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耀星科技集團

BRIGHTSTAR TECHNOLOGY GROUP CO., LTD

BRIGHTSTAR TECHNOLOGY GROUP CO., LTD

耀星科技集團股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8446)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

Financial adviser to the Company

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
溢博資本有限公司

On 8 April 2024 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Company has conditionally agreed to allot and issue to the Subscribers, and the Subscribers have conditionally agreed to subscribe for, a total of 101,488,000 Subscription Shares at the Subscription Price of HK\$0.165 per Subscription Share under the General Mandate.

The Subscription Shares in aggregate represent (i) approximately 12.48% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.09% of the issued share capital of the Company as enlarged by the allotment and issue of all the Subscription Shares, assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Closing Date save for the allotment and issue of the Subscription Shares.

Completion of the Subscriptions is subject to fulfilment or waiver (as the case may be) of the Conditions Precedent under the Subscription Agreements as stated in this announcement. As such, the Subscriptions may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

On 8 April 2024 (after trading hours), the Company entered into the Subscription Agreements with the Subscribers, pursuant to which the Company has conditionally agreed to allot and issue to the Subscribers, and the Subscribers have conditionally agreed to subscribe for, a total of 101,488,000 Subscription Shares at the Subscription Price of HK\$0.165 per Subscription Share under the General Mandate.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS

The Subscription Agreements are substantially in the same terms. Set out below are the principal terms of the Subscription Agreements:

Date: 8 April 2024 (after trading hours)

Parties: Subscription Agreement A

- (i) the Company, as issuer; and
- (ii) Mr. Li Yuanming (李元明), as subscriber

Subscription Agreement B

- (i) the Company, as issuer; and
- (ii) Ms. Luo Manli (羅曼麗), as subscriber

Subscription Agreement C

- (i) the Company, as issuer; and
- (ii) Yingxin Asset Management Co., Limited, as subscriber

Subscription Agreement D

- (i) the Company, as issuer; and
- (ii) Mr. Luo Jiaqi (羅嘉麒), as subscriber

Subscription Shares: An aggregate of 101,488,000 Subscription Shares, which includes:

Subscriber A: 32,528,000 Subscription Shares

Subscriber B: 32,528,000 Subscription Shares

Subscriber C: 16,264,000 Subscription Shares

Subscriber D: 20,168,000 Subscription Shares

Subscription Price: HK\$0.165 per Subscription Share

Subscription Shares

An aggregate of 101,488,000 Subscription Shares will be allotted and issued under the Subscriptions.

As at the date of this announcement, the Company has a total of 813,231,894 Shares in issue. Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the Closing Date, save for the allotment and issue of the Subscription Shares, the Subscription Shares in aggregate represent:

- (i) approximately 12.48% of the existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 11.09% of the issued share capital of the Company as enlarged by the allotment and issue of all the Subscription Shares.

The Subscription Shares have an aggregate nominal value of HK\$1,014,880.

Subscription Price

The Subscription Price of HK\$0.165 per Subscription Share represents:

- (i) a discount of approximately 17.50% to the closing price of HK\$0.200 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements;
- (ii) a discount of approximately 17.91% to the average closing price of approximately HK\$0.201 per Share as quoted on the Stock Exchange for the last five (5) trading days immediately before the date of the Subscription Agreements; and
- (iii) a premium of approximately 1.85% over the audited consolidated net asset value attributable to the Shareholders of approximately HK\$0.162 per Share as at 31 December 2023, calculated by dividing the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK\$131,512,000 as at 31 December 2023 by 813,231,894 Shares in issue as at the date of this announcement.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscribers after taking into account the prevailing market price and trading volume of the Shares as well as the current market conditions. The Directors consider that the terms of the Subscription Agreements are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The gross proceeds from the Subscriptions is HK\$16,745,520. The net proceeds from the Subscriptions, after deduction of relevant costs and expenses, is estimated to be approximately HK\$16.2 million. The net Subscription Price per Subscription Share, after deduction of relevant costs and expenses, is estimated to be approximately HK\$0.160 per Subscription Share.

The Subscription Price shall be payable by the Subscribers in cash upon Closing.

Ranking

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue at the time of allotment and issue of the Subscription Shares.

Conditions Precedent

Closing of each of the Subscription Agreements is conditional upon the satisfaction (or, if applicable, waiver) of the following Conditions Precedent:

- (i) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Subscription Shares and such approval not having been withdrawn or revoked;
- (ii) the current listing of the Shares on the Stock Exchange not having been cancelled or withdrawn;
- (iii) each of the warranties included in the Subscription Agreements given by the Company remaining true and accurate in all material respects and not misleading in any material respect as at the Closing Date;
- (iv) the Company not having materially breached or failed to perform in any material respect its other obligations or undertakings under the Subscription Agreements prior to Closing;
- (v) all consents, approvals, permits, authorisations or clearances (as the case may be) that the Company reasonably considers necessary pursuant to applicable laws, regulations or rules (including but not limited to the GEM Listing Rules) for its execution, implementation and completion of the Subscription Agreements having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Closing;
- (vi) all consents, approvals, permits, authorisations or clearances (as the case may be) that each of the Subscribers reasonably considers necessary pursuant to applicable laws, regulations or rules (including but not limited to the GEM Listing Rules) for its execution, implementation and completion of the Subscription Agreements having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time before Closing; and
- (vii) from the date of the Subscription Agreements up to and including the Closing Date, there not having occurred any change (nor any development or event involving a prospective change) in the business, assets and liabilities, condition (financial or otherwise), business operations, results of operations or general affairs of the Company or the Group taken as a whole (whether or not arising in the ordinary course of business), which, in the reasonable opinion of each of the Subscribers, has or would have a Material Adverse Effect.

Among the above Conditions Precedent, items (i), (ii), (v) and (vi) are not waivable by any party to the Subscription Agreements, while items (iii), (iv) and (vii) may be waived by each of the Subscribers. As at the date of this announcement, none of the Conditions Precedent have been fulfilled.

The Closing of each of the Subscription Agreements is not inter-conditional with each other.

If any of the above Conditions Precedent are not satisfied or waived (as the case may be) on or prior to the Long Stop Date, the Subscription Agreements shall cease to be of any effect save in respect of claims arising out of any antecedent breach of the Subscription Agreements.

Closing

Subject to the Conditions Precedent being satisfied or waived (if applicable) and the relevant terms under the Subscription Agreements, Closing shall occur on the date that is within ten (10) business days after the date on which the last Condition Precedent is satisfied or waived (if applicable) via exchange of documents and signatures, or at such other date, time and venue as the Company and the relevant Subscriber may agree in writing.

General Mandate

Pursuant to a general mandate (the “**General Mandate**”) granted by the Shareholders at the annual general meeting of the Company held on 20 June 2023, the Directors may exercise all powers of the Company to allot, issue and otherwise deal with Shares not exceeding 162,646,378 Shares, representing 20% of the number of the issued Shares of the Company as at the date of the annual general meeting. As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate. Accordingly, 162,646,378 Shares remains available for allotment and issuance under the General Mandate which is sufficient for the allotment and issue of the Subscription Shares. As a result, the allotment and issue of the Subscription Shares is not subject to separate Shareholders’ approval.

Listing Application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTIONS

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Subscription Shares (assuming (i) there are no change to the issued share capital of the Company between the date of this announcement and the Closing Date save for the allotment and issue of the Subscription Shares and the

Subscribers will not hold any other Shares save for the Subscription Shares on the Closing Date; and (ii) the Subscriptions will all be completed simultaneously):

	As at the date of this announcement		Immediately after the allotment and issue of Subscription Shares	
	Number of Shares	Approximate shareholding percentage (%)	Number of Shares	Approximate shareholding percentage (%)
ST Ma (<i>Note 1</i>)	250,611,894	30.82	250,611,894	27.40
Yuanyu Enterprise Management Co., Limited (<i>Note 2</i>)	80,100,000	9.85	80,100,000	8.75
Yeung Ho Ting Dennis (<i>Note 3</i>)	36,000,000	4.43	36,000,000	3.93
Ms. Jiang Yu E (<i>Note 3</i>)	2,994,000	0.37	2,994,000	0.33
Mr. Cui Hai Bin (<i>Note 3</i>)	1,000,000	0.12	1,000,000	0.11
Ms. Zhang Yan Ling (<i>Note 3</i>)	<u>1,988,000</u>	<u>0.24</u>	<u>1,988,000</u>	<u>0.22</u>
Sub-total	<u>372,693,894</u>	<u>45.83</u>	<u>372,693,894</u>	<u>40.74</u>
<i>Public Shareholders:</i>				
Subscriber A	—	—	32,528,000	3.56
Subscriber B	—	—	32,528,000	3.56
Subscriber C	—	—	16,264,000	1.78
Subscriber D	—	—	20,168,000	2.20
Other public Shareholders	<u>440,538,000</u>	<u>54.17</u>	<u>440,538,000</u>	<u>48.16</u>
Sub-total	<u>440,538,000</u>	<u>54.17</u>	<u>542,026,000</u>	<u>59.26</u>
Total	<u><u>813,231,894</u></u>	<u><u>100.00</u></u>	<u><u>914,719,894</u></u>	<u><u>100.00</u></u>

Notes:

1. ST Ma is wholly owned by Mr. Ma Lie, the controlling shareholder of the Company.
2. Yuanyu Enterprise Management Co., Limited is wholly owned by Mr. Zhou Hongyu.
3. Mr. Yeung Ho Ting Dennis, Ms. Zhang Yan Ling and Mr. Cui Hai Bin are executive Directors while Ms. Jiang Yu E is an independent non-executive Director.

INFORMATION ON THE SUBSCRIBERS

Each of Subscriber A, Subscriber B and Subscriber D is an individual who is a PRC resident.

Subscriber C is a limited liability company incorporated in Hong Kong, whose principal business is investment holding, and is wholly and beneficially owned by Mr. Yuan Ye (袁野), a PRC resident.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of Subscriber A, Subscriber B, Subscriber D, Subscriber C and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Company is an investment holding company. The Group is principally engaged in (i) the provision of visual display solution services for concerts and events primarily in Hong Kong, the PRC and Macau; (ii) the provision of information technology consulting services in the PRC; and (iii) the provision of hotel reservation and convention planning services in the PRC.

During the year ended 31 December 2023, the visual display solutions business of the Group recovered as the number of pop concerts increased significantly following the ease of the restrictions imposed by the government in relation to the COVID-19 pandemic. Accordingly, the Group recorded a significant growth of approximately 115.9% in revenue from approximately HK\$44.3 million for the year ended 31 December 2022 to approximately HK\$95.7 million for the year ended 31 December 2023. However, due to the relatively high cost of services and administrative expenses, in particular the high equipment depreciation cost, the Group continued to record loss for the year. On the other hand, the Group only had cash and bank balances of approximately HK\$12.0 million as at 31 December 2023. As such, in order to maintain the liquidity and allow sufficient capital to capture any business opportunities that may arise from time to time, the Directors consider that the Subscriptions represent an opportunity to raise additional funding for maintaining the Group's working capital and business operation. The Subscriptions will also strengthen the capital base and financial position for the Group's future business developments and broaden the Shareholder base of the Company.

In view of the above, the Directors consider that the terms of the Subscription Agreements (including the Subscription Price) and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross and net proceeds from the Subscriptions are expected to be approximately HK\$16.7 million and HK\$16.2 million, respectively. The Company intends to apply the net proceeds for general corporate and working capital purposes.

EQUITY FUND RAISING OF THE COMPANY DURING THE PAST TWELVE MONTHS

On 8 May 2023, the Company allotted and issued 13,157,894 subscription Shares at the issue price of HK\$7.60 each to ST Ma for a total consideration of approximately HK\$100 million, among which HK\$40 million has been settled by capitalisation of a shareholder's loan due to ST Ma and approximately HK\$60 million was settled in cash. The Company received net proceeds of approximately HK\$59.0 million, which has been fully utilised as planned and applied as to (i) approximately HK\$49.0 million for the acquisition of 10% equity interest in Shenzhen Evolution Equation Technology Company Limited* (深圳市進化方程科技有限公司), details of which are set out in the announcement of the Company dated 23 May 2023; and (ii) the remaining HK\$10.0 million for general corporate and working capital purposes. For details, please refer to the announcements of the Company dated 12 December 2022, 31 March 2023, 20 April 2023 and 8 May 2023 and the circular of the Company dated 17 January 2023.

Save for the above, the Company had not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

GENERAL

Completion of the Subscriptions is subject to fulfilment or waiver (as the case may be) of the Conditions Precedent under the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings.

“Board”	the board of directors of the Company
“Closing”	completion of the Subscriptions
“Closing Date”	the date of Closing, being within ten (10) business days after the date on which the last of the Conditions Precedent is satisfied or waived (if applicable) via exchange of documents and signature, or such other date as the Company and the relevant Subscriber may agree in writing
“Company”	Brightstar Technology Group Co., Ltd, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM of the Stock Exchange (Stock code: 8446)
“Conditions Precedent”	the conditions precedent set out in the section headed “Principal terms of the Subscription Agreements — Conditions Precedent” in this announcement

“connected persons”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	member(s) of the Board of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 20 June 2023 to allot and issue up to 162,646,378 Shares, being 20% of the total number of Shares in issue as at the date of the date of the annual general meeting
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Long Stop Date”	31 May 2024 (or such later date as the Company and the Subscribers may agree in writing)
“Material Adverse Effect”	any material adverse effect on the business, assets and liabilities, condition (financial or otherwise), business operations, results of operations, or general affairs of the Company or the Group taken as a whole
“PRC”	the People’s Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“ST Ma”	ST MA LTD, a company incorporated in the Cayman Islands with limited liability and is wholly owned by Mr. Ma Lie, the controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber A”	Mr. Li Yuanming (李元明), an individual who is a PRC resident

“Subscriber B”	Ms. Luo Manli (羅曼麗), an individual who is a PRC resident
“Subscriber C”	Yingxin Asset Management Co., Limited, a limited liability company incorporated in Hong Kong
“Subscriber D”	Mr. Luo Jiaqi (羅嘉麒), an individual who is a PRC resident
“Subscribers”	Subscriber A, Subscriber B, Subscriber C and Subscriber D
“Subscriptions”	the subscriptions by the Subscribers for, and the allotment and issue by the Company of, the Subscription Shares under the terms and subject to the conditions of the respective Subscription Agreements
“Subscription Agreement A”	the agreement dated 8 April 2024 entered into between the Company and Subscriber A
“Subscription Agreement B”	the agreement dated 8 April 2024 entered into between the Company and Subscriber B
“Subscription Agreement C”	the agreement dated 8 April 2024 entered into between the Company and Subscriber C
“Subscription Agreement D”	the agreement dated 8 April 2024 entered into between the Company and Subscriber D
“Subscription Agreements”	Subscription Agreement A, Subscription Agreement B, Subscription Agreement C and Subscription Agreement D
“Subscription Price”	HK\$0.165 per Subscription Share
“Subscription Share(s)”	an aggregate of 101,488,000 new Shares to be allotted and issued by the Company to the Subscribers pursuant to the terms and conditions of the Subscription Agreements
“substantial shareholder”	has the meaning ascribed thereto under the GEM Listing Rules
“%”	per cent.

By order of the Board
Brightstar Technology Group Co., Ltd
Cui Hai Bin
Chairman and Executive Director

Hong Kong, 8 April 2024

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Cui Hai Bin, Mr. Yeung Ho Ting Dennis and Ms. Zhang Yan Ling; and four independent non-executive Directors, namely, Ms. Jiang Yu E, Mr. Ji Gui Bao, Mr. Li Xiao Hua and Mr. Jiang Peiyan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.intechproductions.com.