



恆宇集團控股有限公司

Space Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

HKEX Stock Code: 2448



2023

INTERIM REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Che Chan U (*Chairman*)
Ms. Lei Soi Kun
Mr. Lok Wai Tak
Mr. Ho Kwong Yu

Independent Non-Executive Directors

Mr. Eulógio dos Remédios, José António
Mr. Lam Chi Wing (appointed on 27 April 2023)
Ms. Leong Iat Lun
Mr. Li Guohui

AUDIT COMMITTEE

Mr. Li Guohui (*Chairman*)
Mr. Eulógio dos Remédios, José António
Ms. Leong Iat Lun

REMUNERATION COMMITTEE

Mr. Eulógio dos Remédios, José António (*Chairman*)
Mr. Lam Chi Wing (appointed on 27 April 2023)
Ms. Leong Iat Lun
Mr. Lok Wai Tak
Mr. Ho Kwong Yu

NOMINATION COMMITTEE

Mr. Che Chan U (*Chairman*)
Ms. Lei Soi Kun
Mr. Eulógio dos Remédios, José António
Ms. Leong Iat Lun
Mr. Li Guohui

AUTHORISED REPRESENTATIVES

Mr. Che Chan U
Mr. Ho Kwong Yu

COMPANY SECRETARY

Ms. Chan Hiu Wa

AUDITOR

SHINEWING (HK) CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MACAU

Edifício Centro Comercial Chong Fok
8C, Avenida de Marciano Baptista 18
Macau

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1905-07, Tower 6, The Gateway
9 Canton Road
Tsim Sha Tsui, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited
2103B, 21/F
148 Electric Road
North Point
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
Macau Chinese Bank
Bank of China Macau Branch

LEGAL ADVISER

As to Hong Kong laws
D.S. Cheung & Co.

STOCK CODE

2448 (listed on the Main Board of The Stock Exchange
of Hong Kong Limited)

WEBSITE

spacegroup.com.mo

MANAGEMENT DISCUSSION AND ANALYSIS

The board (the “**Board**”) of directors (the “**Directors**”) of Space Group Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2023 (the “**Period**”), together with the comparative figures for the six months ended 30 June 2022 (the “**Previous Period**”).

BUSINESS REVIEW

Since the outbreak of the COVID-19 in 2020, all industries have been affected to a various extent and the Group has been significantly impacted by the interest rate hikes since 2022. As a result, the Group’s fitting-out works and financial services business and financial performance have been affected.

FINANCIAL REVIEW

For the Period, the Group’s revenue was approximately MOP181.1 million (30 June 2022: approximately MOP233.2 million). During the Period, the Group recorded profit of approximately MOP13.4 million (30 June 2022: approximately MOP28.6 million) and had 9 ongoing fitting-out projects. The revenue from provision of financial services for the Period amounted to approximately MOP15.9 million (30 June 2022: MOP30.9 million).

Revenue

For the Period, the revenue of the Group amounted to approximately MOP181.1 million, representing a decrease of approximately 22.3% from approximately MOP233.2 million for the Previous Period.

The revenue from fitting-out works decreased from approximately MOP202.3 million for the Previous Period to approximately MOP165.3 million for the Period. Such decrease was mainly attributable to the decrease in amounts of ongoing fitting-out projects.

The revenue from provision of financial services decreased from approximately MOP30.9 million for the Previous Period to approximately MOP15.9 million for the Period. The decrease was mainly due to the decrease in number of initial public offerings in Hong Kong.

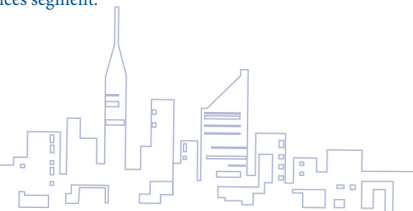
Cost of revenue

For the Period, the cost of revenue of the Group decreased by 14.7% to approximately MOP137.1 million when compared with the Previous Period (approximately MOP160.8 million).

The decrease of the Group’s cost of revenue was mainly attributable to the decrease in the subcontracting costs and the direct labour costs from the fitting-out works which is in line with the decrease in revenue from fitting-out works.

Gross profit and gross profit margin

The gross profit of the Group for the Period decreased by approximately MOP28.4 million to approximately MOP44.0 million (30 June 2022: approximately MOP72.4 million), and the gross profit margin decreased to approximately 24.3% (30 June 2022: approximately 31.1%). The decrease of the gross profit margin was mainly attributable to the decrease in gross profit margin from the fitting-out works and the financial services segment.



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Other income and gains

The Group's other income and gains mainly included interest income of approximately MOP0.6 million and exchange losses of approximately MOP0.9 million for the Period.

Administrative and other expenses

The Group's administrative and other expenses decreased to approximately MOP18.1 million for the Period from approximately MOP28.9 million for the Previous Period. The decrease by approximately 37.2% was mainly attributable to effective cost control procedures implemented.

Finance costs

The finance costs mainly represented interests on bank borrowings and overdrafts. Our finance costs increased by approximately MOP1.0 million to approximately MOP9.7 million for the Period from approximately MOP8.7 million for the Previous Period. The increase was mainly due to an increase in interest rate during the Period.

Income tax expenses

The Group's income tax expenses decreased by 55.4% to approximately MOP2.8 million for the Period when compared to approximately MOP6.3 million for the Previous Period. The decrease was mainly attributable to the decrease in profits for the Period.

Profit for the Period

For the Period, our profit after taxation was approximately MOP13.4 million and the profit after taxation was approximately MOP28.6 million for the Previous Period mainly due to the combined effects of the aforementioned items.

CORPORATE FINANCE AND RISK MANAGEMENT

Liquidity, financial and capital resources

Cash position

The Group's cash and bank balances as at 30 June 2023 amounted to approximately MOP27.5 million, representing a decrease of approximately MOP27.4 million as compared to approximately MOP54.9 million as at 31 December 2022, which was attributable to the decrease in financing activities in the six months ended 30 June 2023.

As at 30 June 2023, the Group's indebtedness comprised bank loans and overdrafts of approximately MOP405.2 million (31 December 2022: approximately MOP448.1 million), of which certain of them were secured by pledged bank deposits.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Gearing ratio

As at 30 June 2023, the gearing ratio (calculated by total debts divided by total equity; total debts include payables incurred not in the ordinary course of business) was 0.60, as compared with 0.71 as at 31 December 2022.

The decrease was primarily attributable to the increase of capital and reserves, and repayment of bank loans and overdrafts as at 30 June 2023.

Treasury policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period under review. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Foreign currency risk

The Group has certain bank balances denominated in Hong Kong Dollar other than the functional currency of respective group entities as at 30 June 2023. Since Macau Pataca is pegged to Hong Kong Dollar, the Group does not have significant exposure to foreign currency risk.

Capital structure

Authorised share capital

As at 30 June 2023, the authorised share capital of the Company was HK\$20,000,000 divided into 2,000,000,000 shares (the "Shares") of HK\$0.01 each.

Issued share capital

As at 30 June 2023, the number of Shares in issue was 967,200,000 Shares of HK\$0.01 each (31 December 2022: 806,000,000 Shares). During the Period, the Company had completed the placing of 161,200,000 new Shares on 21 June 2023 pursuant to a placing agreement entered into between the Company and Space Securities Limited (as placing agent) dated 5 June 2023. The net proceeds from the issue of new Shares under the said placing were approximately MOP32,872,000, which were intended to be used for potential new projects and as general working capital of the Company. For further details of the placing, please refer to the Company's announcements dated 5 June 2023, 9 June 2023 and 21 June 2023, respectively. Save as disclosed in this report, there was no change to the issued share capital of the Company during the Period.

Capital commitments

As at 30 June 2023, the Group had no capital commitments (31 December 2022: Nil).



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Contingent liabilities

As at 30 June 2023, the Group had contingent liabilities of approximately MOP13.0 million (31 December 2022: approximately MOP13.0 million).

CHARGES ON THE GROUP'S ASSETS

As at 30 June 2023, bank deposits of approximately MOP111.3 million (31 December 2022: approximately MOP126.1 million) were pledged to secure banking facilities (including bank loans and overdraft).

EMPLOYEES AND REMUNERATION POLICIES

The Group had 84 employees as at 30 June 2023 (30 June 2022: 78). Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee.

The Company has adopted a share option scheme pursuant to which the Directors and employees of the Group are entitled to participate. The local employees are also entitled to discretionary bonuses depending on their respective performances and the profitability of the Group.

EVENTS AFTER THE REPORTING PERIOD

On 26 July 2023, the Company entered into subscription agreements with six subscribers for the issue of an aggregate of 193,440,000 subscription Shares to the subscribers at the subscription price of HK\$0.202 per Share. Completion of subscription of the new Shares took place on 8 August 2023.

Details of the above are set out in the Company's announcements dated 26 July 2023 and 8 August 2023.

PROSPECTS

With the easing of the pandemic and the completion of the renewal of Macau's gambling licenses in December 2022, the Group believes that there will be an upturn in fitting-out works in the future, especially renovation works for casinos, and the Group will make every effort to seize opportunities as they arise. The Group also believes that our financial services business will improve as the economic environment gradually recovers.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 16 January 2018.

As at 30 June 2023, the interests and short positions of Directors and/or the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) (the "SFO") as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

The Company

Name of Director	Capacity	Number of Shares held/ interested ⁽¹⁾	Approximate percentage of the total issued Shares
Che Chan U ("Mr. Che")	Interest held jointly with another person; interest in a controlled corporation ⁽²⁾ ; and beneficial owner ⁽³⁾	292,585,900 Shares (L)	30.25%
Lei Soi Kun ("Ms. Lei")	Interest held jointly with another person; interest in a controlled corporation ⁽²⁾	290,985,900 Shares (L)	30.09%

Notes:

- (1) The letter "L" denotes the Directors' long position in the Shares.
- (2) The Company was held as to approximately 30.09% by Space Investment (BVI) Ltd ("Space Investment"). Space Investment is held as to 94.74% by Mr. Che and 5.26% by Ms. Lei.
- (3) Mr. Che beneficially owns 1,600,000 Shares in the Company.



OTHER INFORMATION (continued)**Associated corporation**

Name of Director	Name of associated corporation	Capacity	Number of Shares held/ interested in the associated corporation⁽¹⁾	Approximate percentage of the total issued shares in the associated corporation
Mr. Che	Space Investment	Beneficial owner	9,474 Shares (L)	94.74%
Ms. Lei	Space Investment	Beneficial owner	526 Shares (L)	5.26%

Note:

(1) The letter "L" denotes the Directors' long position in the shares of the associated corporation.

Save as disclosed in the foregoing, as at 30 June 2023, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

INTERESTS AND SHORT POSITIONS OF THE SUBSTANTIAL SHAREHOLDERS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2023, so far as is known to the Directors, the following persons or corporation (other than the Directors and chief executive of the Company) had interests or short positions in the Shares and underlying Shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept under section 336 of the SFO.

Name of Shareholders	Capacity	Number of Shares held/ interested⁽¹⁾	Approximate percentage of the total issued Shares
Space Investment	Beneficial owner ⁽²⁾	290,985,900 Shares (L)	30.09%
Ng Lai Kuan ("Ms. Ng")	Interest of spouse ⁽³⁾	292,585,900 Shares (L)	30.25%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) Space Investment is directly interested in 290,985,900 Shares, representing approximately 30.09% of the total issued share capital in the Company.
- (3) Ms. Ng is the spouse of Mr. Che. Ms. Ng is deemed to be interested in the same number of Shares in which Mr. Che is interested by virtue of the SFO.

OTHER INFORMATION (continued)

Save as disclosed above, as at 30 June 2023, the Directors are not aware of any other persons or corporations (other than the Directors and chief executive of the Company) who/which had any interests or short positions in the Shares or underlying Shares of the Company or any of its associated companies which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

On 20 December 2017, the then shareholders of the Company approved and conditionally adopted a share option scheme (the “**Share Option Scheme**”). The purpose of the Share Option Scheme is to provide the Company a flexible means of giving incentive to, rewarding, remunerating, compensating and providing benefits to eligible participants and for such other purposes as the Board approves from time to time. The Share Option Scheme shall be valid and effective for a period of 10 years commencing from the adoption date. From the adoption date of the Share Option Scheme up to 30 June 2023, no option had been granted, exercised, cancelled or lapsed and there is no outstanding share option under the Share Option Scheme.

The number of share options available for grant under the scheme mandate of the Share Option Scheme as at 1 January 2023 and 30 June 2023 was 76,000,000 and 76,000,000, respectively.

The number of shares that may be issued in respect of options granted under the Share Option Scheme (being the only share scheme of the Company) during the six months ended 30 June 2023 is nil, representing 0% of the weighted average number of shares of the relevant class in issue of the Company for the six months ended 30 June 2023.

SIGNIFICANT INVESTMENTS HELD

Except for investment in subsidiaries, during the six months ended 30 June 2023, the Group did not hold any significant investment in equity interest in any company.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 June 2023, the Group did not have other plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.



OTHER INFORMATION (continued)

CORPORATE GOVERNANCE PRACTICES AND OTHER INFORMATION

The Company is committed to maintaining high standards of corporate governance to protect the interests of its Shareholders and to enhance corporate value and accountability. The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with all code provisions and, where applicable, the recommended best practices of the Corporate Governance Code and Corporate Governance Report (the "CG Code") set out in Appendix 14 of the Listing Rules during the six months ended 30 June 2023.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries with all the Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the six months ended 30 June 2023.

DIVIDEND

The Board takes into account the Group's overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend payment of any dividends in respect of the Period.

AUDIT COMMITTEE

An audit committee of the Company (the "Audit Committee") has been established on 20 December 2017 in accordance with Rule 3.21 of the Listing Rules with its terms of reference in compliance with paragraph C.3 of the CG Code. The Audit Committee comprises three members, namely Mr. Li Guohui, Mr. Eulógio dos Remédios, José António and Ms. Leong Iat Lun, all being independent non-executive Directors. Mr. Li Guohui serves as the chairman of the Audit Committee.

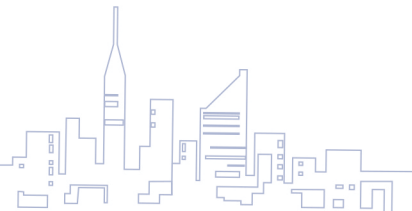
The Audit Committee is to assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting of the Group and also a review of risk management and internal control systems of the Group, by satisfying themselves as to the effectiveness of the internal controls, and as to the adequacy of the external and internal audits.

OTHER INFORMATION (continued)

The Audit Committee has reviewed with the management the interim results of the Group for the six months ended 30 June 2023, accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management and financial reporting matters including a review of the unaudited interim financial information. The Audit Committee is of the view that such interim results has complied with the applicable accounting standards, the requirements under the Listing Rules and other applicable legal requirements, and that adequate disclosures have been made.

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

Hong Kong, 30 August 2023



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2023
(Expressed in Macau Pataca)

	Notes	Six months ended 30 June	
		2023 MOP'000 (unaudited)	2022 MOP'000 (unaudited)
Revenue	2	181,144	233,219
Cost of revenue		(137,122)	(160,773)
Gross profit		44,022	72,446
Other income and gains, net		52	47
Administrative and other expenses		(18,133)	(28,859)
Profit from operations		25,941	43,634
Finance costs		(9,692)	(8,732)
Profit before taxation	3	16,249	34,902
Income tax	4	(2,808)	(6,292)
Profit for the period		13,441	28,610
Attributable to:			
Owners of the Company		13,772	28,896
Non-controlling interests		(331)	(286)
Profit for the period		13,441	28,610
Earnings per share			
– Basic and diluted	5	MOP0.017	MOP0.035

The notes on pages 18 to 28 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 10.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2023
(Expressed in Macau Pataca)

	Six months ended 30 June	
	2023 MOP'000 (unaudited)	2022 MOP'000 (unaudited)
Profit for the period	13,441	28,610
Other comprehensive income for the period:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statement of foreign operation	634	352
Other comprehensive income for the period, net of tax	634	352
Total comprehensive income for the period	14,075	28,962
Attributable to:		
Owners of the Company	14,373	29,234
Non-controlling interests	(298)	(272)
Total comprehensive income for the period	14,075	28,962

The notes on pages 18 to 28 form part of this interim financial report.



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2023
(Expressed in Macau Pataca)

	Notes	30 June 2023 MOP'000 (unaudited)	31 December 2022 MOP'000 (audited)
Non-current assets			
Property, plant and equipment		16,362	21,929
Investment properties		99,292	99,292
Investment in an insurance contract		2,823	2,823
Other non-current assets		1,063	812
Intangible asset		1,803	1,803
Goodwill		20,681	20,681
Deferred tax assets		3,374	3,374
		145,398	150,714
Current assets			
Contract assets		117,112	100,602
Trade and other receivables	6	632,028	578,159
Prepayments		222,112	246,398
Financial assets at fair value through profit or loss		39	33
Pledged deposits		111,270	126,100
Cash and bank balances		27,526	54,898
		1,110,087	1,106,190
Current liabilities			
Trade and other payables	7	99,691	79,496
Bank loans and overdrafts		402,783	445,091
Lease liabilities		5,644	7,014
Amount due to a director		12,711	37,060
Tax payable		50,423	47,775
		571,252	616,436
Net current assets			
		538,835	489,754
Total assets less current liabilities			
		684,233	640,468
Non-current liabilities			
Lease liabilities		4,325	6,790
Bank loans and overdrafts		2,411	2,994
Deferred tax liabilities		1,612	1,745
		8,348	11,529
NET ASSETS			
		675,885	628,939
CAPITAL AND RESERVES			
Share capital	8	9,962	8,302
Reserves		666,352	620,735
Total equity attributable to owners of the Company			
Non-controlling interests		676,314 (429)	629,037 (98)
TOTAL EQUITY			
		675,885	628,939

The notes on pages 18 to 28 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2023
(Expressed in Macau Pataca)

	Attributable to equity shareholders of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Legal reserve	Other reserve	Exchange reserve	Retained profits			
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Balance at 1 January 2022	8,302	357,240	150	(8,388)	(63)	249,684	606,925	(92)	606,833
Changes in equity for the six months ended 30 June 2022:									
Profit for the period	-	-	-	-	-	28,896	28,896	(286)	28,610
Other comprehensive income	-	-	-	-	338	-	338	14	352
Total comprehensive income	-	-	-	-	338	28,896	29,234	(272)	28,962
Acquisition of a subsidiary	-	-	-	-	-	-	-	991	991
Balance at 30 June 2022 and 1 July 2022	8,302	357,240	150	(8,388)	275	278,580	636,159	627	636,786
Changes in equity for the six months ended 31 December 2022:									
Loss for the period	-	-	-	-	-	(7,411)	(7,411)	(711)	(8,122)
Other comprehensive income	-	-	-	-	289	-	289	(14)	275
Total comprehensive income	-	-	-	-	289	(7,411)	(7,122)	(725)	(7,847)
Balance at 31 December 2022	8,302	357,240	150	(8,388)	564	271,169	629,037	(98)	628,939



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

for the six months ended 30 June 2023
(Expressed in Macau Pataca)

	Attributable to equity shareholders of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Legal reserve	Other reserve	Exchange reserve	Retained profits			
	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000	MOP'000
Balance at 31 December 2022	8,302	357,240	150	(8,388)	564	271,169	629,037	(98)	628,939
Changes in equity for the six months ended 30 June 2023:									
Profit for the period	-	-	-	-	-	13,772	13,772	(331)	13,441
Other comprehensive income	-	-	-	-	634	-	634	-	634
Total comprehensive income	-	-	-	-	634	13,772	14,406	(331)	14,075
Shares issued	1,660	31,211	-	-	-	-	32,871	-	32,871
Balance at 30 June 2023	9,962	388,451	150	(8,388)	1,198	284,941	676,314	(429)	675,885

The notes on pages 18 to 28 form part of this interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2023
(Expressed in Macau Pataca)

	Six months ended 30 June	
	2023 MOP'000 (unaudited)	2022 MOP'000 (unaudited)
Operating activities		
Net cash generated from/(used in) operating activities	5,331	(12,423)
Investment activities		
Proceed from disposal of property, plant and equipment	78	-
Payment for the purchase of property, plant and equipment	-	(81)
Payment for the purchase of other non-current assets	(251)	-
Interest received	559	16
Payment for acquisition of a subsidiary, net of cash acquired	-	(23,643)
Net cash generated from/(used in) investing activities	386	(23,708)
Financing activities		
Proceeds from new bank loans	113,837	464,729
Advance from directors	-	1,021
Repayment of bank loans	(156,728)	(487,298)
Repayment for directors	(24,349)	-
Interest paid	(9,692)	(8,732)
Decrease/(increase) in pledged deposits	14,830	(6,004)
Payment for lease liabilities	(3,858)	(4,323)
Net proceeds from issue of ordinary shares	32,871	-
Net cash used in financing activities	(33,089)	(40,607)
Net decrease in cash and cash equivalents	(27,372)	(76,738)
Cash and cash equivalents at the beginning of the year	54,898	96,662
Cash and cash equivalents at the end of the period	27,526	19,924

The notes on pages 18 to 28 form part of this interim financial report.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Macau Pataca unless otherwise indicated)

1 BASIS OF PREPARATION

This interim report has been prepared in accordance with the applicable disclosure provisions of the Listing Rules, including compliance with Hong Kong Accounting Standard (HKAS) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (HKICPA). It was authorised for issue on 30 August 2023.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

The financial information relating to the financial year ended 31 December 2022 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

The accounting policies, basis of presentation and methods of computation used in preparing the interim financial report are consistent with those followed in preparing the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of the new or amended HKFRSs and HKASs which are first effective or available for early adoption for accounting periods beginning on or after 1 January 2023 as set out below.

The following new or amended HKFRSs and HKASs are adopted for the financial year beginning 1 January 2023, but have no material effect on the Group's reported results and financial position for the current and prior accounting periods:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	<i>Insurance Contracts</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>

The Group has not early adopted any other new or amended HKFRSs and HKASs that are not yet effective for the current accounting period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

2 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by business lines (fitting-out works and provision of financial services). In a manner consistent with the way in which information is reported internally to the Group's most senior executive management (i.e. the chief operating decision maker) for the purposes of resource allocation and performance assessment, the Group has identified two reportable segments. No operating segments have been aggregated to form the following reportable segments.

(a) Disaggregation of revenue

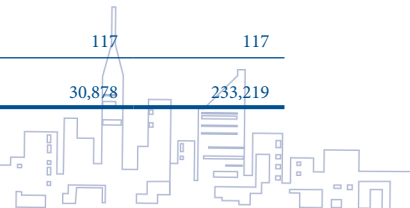
Disaggregation of revenue from contracts with customers within the scope of HKFRS 15 by business lines is as follows:

For the six months ended 30 June 2023

	Fitting-out works MOP'000	Financial services MOP'000	Total MOP'000
Revenue from contract with customers within the scope of HKFRS 15			
Revenue from fitting-out works contracts	165,258	–	165,258
Fees and commission income from licensed activities	–	5,573	5,573
Fee from business consultancy services	–	10,300	10,300
Revenue from other source			
Interest income from margin financing	–	13	13
Total	165,258	15,886	181,144

For the six months ended 30 June 2022

	Fitting-out works MOP'000	Financial services MOP'000	Total MOP'000
Revenue from contract with customers within the scope of HKFRS 15			
Revenue from fitting-out works contracts	202,341	–	202,341
Fees and commission income from licensed activities	–	8,822	8,822
Fees from business consultancy services	–	21,939	21,939
Revenue from other source			
Interest income from margin financing	–	117	117
Total	202,341	30,878	233,219



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

2 REVENUE AND SEGMENT REPORTING (Continued)

(a) Disaggregation of revenue (Continued)

Disaggregation of revenue by timing of recognition:

	Fitting-out works MOP'000	Financial services MOP'000	Total MOP'000
For the six months ended 30 June 2023			
At a point in time	–	13,842	13,842
Over time	165,258	2,044	167,302
	165,258	15,886	181,144
	Fitting-out works MOP'000	Financial services MOP'000	Total MOP'000
For the six months ended 30 June 2022			
At a point in time	–	26,719	26,719
Over time	202,341	4,159	206,500
	202,341	30,878	233,219

Fitting-out works and building construction works represent performance obligations that the Group satisfies over time for each respective contract. The period of fitting-out works and building construction works varies from 3 to 24 months (2022: from 3 to 24 months).

(b) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

As at 30 June 2023, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is MOP936,597,000 (2022: MOP1,716,272,000). This amount represents revenue expected to be recognised in the future from construction contracts entered into by the customers with the Group. Based on the information available to the Group at the end of the reporting period, the Group will recognise such amount when or as the work is completed which is expected to occur over the next 6 to 24 months (2022: 6 to 24 months).

The financial service contracts are with an original expected duration of one year or less or contracts for which revenue is recognised at the amount to which that Group has the right to invoice for the services performed. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

2 REVENUE AND SEGMENT REPORTING (Continued)

(c) Segment information

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision makers ("CODM") for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Fitting-out works: this segment is involved in the execution of fitting-out works, including procurement of materials, site supervision, management of subcontractors, overall project management, interior decorative and modification works for existing buildings.
- Financial services: this segment is involved in the provision of securities brokerage services, underwriting services, margin financing and money lending, business consultancy and securities and asset management advisory services to customers.

Segment assets and liabilities of the Group are not reported to the Group's CODM regularly. As a result, reportable assets and liabilities have not been presented in the consolidated financial statements.

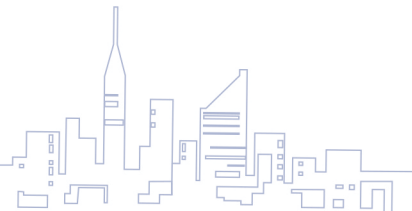
(i) Segment results

The Group's CODM monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and the expenses incurred by those segments. Assistance provided by one segment to another, including sharing of assets, is not measured.

The measure used for reporting segment profit is earnings before tax.

Inter-segment transactions, if any, are conducted with reference to the prices charged to independent third parties.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

2 REVENUE AND SEGMENT REPORTING (Continued)

(c) Segment information (Continued)

(i) Segment results (Continued)

The unaudited segment results of the Group for the six months ended 30 June 2022 and 2023 are as follows:

	Fitting-out works MOP'000	Financial services MOP'000	Total MOP'000
For the six months ended 30 June 2023			
Segment revenue from external customers	165,258	15,886	181,144
Segment profit	32,138	11,884	44,022

	Fitting-out works MOP'000	Financial services MOP'000	Total MOP'000
For the six months ended 30 June 2022			
Segment revenue from external customers	202,341	30,878	233,219
Segment profit	41,978	30,468	72,446

(ii) Reconciliations of total segment profit to profit before taxation

	Six months ended 30 June	
	2023 MOP'000	2022 MOP'000
Total segment profit	44,022	72,446
Other income and gains, net	52	47
Finance costs	(9,692)	(8,732)
Unallocated head office and corporate expenses	(18,133)	(28,859)
Profit before taxation	16,249	34,902

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

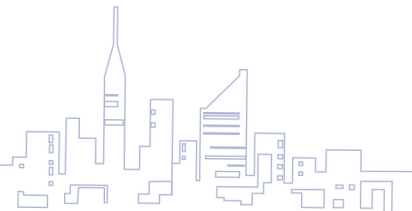
2 REVENUE AND SEGMENT REPORTING (Continued)

(c) Segment information (Continued)

(iii) Geographical information

The following table sets out the information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment, intangible asset, goodwill and investment properties ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided. The geographical location of specified non-current assets is based on the location of the operation to which they are allocated.

	Revenues from external customers		Specified non-current assets	
	Six months ended 30 June		30 June	31 December
	2023 MOP'000	2022 MOP'000	2023 MOP'000	2022 MOP'000
Macau (place of domicile)	99,089	54,995	100,773	99,369
Hong Kong	82,055	178,224	27,080	32,028
Mainland China	–	–	10,285	12,308
	82,055	178,224	37,365	44,336
	181,144	233,219	138,138	143,705



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

3 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

		Six months ended 30 June	
		2023	2022
		MOP'000	MOP'000
(a)	Finance costs		
	Interest on bank loans and overdrafts	9,421	8,227
	Interest on lease liabilities	271	505
(b)	Other items		
	Depreciation charge		
	– owned property, plant and equipment	1,887	1,943
	– right-of-use assets	3,391	4,165
	Interest income	(559)	(16)

4 INCOME TAX

		Six months ended 30 June	
		2023	2022
		MOP'000	MOP'000
	Current tax – Macau Complementary Tax	2,185	2,897
	Current tax – Hong Kong Profits Tax	756	3,496
	Deferred tax	(133)	(101)
		2,808	6,292

The Group is not subject to any income tax in the Cayman Islands and British Virgin Islands pursuant to the rules and regulations in the corresponding jurisdictions.

Macau Complementary Tax is calculated at 12% (2022: 12%) of the estimated assessable profits exceeding MOP600,000 (2022: MOP600,000) for the six months ended 30 June 2023.

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rate regime by enacting the Inland revenue (Amendment) (No. 3) Ordinance 2018 (the “**Ordinance**”). Under the two-tiered profits tax rate regime, the first HK\$2 million of assessable profits of qualifying corporations is taxed at 8.25% and the remaining assessable profits at 16.5%. The Ordinance is effective from the year of assessment 2018–2019. Accordingly, the provision for Hong Kong Profits Tax for the six months ended 30 June 2023 is calculated in accordance with the two-tiered profits tax regime.

Corporate Income Tax in the People’s Republic of China (“**the PRC**”) for the six months ended 30 June 2023 is calculated at 25% (2022: 25%). No corporate income tax has been provided because the entities in the PRC has no assessable profits for the six months ended 30 June 2022 and 2023.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

5 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the parent of MOP13,441,000 (six months ended 30 June 2022: MOP28,610,000) and the weighted average of approximately 814,015,000 ordinary shares (2022: 806,000,000 shares).

(b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share as the Group did not have dilutive potential ordinary shares for both periods.

6 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables), based on the invoice date (or date of revenue recognition, if earlier) and net of loss allowance, is as follows:

	30 June 2023 MOP'000	31 December 2022 MOP'000
Within 1 month	107,703	20,040
1 to 3 months	34,463	72,026
3 to 6 months	37,109	136,904
6 to 12 months	243,416	173,791
Over 1 year but less than 2 years	163,448	155,902
Over 2 years but less than 3 years	47,322	12,924
Less: loss allowance	(25,073)	(25,073)
Trade debtors, net of loss allowance	608,388	546,514
Deposits	1,760	1,770
Other receivables, net	21,880	29,875
	632,028	578,159

The balance represents amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 45 days from the date of invoice and therefore are all classified as current. The Group assessed the expected credit loss of trade receivables based on the historical default credit experiences and forward-looking information that is available.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

7 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

	30 June 2023 MOP'000	31 December 2022 MOP'000
Within 1 month	16,738	14,096
1 to 3 months	55	5,312
3 to 6 months	99	1,370
Over 6 months	22,600	18,360
Trade payables	39,492	39,138
Retention payables	13,978	9,606
Other payables and accruals	46,221	30,752
	99,691	79,496

8 SHARE CAPITAL

On 21 June 2023, the Company completed the share placing and a total of 161,200,000 placing shares have been successfully placed by the placing agent. The gross proceeds and net proceeds from the share placing were approximately MOP33,207,000 and approximately MOP32,872,000, respectively.

9 ACQUISITION OF A SUBSIDIARY

On 21 February 2022, the Group through a subsidiary, Space Financial Holdings Limited (“SFH”) entered into a sales and purchase with a third party, namely Mr. Leong Lap Kun, pursuant to which the Group agreed to acquire all issued share capital of Advent Corporate Finance Limited. The Group obtained the control of Advent Corporate Finance Limited on 28 February 2022. The transaction was completed with a total consideration approximately of HK\$31,891,000. The consideration comprises (i) the payment in cash amounted to HK\$30,000,000 and (ii) 6.98% shareholdings of the SFH of approximately MOP991,000.

Advent Corporate Finance Limited (“Advent”) is a limited company incorporated in Hong Kong and holds the Type 6 license issued by the Securities and Futures Commission (SFC) to carry out Type 6 regulated activity (advising on corporate finance) under the Securities and Futures Ordinance. The acquisition was accounted for under the acquisition method. The acquisition of Advent was aimed at allowing the Group to extend its network of finance services and strengthen its core financial business and broaden its profit base.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

9 ACQUISITION OF A SUBSIDIARY (Continued)

- (i) Details of net assets acquired and goodwill in respect of the acquisition of Advent at the acquisition date were as follows:

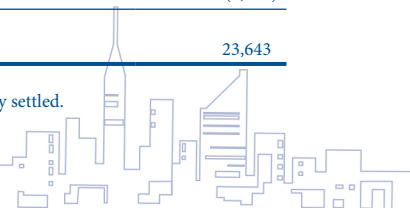
	31 December 2022
	MOP'000
Purchase consideration	
– Cash	30,900
– 6.98% Equity instrument of SFH	991
	31,891
Less: fair value of net assets acquired	(11,210)
Goodwill on acquisition	20,681

The assets and liabilities of Advent at the acquisition date were as follows:

	31 December 2022
	MOP'000
Property, plant and equipment	1,679
Trade and other receivables	7,475
Deferred tax assets	380
Intangible asset	1,803
Prepayments	180
Cash and cash equivalents	7,257
Trade and other payables	(764)
Lease liabilities	(1,642)
Bank loans and overdrafts	(5,158)
Net identifiable assets acquired	11,210

	31 December 2022
	MOP'000
Purchase consideration settled in cash	30,900
Less: cash and cash equivalents acquired	(7,257)
Total net cash inflow for the year ended 31 December 2022	23,643

As at 31 December 2022, all the purchase consideration was fully settled.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT (continued)

(Expressed in Macau Pataca unless otherwise indicated)

9 ACQUISITION OF A SUBSIDIARY (Continued)

(ii) Acquired receivables

At the date of acquisition, the fair value of acquired trade and other receivables was MOP7,475,000 and the gross contractual amount was approximately MOP9,763,000 with loss allowance of approximately MOP2,288,000.

(iii) Revenue and profit contribution

The mentioned acquired companies contributed revenues of MOP13,042,000 and net profit of MOP5,136,000 to the Group.

Had the acquisition been completed on 1 January 2022, the total Group revenue for the period would have been approximately MOP487,008,000, and the profit for the period would have been approximately MOP21,516,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2022, nor is it intended to be a projection of future results.

10 DIVIDENDS

The Directors did not recommend the payment of a dividend by the Company for the six months ended 30 June 2023. No dividend was declared or paid by the Company during the six months ended 30 June 2022 to its equity shareholders.

11 EVENTS AFTER REPORTING PERIOD

On 26 July 2023, the Company entered into subscription agreements with six subscribers for the issue of an aggregate of 193,440,000 subscription Shares to the subscribers at the subscription price of HK\$0.202 per Share. Completion of subscription of the new Shares took place on 8 August 2023.

Details of the above are set out in the Company's announcements dated 26 July 2023 and 8 August 2023.