

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.*



## **UNIVERSAL STAR (HOLDINGS) LIMITED**

**星宇(控股)有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2346)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

*Placing agent*



**Elstone Securities Limited**

#### **THE PLACING**

On 1 September 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has agreed to offer for subscription, and the Placing Agent has agreed to procure, as placing agent of the Company and on a best effort basis, currently expected to be not less than six Placees to subscribe for up to 108,256,400 Placing Shares at a price of HK\$1.97 per Placing Share. The Placees and their ultimate beneficial owners shall be third parties independent of the Group and its connected persons. The Placing Shares will be allotted and issued pursuant to the General Mandate.

The 108,256,400 Placing Shares represent (i) 20% 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 Placing 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 Placing). The aggregate nominal value of the Placing Shares (assuming the Placing is fully completed) will be HK\$10,825,640.

Subject to the completion of the Placing and assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be up to approximately HK\$213.27 million and the net proceeds from the Placing (after deduction of placing fee and other expenses of the Placing) will be up to approximately HK\$208.89 million. It is expected that such net proceeds from the Placing will be utilised for future investment of the Group as and when opportunities arise but no specific investment targets have been identified yet as at the date of this announcement and for operating funds purposes.

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

On 1 September 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, the principal terms of which are summarised below.

## **THE PLACING AGREEMENT**

**Date:** 1 September 2021

**Issuer:** The Company

**Placing Agent:** Elstone Securities Limited

The Placing Agent has agreed to procure, as placing agent of the Company and on a best effort basis, currently expected to be not less than six Placees to subscribe for up to 108,256,400 Placing Shares. The Placing Agent will receive a placing fee of 2% of the aggregate Placing Price for the Placing Shares subscribed for by the Placees. Such placing fee was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Placees**

The Placing Shares are to be placed to not less than six Placees, who and whose ultimate beneficial owners shall be third parties independent of the Company and its connected persons. The Placing Agent has also warranted and undertaken to the Company that none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning ascribed to it under the Listing Rules) of the Company.

### **Placing Price**

The Placing Price of HK\$1.97 per Placing Share represents:

- (i) a discount of approximately 7.08% to the closing price of HK\$2.12 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 10.05% to the average closing price of approximately HK\$2.19 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent with reference to, among other matters, the prevailing market prices of the Shares and the capital requirement for the future development of the Group.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing fee) 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 Placing, the gross proceeds from the Placing will be up to approximately HK\$213.27 million and the net proceeds from the Placing (after deduction of the placing fee and other expenses of the Placing) will be up to approximately HK\$208.89 million. On such basis, the net issue price will be approximately HK\$1.93 per Placing Share.

## **Placing Shares**

The 108,256,400 Placing Shares represent (i) 20% 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 Placing 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 Placing). The aggregate nominal value of the Placing Shares (assuming the Placing is fully completed) will be HK\$10,825,640.

## **Ranking**

The Placing 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 Placing Shares.

## **Conditions of the Placing**

Completion of the Placing is conditional upon the satisfaction of the following conditions on or before 30 September 2021 (or such other date as agreed in writing between the Company and the Placing Agent) (“**Long Stop Date**”):

- (i) the listing status of the Shares not being revoked such that the Shares shall continue to be traded on the Stock Exchange before the completion of the Placing (except for the suspension of trading of the Shares in respect of the Placing Agreement pending an announcement to be made) and that neither the Stock Exchange nor the Securities and Futures Commission has indicated its dissenting view on the above-mentioned listing status based on the transactions proposed to be conducted under the Placing Agreement or reasons arising from thereof; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in the Placing Shares.

Completion of the Placing shall take place on or before the fifth business days after the fulfillment of the conditions as set out above or such other date as agreed between the Company and the Placing Agent (the “**Completion Date**”).

If the above condition is not fulfilled by the Long Stop Date (or such other date as may be agreed to by the Placing Agent and the Company), all rights, obligations and liabilities of the Parties under the Placing Agreement in relation to the Placing shall cease and terminate and none of the Parties shall have any claim against any other Party in respect of the Placing save for any antecedent breaches of the Placing Agreement.

## Termination

The Placing Agent reserves the right to terminate the Placing Agreement by notice in writing to the Company at or prior to 10:00 a.m. on the Completion Date, if in its reasonable opinion, the success of the Placing would be materially and adversely affected by any of the following force majeure events:

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole;
- (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of this announcement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing (such success being the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affects the success of the Placing or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for Company or the Placing Agent to proceed with the Placing.

If, at or prior to 10:00 a.m. on the Completion Date;

- (a) the Company commits any material breach of, or omits to observe, any of its obligations or undertakings under the Placing Agreement;
- (b) any suspension in the trading of the Shares on the Stock Exchange for more than four consecutive trading days save for the purposes of clearing of any announcement relating to the Placing Agreement or circulars relating to the Placing and/or the sale and purchase agreement and the ancillary agreements thereto; or

- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate and the Placing Agent, in its reasonable opinion, determines that any such untrue representation or warranty has or is likely to have a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent shall be entitled by notice in writing to the Company to elect to treat such matter or event as releasing and discharging it from its obligations under the Placing Agreement.

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

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

## **GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES**

The Placing 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 108,256,400 Shares. As at the date of this announcement, none of the Shares have been allotted and issued pursuant to the General Mandate and is therefore sufficient for the issue and allotment of the Placing Shares.

Accordingly, the allotment and issue of the Placing 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 Placing Shares.

## REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is an investment holding company and the principal activities of its subsidiaries are production and sale of sintered NdFeB magnetic materials (also known as neodymium magnet).

The Directors (including the independent non-executive Directors) consider that the Placing will broaden the Company's capital base and shareholders base without any interest burden. Moreover, the net proceeds will strengthen the Group's financial position for future development of the Group. The terms of the Placing Agreement are fair and reasonable based on the current market conditions and are on normal commercial terms. Accordingly, the Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole.

As disclosed above, the maximum net proceeds from the Placing are estimated to be up to approximately HK\$208.89 million. Upon completion of the Placing, it is expected that such net proceeds from the Placing will be utilised for future investment of the Group as and when opportunities arise but no specific investment targets have been identified yet as at the date of this announcement and for operating funds purposes.

## FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has conducted the following fund raising activity in the past twelve months before the date of this announcement:

Date of announcements	Fund raising activity	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds as at the date of this announcement
24 March 2021, 26 March 2021, 21 April 2021 and 29 April 2021	Placing of new shares under general mandate	HK\$14.6 million	Development of new businesses, general working capital and/or investment	Approximately HK\$14.1 million of the net proceeds has been used to fund the development of new businesses, general working capital and/or investment

Save as disclosed above, the Company has not conducted any other fund raising activities in the 12 months immediately preceding the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company as at the date of this announcement and the effect on the shareholding structure of the Company upon completion of the Placing (assuming that the Placing is fully completed and there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares under the Placing) are set out as below:

	As at the date of this announcement		Upon completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Amer International Group				
Company Limited (Note 1)	145,000,000	26.79	145,000,000	22.32
Star Lv Limited (“Star Lv”) (Note 2)	65,000,000	12.01	65,000,000	10.01
Wind Lv Limited (“Wind Lv”) (Note 3)	21,614,000	3.99	21,614,000	3.33
The Placee(s)	–	–	108,256,400	16.67
Other Shareholders	309,668,000	57.21	309,668,000	47.68
<b>Total</b>	<b>541,282,000</b>	<b>100.00</b>	<b>649,538,400</b>	<b>100.00</b>

### Notes:

- Amer International Group Company Limited is owned as to 100% by Hua Wei Investment Holdings Limited, which is owned as to 100% by Zhengwei Holdings Group Co., Ltd.\* (正威控股集團有限公司). Zhengwei Holdings Group Co., Ltd.\* (正威控股集團有限公司) is owned as to 90% by Mr. Wang Wenyin (王文銀). By virtue of SFO, each of Hua Wei Investment Holdings Limited, Zhengwei Holdings Group Co., Ltd.\* (正威控股集團有限公司) and Mr. Wang Wenyin (王文銀) was taken to be interested in the 145,000,000 Shares held by Amer International Group Company Limited.
- Star Lv is the direct beneficial owner of 65,000,0000 Shares. Star Lv is wholly-owned by Mr. Lu Qingxing (呂慶星), the non-executive Director. By virtue of the SFO, Mr. Lu Qingxing is deemed to be interested in such Shares held by Star Lv. Further, Mr. Lu Qingxing, Mr. Lyu Zhufeng (呂竹風), Star Lv and Wind Lv entered into a deed of concert parties to acknowledge and confirm that they are parties acting in concert in relation to the voting rights attaching to their Shares. As such, Star Lv is also deemed to be interested in the 21,614,000 Shares which are held by Wind Lv (which is in turn held as to 100% by Mr. Lyu Zhufeng).
- Wind Lv is the direct beneficial owner of 21,614,000 Shares. Wind Lv is wholly-owned by Mr. Lyu Zhufeng, the chief executive officer of the Company. By virtue of the SFO, Mr. Lyu Zhufeng is deemed to be interested in such Shares held by Wind Lv. Further, Mr. Lu Qingxing, Mr. Lyu Zhufeng, Star Lv and Wind Lv entered into a deed of concert parties to acknowledge and confirm that they are parties acting in concert in relation to the voting rights attaching to their Shares. As such, Wind Lv is also deemed to be interested in the 65,000,000 Shares which are held by Star Lv (which is in turn held as to 100% by Mr. Lu Qingxing). Ms. Yao Jingjing is the spouse of Mr. Lyu Zhufeng. Therefore, under the SFO, Ms. Yao Jingjing is deemed to be interested in the Shares in which Mr. Lyu Zhufeng is interested in.



**Since completion of the Placing is subject to the fulfilment of the conditions as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors 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 30 June 2021 at which, among other things, the General Mandate was granted to the Directors;
- “associate(s)” : has the meaning ascribed to it under the Listing Rules;
- “Board” : the board of Directors;
- “Business Day” : a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business;
- “Company” : Universal Star (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
- “connected person(s)” : has the same meaning as ascribed to it under the Listing Rules;
- “Directors” : the directors of the Company;
- “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 30 June 2021;
- “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;

“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange;
“Party” as “Parties”	:	the Company and the Placing Agent, as parties to the Placing Agreement;
“Placees”	:	any independent institutional, professional and/or other investors to be procured by or on behalf of the Placing Agent to subscribe for the Placing Shares under the Placing;
“Placing”	:	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent for subscription by the Placees and on the terms and subject to the conditions set out in the Placing Agreement;
“Placing Agent”	:	Elstone Securities Limited, a licensed corporation to carry on business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO;
“Placing Agreement”	:	the placing agreement entered into between the Company and the Placing Agent dated 1 September 2021 in relation to the Placing;
“Placing Price”	:	HK\$1.97 per Placing Share;
“Placing Shares”	:	108,256,400 new Shares to be placed pursuant to the Placing Agreement, and each, a “Placing Share”;
“PRC” or “People’s Republic of China”	:	The People’s Republic of China;
“RMB”	:	Renminbi, the lawful currency of the PRC;
“SFO”	:	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	:	ordinary share(s) of nominal price of HK\$0.10 each in the share capital of the Company;
“Shareholders”	:	shareholders of the Company;

- “Stock Exchange” : The Stock Exchange of Hong Kong Limited;
- “subsidiary” : has the same meaning as ascribed to it under the Listing Rules;
- “Trading Days” : means days on which the Stock Exchange is open for trading; and
- “%” : per cent.

By order of the Board  
**Universal Star (Holdings) Limited**  
**Liang Lixia**  
*Chairlady and Executive Director*

Hong Kong, 1 September 2021

*As at the date of this announcement, the Board comprises Ms. Liang Lixia as the executive Director; Mr. Zhang Jiantao and Mr. Lu Qingxing as the non-executive Directors; and Mr. Yan Aru, Mr. Gong Peiyue and Mr. Lai Wai Leuk as the independent non-executive Directors.*