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**Million Stars**

**MILLION STARS HOLDINGS LIMITED**

**萬星控股有限公司**

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

**(Stock Code: 8093)**

**SUPPLEMENTAL ANNOUNCEMENT  
SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

Reference is made to the announcement of Million Stars Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 April 2021 in relation to the subscription of new shares under general mandate (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information in relation to the Subscription of New Shares.

**FURTHER INFORMATION OF SUBSCRIBER A**

Jia Heng Tai Feng Co., Limited, being subscriber A, is a limited company incorporated in Hong Kong whose principal business is domestic and overseas investment management and consulting. The company is beneficially owned by Mr. Wu Zhongyi who is a merchant and investor graduated from University of Birmingham in the United Kingdom — Birmingham Business School, with a major in investment. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Subscriber A and Mr. Wu Zhongyi are Independent Third Parties of the Company and its connected persons.

**FURTHER INFORMATION ON REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The Company wishes to provide the Shareholders and the potential investors with the following additional information in relation to the reasons for and the use of net proceeds from the Subscription.

The Board has reviewed other alternative fundraising methods such as debt financing, rights issue or open offer. The Board has considered that debt financing may incur interest burden on the Group and may be subject to a lengthy due diligence process and negotiations with banks as well as the prevailing financial market condition, which may be relatively uncertain and time-consuming. On the other hand, rights issue or open offer will involve the issue of listing documents with other application and administrative procedures which may require relatively longer time and additional administrative cost to complete as compared to the equity financing by way of issuing of new Shares under the General Mandate.

The Group is exploring suitable fund raising opportunities from time to time. Due to the recovery of supply of money in the market, the Group considers that it is a good opportunity to enhance its capital structure, decrease the gearing ratio and increase its working capital as appropriate and conduct investment when suitable opportunities arise.

Subscriber A owns over 10 years of experience in equity investment and mergers and acquisitions, focusing on businesses such as investment and investment consulting in the cultural industry and related internet industries. Having approached a number of potential investors and explored various financing options, the Group believes that the subscriber's background and past experience most closely matches the areas in which the listed company is currently engaged. The Subscription could promote the business development of the Company by leveraging on funds raised from the Subscribers and the synergic effects to the Group in future brought by its network. Also, the Subscription could optimize the existing equity structure of the Company.

Furthermore, the Directors consider that the Subscription demonstrates the Subscribers' confidence towards the long-term and sustainable development of the Company, and that the continuing support of the Subscribers is crucial to ensure the business stability and long-term development of the Group. Taking into consideration of the merits to the Group, the Group considers that the Subscription is beneficial to the Company and its shareholders as a whole.

As shown in the unaudited management account of the Group at 31 December 2020, the Group had bank and cash balances and borrowings of approximately HK\$4,100,000 and approximately HK\$7,500,000 respectively.

As disclosed in the Announcement, the estimated net proceeds from the Subscription and the Placing will be approximately HK\$20,955,000 in aggregate.

The Company intends to use the net proceeds from the Subscription and the Placing including but not limited to:

- (i) approximately HK\$12,000,000 for future business development, including but not limited to data centre and other potential business development;
- (ii) approximately HK\$6,000,000 for repayment of borrowing; and
- (iii) the remaining approximately HK\$3,000,000 for general working capital of the Group.

As at the date of this announcement, the Company does not have any arrangements and/or agreements on any potential investment. In the event that any potential investment is crystalized, the Company will inform the Shareholders and make announcement in accordance with the Listing Rules as and when appropriate.

## **FURTHER INFORMATION ON THE COMPLETION OF SUBSCRIPTION**

The obligations of the Company and the Subscribers to effect the Completion are conditional upon the listing of, and permission to deal in, the Subscription Shares being granted by the Stock Exchange (and such listing and permission not subsequently revoked prior to Completion) on or before 31 May 2021 (or such later date as the parties may agree). Completion of each Subscription Agreement is not inter-conditional.

By Order of the Board  
**Million Stars Holdings Limited**  
**Zhu Yongjun**  
*Chairman and Chief Executive Officer*

Hong Kong, 6 May 2021

*As at the date hereof, the Board comprises Mr. Zhu Yongjun and Ms. Tian Yuan as executive Directors; and Mr. Chen Ce, Ms. Jiang Ying and Ms. Zhu Minli as independent non-executive Directors.*

*This announcement, for which the Directors of the Company 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>.*