,000 new Shares. The maximum of 193,440,000 Subscription Shares to be allotted and issued will utilize 100% of the General Mandate.

As at the date of this announcement, no new Shares have been issued and allotted pursuant to the General Mandate. Accordingly, the issue of the Subscription Shares is not subject to the approval of the Shareholders.

Condition Precedent for the Subscriptions

Completion is conditional upon the fulfilment or waiver of the following conditions:

- (i) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and the permission to deal in, the Subscription Shares;
- (ii) (if applicable) obtaining all necessary approvals from and making all necessary filings with any government, regulatory authority or any other person in connection with the entering into and performing the obligations under the Subscription Agreements by the Company (including but not limited to the issue and allotment of the Subscription Shares);
- (iii) the representations and warranties of the Company under the Subscription Agreements being true, accurate and not misleading in all material respects as at the date of the Subscription Agreements and the Completion Date and the Company having fully performed its obligations under the Subscription Agreements prior to and on the Completion Date;
- (iv) the representations and warranties of the Subscribers under the Subscription Agreements being true, accurate and not misleading in all material respects as at the date of the Subscription Agreements and the Completion Date and the Subscribers having fully performed their obligations under the Subscription Agreements prior to and on the Completion Date; and
- (v) the listing of the Shares of the Company has not been revoked, the Shares continue to be listed on the Stock Exchange (except for any trading halt or suspension less than seven consecutive trading days).

If the above conditions are not fulfilled or waived (the conditions (i) to (ii) above cannot be waived, the conditions (iii) and (v) can be waived by the Subscribers only and the condition (iv) can be waived by the Company only) on 31 August 2023 (or such other date as may be agreed in writing between the Company and the Subscribers), the Company may terminate

the Subscription Agreements by giving written notices to the Subscribers. In that case, the Subscribers' obligation to subscribe for and the Company's obligation to issue, allot and deliver the Subscription Shares shall terminate and any amounts paid by the Subscribers under the Subscription Agreements shall be refunded to the Subscribers without interest.

The Payment of the Total Subscription Price

The Total Subscription Price shall be paid by the Subscribers on or before 31 August 2022 (or such other date as the parties thereto may agree).

Completion

Subject to the fulfilment or waiver (where applicable) of the conditions precedent, the Completion shall take place on the third Business Days after the payment of the Total Subscription Price by the Subscribers (or such other date as the parties thereto may agree). For the avoidance of doubt, Completion by a Subscriber is not inter-conditional upon Completion by the other Subscribers.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The principal activities of the Group are (i) fitting-out works; (ii) building construction works; and (iii) the provision of financial services, including securities trading, underwriting, providing investment advice, and asset management. The Directors are of the view that the Subscription represents a good opportunity for the Group to raise additional capital for its potential new construction projects.

The gross proceeds from the Subscription will be approximately HK\$39,075,000. The Company intends to use the net proceeds of approximately HK\$38,684,000 from the Subscription for potential new construction projects and as general working capital of the Group.

| | Approximate allocation | Expected time of usage |
|------------------------------|-----------------------------------|-----------------------------------|
| | <i>(in HK\$ million)</i> | |
| Prepayment to subcontractors | 36.2 | On or before December 2023 |
| General working capital | 2.5 | On or before December 2023 |
| | <hr/> | |
| Total | 38.7 | |

FUND-RAISING ACTIVITIES DURING THE PAST 12 MONTHS

Apart from the fund raising activity mentioned below, the Company has not conducted any other fund raising activities involving the issue of its equity securities in the 12 months immediately preceding the date of this announcement.

| Date of announcement | Fund raising activity | Net proceeds raised | Proposed use of proceeds | Actual use of Proceeds |
|---|--|------------------------------|--|---|
| 5 June 2023, 9 June 2023 and 21 June 2023 | Placing of 161,200,00 new Shares at the placing price of HK\$0.20 each to not less than six places under general mandate | Approximately HK\$31,918,000 | For potential new projects and as general working capital of the Group | The net proceeds were used as proposed. |

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after Completion, assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion Date:

| Shareholders | As at the date of this announcement | | Immediately after Completion | |
|----------------------------|--|----------------------|-------------------------------------|----------------------|
| | <i>No. of Shares</i> | <i>Approximate %</i> | <i>No. of Shares</i> | <i>Approximate %</i> |
| Space Investment (BVI) Ltd | 162,033,400 | 16.75 | 162,033,400 | 13.96 |
| Che Chan U | 1,600,000 | 0.17 | 1,600,000 | 0.14 |
| Subscribers | – | – | 193,440,000 | 16.67 |
| Public Shareholder | 803,566,600 | 83.08 | 803,566,600 | 69.23 |
| | <u>967,200,000</u> | <u>100.00</u> | <u>1,160,640,000</u> | <u>100.00</u> |

INFORMATION ON THE COMPANY

The Company is a limited liability company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange. The principal activities of the Group are (i) fitting-out works; (ii) building construction works; and (iii) the provision of financial services, including securities trading, underwriting, providing investment advice, and asset management.

Given that completion of the Subscriptions is subject to conditions and the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following terms shall have the meanings ascribed to them below unless the context otherwise requires:

| | |
|--------------------------------|---|
| “associate(s)” | has the meaning as ascribed to it in the Listing Rules |
| “Board” | the board of Directors |
| “Business Day” | any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong |
| “Company” | Space Group Holdings Limited (恆宇集團控股有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (stock code: 2448) |
| “Completion Date” | the date of Completion |
| “connected person(s)” | has the meaning ascribed thereto in the Listing Rules |
| “controlling shareholder” | has the meaning ascribed thereto in the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “General Mandate” | the mandate granted to the Directors by the Shareholders at the Company’s annual general meeting held on 23 June 2023 to allot, issue and deal with up to 20% of the then issued share capital of the Company |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Third Party(ies)” | third parties independent of and not connected with the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries, or any of their respective associates |

| | |
|----------------------------|--|
| “Listing Committee” | has the meaning ascribed thereto under the Listing Rules |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Share(s)” | ordinary share(s) of HK\$0.01 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 |
| “Subscribers” | six subscribers under the Subscription Agreements |
| “Subscription Agreements” | the subscription agreements dated 26 July 2023 and entered into between the Company (as issuer) and the Subscribers |
| “Subscription Price” | HK\$0.202 per Subscription Share |
| “Subscription Shares” | an aggregate of 193,440,000 new Shares to be subscribed by the Subscribers under the Subscription Agreements |
| “Subscriptions” | the subscription of the Subscription Shares by the Subscribers pursuant to the terms and conditions of the Subscription Agreements |
| “Total Subscription Price” | the total subscription price for the Shares to be subscribed by each of the Subscribers under each of the Subscription Agreements |
| “%” | per cent |

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

Hong Kong, 26 July 2023

As at the date of this announcement, the Board comprises Mr. Che Chan U, Ms. Lei Soi Kun, Mr. Lok Wai Tak and Mr. Ho Kwong Yu as executive Directors; and Mr. Eulógio dos Remédios, José António, Mr. Lam Chi Wing, Ms. Leong Iat Lun and Mr. Li Guohui as independent non-executive Directors.