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Star Plus Legend Holdings Limited

巨星傳奇集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6683)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



THE PLACING AGREEMENT

On 16 April 2024 (before trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as agent of the Company to place, on a best effort basis, the Placing Shares (being up to 31,522,000 Shares) at a price of HK\$7.1 per Placing Share, to not less than six Placees, who and whose ultimate beneficial owners are Independent Third Parties.

On the assumption that the Placing Shares are fully placed, the number of Placing Shares represents: (a) approximately 3.93% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 3.78% of the enlarged total number of Shares in issue upon completion of the Placing (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the date of completion of the Placing other than the issue of the Placing Shares).

The Placing Price of HK\$7.1 per Placing Share represents:

- (a) a discount of approximately 16.4% to the closing price of HK\$8.49 per Share as quoted on the Stock Exchange on 15 April 2024, being the Last Trading Day; and
- (b) a discount of approximately 19.4% to the average closing price of HK\$8.81 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

The issue of the Placing Shares will not be subject to Shareholders' approval and the Placing Shares will be allotted and issued under the General Mandate. As at the date of this announcement, the maximum number of new Shares that can be allotted and issued under the General Mandate is 160,000,000 Shares. The Company has not issued any Shares under the General Mandate as at the date of this announcement.

USE OF PROCEEDS

On the assumption that the Placing Shares are fully placed, the gross proceeds and net proceeds from the Placing are expected to be HK\$223.8 million and HK\$222.6 million, respectively.

It is intended that (i) HK\$79.8 million will be used to invest and/or plan physical concerts of artists which the Group cooperates with; (ii) HK\$60.5 million will be used to increase the Company's efforts to enter the "metaverse" (元宇宙) ecosystem, which includes organizing, planning and/or investing in virtual concerts through the "metaverse", as well as developing artificial intelligence systems to support the Company's content creation ability in the "metaverse" and other aspects; (iii) HK\$60 million will be used for potential investments related to the Company's principal business activities, such as mergers and acquisitions or contribution to joint venture(s) to be established; and (iv) the remaining net proceeds of HK\$22.3 million be utilised as general working capital and general corporate purposes of the Group. As at the date of this announcement, the Company has not identified any potential investments which will make use of the proceeds.

Completion of the Placing is subject to satisfaction of the conditions set out in the Placing Agreement and may or may not take place. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

DATE

16 April 2024

PARTIES

- (i) the Company; and
- (ii) the Placing Agent.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) is not a connected person of the Company.

THE PLACING

The Company has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as agent of the Company to place, on a best effort basis, the Placing Shares, upon the terms and subject to the conditions of the Placing Agreement.

Number of Placing Shares

On the assumption that the Placing Shares are fully placed, the number of Placing Shares, being 31,522,000 Shares, represents: (a) approximately 3.93% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 3.78% of the enlarged total number of Shares in issue upon completion of the Placing (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Placing other than the issue of the Placing Shares). The aggregate nominal value of the Placing Shares is US\$315.22.

Places

Pursuant to the Placing Agreement, the Placing Agent will place the Placing Shares, on a best effort basis, to not less than six professional, institutional or other investors that are third parties independent of the Company and its connected persons. The aggregate number of Places is expected to be thirteen.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, each of the Placees and their respective ultimate beneficial owner is a party independent of, and not connected with, the Company and its connected persons and none of them will become a substantial shareholder (as defined under the Listing Rules) of the Company as a result of the Placing.

Placing Price

The Placing Price of HK\$7.1 per Placing Share represents:

- (a) a discount of approximately 16.4% to the closing price of HK\$8.49 per Share as quoted on the Stock Exchange on 15 April 2024, being the Last Trading Day; and
- (b) a discount of approximately 19.4% to the average closing price of HK\$8.81 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding 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 the prevailing market price of the Shares on the Stock Exchange and the general market conditions. The Directors consider that the Placing Price and the terms and conditions of the Placing are fair and reasonable under the current market conditions and in the interests of the Company and the Shareholders as a whole.

Rights and Ranking of the Placing Shares

The Placing Shares shall, when fully paid, rank *pari passu* in all respects with the other Shares then in issue or to be issued by the Company on or prior to the date of completion of the Placing including the rights to dividends and other distributions declared, made or paid on or after the date of allotment (if any).

Conditions of the Placing

Completion of the Placing is conditional upon (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the Placing Completion Date); (ii) the representations and warranties made by the Company under the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Placing Completion Date; and (iii) the Company having complied with all agreements and undertakings and satisfied with all of the conditions on its part to be complied with or satisfied under the Placing Agreement on or before the Placing Completion Date.

Condition (i) above cannot be waived by any party. The Placing Agent may at any time prior to the Placing Completion Date waive conditions (ii) and (iii) above by notice to the Company in writing.

If the above conditions are not fulfilled and/or waived by 31 May 2024 (or such later date as may be agreed between the Company and the Placing Agent), the Placing will lapse and all rights, obligations and liabilities of the parties under the Placing Agreement shall cease and none of the parties under the Placing Agreement shall have any claim against any other party, save for any antecedent breaches of the Placing Agreement.

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

The Company shall complete the CSRC Filings in connection with the Placing.

Completion of the Placing

Completion of the Placing shall take place on fifth business day after the date when the conditions of the Placing as set out in the paragraph “Conditions of the Placing” above are satisfied or waived, or such other date as the Company and the Placing Agents may agree in writing.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

The issue of the Placing Shares will not be subject to Shareholders’ approval and the Placing Shares will be allotted and issued under the General Mandate. As at the date of this announcement, the maximum number of new Shares that can be allotted and issued under the General Mandate is 160,000,000 Shares. The Company has not issued any Shares under the General Mandate as at the date of this announcement.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in new retail business and IP creation and operation business in the PRC. Its IP creation and operation business comprises (i) IP content creation and management business, including provision of (a) media content creation; (b) event planning; and (c) celebrity IP management services; and (ii) IP licensing and sales of related products.

The gross proceeds and net proceeds from the Placing are expected to be HK\$223.8 million and HK\$222.6 million, respectively. Based on the above estimated net proceeds, the net price to the Company per Placing Share will be approximately HK\$7.06.

It is intended that (i) HK\$79.8 million will be used to invest and/or plan physical concerts of artists which the Group cooperates with; (ii) HK\$60.5 million will be used to increase the Company's efforts to enter the "metaverse" (元宇宙) ecosystem, which includes organizing, planning and/or investing in virtual concerts through the "metaverse", as well as developing artificial intelligence systems to support the Company's content creation ability in the "metaverse" and other aspects; (iii) HK\$60 million will be used for potential investments related to the Company's principal business activities, such as mergers and acquisitions or contribution to joint venture(s) to be established; and (iv) the remaining net proceeds of HK\$22.3 million be utilised as general working capital and general corporate purposes of the Group. As at the date of this announcement, the Company has not identified any potential investments which will make use of the proceeds.

The Board considers that the Placing will provide a good opportunity for the Company to raise additional funds to strengthen its financial position and broaden its shareholder base and capital base. Therefore, the Directors are of the view that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Reference is made to the Prospectus and the announcement of the Company dated 4 August 2023. The Shares were listed on the Stock Exchange on 13 July 2023 and the Over-allotment Option (as defined in the Prospectus) was partially exercised on 4 August 2023. The Company issued a total of 80,527,500 new Shares at an issue price of HK\$4.25 per Share in connection with its Global Offering and the partial exercise of the Over-allotment Option, and the total net proceeds raised by the Company from the issuance of new Shares in connection with its Global Offering and the partial exercise of the Over-allotment Option amounted to HK\$252.8 million, which are used for the following purposes:

Item	Amount of net proceeds	Net proceeds utilised	Net proceeds unutilised
		as at 31 December 2023	as at 31 December 2023
		<i>(HK\$ million)</i>	
Diversification of product portfolio	60.2	6.9	53.3
Increase brand exposure and product sales on multi-channel network	77.4	10.1	67.3
Creation of unique celebrity IPs and associated IP contents	70.2	47.8	22.4
Upgrade of IT infrastructure and increase the investment in IT development	31.1	14.0	17.1
Working capital	13.9	6.6	7.3
Total	252.8	85.4	167.4

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately prior to the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will be no change to the total number of Shares in issue from the date of this announcement to the date of completion of the Placing other than the issue of the Placing Shares, the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Placing will be as follows:

	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Non-public Shareholders				
Harmony Culture Investment Limited ¹	199,302,054	24.85%	199,302,054	23.91%
Legend Key International Limited ¹	199,302,054	24.85%	199,302,054	23.91%
Max One Ltd. ¹	66,434,018	8.28%	66,434,018	7.97%
Qian Sam Zhongshan ²	23,171,845	2.89%	23,171,845	2.78%
Lai Kwok Fai Franki	99,651,027	12.43%	99,651,027	11.96%
Chung Elizabeth Ching Yee	150,000	0.02%	150,000	0.02%
Public Shareholders				
Placees ³	–	–	31,522,000	3.78%
Other public Shareholders	213,876,502	26.67%	213,876,502	25.66%
Total	<u>801,887,500</u>	<u>100.00%</u>	<u>833,409,500</u>	<u>100.00%</u>

Notes:

- Pursuant to the concert party agreement, Ms. Ma, Hsin-Ting, Mr. Yang, Chun-Jung, Ms. Yeh, Hui-Mei and Mr. Chen, Chung agreed, among other things, that they should act in concert in respect of their voting rights and actively cooperate to consolidate control over voting rights of the Company. Accordingly, each of Ms. Ma (who held the Shares through Harmony Culture Investment Limited), Mr. Yang, Ms. Yeh (which jointly held the Shares through Legend Key International Limited) and Mr. Chen (which held the Shares through Max One Ltd.) is deemed to be interested in all the Shares in which each of them is interested under the SFO.
- Qian Sam Zhongshan and his spouse directly held 9,965,103 and 13,206,742 Shares, respectively.
- Certain Placee(s) may be existing shareholder(s) of the Company prior to the Placing.

Completion of the Placing is subject to satisfaction of the conditions set out in the Placing Agreement and may or may not take place. Shareholders and potential investors of the Company are reminded 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;
“Company”	Star Plus Legend Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“CSRC”	the China Securities Regulatory Commission of the PRC;
“CSRC Filings”	the preparation and submission of the filing report in relation to the Placing and any transactions contemplated by the Agreement and any relevant supporting materials (including, but not limited to, the PRC legal opinion to be issued by the counsel for the Company on the PRC laws, where applicable) (together with the aforesaid and including any amendments, supplements and/or modifications thereof) to the CSRC pursuant to the applicable requirements under the CSRC Filing Rules;
“CSRC Filing Rules”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境內企業境外發行證券和上市管理試行辦法) and supporting guidelines issued by the CSRC on 17 February 2023 (as amended, supplemented or otherwise modified from time to time);
“Director(s)”	the director(s) of the Company;
“General Mandate”	the general mandate granted to the Board to allot, issue or otherwise deal with new Shares not exceeding 20% of the number of Shares in issue immediately following the completion of the Global Offering pursuant to the written resolution passed by the then Shareholders on 19 June 2023;

“Global Offering”	has the meaning ascribed to it in the Prospectus, namely, the offering of 126,640,000 Shares (without taking into account the Over-allotment Option (as defined in the Prospectus)) for subscription at the offer price of HK\$4.25 per Share subject to the terms and conditions as described in the Prospectus;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China;
“Last Trading Date”	15 April 2024, being the last trading day prior to the signing of the Placing Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agent or its agents to subscribe for any of the Placing Shares;
“Placing”	the placing to the Placee(s) procured by the Placing Agent of the Placing Shares on the terms and subject to the conditions set out in the Placing Agreement;
“Placing Agent”	CMBC Securities Company 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 conditional placing agreement dated 16 April 2024 entered into between the Company and the Placing Agent in relation to the Placing;
“Placing Completion Date”	the fifth business day following the fulfillment of the conditions of the Placing or such later date as agreed by the Parties;
“Placing Price”	HK\$7.1 per Placing Share;
“Placing Shares”	up to 31,522,000 Shares to be placed pursuant to the Placing Agreement;

“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Prospectus”	the prospectus of the Company dated 30 June 2023;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) for the time being in force;
“Share(s)”	the ordinary share(s) of the Company with a par value of US\$0.00001 each;
“Shareholder(s)”	the holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By order of the Board
Star Plus Legend Holdings Limited
Ma Hsin-Ting
Chairperson and Executive Director

Hong Kong, 16 April 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Ma Hsin-Ting, Dr. Qian Sam Zhongshan and Mr. Lai Kwok Fai Franki; two non-executive Directors, namely Mr. Yang Chun-Jung and Mr. Chen Chung and three independent non-executive Directors, namely Dr. Xue Jun, Mr. Yang Dave De and Ms. Chung Elizabeth Ching Yee.