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Stream Ideas Group Limited

源想集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8401)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

On 9 April 2024 (after trading hours of the Stock Exchange), the Company, as the issuer, entered into 6 Subscription Agreements with 6 Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 39,999,996 Subscription Shares in aggregate at the Subscription Price of HK\$0.1265 per Subscription Share.

Each of the Subscribers is independent of the Company and its connected persons. The Subscription Shares will be allotted and issued pursuant to the General Mandate.

The 39,999,996 Subscription Shares in aggregate represent (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement, and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there will not be any change in the issued share capital of the Company from the date of this announcement to the date of completion of the Subscriptions). The aggregate nominal value of the Subscription Shares will be HK\$399,999.96.

Subject to the completion of the Subscriptions, the gross proceeds from the Subscriptions will be approximately HK\$5.06 million and the net proceeds from the Subscriptions (after deduction of other expenses of the Subscriptions) will be approximately HK\$5.01 million. It is expected that such net proceeds from the Subscriptions will be utilised for settlement of accounts payable and general working capital of the Group.

Since completion of the Subscriptions is subject to fulfilment of the conditions as set out in the Subscription Agreements, the Subscriptions may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

On 9 April 2024 (after trading hours of the Stock Exchange), the Company, as the issuer, entered into 6 Subscription Agreements with 6 Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 39,999,996 Subscription Shares in aggregate at the Subscription Price of HK\$0.1265 per Subscription Share.

PRINCIPAL TERMS OF THE SUBSCRIPTION AGREEMENTS

Date: 9 April 2024

Parties to the Subscription Agreements:

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

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscribers is independent of the Company and its connected persons.

Immediately upon completion of the Subscriptions, it is expected that none of the Subscribers will become a substantial Shareholder (as defined under the GEM Listing Rules).

Subscription Shares

Subject to the fulfillment of the conditions to completion of the Subscriptions set out below, the Subscribers shall subscribe for 39,999,996 Subscription Shares in aggregate as follows:

Subscribers	Number of Subscription Shares	Nominal value of the Subscription Shares <i>HK\$</i>
Subscriber A	6,666,666	66,666.66
Subscriber B	6,666,666	66,666.66
Subscriber C	6,666,666	66,666.66
Subscriber D	6,666,666	66,666.66
Subscriber E	6,666,666	66,666.66
Subscriber F	6,666,666	66,666.66
	<hr/>	<hr/>
Total	39,999,996	399,999.96
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The 39,999,996 Subscription Shares in aggregate represent (i) approximately 20.00% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there will not be any change in the issued share capital of the Company from the date of this announcement to the date of completion of the Subscriptions). The aggregate nominal value of the Subscription Shares will be HK\$399,999.96.

Ranking

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

Subscription Price

The Subscription Price of HK\$0.1265 per Subscription Share:

- (i) represents a discount of approximately 19.94% to the closing price of HK\$0.158 per Share as quoted on the Stock Exchange on the date of the Subscription Agreements; and
- (ii) represents a discount of approximately 19.94% to the average closing price of approximately HK\$0.158 per Share as quoted on the Stock Exchange for the five consecutive Trading Days immediately prior to the date of the Subscription Agreements.

The Subscription Price was determined after arm's length negotiations between the Company and the Subscribers with reference to, among others, the prevailing market prices of the Shares and the capital requirement for the operations of the Group.

The Directors consider that the terms of the Subscription Agreements (including the Subscription Price and the other expenses of the Subscriptions) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Subject to the completion of the Subscriptions, the gross proceeds from the Subscriptions will be approximately HK\$5.06 million and the net proceeds from the Subscriptions (after deduction of the other expenses of the Subscriptions) will be approximately HK\$5.01 million. On such basis, the net issue price will be approximately HK\$0.1253 per Subscription Share.

Conditions to completion of the Subscriptions

Completion of each of the Subscriptions is conditional upon the satisfaction of the following conditions on or before 30 April 2024 (the "**Long Stop Date**") (or such other date as may be agreed to by the Company and the relevant Subscriber):

- (a) approval by the Stock Exchange of the listing of, and permission to deal in, the relevant Subscription Shares;
- (b) all necessary corporate approvals and consents and third party consents, including the approval of the governmental authorities of the Cayman Islands and Hong Kong to the issue of the relevant Subscription Shares (if necessary) for the transactions contemplated under the relevant Subscription Agreement being obtained on or before completion of the Subscriptions;
- (c) the relevant Subscriber being satisfied that the warranties as set out in the relevant Subscription Agreement are true and accurate in all respects as at the date of the relevant Subscription Agreement and at completion of the Subscription; and

- (d) there is no indication from the Stock Exchange that the listing status of the securities of the Company will be revoked by the Stock Exchange as a result of the implementation of the transactions contemplated under the Subscription Agreement.

Completion of each of the Subscriptions shall take place within 3 business days after the fulfillment of the conditions as set out above or such other date as agreed between the Company and the relevant Subscriber in writing (the “**Completion Date**”).

If the above conditions are not fulfilled by the Long Stop Date (or such other date as may be agreed to by the Company and the Subscribers), the rights and obligations of the parties to the Subscription Agreements shall cease and determine and thereafter none of the parties to the Subscription Agreements shall have any claim against the other save and except in respect of any then accrued rights and liabilities of the parties.

The completion of each of the Subscription Agreements is not inter-conditional upon the completion of any of the other Subscription Agreements.

Termination

The Subscribers are entitled to terminate the Subscription Agreements by notice in writing to the Company upon, inter alia, the occurrence of (i) any new law or governmental regulation or other occurrence of any nature whatsoever which in the reasonable opinion of the Subscribers adversely and materially affects or will adversely and materially affect the business of the Group or any part thereof or is adverse in the context of the Subscriptions; or (ii) any change in local, national, international, financial, political or economic conditions which in the reasonable opinion of the Subscribers is materially adverse in the context of the Subscriptions at any time between the date of the Subscription Agreements and the Completion Date.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

GENERAL MANDATE TO ALLOT AND ISSUE THE SUBSCRIPTION SHARES

The Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. Under the General Mandate, the Company is authorised to issue up to 40,000,000 Shares. As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate. Therefore, the balance of the General Mandate as at date of this announcement is 40,000,000 Shares and is sufficient for the issue and allotment of the Subscription Shares.

Accordingly, the allotment and issue of the Subscription Shares are not subject to any Shareholders’ approval.

APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Company and its subsidiaries are principally engaged in the provision of online advertising services, which consist of social viral service, engager service and mass blogging service. Its business primarily operates in Hong Kong, Taiwan, Malaysia and the Philippines.

The gross proceeds of the Subscriptions will be approximately HK\$5.06 million. The net proceeds of the Subscriptions (after deduction of other expenses of the Subscriptions) will be approximately HK\$5.01 million. The Company plans to apply the net proceeds for settlement of accounts payable and general working capital of the Group.

The detailed breakdown of the approximate allocation and expected timeline of the proposed uses of the net proceeds are as follows:

	Approximate allocation <i>HK\$ million</i>	Expected timeline of proposed uses
Settlement of accounts payable	1.93	Fully utilised within 1 month from the Completion Date
General working capital	<u>3.08</u>	By the end of 2024
Total	<u><u>5.01</u></u>	

The Directors consider that the Subscriptions represent a good opportunity to raise additional funds to strengthen the financial position and liquidity of the Group.

The Directors (including independent non-executive Directors) consider that the Subscription Agreements and the Subscriptions contemplated thereunder are on normal commercial terms determined after arm's length negotiations among the Parties, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has not conducted any fundraising activities in the past twelve months before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 200,000,000 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon completion of the Subscriptions (assuming that the Subscriptions are fully completed and there is no other change in the shareholding structure of the Company before the allotment and issue of the Subscription Shares under the Subscription Agreements) are as follows:

Shareholders	As at the date of this announcement		Upon completion of the Subscriptions	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
JAG United Company Limited (Note 1)	100,280,000	50.14	100,280,000	41.79
Wang Zenglin	14,000,000	7.00	14,000,000	5.83
Subscribers (Note 2)	58,000	0.03	40,057,996	16.69
Other Shareholders	<u>85,662,000</u>	<u>42.83</u>	<u>85,662,000</u>	<u>35.69</u>
Total	<u>200,000,000</u>	<u>100.00</u>	<u>239,999,996</u>	<u>100.00</u>

Notes:

- Ms. Cheung Lee, Mr. Law Ka Kin and Mr. Lee Wing Leung Garlos beneficially owns 33.33%, 33.33% and 33.33% of the issued share capital of JAG United Company Limited respectively. By virtue of the SFO, each of Ms. Cheung Lee, Mr. Law Ka Kin and Mr. Lee Wing Leung Garlos is deemed to be interested in such shares held by JAG United Company Limited.
- As at the date of this announcement, (i) one of the Subscribers held 56,000 Shares and (ii) the spouse of another Subscriber held 2,000 Shares and therefore such Subscriber is deemed to be interested in such Shares held by his spouse.

Since completion of the Subscriptions is subject to the fulfilment of the conditions as set out in the Subscription Agreements, the Subscriptions may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“AGM” the annual general meeting of the Company held on 14 September 2023 at which, among other things, the General Mandate was granted to the Directors;

“Board” the board of Directors;

“Business Day”	a day on which commercial banks in Hong Kong are open for general banking transactions, other than a Saturday, a Sunday and public holidays;
“Company”	Stream Ideas Group Limited (源想集團有限公司), a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8401);
“connected person(s)”	has the same meaning as ascribed to it under the GEM Listing Rules;
“Directors”	the directors of the Company;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as may be amended or supplemented from time to time;
“General Mandate”	the general mandate granted to the Directors by a resolution passed at the AGM to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of the issued Shares of the Company as at 14 September 2023;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	9 April 2024;
“Party” as “Parties”	the Company and the Subscribers, as parties to the Subscription Agreements;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of nominal price of HK\$0.01 each in the share capital of the Company;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber(s)”	6 subscribers under the Subscription Agreements, all being individual merchants;

“Subscriptions”	the subscriptions of 39,999,996 Subscription Shares in aggregate at the Subscription Price pursuant to terms and conditions of the Subscription Agreements;
“Subscription Agreements”	the 6 subscription agreements of identical terms (save as particulars of the Subscribers) dated 9 April 2024 entered into between the Company and each of the Subscribers in relation to the Subscriptions;
“Subscription Price”	HK\$0.1265 per Subscription Share;
“Subscription Shares”	39,999,996 new Shares in aggregate to be subscribed pursuant to the Subscription Agreements, and each, a “Subscription Share”;
“Trading Days”	means days on which the Stock Exchange is open for trading; and
“%”	per cent.

By Order of the Board
Stream Ideas Group Limited
Lee Wing Leung Garlos
Executive Director

Hong Kong, 9 April 2024

As at the date of this announcement, the Board of Directors comprises four executive Directors, namely Ms. Cheung Lee, Mr. Lee Wing Leung Garlos, Mr. Leung Wai Lun and Ms. Choi Sin Yi; and three independent non-executive Directors, namely Mr. Kwan Chi Hong, Mr. Fenn David and Mr. Ho Ho Tung Armen.

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 “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.com for at least 7 days from the date of its publication and on the website of the Company at www.stream-ideas.com.