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MILLION STARS HOLDINGS LIMITED
萬星控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8093)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

THE SUBSCRIPTION

On 22 November 2019 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 20,000,000 Subscription Shares at the Subscription Price of HK$0.25 per Subscription Share in accordance with the terms and conditions as set out in the Subscription Agreement.

The number of Subscription Shares represent (i) approximately 5% of the total number of the issued Shares as at the date of this announcement; and (ii) approximately 4.76% of the total number of the issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately following the completion of Subscription (assuming that there will be no other changes in the issued share capital of the Company between the date of this announcement and the Completion Date).

Completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE SUBSCRIPTION AGREEMENT

On 22 November 2019 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for 20,000,000 Subscription Shares at the Subscription Price of HK$0.25 per Subscription Share in accordance with the terms and conditions as set out in the Subscription Agreement:

The Subscription Agreement

Date:	22 November 2019
Issuer:	the Company
Subscriber:	Zhong Baomei
Number of Subscription Shares:	20,000,000
Subscription Price:	HK$0.25 per Subscription Share

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

Subscription Shares

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 20,000,000 Subscription Shares, representing:

(i) approximately 5% of the total number of the issued Shares as at the date of this announcement; and

(ii) approximately 4.76% of the total number of the issued Shares as enlarged by the allotment and issue of the Subscription Shares immediately following the completion of Subscription (assuming that there will be no other changes in the issued share capital of the Company between the date of this announcement and the Completion Date).

Subscription Price

The Subscription Price of HK$0.25 per Subscription Share represents:

(i) a discount of approximately 18.03% to the closing price of HK$0.305 per Share as quoted on the Stock Exchange on the date of the Subscription Agreement; and

(ii) a discount of approximately 18.03% to the average closing price of approximately HK$0.305 per Share as quoted on the Stock Exchange for the last five (5) trading days immediately prior to the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to the prevailing market conditions and the recent share price performance and liquidity of the Shares. The Board considers that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The total Subscription Price of HK$5,000,000 will be payable by the Subscriber in cash at the completion of the Subscription.

Ranking of the Subscription Shares

The Subscription Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Conditions precedent

Completion of the Subscription is subject to the fulfilment or waiver (as the case may be) of the following conditions:

(i) the Stock Exchange having approved the issue of the Subscription Shares and the GEM Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Subscription Shares and such listing and permission having not been revoked;

(ii) all the required approvals, authorisations, consents having been obtained from, and all the required registrations and filings having been completed with (if applicable), the government authorities or regulatory bodies or any relevant third party in connection with the transactions contemplated under the Subscription Agreement;

(iii) the warranties and representations of the Company contained in the Subscription Agreement remaining true, accurate and not misleading in each case in all material respects at any time between the date of the Subscription Agreement and the Completion Date (both dates inclusive) and as if made at such time; and

(iv) the warranties and representations of the Subscriber contained in the Subscription Agreement remaining true, accurate and not misleading in each case in all material respects at any time between the date of the Subscription Agreement and the Completion Date (both dates inclusive) and as if made at such time.

The Company is entitled to waive condition (iv) above at its absolute discretion by way of written notice to the Subscriber, and the Subscriber is entitled to waive condition (iii) above at its absolute discretion by way of written notice to the Company.

In the event that any of the above conditions is not fulfilled or waived in accordance with the above clause on or before 31 December 2019 (or such other date as may be agreed by the Company and the Subscriber), the Subscription Agreement may be terminated by either party by notice in writing to the other party and all rights and obligations thereunder shall cease and terminate and none of the parties thereto shall have any claim against the other, save for any antecedent breach thereof.

Completion

Completion of the Subscription shall take place within 15 Business Days after the date that the conditions precedent of the Subscription Agreement have been fulfilled or waived (as the case may be) or such other date as may be agreed by the Company and the Subscriber.

NOMINAL VALUE OF THE SUBSCRIPTION SHARES

The aggregate nominal value of the Subscription Shares is HK$200,000.

GENERAL MANDATE

The Subscription Shares will be allotted and issued by the Company pursuant to the General Mandate and is therefore not subject to Shareholders' approval. The Company is authorised to allot, issue or otherwise deal with up to 80,000,000 new Shares under the General Mandate. As at the date of this announcement, the Company has not allotted or issued any Share under the General Mandate. After completion of issue and allotment of the Subscription Shares, there will be 60,000,000 Shares remaining which can be allotted by the Company.

APPLICATION FOR LISTING

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

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Directors consider that the Subscription represent an opportunity to raise additional funding for the Group's business operation. The Subscription will also strengthen the capital base and financial position for the Group's future business developments and broaden the Shareholder base of the Company.

The Directors consider that the terms of the Subscription Agreement (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

Each of the gross proceeds and net proceeds from the issue of the Subscription Shares is estimated to be approximately HK$5,000,000 and HK$4,990,000 respectively. The Company intends to use the net proceeds for general working capital of the Group and for the future development of the Group's business.

The net price of each Subscription Share will be approximately HK$0.25.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company, in each case assuming that no new Shares are issued or repurchased between the date of this announcement and the Completion Date save for the Subscription: (i) as at the date of this announcement; and (ii) immediately after completion of the Subscription:

	As at the date of this announcement		**Immediately after completion of the Subscription**	
	Number of Shares	*Approximately %*	*Number of Shares*	*Approximately %*
Directors				
Mr. Zhu Yongjun	38,398,786	9.60%	38,398,786	9.14%
Ms. Wang Fei	40,000,000	10.00%	40,000,000	9.52%
Substantial Shareholders				
7Road Holdings Limited	54,000,000	13.50%	54,000,000	12.86%
United Conquer Limited	89,597,169	22.40%	89,597,169	21.33%
Shanghai Hutong Investments Centre (Limited Partnership)	50,000,000	12.50%	50,000,000	11.90%
Subscriber	—	—	20,000,000	4.76%
Other Public Shareholders	128,004,045	32.00%	128,004,045	30.49%
Total	400,000,000	100.00%	420,000,000	100.00%

GENERAL

Completion of the Subscription is subject to fulfilment of the conditions under the Subscription Agreement. As the Subscription 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 otherwise requires, the following expressions shall have the following meanings when used herein:

"Board"	the board of Directors
"Business Day"	any day (excluding a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business
"Company"	Million Stars Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on GEM of the Stock Exchange

"Completion Date"	the date of completion of the Subscription pursuant to the Subscription Agreement
"Director(s)"	director(s) of the Company
"GEM Listing Committee"	the GEM listing committee of the Stock Exchange
"General Mandate"	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 7 November 2019 to allot, issue and deal with up to 80,000,000 Shares, being 20% of the then number of issued shares of the Company as at 7 November 2019
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and the connected persons of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Zhong Baomei, being an Independent Third Party
"Subscription"	the subscription by the Subscriber for the Subscription Shares pursuant to and in accordance with the terms and conditions of the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 22 November 2019 and entered into between the Company and the Subscriber
"Subscription Price"	HK$0.25 per Subscription Share
"Subscription Share(s)"	the 20,000,000 new Shares to be subscribed for by the Subscriber and to be issued and allotted by the Company pursuant to and in accordance with the terms and conditions of the Subscription Agreement

"%" per cent.

By Order of the Board
Million Stars Holdings Limited
Zhu Yongjun
Chairman

Hong Kong, 22 November 2019

As at the date of this announcement, the Board comprises: Mr. Zhu Yongjun, Ms. Wang Fei and Ms. Tian Yuan as executive Directors and Mr. Chen Ce, Ms. Ji Fang and Mr. Gao Shuo as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the day of its publication and on the website of the Company at http://www.millionstars.hk.