





## OFFER DOCUMENT

### Alexandra Group Holdings Limited

**ACN: 146 156 167**

Intends to raise \$2,000,000 through  
this Offer Document

#### Round 1

6,250,000 at \$0.04c (four cents) per Share in return  
for the capital contribution of \$250,000.

#### Round 2

4,166,700 at \$0.06c (six cents) per Share in return  
for the capital contribution of \$250,000.

#### Round 3

18,750,000 at \$0.08c (eight cents) per Share in  
return for the capital contribution of \$1,500,000.

**Note:** All Rounds 1, 2 and 3 are being offered  
consecutively as each application is received.

## IMPORTANT NOTICES

### DISCLAIMER

The information contained in this Offer Document ("**Offer Document**") is being provided to the recipient solely for the purpose of evaluating an investment in Alexandra Holdings Limited ABN146 156 167 ("**AGH**" or the "**Company**").

In consideration of AGH providing this Offer Document to the recipient, the recipient acknowledges that the contents of this Offer Document are confidential to the Company and the recipient agrees not to disclose, distribute or permit to be communicated verbally, directly or indirectly or otherwise, or to otherwise publish the contents of this Offer Document except with the prior written consent of the Company. For the purposes of this acknowledgement "recipient" includes, without limitation, any principal, director, officer, shareholder, employee or agent of the recipient.

Any reproduction or distribution of this Offer Document, in whole or in part, or any disclosure of its contents, or use of any information contained in this Offer Document for any purpose other than to evaluate an investment in the Company, is prohibited.

This Offer Document is dated **1st November 2010** and has been issued and prepared by the Company based on the information available to it at the time of preparation of this Offer Document. The information contained in this Offer Document or subsequently provided to the recipient whether orally or in writing by, or on behalf of the Company

or any of their respective related bodies corporate or any of their respective directors, officers, employees, agents, representatives and advisers ("**Parties**") is provided to the recipient on the terms and conditions set out in this notice.

This Offer Document provides a summary of the main features of the Company. It has been prepared without taking into account any investor's objectives, financial situation or needs. Investors should read the Offer Document carefully and assess whether the information is appropriate for them in respect of their objectives, financial situation and needs, and seek professional advice, if necessary.

This Offer Document does not purport to contain all the information that a prospective investor may require. In all cases, interested parties should conduct their own investigation and analysis of the Company and the data contained in this Offer Document.

To the full extent permitted by law:

- (a) no representation or warranty (express or implied) is given; and
- (b) no responsibility or liability (including in negligence) is accepted, by the Parties as to the truth, accuracy or completeness of any statement, opinion, forecast, information or other matter (whether express or implied) contained in this Offer Document or its attachments or as to any other matter concerning them.

To the full extent permitted by law, no responsibility or liability (including in negligence) is accepted by the Parties:

- (a) for or in connection with any act or omission, directly or indirectly in reliance upon; and
- (b) for any cost, expense, loss or other liability, directly or indirectly, arising from, or in connection with, any omission from or defects in, or any failure to correct any information, in this Offer Document or any other communication (oral or written) about or concerning them, or the issue of securities in the Company.

The delivery of this Offer Document does not under any circumstances imply that the affairs or prospects of the Company or any information affecting it have been fully or correctly stated in this Offer Document or have not changed since the date of this Offer Document or since the date at which the information is expressed to be applicable. No responsibility or liability (including in negligence) is assumed by the Parties for updating any such information or to inform the recipient of any new information of which the Parties may become aware.

The Company makes no representation about the underlying value of the securities on offer. Prospective investors must make their own assessment about whether the price of the securities being offered represents fair value.

### ASIC CLASS ORDER 02/273 INVESTOR WARNING

- (a) Investment in new business carries high risks. It is highly speculative and before investing in any project about which information is given, prospective investors are strongly advised to take appropriate professional advice;
- (b) The information contained in this Offer Document has been prepared by or on behalf of the Company. Neither ASSOB Pty Ltd ACN 114 772 020 (**ASSOB**) as the Publisher nor Stepping Stone Equity Pty Ltd ACN: 140 771 615 as the Class Order Operator have undertaken an independent review of the information contained in this Offer Document;
- (c) The information contained in this publication about the proposed business opportunity and the securities or scheme interests is not intended to be the only information on which the investment decision is made and is not a substitute for a disclosure document, Product Disclosure Statement or any other notice that may be required under the Corporations Act, as the Act may apply to the investment. Detailed information may be needed to make an investment decision, for example: financial statements; a business plan; information about ownership of intellectual or industrial property; or expert opinions including valuations or auditors' reports;
- (d) Prospective investors should be aware that no established market exists for the trading of any securities or scheme interests that may be offered; and

- (e) This Publication is subject to Australian Securities and Investment Commission (ASIC) Class Order 02/273.

### ASIC CLASS ORDER 02/273 PROMINENT STATEMENTS

The information contained in the Publication about the proposed business opportunity and the securities or scheme interests is not intended to be the only information on which the investment decision is made and is not a substitute for a disclosure document, Product Disclosure Statement or any other notice that may be required under the Act, as that Act may apply to the investment. Detailed information may be needed to make an investment decision, for example: financial statements; a business plan; information about ownership of intellectual or industrial property; or expert opinions including valuations or auditors' reports.

A prospective investor is strongly advised to take appropriate professional advice before accepting an offer for issue or sale of any securities or scheme interests.

### FUTURE STATEMENTS

Except for historical information, there may be matters in this publication that are forward-looking statements. Such statements are only predictions and are subject to inherent risks and uncertainty. Forward-looking statements, which are based on assumptions and estimates and describe the

Company's future plans, strategies, and expectations are generally identifiable by the use of the words 'anticipate', 'will', 'believe', 'estimate', 'plan', 'expect', 'intend', 'seek', or similar expressions. Investors are cautioned not to place undue reliance on forward-looking statements. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties both general and specific that contribute to the possibility that predictions, forecasts, projections and other forward-looking statements will not occur. Those risks and uncertainties include factors and risks specific to the industry in which the Company operates as well as general economic conditions and prevailing exchange rates and interest rates. Actual performance or events may be materially different from those expressed or implied in those statements.

All forward-looking statements attributable to the Company or persons acting on behalf of the Company are expressly qualified in their entirety by the cautionary statements in this section.

Except as expressly required by the Act, the Company undertakes no obligation to publicly update or revise any forward-looking statements provided in this publication whether as a result of new information, future events or otherwise, or the risks affecting this information. None of the Company, its officers or any person named in this publication with their consent, or any person involved in the preparation of this publication, makes any representation or warranty (express or implied) as to the accuracy or likelihood of

fulfillment of any forward-looking statement except to the extent required by law. The forward-looking statements reflect the views held only as at the date of this Offer Document.

#### **FOR PURPOSE OF OFFER ONLY**

This Offer Document has been prepared by the Company for the purposes of the Offer and is provided by the Company to the recipient solely for information purposes for use by persons considering participation in the Offer. It does not, nor does it purport to, contain all the information that an investor may require to evaluate the Company and an Offer under this Offer Document.

#### **NO RECOMMENDATION**

The provision of this Offer Document is not and should not be considered as a recommendation in relation to an investment in the Company or that an investment in the Company is a suitable investment for the recipient.

#### **INVESTOR ENQUIRIES**

This Offer Document does not purport to provide all of the information the recipient may require in order to evaluate an investment in the Company. Recipients should make their own enquiries and evaluations they consider appropriate to verify the information contained in this Offer Document and to determine the suitability of an investment in the Company (including regarding their investment objectives, financial situation, and particular needs)

and should seek all necessary financial, legal, tax and investment advice. The Company does not accept any responsibility for any costs incurred by any person in relation to the person's evaluation of the Company and the Offer under this Offer Document or otherwise.

#### **EXCLUDED OFFER**

Any offer of securities of the Company contained in this Offer Document is an offer of securities which does not require disclosure to investors under Part 6D.2 of the Act and is therefore only open to Sophisticated Investors, Professional Investors and other investors to whom an offer can be made under Part 6D.2 of the Act without the need for a disclosure document.

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## 1. DEAL SUMMARY

<b>ASSOB Listing Code:</b>	AGH
<b>Company Name:</b>	Alexandra Group Holdings Limited
<b>Sector:</b>	Tourism
<b>Location:</b>	Queensland
<b>Planned Exit Strategy:</b>	Trade Sale

<b>Board:</b>	Karen Kirby – Managing Director Steven Greenwood – Executive Director: Operations Michael Kirby – Executive Director: Brand Development
<b>Auditor:</b>	SRJ Accountants, Brisbane
<b>Share Registrar:</b>	Shelf Company Registry Services, Queensland

<b>Requirement:</b>	\$2,000,000
<b>Parcel size:</b>	\$25,000
<b>Closing Date:</b>	31 October 2011
<b>Further Information contact:</b>	Terry Richards Stepping Stone Equity Pty Ltd E: terry@steppingstoneequity.com.au M: 0408 123 401

### Milestones achieved to date:

- 2005 Purchase property at 77 Woondooma St, Bundaberg
- 2006 Complete renovations, DA and opening of Alexandra Lodge
- 2006 Commenced trading and was in profit within 6 months of trading and each year since
- 2006 Purchase 94 Takalvan S., Bundaberg
- 2007 DA achieved and construction begun on Alexandra Apartments
- 2008 Completion Alexandra Apartments
- 2009 Achievement top properties for 3.5 star and 4 star accommodation in Bundaberg, as rated by Wotif
- 2010 investigation and decision to raise capital and expand brand across other regional centres
- 2010 streamlining of internal processes to allow for expansion to other remote sites
- Contracts signed for the purchase of existing motel in Toowoomba in October 2010 to be renamed Alexandra Platinum International

## 2. KEY INVESTOR HIGHLIGHTS

Alexandra Group Holdings Limited (AGH) is a successful property and hospitality company that operates two consistently profitable short-term accommodation businesses in Bundaberg, Queensland (Alexandra Lodge and Alexandra Apartments) and have purchased a further establishment in Toowoomba to be settled before the end of 2010 and rebranded as Alexandra Platinum International. The company's directors are raising capital for the purpose of establishing businesses in other high-growth regional centres, with a view to eventually build the brand across Australia.

Investors in Alexandra Group Holdings Limited will be investing in a company with the following qualities:

- The ability to offer an investment opportunity that aims to show excellent company growth in its share value with the additional benefit of capital growth through real estate security.
- A number of projects in various stages of completion, from Alexandra Lodge with a five year history to Alexandra Suites, Alexandra Apartments opened for two years with private ownership of the land.
- AGH is in the process of purchasing the site for a new property, Alexandra Suites, which is expected to yield exceptional capital gains.
- All future property purchases will be completed into subsidiaries of AGH allowing for ownership of both the business and real estate assets.

- The company already has established business premises in Bundaberg that have achieved excellent profits and high occupancy rates. These initial businesses will provide a template for the company's future endeavours, as it prepares to construct and operate new accommodation options in other areas.
- Capital growth will be provided through both real estate and AGH growth, with each business and associated freehold components (where held), remaining independent and providing flexibility for future growth within the group as well as additional security.

Short-term accommodation in Australia brings in large amounts of revenue each year, and AGH plans on working towards being a major player in a market that is predominantly populated by large operators that are slow to update their services. AGH aims capitalise on this stagnation by offering a vital new service in the accommodation market, building on the success of the company's already established businesses that offer quality home away from home style accommodation.

### 3. EXECUTIVE SUMMARY

Alexandra Group Holdings limited is a profitable Queensland business that constructs, maintains and runs high-quality short-term accommodation. Currently, the company owns two successful facilities in Bundaberg, and is looking now to expand their operations into other targeted centres in Queensland and eventually across Australia.

Alexandra Lodge and Alexandra Apartments have become very popular within the Bundaberg region, embodying a level of quality, luxury and value that makes them extremely competitive alongside similar accommodation options in the area. The board of AGH plan to scale the business based on the following tenets that have been fundamental to the company's success so far:

- Quality
- Value for money
- Customer service
- Excellent facilities
- Modern design and furnishings

The Alexandra's brand has become recognised as up-market quality accommodation that specialises in fully-catered facilities for travellers. Rather than place excessive emphasis on targeting the tourist market, AGH have aimed their services towards corporate workers and tradespeople, as well as families that need short-term accommodation while travelling. These demographics tend to travel consistently throughout the year, and as such have provided a solid customer base that has given AGH a strong, steady revenue stream all year round.

AGH's established accommodation options have already seen the company build a solid reputation that has led to considerable repeat clientele. They are looking forward to expanding the options they are able to provide to their clients in the Bundaberg region, as well as expanding to extend the Alexandra's brand into other regional areas such as Toowoomba, northern Brisbane and into NSW.

Regional centres of Australia are dominated by older-style Best Western, Golden Chain and Quality brand motels, many of which haven't been refurbished or suffer from a lack of apartment-delivered services. AGH plans to capitalise on its status as an emerging leader in this sector by providing high-quality, modern, serviced rooms in regions which may not offer anything in comparison.

The success of the existing Alexandra chain in Bundaberg has demonstrated that there is a market need for the kind of service offering AGH provide. The initial expansion plan will commence immediately and the brand-name will be advertised and marketed as capital-city 4-star quality within regional areas.



*“ AGH’s established accommodation options have already seen the company build a solid reputation that’s led to considerable repeat clientele. ”*

#### 4. THE BUSINESS OPPORTUNITY

Following the success of AGH in the Bundaberg region the opportunity exists for the company to expand this style of accommodation and quality service offering to other areas that may be underserved by quality accommodation options. The company will specifically target regional centres that are used as stopover points for travellers, focussing more on areas that are considerably removed from major metropolitan centres. These stopover points tend not to be major tourist areas, but still have large amounts of through-traffic. By setting up businesses that are far enough away from urban centres AGH will specifically reach the traveller market.

The Alexandra's brand is currently represented by Alexandra Apartments and Alexandra Lodge, Bundaberg. These premises are the most popular 4-star and 3-star rated properties in their respective categories within the Bundaberg area (Wotif & ABS statistics 2010). Both properties maintain these rankings consistently, and are establishing a regular and loyal customer base of repeat customers.

The company's expansion plans will include building new Alexandra Lodge and Alexandra Apartments in new centres, as well as growing the brand to include other accommodation options: Alexandra's on the Beach and Alexandra's Suites. AGH already

has architectural designs for these new facets of the business; capital raised in this offering will put the company in a position where these new opportunities can be further investigated and strategic plans put in place.

AGH has developed a sophisticated corporate structure that allows for immediate ownership of separate profitably operating, business assets and will incorporate valuable leases as well as land ownership. The structure detail is given at section 6.1. Capital growth will be provided through both real estate and AGH growth, with each business and associated freehold components (where held), remaining independent and providing flexibility for future growth within the group as well as additional security.

The quality and attentiveness to the operation of the established businesses in AGH has been successful in making the company a premier accommodation provider in the Bundaberg area. The repeat business the company enjoys shows that customers routinely want to stay at premises of the quality that AGH provides – quality equivalent to that found in capital city hotels. Attention to quality will be one of the hallmarks of AGH's accommodation services moving forward, and will serve as a major point of difference between it and its competitors.

The Board considers that certain agreements relating to the Company described below and elsewhere in this Offer Document are the contracts which an investor would reasonably regard as material. A description of material agreements or arrangements, together with a summary of the more important details of each of these agreements is set out below:

- Alexandra Apartments Pty Ltd (AAPL)  
ACN 147 092 804 (100% subsidiary)
- AAPL Commercial Lease  
(20 years with 2 x 20 year options to renew)
- Alexandra Lodge Bundaberg Pty Ltd  
ACN 147 082 813 (100% Subsidiary)
- ALPL Commercial Lease  
(20 years with 2 x 20 year options to renew)
- Alexandra Platinum International Pty Ltd (APPL)  
ACN: 147 018 004 (To be 100% Subsidiary)
- APPL Commercial Lease  
(20 years with 2 x 20 year options to renew)

## 5. BUSINESS OVERVIEW

### Alexandra Lodge

Alexandra Lodge is a boutique Bed and Breakfast with six rooms and a self-contained villa that was established in 2005. A unique concept, Alexandra Lodge provides accommodation on a budget with 4-star quality and fittings. Located directly opposite a rapidly expanding private hospital, Alexandra Lodge provides convenience to tourists, corporate travellers and hospital staff and patients.

Feedback on these premises has been extremely positive and, due to the design of the property and concept, the operating costs are extremely low. Alexandra Lodge is the highest earner for 3.5 star properties in Bundaberg (wotif.com, Sales Statistics), an excellent achievement for a property with only seven rooms. The net return from this type of property has proved to be exemplary and the intention is to continue to provide these lodge-style premises in similar strategic locations in other regional areas.

### Alexandra Apartments

In December 2008, Alexandra Apartments constructed and established a 15 room luxury serviced apartment block that has grown to become the most popular 4-star premises in Bundaberg since its opening (wotif.com, Sales Statistics). Alexandra Apartments provide 2 and 3 bedroom self-catered accommodation and are popular with family travellers as well as corporate guests.

The apartments are very well serviced, have modern furnishings and fittings, and as such attract a higher

price point. Alexandra Apartments' high occupancy rates are indicative of the fact that customers are more than willing to pay a higher price for well provisioned accommodation.

The apartments are frequently booked out for sporting events and corporate functions, and AGH are looking forward to expanding this range of accommodation into other regional areas. While serviced apartments have become common in most capital cities, the range available regionally is sparse, particularly outside of predominantly tourist areas, and AGH believe their accommodation style will be well-received in the intended destinations in the expansion plan.

### Alexandra Platinum International

This is a new acquisition of an existing successful 36 room establishment centrally located in Toowoomba that is under unconditional contract to AGH and to be rebranded before the end of 2010. This new property also incorporates a restaurant and function room facilities.

### Future Developments

#### Alexandra's on the Beach

In addition to the standard range of Alexandra accommodation options for travellers, Alexandra's on the Beach will be a more tourist-oriented offering within AGH's range. Alexandra's on the Beach consists of eight resort villas designed specifically for the coastal town of Moore Park

Beach. Moore Park is 20 km from Bundaberg and is a quiet bush land area with 16 km of beach with numerous access points.

Alexandra's on the Beach will be located on an acre of beachfront, and will be marketed at both tourists and local clientele. External feasibility results have been very positive.

The luxury villas of Alexandra's on the Beach will provide local and tourist customers with the sort of resort stay available in Bali and other island resorts, with the convenience of a Queensland beach location. They will be marketed as an exclusive couples retreat and expect to experience good patronage from weddings, as well as couples looking for a getaway stay or romantic retreat. Alexandra's on the Beach will be an excellent addition to the variety of accommodation provided by the Alexandra's brand within this region.

Construction will begin in early 2011 with simultaneous marketing and promotion.

#### Alexandra Suites

In response to the success of Alexandra Apartments and Alexandra Lodge, AGH have designed Alexandra Suites; a 55-room establishment containing both serviced apartments and standard motel rooms, to be located immediately adjacent to the existing serviced apartments. With highway frontage, Alexandra Suites will be the one of the most prominent motels in Bundaberg and meet strong demand for restaurant establishments as well as function centres.

A thorough study of occupancy and patronage across existing older accommodation in Bundaberg indicates that they will relatively easily gain market share from older, poorly competing accommodation. Bundaberg hosts many large regional events and corporate functions and a facility that is able to accommodate these events as well as the accompanying accommodation will be very popular.

The restaurant at Alexandra Suites will cater to the public as well as Alexandra Apartment and Alexandra Suites guests, replacing the existing out-sourced in-room dining option. Pricing for rooms will be competitive with local existing establishments and provide a benchmark for pricing in other regional areas where Alexandra's plans to expand.

### Expansion

Over the next five years AGH intend to expand Alexandra's into regional areas in Australia, many of which are supplied by old-style motel chains that do not offer the modern quality or the serviced apartment accommodation provided by Alexandra's.

Alexandra's Bundaberg currently consists of eight staff, headed by Managing Director Karen Kirby, Project Manager Steven Greenwood and Operations Manager Michael Kirby, who have invested in and developed a number of successful real estate ventures since 2002. These ventures include the development of the Alexandra hospitality premises in Bundaberg.

With this successful background and qualified staff, an expansion timeline has been established, incorporating the construction or renovation of

two Alexandra's accommodation premises per year. These projects will be investigated, initiated and managed by Karen Kirby and Steven Greenwood, with Michael Kirby responsible for establishing and maintaining the procedures and operations that provide the quality of customer service and care that is associated with Alexandra's.

A timeline of potential establishments has been proposed and will be adapted and modified as research and potential sites/properties are sourced. It is intended to have a minimum of twelve Alexandra's serviced apartments, lodges and motels by 2015, providing a high level of brand recognition for travellers within the Alexandra's brand.

Accommodation Establishment	Year Completed	Expected EBIT
Toowoomba – Alexandra Platinum International	2010	\$1,100,000
Moore Park - Alexandra's on the Beach	2011	\$287,000
Bundaberg - Alexandra Suites	2012	\$1,138,000
Coffs Harbour - Alexandra's on the Jetty	2011	\$400,000
Coffs Harbour - Alexandra Lodge	2012	\$130,000
Randwick - Alexandra Apartments	2013	\$720,000
Ballina - Alexandra Lodge	2013	\$156,000
Caboolture - Alexandra Lodge	2014	\$240,000
Toowoomba – refurbishment of Alexandra Platinum	2014	\$400,000
Mackay – Alexandra Apartments	2015	\$400,000
Rockhampton – Alexandra Lodge	2015	\$130,000
<b>Total</b>		<b>\$4,701,000</b>

A marketing campaign will utilise television advertising, print media and loyalty programs to establish a loyal customer base. Consistency in the quality of AGH's premises will maximise repeat customers. Upon completion of this five-year program, it is intended that the company will establish a competitive branded product within capital city areas which will allow AGH's loyal customer base to utilise their services.

### Market Behaviour

A report by IBISWORLD Market Researchers states the following:

“The Motel Accommodation industry is expected to experience a solid upturn in both revenue and profit from 2011-12 onwards. Over the five years to 2015-16, it is projected that real industry revenue will increase at an average annual rate of 3.4%. As economic growth generally strengthens, an upturn in domestic tourism is expected with an increasing number of pleasure and corporate trips and far higher per trip expenditures.”

*(Motel Accommodation in Australia, 2010)*

Due to the broad nature of the various accommodation facilities that AGH offers, it is difficult to collate a set of statistics that conclusively maps out the future of the market for the services that the company offers. However, the above statement from the IBISWORLD report regards a sector of the accommodation industry—motels—that has characteristics similar to AGH's line of accommodation (prominence in regional areas, value for money, largely used for short-term

accommodation, three-to-four star ratings). As such, customers that are looking for motel-style accommodation will likely see appeal in the services AGH has to offer, and it can therefore be argued that upturns in the motel sector will see AGH experience similar effects.

The same report also gives a strong indication of some of the issues within the industry, and confirms AGH's proactive approach to ensuring that their accommodation premises are modern and up-to-date:

"It [the motel industry] has to battle consumer perceptions that all motels are of the same standard with similar internal fittings, facilities and layout... Some major operators are being moved to take action through segmenting and branding motels of varying standards under different brands. Individual motel operators must follow a similar course, paying particular attention to the needs of their particular market and guests, re-focusing more on all areas of hospitality and generating good word-of-mouth recommendations to thrive and survive."

*(Motel Accommodation in Australia, 2010)*



## Projected Revenue Earnings

The Revenue Model for the Group is as follows:-

1. Return on occupancy and extras
2. Return on management services for each of the properties
3. Capital growth through ownership of individual properties
4. Sub contracting cleaning services to other establishments and businesses in each area.
5. The returns for the Pty Ltd company for 2009 was a net of \$61,311. These figures are very low as Alexandra Apartments was established in 2009 and most of the start-up costs were carried by Alexandra Lodge trading figures.

Item	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
<b>Revenue</b>	483,037	672,588	1,829,217	4,589,678	6,259,162	10,312,120
<b>Expenses</b>	214,254	272,521	716,697	2,139,198	2,767,374	4,720,395
<b>EBIT</b>	268,783	400,067	1,112,520	2,450,480	3,491,788	5,591,725

The financial projections provided above have been based upon the following assumptions:

Key Assumptions	Comments
Occupancy of 75%.	Current occupancy per ABS is 63%. Study by Brian Anderson indicates 60% to 70%.
Annual Revenue Growth of 5%.	Exceeds expected inflation. Depends on customer acceptance. Revenue growth is in line with study by Brian Anderson.
Annual Expense Growth of 3%.	Reasonably in line with expected inflation.
EBIT ranging from 53% to 61%.	Study by Brian Anderson indicates between 60% and 75%.
Successful capital raising sufficient to achieve objectives.	Depends on the acceptance of potential investors of this proposal.

In summary, the financial analysis is based on a reasonably ambitious room occupancy rate (based on historic performance at Alexandra's) as compared to the market and as indicated by external consultant Brian Anderson. However, the higher occupancy is offset by a more conservative estimate of overheads.

*SRJ Accountants have independently carried out agreed upon procedures in accordance with Auditing Standard AUS 904 in relation to the company's financial forecasts. The agreed upon procedures compared the financial forecasts to the business plan assumptions and reported that there is a sound relativity between both based on the key assumptions and comments noted above. Please note that the procedures performed by SRJ Accountants do not constitute an audit in accordance with Australian Auditing Standards or a review in accordance with Australian Auditing Standards applicable to review engagements and, consequently, no assurance is expressed.*

Jason Croston CA

Brian Anderson is the external consultant engaged by Alexandra Apartments for 2 of the projects. The analysis provided does appear to be comprehensive and is available to interested parties on signing a non disclosure agreement.

## Financial Reporting to Shareholders

AGH will ensure that in accordance with its duties under the Act, quarterly financial information will be made readily available to the Board and Shareholders. The Company will produce an annual report incorporating financial statements in accordance with International Financial Reporting Standards (IFRS). The Company's quarterly report will also be made available on the Company's 'Issuer Page' of the ASSOB website at

[www.assob.com.au/agh](http://www.assob.com.au/agh)



***“ Alexandra Lodge is the highest earner for 3.5 star properties in Bundaberg; an excellent achievement for a property with only seven rooms. ”***

## 6. THE COMPANY

### 6.1 About the Company

As Alexandra's is an existing operational brand, considerations have been made when creating Alexandra Group Holdings for expansion of the group. For existing businesses and freehold premises, a combination of movement of the existing businesses, leasing privately held land, and sale of private land into the Alexandra Corporate Group has been utilized. This has allowed for the most value to be held in Alexandra Group Holdings while accommodating the existing structural requirements of the businesses and projects.

#### For existing businesses:

Alexandra Apartments and Alexandra Lodge – the business is wholly owned by Alexandra Group Holdings with a long commercial lease over the property. The freehold of the property will remain in private ownership.

Alexandra's on the Beach – a commercial lease will be purchased by AGH over the property when completed. The freehold will remain in private ownership.

Alexandra Suites – this main road frontage land will be purchased by AGH from private ownership. AGH will construct and own the building and will build and own Alexandra Suites Pty Ltd.

Alexandra Platinum International – the property has been purchased by AGH and owned as Alexandra Platinum Pty Ltd. The freehold will be owned by AGH as Alexandra Platinum Unit Trust.

New Alexandra Freehold – as for Alexandra Platinum International, both the freehold and business assets will be owned by AGH.

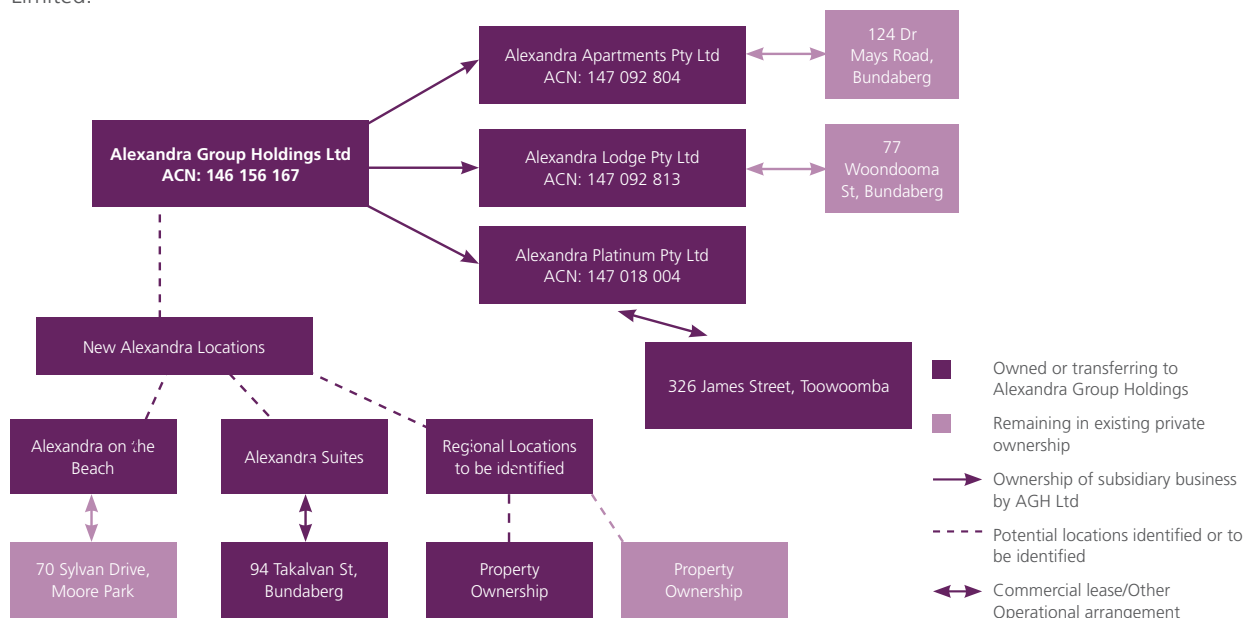
New Alexandra Operational only – AGH will purchase a lease, management rights, or enter into an operational arrangement for freehold premises. AGH will own the associated business with a lease or operational right over the freehold.

The diagrammatic structure of the company is below.

Investors will invest into Alexandra Group Holdings Limited.

The operation of each existing, and new, premises will be undertaken by a separate Pty Ltd company where AGH will be the 100% shareholder.

Existing properties owned by the founders and related entities will be subject to commercial leases to each of the individual operating company. New properties will be acquired through individual unit trusts and subject to commercial leases to the operating company.



## 6.2 Board of Directors

### Board of Directors



**Karen Kirby – Managing Director**

Karen has been involved in the successful growth of the operation of Alexandra's in Bundaberg since 2005 and developing profitable real estate investments since 2002. She

has now developed an experienced and strong team of management around her to continue the expansion of the network towards completing the realistic business plan. With an energetic go getter type personality who has experience within both the public and private sector, Karen has a diverse background of knowledge and qualifications, including a Bachelor's Degree in Science and a number of Post-graduate qualifications. She's also had board experience in businesses in both the UK and Australia. Karen has built Alexandra's in Bundaberg into the success it is today and is looking forward to growing the brand-name into the most popular regional motel chain in Australia.



**Steven Greenwood – Executive Director: Operations**

Steven has been assisting Karen since 2005 in bringing each of the existing Alexandra projects into successful operation from a building and development

aspect. With a background in trades and extensive project management experience, Steven has been instrumental in providing quality hands-on management that has assisted in establishing each business with the exceptional quality for which Alexandra's is recognized.



**Michael Kirby – Executive Director: Brand Development**

Michael is a highly experienced consultant recently employed with Blue-Chip companies such as Glaxo-SmithKline, Cadbury's, WHSmith and Unilever. Michael's services are regularly utilized by

major companies, and he brings a background in quality assurance, procedures and process control as well as strong analytical capabilities. Michael will be responsible for developing and installing procedures that enable each Alexandra's to successfully build on the quality and processes that have made the company's first forays into the market a success.

## Advisors and Key Management

### Sean Wardrop – Strategic Growth Advisor

Sean is a qualified Chartered Accountant who trained with KPMG in Edinburgh and has extensive experience working in the financial services sector in London.

Blue chip companies he has consulted to include Japanese property developer Nifsan, ASX listed Stockland, Futuris (a part of the Elders Group), Lloyds TSB and State Street Trust and Bank

During his career Sean has accumulated significant experience in strategic planning and implementation including budget setting, corporate restructuring, fund raising, corporate reporting, asset acquisitions and disposals, due diligence on mergers and acquisitions and project management.

### Stephen Jordon – Business Development Manager

Stephen started his Management Career with Accor as a Hotel Manager in Training with the Novotel New York, moving into the Position of Food and Beverage Manager where he stayed for two years then moving to the UK to work with the Accor Acquisitions and Development Team.

His role was the pre-inspection of possible Hotels to acquire for the brand, and area Analysis, Suitability and Sustainability. Upon the completion of this he then work with the transition team to ensure a

Smooth, Fast and Effective transfer of ownership and management of the Hotel whilst still maintain excellent relations with the local community.

Upon his return to Australia he has worked for Tangalooma Island Resort as a Business Development Manager, before now moving to the Alexandra Group working with new acquisitions and business development .

### Advisors

#### Accountant

Allen Wight is the accountant for Alexandra's and has provided high-quality professional advice over the last five years.

#### Hospitality Consultant

Brian Anderson is the principal of Hospitality Consulting and Services. He has, and will continue to provide guidance and expert assistance to the business.

#### Auditors

SRJ

Chartered Accountants and Business Advisors

Unit 3, Strathlinks Building

27 South Pine Road,

Strathpine Queensland 4500

## 6.3 Company Incorporation

On the 3rd September 2010, the Company was registered with the Australian Securities and Investments Commission (ASIC) as an unlisted public company.

## 6.4 Company Strategy

### The Alexandra's Brand

Alexandra's is one of the most popular accommodation brands in Bundaberg, providing a level of service and accommodation quality that is unmatched by other similar businesses. The company plans on continuing this recognition with future endeavours by closely adhering to already established high-quality standards for both business premises and customer service.

All properties have 4-star furnishing and cleaning services and utilise contemporary designs. Bedding is triple-sheeted, all electronics in the rooms are modern (including plasma or flat-screen TV's) and AGH's administration staff provide a consistently high level of service. In order to achieve these high service levels, AGH are utilising the Hilton model of management – a tried and tested system used by one of the world's most prestigious providers of accommodation.

AGH will keep a well-maintained sinking fund for all of their properties. This will allow the company to engage in regular property refurbishments and ensure that they are able to offer the most modern

rooms to their customers. This is a major part of AGH's strategy, and will be a significant factor aiding the company to stay ahead of its competitors.

AGH market to modern travellers, are growing more and more discerning of their accommodation options, regardless of whether they're travelling in a capital city or regional area. In catering to families in these areas AGH provide an alternative to cramped short-term accommodation, with separate living spaces and bedrooms providing more sleeping space and removing the need to book adjoining motel rooms. This makes Alexandra's an economical option, while enabling the company to maintain higher pricing points for some of their services.

The initial expansion plan will be into regional areas, with the brand-name being advertised and marketed as 4-star quality within regional areas that's comparable to offerings in capital-cities. Websites for all properties will be linked and marketing material will contain a consistent logo with colour variations distinguishing the types of properties. A loyalty point system will be incorporated immediately, with accounts for corporate clients. Within 10 years further expansion will be completed into capital cities to incorporate a major city option for Alexandra's established customer base

### 6.5 Exit Strategy

The Board will continuously look for ways to increase and enhance Shareholder value and wealth. This will not only focus on operational efficiency

and profitability, but on matters such as expansion by product or service range, acquisition or merger. The directors plan is to grow the business to a stage where it will become an attractive trade sale for one of the larger hotel groups.

### 6.6 Corporate Governance / Continuous Disclosure

The Board is responsible for the corporate governance of the Company and the members of the Board recognise the need for the highest standards of behaviour and accountability. To this end, the Board has adopted sound practices of corporate governance. A process of continuous disclosure has been adopted relevant to keeping Directors, management, shareholders and potential investors informed. The Company is cognisant of due diligence requirements in the event of a future merger, trade sale, takeover or listing on a recognised stock exchange.

The Board considers that the Company is not currently of a size nor are its affairs of such complexity to justify the establishment of separate Board committees. Accordingly, all matters that may be capable of delegation to committees will be dealt with by the full Board.

As such, the Directors are responsible for setting the strategic direction of the Company and establishing the policies of the Company. It is their responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company, on behalf of the Shareholders.

The Directors also address issues relating to internal control and the Company's approach to risk management.

Investors in AGH are invited to undertake their own due diligence of the Company, its management and the Company's products or services, subject to signing a confidentiality agreement. Enquiries should be made to the Company directly.

## 7. PURPOSE OF CAPITAL RAISING

The Company is seeking to raise an amount of \$2,000,000 through an issue of Shares for the principal purpose of starting the expansion process of the Alexandra's Brand accommodation chain into other regional centres of Queensland. Part of these funds will be used to prepare a full disclosure prospectus document in early 2011 in order to raise the additional funding required for the overall expansion plans.

The capital raising is being undertaken through this Offer Document in accordance with the capital raising provisions pursuant to Section 708 of the Act.

When all of the Shares on offer are taken up, the \$2,000,000 would represent an equity stake in the Company of approximately 24.0%.



## 8. COMPANY OBJECTIVES

Investors should note that once the Minimum Subscription has been reached, the funds raised (which include the Minimum Subscription) by Round 1 and Round 2 and Round 3 of the Offer will be applied by the Company towards achieving the objectives set out below:

Immediate (within three months of Minimum Subscription being reached)

- Commence development approvals for new locations.

Short Term (within six months of Minimum Subscription being reached)

- Extensive marketing;
- Additional property under construction;
- Purchase and upgrading of second location;
- Funding of a Prospectus Document for further capital raising; and
- Establishing internal procedures that will enable smooth roll-out to the additional properties.

Medium Term (within 12-24 months from Minimum Subscription being reached)

- Two additional properties online;
- Works initiated on one other location;
- Loyalty program established and growing; and
- Business division devoted to establishing in new properties.

The Directors consider that the funds to be raised in Rounds 1, 2 and 3 will provide the Company with sufficient working capital to fulfil the objectives stated above. However, the Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds and it may consider undertaking a further Round/s of capital raising in order to sufficiently develop its business operations.

Long Term – Beyond 2013

- The business strategy is to add two additional properties per year to increase brand awareness nationally

### Use of Funds raised through the Offer

The following is a summary of the proposed use of funds raised pursuant to the Offer.

The amounts in the table may be subject to variation subject to quantum and timing.

The Company's growth plan will be scaled accordingly to ensure it operates within the constrained cash available at any given time and to avoid any undue pressure from its creditors.

No contract will be entered into without certainty of financial exposure and assurance that the Company has adequate cash flow available to meet the commitment.

Investors should note that once the Minimum Subscription has been reached, the amount of the Minimum Subscription will be released to the Company to be applied in the manner set out below. Thereafter, as each round of the Offer closes, the funds raised by each round will be released to the Company to be applied in the manner set out below.

Round 1 Funding:	
D & A and research Activity for future locations	\$200,000
Marketing and promotions	\$29,400
Cost of Raising Funds	\$20,600
<b>Total Round 1 Funding:</b>	<b>250,000</b>

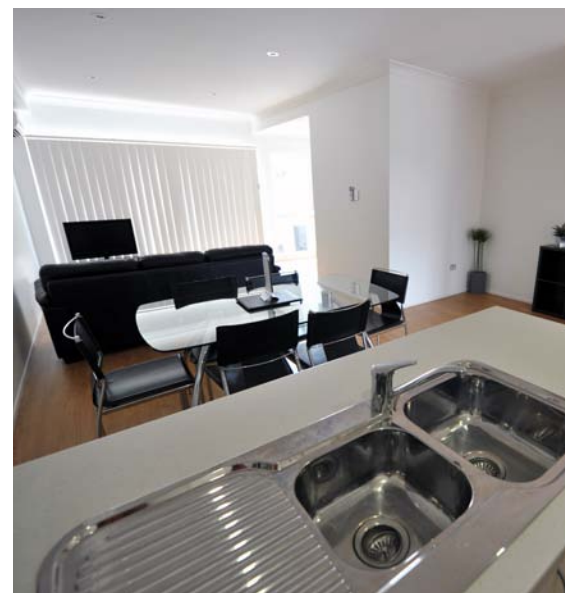
Round 2 Funding:	
Establishing new premises	\$200,000
Prospectus Document	\$29,400
Cost of Raising Funds	\$20,600
<b>Total Round 2 Funding:</b>	<b>250,000</b>

Round 3 Funding:	
Equity capital and working capital for operation of new locations	\$1,300,000
Marketing	\$76,250
Cost of Raising Funds	\$123,750
<b>Total Round 2 Funding:</b>	<b>1,500,000</b>

<b>Total Funding:</b>	<b>2,000,000</b>
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### Funding (including the Minimum Subscription) – may be adjusted based on timing of funding, sales and cash flow requirements.

References to costs of raising funds are amounts payable to Stepping Stone Equity Pty Ltd for acting as broker to the Offer. Additional costs of the Offer will include those payable to ASSOB, together with the Company's advisers such as its accountants and lawyers.



*“ Over the next five years AGH intend to expand Alexandra’s into regional areas in Australia, many of which are supplied by motel chains that don’t offer the modern quality provided by Alexandra’s ”*

## 9. OFFER DETAILS

### 9.1 The Share Offer

The Company will offer for sale a total of 29,166,700 Ordinary Shares at an issue price of \$0.04 cents in Round 1; \$0.06 cents in Round 2 and \$0.08 cents in Round 3 which, when sold is intended to provide the required \$2,000,000.

The capital raising is expected to provide investors with a maximum amount of 24% equity in the Company.

However, before making any investment, investors are advised to take their own independent accounting, taxation, legal and any other advice they or their circumstances may require in considering an investment in Alexandra Group Holdings Limited. No person mentioned in this Offer Document will offer, or may be construed as offering advice to any potential investor in Alexandra Group Holdings Limited.

Any additional capital raising will be wholly contingent upon the Company's Round 1, Round 2 and Round 3 capital raising being fully subscribed. The Company may elect, at its sole discretion, to offer additional Securities to remaining concessions covered by s708(1) of the Act or to any sophisticated, professional or other excluded investors pursuant to section 708 of the Act. Any such Offer may be made through a Supplementary Offer Document or an Investment Memorandum. Should there not be any sophisticated, professional investors or remaining concessions, an additional Round may be made under full disclosure.

Please note that at any stage of the capital raising process, the pricing of the securities provides investors with a guide only and the price paid for securities will always be a matter for negotiation between the parties. The Company makes no representation about the underlying value of securities on offer. Prospective investors must make their own assessment about whether the price of the securities on offer represents fair value.

### 9.2 Minimum Subscription Requirement

No Shares will be issued pursuant to this Offer Document until the Minimum Subscription requirement has been reached. The minimum amount sufficient to commence the implementation of the immediate business planning objectives of the Company pursuant to this Small Scale Offering is \$50,000, which will enable the company to commence applications for development of new premises, as well as further assessments of potential sites for takeover and rebranding as Alexandra-branded establishments.

Once Minimum Subscription has been reached, Shares allotted pursuant to this Offer will be issued and monies held in Trust will be allocated and released for the benefit of the Company. It may take up to ten (10) business days to process Share Application Forms ("Applications") and Application Monies through the Trust Account and thereafter the Company will issue certificates or holding statements to Shareholders which set out

the number of Shares issued to each Shareholder pursuant to this Offer Document.

In the event the Minimum Subscription amount is not met within four (4) months of the Opening Date, then any monies so far subscribed will be refunded to Investors in full and without interest and this Offer will be withdrawn from the Australian Small Scale Offerings Board, pending further action from the Company.

### 9.3 Minimum Investment per Investor

The minimum investment per investor is:

- 6,250,000 Ordinary Shares at \$0.04 in Round 1 for \$25,000 per investor; and
- 4,166,700 Ordinary Shares at \$0.06 in Round 2 for \$25,000 per investor; and
- 18,750,000 Ordinary Shares at \$0.08 in Round 3 for \$25,000 per investor, which may be negotiated between the Company and the Applicant.

A completed Application must be accompanied by a single payment in the full amount as per instructions on the Share Application form.

### 9.4 Offer Period

The Opening Date of this Small Scale Offering is 1 November 2010 at 9am ESDT and the Closing Date will be 31 October 2011 Day Month Year at 5pm ESDT, unless fully subscribed earlier. The above

date is indicative and subject to change. Alexandra Group Holdings Limited reserves the right to change the dates and times of the Offer without notice, whether fully subscribed or not. Alexandra Group Holdings Limited also reserves the right to extend the closing date for Applications without prior notice.

Prospective investors are encouraged to submit a Share Application Form as early as possible. The Directors of Alexandra Group Holdings Limited reserve the right to accept any Application in full, accept any lesser number of Shares, or decline any Application.

### 9.5 How to Apply for Shares (inc. Share Registrar)

An Application to subscribe for Shares pursuant to this Offer may not be legally included in this Offer Document and any interested investors are to request an Application from the person whose name and contact details appear at the end of this Offer Document at Section 18.

The Offer made pursuant to this Offer Document is made only to the addressee of the Offer and only the addressee may complete the Share Application Form and subscribe for the Shares offered pursuant to this Offer. To that extent, neither the Offer Document nor the Application may be handed to any member of the public.

A completed Application Form must be accompanied by a single payment in the full amount

as per instructions on the Application form.

By making an application for shares the applicant warrants that they have read the Offer Document with particular reference to the Section headed Risk. Applicants acknowledge that investing in start-up firms is risky and they may lose all of the money they invest in the Company.

Application Monies for Shares offered pursuant to this Offer Document will be held in trust until allotment of those shares (subject to reaching the prescribed Minimum Subscription requirement).

**Note: For sophisticated investors who, pursuant to s708(8)(c) of the Act, are able to provide a “sophisticated investor” certificate from a qualified accountant, and for offers not received in Australia, there is no minimum or maximum investment amount.**

The Directors reserve the right to accept any Application in full, accept any lesser number of Shares, or decline any Application. Applicants must not assume that the Shares they apply for, or any number of Shares, will be issued to them in response to their Application and before dealing in any Shares, Applicants must satisfy themselves as to their actual holding of Shares.

In the event any Application is rejected, in whole or in part, the relevant Application Monies will be refunded to the investor in full without interest. Where the number of Shares issued is less than the number applied for by the Applicant, the surplus Application Monies will be refunded by cheque

within thirty (30) days after the Closing Date. Where no Shares are issued, Application Monies will be refunded to the investor in full by cheque within thirty (30) days of the Closing Date.

The Company will issue certificates to shareholders, as soon as practicable after allocation, which set out the number of Shares allocated to them pursuant to this Small Scale Offering. Investors will be provided with a new certificate, upon the delivery to the Company of the original certificate for cancellation, where there are any changes in their holdings of Securities.

### 9.6 Applications made out of AU

For Overseas Investors, a completed Application must be accompanied by a telegraphic transfer (TT) receipt or electronic funds transfer (EFT) receipt, made payable to the Trust Account nominated on the Application. All funds sent from overseas, when converted to Australian dollars, must be the same Australian dollar amount inserted in the Application – clear of bank fees. Funds must arrive as a single deposit for the full amount with the three letter ASSOB Code reference, plus the investor name and date of transfer.

### 9.7 Buyer/Investor Cooling off period

A contract of sale for securities, discussed at a Meeting, entered into during the period of five business days commencing on the date of the

Meeting, with a prospective buyer/investor who attended the meeting, is voidable at the option of the prospective buyer/investor, without penalty or forfeiture, during the period of ten (10) business days commencing on the date of the Meeting.

### 9.8 Non-Listed Security

As an Unlisted Public Company, shares can be bought and sold through the Company's share register (subject, of course, to any pre-emptive rights agreement). A shareholder may transfer by proper transfer or by an instrument in writing in any form authorised by the Corporations Act 2001 or in any other form that the Directors may approve. The Directors may only decline to register any transfer in circumstances where the transfer is not in a registrable form or where the Corporations Act 2001 provides or would require that the registration be refused.

All share transfers and documentation relating to the transfer of shares must be documented in the Company's share register.

The Company has been accepted by ASSOB Pty Ltd (ASSOB) for admission of the Company to the Australian Small Scale Offerings Board platform at [www.assob.com.au/agh](http://www.assob.com.au/agh).

Neither ASSOB nor any of its officers take any responsibility for the content of this offer document or for the merits of the investment to which the offer document relates.

Maintaining admission to the Australian Small

Scale Offerings Board provides the Company's new shareholders with access to ASSOB's restricted secondary sale platform where they can offer\* to transfer some or all of their holding.

\*Subject to ASIC Class Order [02/273] "Third Exemption": Provided that, in each offer, share transfers are restricted to no more than 20 new investors in 12 months and not exceeding \$5 million in total.

Users of the Australian Small Scale Offerings Board Secondary Sale platform should be aware at the outset that ASSOB is not an established market for the sale or purchase of securities but merely provides a mechanism to identify potential investments or investors.

To that extent, the market for ordinary shares must be considered to be illiquid and likely to remain illiquid until such time, if at all, the Company lists on a stock exchange or is taken over by a company listed on a stock exchange.

## **10. LEGAL JURISDICTION**

This Offer Document does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Offer Document or make the offer. It is the responsibility of any Applicant outside Australia to ensure compliance with all laws of any country relevant to their Applications and any such Applicant should consult their professional advisers as to whether any government or other consents are required or whether any formalities need to be observed to enable them to apply for and be allotted any securities. No action has been taken to register or qualify the Securities or the Offer or otherwise to permit a public offering of the Securities on offer in any jurisdiction outside Australia.



## 11. CORPORATE SHARE STRUCTURE

### 11.1 Current Ownership Structure

To secure the required funds, the Company proposes to offer for sale a total of approximately 24% (or its equivalent in the event of a capital restructuring) of Alexandra Group Holdings Limited.

The present owners have invested considerable money, time and effort in research, development, intellectual property, contracts, processes and systems of the business to this stage of the Company's development. For this contribution (associated intellectual property, contracts, systems, etc.) they will retain 76% (or its equivalent in the event of a capital restructuring) of Alexandra Group Holdings Limited from the outset.

As at the date of this Offer Document, the Founders and Directors have the following interests (including indirect interests) in Shares.

Director	Number of Shares at commencement of the Offer	Number of Shares when Minimum Subscription reached	Percentage Shares
Karen & Michael Kirby (BTN Family A/c)	87,743,156	87,743,156	95.0%
Steven Greenwood (Greenwood Family A/c)	4,618,061	4,618,061	5.0%
	<b>92,361,217</b>	<b>92,361,217</b>	<b>100</b>

### 11.2 Proposed Ownership Structure

On completion of the Offer, the capital structure of the Company will be as set out below. Please note that this table assumes that Round 1, Round 2 and Round 3 of the Offer are fully subscribed.

Event	Shares issued to/held by	Number of Shares
Prior to commencement of Offer	Founding Shareholders	92,361,217
Prior to commencement of Offer or on reaching the Minimum Subscription on a pro rata basis	Founding Shareholders*	92,361,217
Minimum Subscription reached	Investors under the Offer	1,250,000
Completion of balance of Round 1	Investors under the Offer	5,000,000
Completion of Round 2	Investors under the Offer	4,166,700
Completion of Round 3	Investors under the Offer	18,750,000
	<b>Total on completion of the Offer</b>	<b>121,527,917**</b>

92,361,217 Shares will be issued to the Founding Shareholders on a pro rata basis prior to the commencement of the Offer or on reaching the Minimum Subscription in consideration for the contribution by the Founding Shareholders of the Intellectual Property and the provision of other services to the Company.

On completion of each stage of the Offer, the breakdown of the capital of the Company will be as set out below. Please note that this table assumes that Round 1, Round 2 and Round 3 of the Offer are fully subscribed.

Event	Founding Shareholders		Investors under the Offer	
	Number	%	Number	%
On incorporation of the Company	92,361,217	100.00	0	0
Prior to commencement of the Offer	92,361,217	100.00	0	0
Minimum Subscription	92,361,217	98.67	1,250,000	1.33
Completion of Round 1	92,361,217	93.66	6,250,000	6.34
Completion of Round 2	92,361,217	89.86	10,416,700	10.14
Completion of Round 3	92,361,217	76.00	29,166,700	24.00

Please note that if the Offer is not fully subscribed, the Founding Shareholders will hold more than 80% of the capital of the Company.

### 11.3 Creation & Issue of Further Shares

The issue of Shares is under the control of the Directors of Alexandra Group Holdings Limited. Subject to restrictions on the allotment of Securities to Directors or their associates contained in the Act, the Directors may allot or dispose of other Shares on such terms and conditions as they see fit. To obtain a definitive assessment of rights and liabilities which attach to this Offer, Shareholders should obtain a copy of the Company's Constitution and seek their own independent legal and accounting advice.

### 11.4 Escrow Provision

The original founding shareholders have entered into a voluntary restriction agreement with Alexandra Group Holdings Limited whereby the existing nominated shareholders agree that they will not transfer, sell or otherwise dispose of any more than 10% of each founder's shareholding for a period of twelve (12) months from the date on which the Company obtains any new investors onto its share register resulting from this Offer. A copy of the Voluntary Escrow Restriction Agreement is available to any interested party upon request to the Company.

### 11.5 Dividend Policy

The initial objective of Alexandra Group Holdings Limited is to obtain sufficient working capital to enable it to fully develop its strategic business plan. The ability of Alexandra Group Holdings Limited to pay and the amount of any dividend in the future is dependent on many factors, including its future capital and research and development requirements and the financial position generally of Alexandra Group Holdings Limited at the time. Many of the factors that affect the ability of the Company and the timing of those dividends will be outside the control of Alexandra Group Holdings Limited and its Directors. The Directors cannot give any assurance regarding payment of dividends in the future.

### 11.6 Limited Liability

The liability of shareholders is limited to the fully paid value of the shares held. If partly paid shares are held and a call is made, the holder is liable to pay the call. A person taking up shares in a company knows from the beginning the extent of their individual liability.

## 12. RISK ANALYSIS

Risk	Mitigation
What will happen if the company only gain part or none of the intended capital raising	Expansion will be slower or on a smaller scale.
Lower than expected occupancy	Properties will be purchased with a minimum achievable occupancy that enables the property to continue to run profitably. Careful research will be conducted into areas for expansion and worst case scenarios will be conducted to ensure that the suggested property fits within acceptable criteria.
Successful competing properties exist at intended and desired locations	Investigations will be conducted into the possibility of purchasing existing properties to allow for the removal of competition within a target area through purchase of the property. Market size and type will be carefully considered.
Insufficient market share for brand recognition	Depending on the reasons for this, the approach to market share will be adapted to ensure that best market share is achieved as rapidly as possible. Extensive advertising has been budgeted for and studies are being conducted to ensure that the brand will be recognised for the qualities intended and that these qualities will effectively capture our intended market. Loyalty programs and affiliations will be strongly promoted.

In addition to the risks set out above, the Company wishes to note the following risks:

- The Company, in common with other companies participating in its market, is affected by general economic conditions, including the level of interest rates, employment rates and inflation. Changes in government, fiscal, monetary and regulatory policies may also affect the business of the Company.
- The Shares allotted under this Offer carry no guarantee in respect of profitability, dividends, return on capital or value. The Shares are unlisted and therefore they are illiquid.
- The Directors give no assurances that the objectives of the Company outlined in this Offer Document will be met.
- The Company was incorporated in 2010 and accordingly, has limited operating history. The prospects of the Company must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stages of development.
- The Offer is intended to raise sufficient funds to fund the ongoing development and working capital needs of the Company during its initial period of operation. The Company may need to raise additional funds (through a further capital raising or debt) at some future time after conclusion of the Offer should it require additional working capital. Such an additional raising will have the effect of diluting the interests of Shareholders of the Company.

- The ability of the Company to effectively implement and expand its business plan over time may depend, in part, on its ability to raise additional funds. There can be no assurance that any equity or debt funding will be available to the Company, or be available on acceptable terms.
- The Company is subject to various forms of taxation, including company tax and goods and services tax. An increase, change in the application or introduction of a new tax could materially affect the performance and financial position of the Company.
- It is common for companies to be exposed to a number of legal risks. These could include but are not limited to, litigation risk, professional liability claims, industrial action and legal compliance.
- There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. Accordingly, an investment in the Company should be regarded as highly speculative. This information does not purport to be a comprehensive statement of all risks; an investor should seek and obtain professional advice prior to deciding whether or not to invest in Alexandra Group Holdings Limited.

## 13. ADDITIONAL INFORMATION

### 13.1 Strategic Growth Plan

#### Round 1

\*\* Note: the stated capitalised value should not be construed as being an accurate and representative valuation on the company or its share price. The resulting figure is merely obtained by multiplying the quantity of shares on issue by the current offer price of this round), i.e. Total Amount of Issued Capital x Share Price.

#### Alexandra Group Holdings Limited

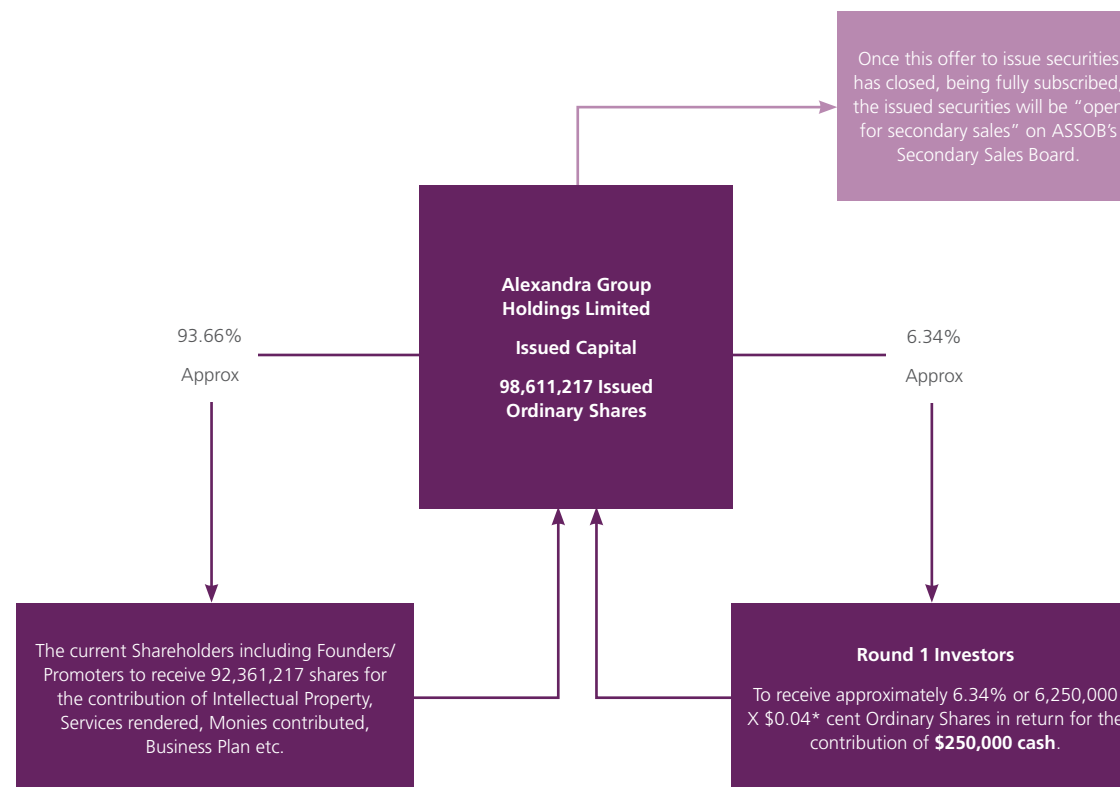
To Raise: \$250,000

Company now Capitalised at: \$3,944,449\*\*

#### Share Pricing - Round 1:

Ordinary Shares on offer:	6,250,000
Pricing:	\$0.04
Price to Investor(s):	\$0.04

**Total Proceeds to the Company: \$250,000**



#### \*Investor Note:

In any round of capital raising being undertaken, the pricing of the securities provides investors with a guide only and the price paid for securities will always be a matter for negotiation between the parties. The Company makes no representation about the underlying value of securities on offer. Prospective investors must make their own assessment about whether the price of the securities being offered represents fair value.

## 13.2 Strategic Growth Plan

### Round 2

\*\* Note: the stated capitalised value should not be construed as being an accurate and representative valuation on the company or its share price. The resulting figure is merely obtained by multiplying the quantity of shares on issue by the current offer price of this round), i.e. Total Amount of Issued Capital x Share Price.

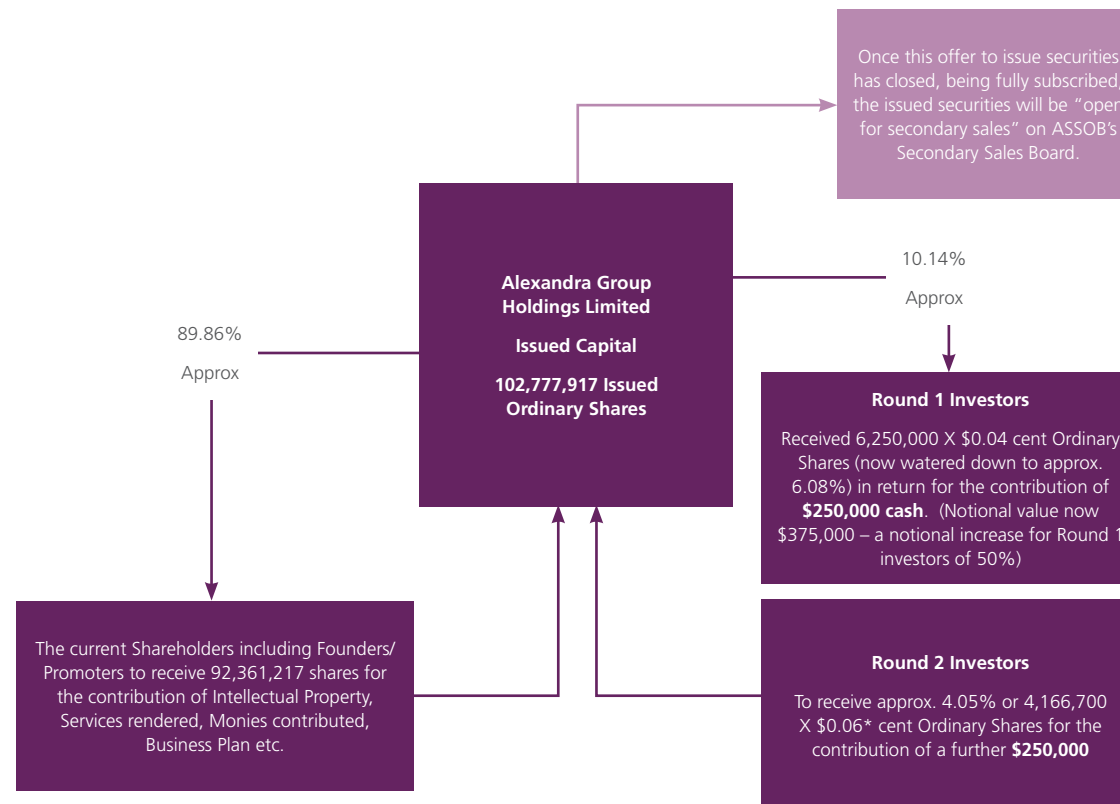
### Alexandra Group Holdings Limited

To Raise: \$250,000

Company now Capitalised at: \$6,166,675

#### Share Pricing - Round 2:

Ordinary Shares on offer:	4,166,700
Pricing:	\$0.06
Price to Investor(s):	\$0.06
<b>Total Proceeds to the Company:</b>	<b>\$250,000</b>



#### \*Investor Note:

In any round of capital raising being undertaken, the pricing of the securities provides investors with a guide only and the price paid for securities will always be a matter for negotiation between the parties. The Company makes no representation about the underlying value of securities on offer. Prospective investors must make their own assessment about whether the price of the securities being offered represents fair value.

### 13.3 Strategic Growth Plan

#### Round 3

\*\* Note: the stated capitalised value should not be construed as being an accurate and representative valuation on the company or its share price. The resulting figure is merely obtained by multiplying the quantity of shares on issue by the current offer price of this round), i.e. Total Amount of Issued Capital x Share Price.

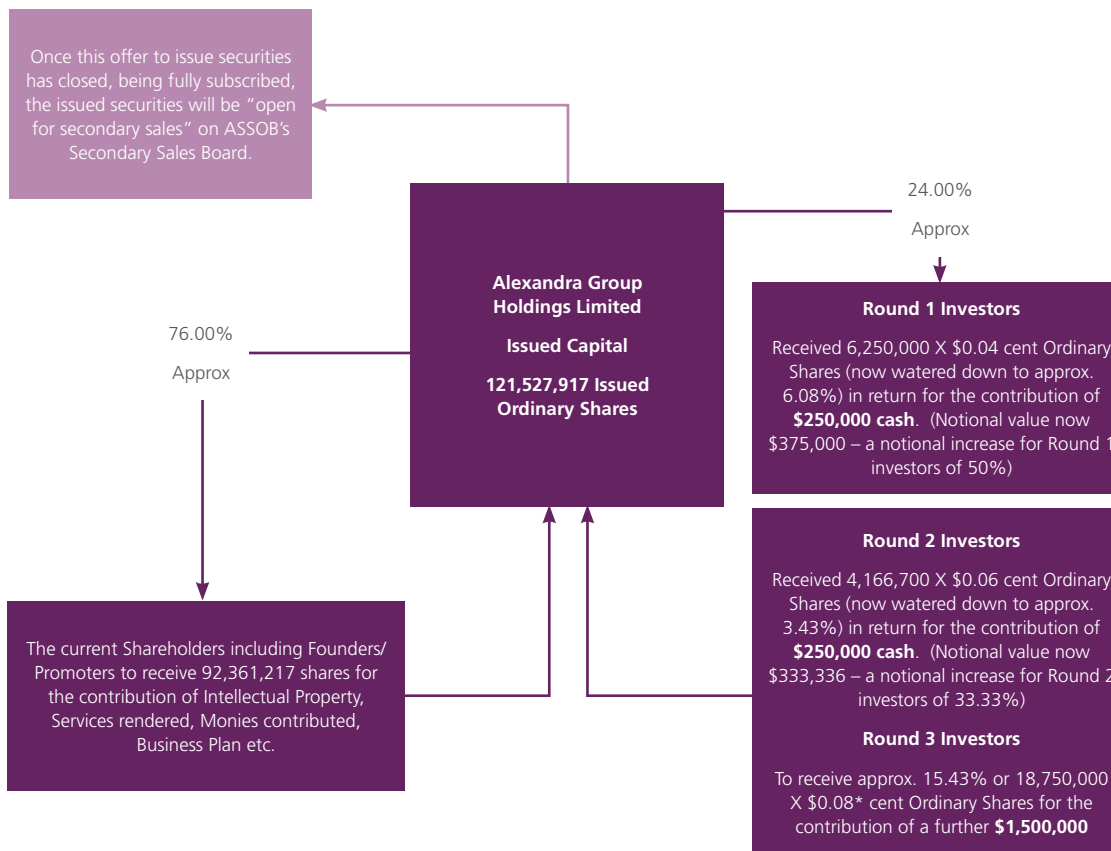
#### Alexandra Group Holdings Limited

To Raise: **\$1,500,000**

Company now Capitalised at: **\$9,722,223**

#### Share Pricing - Round 2:

Ordinary Shares on offer:	18,750,000
Pricing:	\$0.08
Price to Investor(s):	\$0.08
<b>Total Proceeds to Company:</b>	<b>\$1,500,000</b>



#### \*Investor Note:

In any round of capital raising being undertaken, the pricing of the securities provides investors with a guide only and the price paid for securities will always be a matter for negotiation between the parties. The Company makes no representation about the underlying value of securities on offer. Prospective investors must make their own assessment about whether the price of the securities being offered represents fair value.

## 14. EXTRA INFORMATION ABOUT THE BUSINESS

### 14.1 Key Sensitivities

- Price sensitive; aiming to be 20% below the average price in each area
- Combination of types of rooms made available to target market
- Size of premises in each area
- How well market in area is already serviced with AGH style of accommodation will trigger purchase or development

### 14.2 Critical Success Factors

- Recognition by market place of what brand represents
- Consistency of quality and service across each property in network
- Establishing loyalty in customer base
- Maximum customer satisfaction
- Each of the establishments are continually contributing to overall group profitability
- Establishing the growth of the brand and network as quickly as possible

### 14.3 Marketing Strategies

- Structured PR and advertising combined with cold selling to existing customers
- Rebranding all new properties at inception
- Establishing loyalty programmes for repeat business
- Affiliate arrangements with other services such as car hire, airline programs, local eating houses etc.

### 14.4 Testimonials

- Testimonials from existing high profile corporate guests will be sought to help promote the Alexandra's brand as part of the marketing strategy. These include:
  - **Sunshine Coast Helicopter Rescue Service**
  - **Avon**
  - **K and S Freighters**
  - **Dan Murphy's**
  - **Channel 7**
  - **Powerlink**
  - **Mirvac consultants and council auditors**
  - **Queensland Health**
  - **Department of Transport and Main Roads**
  - **AFL Queensland**
  - **Tourism Queensland**
  - **McFie Group**
  - **Napoleon Perdis**

## 15. OTHER ADDITIONAL COMPANY INFORMATION

### 15.1 Intellectual Property

Trade Marks

"Alexandra"; "Alexandra Lodge"; "Alexandra Apartments" and "Alexandra Platinum International" are trademarks owned by AGH

Domain names as follows:-

[www.alexandraapartments.com.au](http://www.alexandraapartments.com.au)

[www.alexandralodge.com.au](http://www.alexandralodge.com.au)

[www.alexandrasonthebeach.com.au](http://www.alexandrasonthebeach.com.au)

[www.alexandrasuites.com.au](http://www.alexandrasuites.com.au)

[www.platinuminternational.com.au](http://www.platinuminternational.com.au)

The systems, methodology, processes and technology platform that enables scalability allowing for consistency and a good customer level of satisfaction

### 15.2 Website

The Company has established web sites at (www.alexandraapartments.com.au and www.alexandralodge.com.au ) for the marketing and promotion of its products or services and is continually adding to and updating the site as the need arises.

### 15.3 Litigation

The Company is not and has not been, since its incorporation in 2010, engaged in any litigation or arbitration proceedings. As far as the Directors are aware, no such proceedings are threatened against the Company.

## 16. PRIVACY

When applying for Shares, Applicants will be asked to provide personal information to the Company such as name, address, telephone and facsimile numbers, tax file number and account details. The Company collects, holds and uses that personal information to assess Applications, provide facilities and services to Applicants and undertake administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with such information under the Privacy Act 1988 (Cth). Incomplete Applications may not be processed.

Under the Privacy Act 1988 (Cth), Applicants may request access to their personal information held by the Company by contacting the Company.



## 17. GLOSSARY OF TERMS

This glossary of terms is provided to assist in understanding some of the expressions used in this Offer Document.

**\$** means Australian dollars

**APPLICANT** is used interchangeably with INVESTOR and means a person who applies for Shares in accordance with this Offer Document

**APPLICATION** means a valid application to subscribe for Shares offered under this Offer Document

**APPLICATION Monies** means monies received from an Application in respect of an Application

**ASIC** means Australian Securities & Investment Commission

**AUSTRALIAN SMALL SCALE OFFERINGS BOARD** or **ASSOB** means the Internet-based bulletin board for small scale offerings operated by Australian Small Scale Offerings Board Limited (ABN: 109 469 383) at [www.assob.com.au](http://www.assob.com.au)

**BOARD** means the board of Directors of the Company duly appointed in accordance with the Constitution

**CLASS ORDER** means the Class Order 02/273 Business Introduction or Matching Services as prescribed by ASIC

**CAPITALISED VALUE** means the number of Shares multiplied by the offer price for the last completed round

**CLOSING DATE** means twelve months from the Opening Date of the Offer Document

**COMPANY** or **AGH** means Alexandra Group Holdings Limited

**CONSTITUTION** means the constitution of the Company and all the amendments thereto

**CORPORATIONS ACT** or the **ACT** means Corporations Act 2001(Cth) including the Corporations Regulation 2001 (Cth) as amended from time to time

**DIRECTORS** mean the directors of the Company

**OFFER DOCUMENT** means this document dated as given on front page or as modified or varied by a Supplementary or Replacement Offer Document made by the Company

**ISSUER PAGE** means the Company's profile page as displayed on the ASSOB website

**INVESTOR MEETING** means a meeting between the Company and potential investors which is overseen by the ASSOB Sponsor for the purpose of investing in this Offer

**MINIMUM INVESTMENT** means the average minimum parcel of shares available to an investor pursuant to this Offer Document

**MINIMUM SUBSCRIPTION** means \$50,000

**NEW ISSUE** means Shares to be newly issued pursuant to this Offer Document

**OFFER** means the offer for Shares set out in this Offer Document

**OFFER DOCUMENT** means this document dated as given on the front page or as modified or varied by a supplementary or replacement offer document

**OPENING DATE** means the opening date of the Offer as shown on the front cover of the Offer Document

**ORDINARY SHARES** means ordinary fully paid shares in the capital of the Company

**OVERSEAS INVESTOR** is an investor that is domiciled in a country other than Australia

**PROFESSIONAL INVESTOR** has the meaning ascribed to that term under Section 708(11) of the Act

**SOPHISTICATED INVESTOR** has the meaning ascribed to that term under Section 708(8) of the Act

**SHARE** means one fully paid ordinary share in the issued capital of the Company and **Shares** means any two or more of them

**SHAREHOLDER** means a holder of Shares in the Company

**SECONDARY SALE OFFER** means a transfer of securities by individual Shareholders in the Company

**SMALL SCALE OFFERING** means offers to issue or sell securities or scheme interests made under Section 708 of the Act 2001

## 18. WHO TO CONTACT

After having read this publication, if you then wish to arrange to meet with the Director or Chief Executive Officer of AGH or simply wish to receive a Share Application Form, then you should contact:-



**Terry Richards**

**Chief Executive Officer**

m: 0408 123 401

e: [terry@steppingstoneequity.com.au](mailto:terry@steppingstoneequity.com.au)

w: [www.steppingstoneequity.com.au](http://www.steppingstoneequity.com.au)

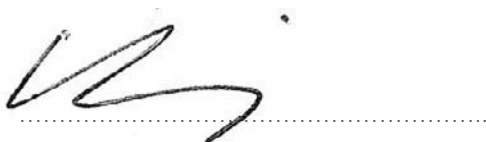
## 19. DIRECTORS DECLARATION

The Directors have made reasonable enquiries to ensure that there is no material statement in this Offer Document which is false or misleading. They have also made reasonable enquiries to ensure that there is no material omission from the Offer Document.

The Directors report that, as of the date of signing, after due enquiry by them, they have not become aware of any circumstances that in their opinion materially affects or will materially affect the assets and liabilities, financial position, profits and losses or prospects of Alexandra Group Holdings Limited other than those set out in the Offer Document.

The Directors have consented to the Offer and the issue of this Offer Document. This Offer Document is signed by the Executive Director of the Company on behalf of the Directors.

Signed on behalf of Alexandra Group Holdings Limited



Karen Kirby – Managing Director/CEO