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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)

**COMPLETION OF SUBSCRIPTION OF
NEW SHARES UNDER GENERAL MANDATE**

Reference is made to the announcement of Million Stars Holdings Limited (the “Company”) dated 11 March 2024 (the “Announcement”) in relation to the subscription of new shares under general mandate. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise specified.

COMPLETION OF THE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that all the conditions of the Subscription Agreement have been fulfilled and completion of the Subscription by Web3 Group Limited 瓦普思瑞集團股份有限公司 (the “Subscriber”) took place on 28 March 2024, whereby 101,600,000 Subscription Shares were allotted and issued to the Subscriber by the Company at the Subscription Price of HK\$0.125 per Subscription Share. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners, ultimately held as to 71.43% by Mr. Zhou Ming* (周明先生) and 28.57% by Mr. Shen Guotao* (沈國濤先生) are independent third parties of the Company and its connected persons (as defined in the GEM Listing Rules).

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Directors consider that the Subscription represents an opportunity to raise additional funding for the Group's business operation. The net proceeds from the Subscription will be used for repayment of the Group's certain outstanding loans while the remaining balance for general working capital and business development on internet advertising agency services and digitalization empowerment platform of the Group.

The Directors consider that the Subscription represents an opportunity for the Group to reduce its liabilities and broaden the capital base and Shareholder base of the Company. Accordingly, the Directors consider that the Subscription is in the interest of the Company and the Shareholders as a whole.

USE OF PROCEEDS

Each of the gross proceeds and net proceeds from the issue of the Subscription Shares is estimated to be approximately HK\$12,700,000 and HK\$12,600,000 respectively. The Company intends to use the net proceeds (i) for future business development, (ii) for repayment of borrowings and (iii) for general working capital of the Group.

The table below is a summary of the use of net proceeds:

Intended use of proceeds	Percentage	Allocation of net proceeds (HK\$)	Expected timeline for use
Repayment of certain borrowings	24%	3,024,000	30 June 2024
Business development on internet advertising agency services and digitalization empowerment platform	50%	6,300,000	31 December 2024
General working capital	<u>26%</u>	<u>3,276,000</u>	31 December 2024
Total	<u>100%</u>	<u>12,600,000</u>	

The net price of each Subscription Share will be approximately HK\$0.124.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately before completion of the Subscription by the Subscriber; and (ii) immediately after completion of the Subscription by the Subscriber is as follows:

	Immediately before completion of the Subscription		Immediately after completion of the Subscription	
	Number of Shares	Approximately %	Number of Shares	Approximately %
Director				
Gan Xiaohua	8,005,000	1.37%	8,005,000	1.16%
Substantial Shareholders				
Shanghai Hutong Investments Centre Limited Partnership	72,497,169	12.38%	72,497,169	10.55%
Web3 Group Limited	—	—	101,600,000	14.78%
Other Public Shareholders	<u>505,097,831</u>	<u>86.25%</u>	<u>505,097,831</u>	<u>73.51%</u>
Total	<u>585,600,000</u>	<u>100.00%</u>	<u>687,200,000</u>	<u>100%</u>

By Order of the Board
Million Stars Holdings Limited
Gan Xiaohua Tian Yuan
Co-Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the Board comprises Mr. Gan Xiaohua and Ms. Tian Yuan as executive directors; and Mr. Chen Ce, Ms. Jiang Ying and Mr. Lam, Anthony Tze Cheung as independent non-executive directors.

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 Stock Exchange website at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and on the website of the Company at <http://www.millionstars.hk>.

* For identification only