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China Sinostar Group Company Limited
中國華星集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 485)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 5 December 2025 (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, an aggregate of 42,000,000 Shares at the Subscription Price of HK$0.30 per Subscription Share.

The Subscription Shares represent (i) approximately 19.73% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.48% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares, assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion. The aggregate nominal value of the Subscription Shares is HK$420,000.

The Subscription Price of HK$0.30 per Subscription Share represents (i) a discount of approximately 6.25% to the closing price of HK$0.32 per Share as quoted on the Stock Exchange on 5 December 2025, being the date of the Subscription Agreement; and (ii) a discount of approximately 9.09% to the average closing price of approximately HK$0.33 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the date of the Subscription Agreement.

The Subscription Shares will be issued and allotted pursuant to the General Mandate.

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

THE SUBSCRIPTION

The Board is pleased to announce that on 5 December 2025 (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 an aggregate of 42,000,000 Shares at the Subscription Price of HK$0.30 per Subscription Share.

Principal terms of the Subscription Agreement are set out below:

Date: 5 December 2025

Parties: (1) the Company (as issuer); and

(2) the Subscriber (as subscriber).

The Subscription Shares

The Subscription Shares represent (i) approximately 19.73% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.48% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares, assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion.

The aggregate nominal value of the Subscription Shares is HK$420,000.

Subscription Price

The Subscription Price of HK$0.30 per Subscription Share represents:

(a) a discount of approximately 6.25% to the closing price of HK$0.32 per Share as quoted on the Stock Exchange on 5 December 2025, being the date of the Subscription Agreement; and

(b) a discount of approximately 9.09% to the average closing price of HK$0.33 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately preceding the date of the Subscription Agreement.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber with reference to the recent market prices of the Shares and current market conditions.

Ranking of the Subscription Shares

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

Conditions of the Subscription

Completion is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

(a) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares, and such approval and permission not having been withdrawn or revoked;

(b) all necessary consents and approvals to be obtained on the part of each of the Company and the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained;

(c) the representations and warranties of the Company under the Subscription Agreement are true, accurate and not misleading in all material respects when made, and are true, accurate and not misleading in all material respects on and as of the date of the Completion; and

(d) the representations and warranties of the Subscriber under the Subscription Agreement are true, accurate and not misleading in all material respects when made, and are true, accurate and not misleading in all material respects on and as of the date of the Completion.

Save for the conditions referred to in (a) and (b) above which may not be waived by any party, (i) the Subscriber may waive the condition referred to in (c) above by notice in writing to the Company on any terms it decides; and (ii) the Company may waive the condition referred to in (d) above by notice in writing to the Subscriber on any terms it decides.

If any of the above conditions under the Subscription Agreement is not fulfilled or waived (as the case may be) by 31 January 2026 (or such other date as the parties may agree in writing), the Subscription Agreement will be automatically terminated and lapsed and none of the parties to the Subscription Agreement shall have any claim against the other, save for any antecedent breaches thereof.

Completion

Completion of the Subscription will take place on a date falling within five Business Days after the fulfillment of all conditions set out above (or such other date as may be agreed between the Company and the Subscriber).

General Mandate to allot and issue the Subscription Shares

No Shareholders' approval is required for the Subscription and the allotment and issue of the Subscription Shares by the Company, as the Subscription Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM, under which the Directors may allot and issue up to 42,567,975 Shares (representing 20.00% of the issued share capital of the Company as at the date of the passing of the resolution at the AGM).

As at the date of this announcement, the Company has not issued any Shares under the General Mandate.

Application for listing of the Subscription Shares

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

CSRC Filings

The Company shall complete the CSRC Filings in connection with the Subscription in accordance with applicable laws and regulations.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is an investment holding company. The Group is principally engaged in properties development, properties investment, properties management and operation and management of hydroelectric power stations.

INFORMATION OF THE SUBSCRIBER

The Subscriber is an investment holding company incorporated in Samoa with limited liability. The Subscriber is wholly and beneficially owned by Mr. Liu Ning, a Singapore citizen and a private investor, as at the date of this announcement.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, each of the Subscriber and its ultimate beneficial owner is a third party independent of and not connected with the Company, its subsidiaries and its connected persons and not otherwise a connected person of the Company.

USE OF PROCEEDS

The gross proceeds and net proceeds (after deducting all applicable costs and expenses of the Subscription) from the Subscription will be approximately HK$12,600,000 and approximately HK$12,350,000, respectively.

The Company intends to apply the proceeds from the Subscription for the capital needs and cash flow of the properties development projects of the Group.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group finances its operations by a combination of equity and borrowings. As disclosed in the interim report of the Company for the six months ended 30 September 2025, as at 30 September 2025 (i) the Group had bank balances and cash of approximately HK$10,267,000; and (ii) the Group had borrowings of approximately HK$20,737,000 and bonds payable of approximately HK$6,182,000. The Company has been conducting market research to identify potential fundraising opportunities and consider various equity and/or debt fundraising exercises such as share placement, rights issues, convertible bond issuances or others.

The Directors consider that the Subscription represents an opportunity to raise additional funding for the business operations of the Group and will improve the liquidity and financial position of the Group. The Subscription also represents an opportunity to broaden the shareholder base of the Company. Considering the recent prevailing market conditions and market price of the Shares, the Directors consider that the Subscription would be appropriate in order to replenish the Company's cash resources, which would be important for the promotion of the Group's long-term success.

The Directors are of the view that the terms of the Subscription Agreement and the transactions contemplated thereunder are on normal commercial terms agreed upon after arm's length negotiations between the parties, fair and reasonable and that entering into of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole.

EFFECT OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion, assuming that there is no change in the issued share capital of the Company from the date of this announcement to the Completion:

	As at the date of this announcement		**Immediately after Completion**	
	Number of Shares held	*Approximate % of Shares*	*Number of Shares held*	*Approximate % of Shares*
Achieve Prosper Capital Limited *(Note)*	145,895,711	68.55%	145,895,711	57.25%
Wang Xing Qiao *(Note)*	163,750	0.08%	163,750	0.06%
The Subscriber	–	–	42,000,000	16.48%
Public Shareholders	66,780,417	31.37%	66,780,417	26.21%
Total	212,839,878	100%	254,839,878	100%

Note:

Mr. Wang Xing Qiao is an executive Director and the chief executive officer of the Company. Mr. Wang Xing Qiao personally and beneficially owned 163,750 Shares. Achieve Prosper Capital Limited is wholly and beneficially owned by Mr. Wang Xing Qiao. By virtue of the SFO, Mr. Wang Xing Qiao is deemed to be interested in these 145,895,711 Shares held by Achieve Prosper Capital Limited.

EQUITY FUND RAISING ACTIVITY OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has not been involved in any fund raising activities in relation to the issuance of its equity securities within the twelve months immediately preceding the date of this announcement.

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 have the following meanings:

"AGM"	the annual general meeting of the Company held on 29 September 2025
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday, Sunday, public holiday and any day on which "extreme conditions" caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
"Company"	China Sinostar Group Company Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 485)
"Completion"	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"CSRC"	China Securities Regulatory Commission
"CSRC Filing Rules"	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 (effective from 31 March 2023), as amended, supplemented or otherwise modified from time to time

"CSRC Filings"	any and all letters, filings, correspondences, communications, documents, responses, undertakings and submissions in writing, orally or in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the Subscription pursuant to the CSRC Filing Rules and other applicable laws, regulations and requirements of the CSRC
"Director(s)"	director(s) of the Company
"General Mandate"	the mandate granted to the Directors by the Shareholders at the AGM to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
"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
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Share(s)"	ordinary share(s) with a nominal value of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Harvest Fortune Investment Limited, whose information is more particularly set out in the section headed "Information of the Subscriber" of this announcement
"Subscription"	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
"Subscription Agreement"	the subscription agreement dated 5 December 2025 entered into between the Company and the Subscriber in relation to the Subscription
"Subscription Price"	HK$0.30 per Subscription Share

"Subscription Shares"	an aggregate of 42,000,000 Shares to be allotted and issued by the Company to the Subscriber pursuant to the Subscription Agreement
"%"	per cent

By Order of the Board
China Sinostar Group Company Limited
Wang Xing Qiao
Executive Director and Chief Executive Officer

Hong Kong, 5 December 2025

As at the date of this announcement, the Board comprises Mr. Wang Jing and Mr. Wang Xing Qiao as executive Directors; Ms. Zhao Hongxia as non-executive Director; and Mr. Su Bo, Mr. Tang Shengzhi and Ms. Liu Xiaofeng as independent non-executive Directors.