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# Million Stars

**MILLION STARS HOLDINGS LIMITED**

**萬星控股有限公司**

*(To be renamed as Web3 Meta Limited 瓦普思瑞元宇宙有限公司)*

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

**(Stock Code: 8093)**

## **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2024**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “Directors”) of Million Stars Holdings Limited (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 (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.*

## FINANCIAL RESULTS

The board of Directors (the “Board”) of the Company hereby announce the audited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 30 June 2024, together with the comparative figures for the year ended 30 June 2023 as follows, which are presented in Hong Kong dollars (“HK\$”):

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the year ended 30 June 2024*

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Revenue	4	<b>124,541</b>	69,962
Cost of goods sold and services		<b>(136,911)</b>	(72,268)
Gross loss		<b>(12,370)</b>	(2,306)
Other income, gains and losses, net	5	<b>39,084</b>	(7,147)
Selling and distribution expenses		<b>(864)</b>	(1,099)
Administrative expenses		<b>(8,135)</b>	(17,762)
Finance costs	6	<b>(1,283)</b>	(1,727)
<b>Profit/(loss) before tax</b>		<b>16,432</b>	(30,041)
Income tax credit	7	<b>1,103</b>	50
<b>Profit/(loss) for the year attributable to owners of the Company</b>		<b>17,535</b>	(29,991)

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Other comprehensive income/(expense):</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences arising on translating foreign operations		<u>6,351</u>	<u>(12,264)</u>
<b>Other comprehensive income/(expense) for the year attributable to owners of the Company</b>		<u>6,351</u>	<u>(12,264)</u>
<b>Total comprehensive income/(expense) for the year attributable to owners of the Company</b>		<u><u>23,886</u></u>	<u><u>(42,255)</u></u>
		<b>2024</b>	2023
<b>Earnings/(loss) per share</b>	9		
Basic and diluted ( <i>HK cents</i> )		<u><u>3.06</u></u>	<u><u>(6.10)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	<i>Notes</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		6	2,384
Right-of-use assets		–	208
Goodwill		–	–
		6	2,592
<b>Total non-current assets</b>			
<b>Current assets</b>			
Inventories		–	45
Trade receivables	<i>10</i>	5,655	35,359
Prepayments and other receivables		87,306	82,534
Cryptocurrency		10	10
Restricted bank deposit		101	105
Pledged bank deposits		–	25,882
Bank and cash balances		4,146	4,708
		97,218	148,643
Assets classified as held-for-sale		–	3,368
		97,218	152,011
<b>Total current assets</b>			
<b>Current liabilities</b>			
Trade and bills payables	<i>11</i>	6,577	44,899
Accruals and other payables		23,248	37,065
Borrowings		1,856	4,691
Loans from a shareholder and director		705	30,416
Loan from a shareholder		716	17,254
Loans from directors		219	157
Loans from an ultimate beneficial owner		4,508	–
Lease liabilities		–	240
Current tax liabilities		–	1,103
		37,829	135,825
Liabilities associated with assets classified as held-for-sale		–	5,239
		37,829	141,064
<b>Total current liabilities</b>			
<b>Net current assets</b>		<b>59,389</b>	<b>10,947</b>
<b>Total assets less current liabilities</b>		<b>59,395</b>	<b>13,539</b>

	<i>Note</i>	<b>2024</b> <b>HK\$'000</b>	2023 HK\$'000
<b>Non-current liabilities</b>			
Lease liabilities		—	42
		<u>—</u>	<u>42</u>
<b>Total non-current liabilities</b>		<u>—</u>	<u>42</u>
<b>NET ASSETS</b>			
		<u><b>59,395</b></u>	<u>13,497</u>
<b>Capital and reserves</b>			
Share capital	12	<b>6,872</b>	5,080
Reserves		<u><b>52,523</b></u>	<u>8,417</u>
<b>TOTAL EQUITY</b>		<u><b>59,395</b></u>	<u>13,497</u>

## NOTES

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands with limited liability. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is Room 702 A&B, 7/F, Harbour Crystal Centre, 100 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are mainly provision of internet advertising services and digitalization empowerment platform business.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

The trading of shares of the Company on the Stock Exchange suspended as from 4 October 2021 and resumed on 26 September 2022.

The consolidated financial statements have been prepared on the historical cost basis.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### Going concern basis

In preparing the consolidated financial statements, the directors of the Company have considered the future liquidity of the Group. The Group had a net cash used in operating activities of approximately HK\$54,730,000 for the year ended 30 June 2024 and had borrowings and loans from a shareholder and director, a shareholder, directors and an ultimate beneficial owner repayable on demand of approximately HK\$1,856,000, HK\$705,000, HK\$716,000, HK\$219,000 and HK\$4,508,000 respectively, while the Group had total bank balances and cash amounting to approximately HK\$4,146,000 as at that date. Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of the going concern basis is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements.

Also, the directors of the Company are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

- the directors of the Company have carried out a detail review of the working capital forecast of the Group for not less than twelve months from the year end date, which took into account the projected future working capital of the Group;

- to obtain additional funds by equity financing and long-term debt financing to finance the Group's working capital and the repayments of existing debts when they fall due;
- to negotiate with the lenders of the other borrowings and creditors for the extension of repayments of those borrowings, trade payables and accruals and other payables to a date when the Group has adequate working capital to serve the repayments;
- to formulate and closely monitor business strategy for the Group to generate cash flows from its existing and new business operations;
- the shareholder and director, the shareholder, the directors and the ultimate beneficial owner of the Company have agreed not call for any repayment of loans amounting approximately HK\$705,000, HK\$716,000, HK\$219,000 and HK\$4,508,000, respectively, until the Group is in a financial position to do so.

In view of the above, the directors of the Company are of the opinion that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue as a going concern. Accordingly, the directors of the Company have prepared the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the directors of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in the near future.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

### 3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### **New and amendments to HKFRSs that are mandatory effective for the year**

In the current year, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are effective for the Group’s financial year beginning on 1 July 2023:

HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform — Pillar Two Model Rules

The application of the new and amendments to HKFRSs in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

#### **New and amendments to HKFRSs issued but not yet effective**

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 18	Presentation and disclosure in Financial Statements <sup>3</sup>
HKFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and the related amendments to Hong Kong Interpretation 5(2020) Presentation of Financial Statements —Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause <sup>1</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>4</sup> Effective for annual period beginning on or after a date to be determined.



The directors of the Company anticipate that the application of new and amendments to HKFRSs will have no material impact on the results and the financial position of the Group.

#### 4. REVENUE AND SEGMENT INFORMATION

The Group's reportable segments are as follows:

Internet advertising services	—	provision of internet advertising services which included promotion of online game and etc.
Digitalization empowerment platform business*	—	provision of cryptocurrency related business; operating vending machine; and gold trading

\* The name of this segment was “Digital assets business” prior to 2023. During the year ended 30 June 2023, the name was changed as the Group considered it represents the business nature of this segment and its recent development more specifically.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Disaggregation of revenue from contracts with customers by major products or service line for the year is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Internet advertising services	124,339	39,041
Digitalization empowerment platform business	202	30,921
	<u>124,541</u>	<u>69,962</u>

Disaggregation of revenue from contracts with customers by timing of recognition for the year is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At a point in time	96,122	30,921
Over time	28,419	39,041
	<u>124,541</u>	<u>69,962</u>

## 5. OTHER INCOME, GAINS AND LOSSES, NET

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest income on bank deposits	37	77
Interest income on loans receivable	–	1,052
Gain on disposal of subsidiaries	1,651	–
Gain on disposal of assets and liabilities associated with assets classified as held-for-sale	2,321	–
Gain on disposal of property, plant and equipment	–	24
Impairment loss recognised on trade receivables, prepayments and other receivables	(5,103)	(27,820)
Reversal of impairment loss recognised on trade receivables, prepayments and other receivables	40,053	16,211
Sundry income	344	59
Exchange (losses)/gains, net	(219)	3,250
	<u>39,084</u>	<u>(7,147)</u>

## 6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on other borrowings	26	209
Interest on loan from a shareholder and director	704	303
Interest on loan from a shareholder	550	767
Interest on lease liabilities	3	25
Interest expenses on discounted bills	–	423
	<u>1,283</u>	<u>1,727</u>

## 7. INCOME TAX CREDIT

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax		
— Current taxation	—	—
— Over provision in prior years	<u>(1,103)</u>	<u>(50)</u>
	<u><u>(1,103)</u></u>	<u><u>(50)</u></u>

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI for both years.

Under the two-tiered Hong Kong Profits Tax regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25% with effect from the year assessment 2018/2019. Profits above HK\$2 million will continue to be subject to the tax rate of 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the rate of 16.5%.

PRC enterprise income tax (“EIT”) has been provided at a rate of 25% (2023: 25%). No provision for PRC EIT has been made in the consolidated financial statements as the group entities operating in the PRC have no taxable income for both years.

Taxation for other jurisdictions are calculated at the applicable rates prevailing at where the group entities operate.

## 8. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 30 June 2024, nor has any dividend been proposed since the end of the reporting period (2023: HK\$Nil).

## 9. EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share is based on the following data:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit/(loss) for the purpose of calculating basic earnings/(loss) per share		
Profit/(loss) for the year attributable to owners of the Company	<u>17,535</u>	<u>(29,991)</u>
	2024 <i>'000</i>	2023 <i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	<u>573,596</u>	<u>491,726</u>

No diluted earnings per share for the year ended 30 June 2024 and diluted loss per share for the year ended 30 June 2023 were presented as there were no potential ordinary shares in issue for both of the years.

## 10. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	7,746	58,238
Less: Allowances for impairment loss	<u>(2,091)</u>	<u>(22,879)</u>
	<u>5,655</u>	<u>35,359</u>

The Group's trading terms with customers are mainly on credit. The Group generally allows a credit period from not more than 60 days for its internet advertising business customers. The Group does not hold any collateral over these balances.

Before accepting any new customer, the management assesses the potential customer's credit quality and defines credit limits by customer.

The ageing analysis of trade receivables (net of allowances), based on dates on which revenue was recognised, and net of allowance, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	–	7,382
31 to 60 days	–	–
61 to 90 days	3	2,397
91 to 180 days	846	25,580
181 to 365 days	<u>4,806</u>	<u>–</u>
	<u>5,655</u>	<u>35,359</u>

As at 30 June 2024, allowances were made for estimated irrecoverable trade receivables of approximately HK\$2,091,000 (2023: HK\$22,879,000).

## 11. TRADE AND BILLS PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade and bills payables	<u>6,577</u>	<u>44,899</u>

The ageing analysis of trade and bills payables, based on invoice date, is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
0–30 days	4	11,624
31–60 days	–	–
61–90 days	–	–
91–180 days	–	25,882
Over 180 days	<u>6,573</u>	<u>7,393</u>
	<u>6,577</u>	<u>44,899</u>

The normal credit period for purchase goods ranged from 0 to 90 days and certain suppliers grant longer credit period on a case-by-case basis.

## 12. SHARE CAPITAL

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Authorised:		
4,000,000,000 ordinary shares of HK\$0.01 each	<u>40,000</u>	<u>40,000</u>
Issued and fully paid:		
At beginning of the year	5,080	4,880
Issue of ordinary shares under share subscription	<u>1,792</u>	<u>200</u>
At end of the year	<u>6,872</u>	<u>5,080</u>

On 17 March 2023, the Company entered into subscription agreements with a independent third party under which the Company has agreed to allot and issue 20,000,000 new shares at the subscription price HK\$0.15 per share. Completion of the shares subscription took place on 24 April 2023 which gave rise to proceeds of HK\$3,000,000 (before expense) on the issue of 20,000,000 new shares of the Company.

On 15 November 2023, the Company entered into subscription agreements with two independent third parties under which the Company has agreed to allot and issue 77,600,000 new shares at the subscription price HK\$0.12 per share. Completion of the shares subscription took place on 29 December 2023 which gave rise to proceeds of HK\$9,312,000 (before expense) on the issue of 77,600,000 new shares of the Company.

On 11 March 2024, the Company entered into subscription agreements with a independent third party under which the Company has agreed to allot and issue 101,600,000 new shares at the subscription price HK\$0.125 per share. Completion of the shares subscription took place on 28 March 2024 which gave rise to proceeds of HK\$12,700,000 (before expense) on the issue of 101,600,000 new shares of the Company.

## **EXTRACT FROM INDEPENDENT AUDITORS' REPORT**

The following is an extract of the independent auditor's report on the Company's consolidated financial statements for the year ended 30 June 2024:

### **OPINION**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **MATERIAL UNCERTAINTY RELATED TO GOING CONCERN**

We draw attention to note 3 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. The Group had a net cash used in operating activities of approximately HK\$54,730,000 for the year ended 30 June 2024 and had borrowings and loans from a shareholder, directors, a shareholder and director and an ultimate beneficial owner repayable on demand of approximately HK\$1,856,000, HK\$716,000, HK\$219,000, HK\$705,000 and HK\$4,508,000 respectively, while the Group had total bank balances and cash amounting to approximately HK\$4,146,000 as at 30 June 2024. These conditions, along with other matters as set forth in note 3 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The directors of the Company, having considered the measures being taken by the Group, are of the opinion that the Group would be able to continue as a going concern. Our opinion is not modified in respect of this matter.

### **FINAL DIVIDEND**

The Board does not recommend the payment of any final dividend for the year ended 30 June 2024 (2023: HK\$Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### Introduction

The Group is principally engaged in internet advertising services and the build-up and operation of a digitalization empowerment platform.

### Business Review

The Group and its subsidiaries are principally engaged in internet advertising services and the build-up and operation of a digitalization empowerment platform. In the past year, the Group has continued to optimize its precise marketing system of internet advertising, with the application of AI to achieve a higher conversion rate for internet advertising. Meanwhile, the Group has also placed much emphasis on the application of new Web3 technology in order to improve the interactive and entertainment functions of its products and enhance customer loyalty. In addition, the Group has been upgrading its internet advertising business to improve the differentiated positioning and core competitiveness of its platform.

#### *Internet Advertising Services*

Through its own platform and global mainstream online platforms, including Facebook and Google, the Group provides customers with global advertising placement services, including the provision of game promotion, big data support, integrated marketing solutions and other services for its customers.

By the end of June 2024, the internet advertising services business achieved operating income of approximately HK\$124.3 million.

#### *Digitalization Empowerment Platform*

On the basis of the internet advertising business, the Group timely launched the digitalization empowerment system and introduced the “Offline Credit Machine” (線下貸櫃機) that integrates sales and inventory, product supply chain, interactive marketing and advertising. Although the product is still in the stage of market exploration and application, it will continue to apply blockchain and Web3 technologies to combine interactive marketing online and offline with customers, thereby forming an online-offline interactive marketing machine that is safe, fair, impartial and filled with fun.

## **Outlook**

The Group's internet advertising business and digitalization empowerment platform businesses will continue to develop steadily. The Group will implement its preliminary strategy for deployment of the Web3 media in Hong Kong, the cloud computing platforms in North America, the blockchain hardware wallet system, the stock exchanges in Canada as well as technologies and services relating to digital assets. Besides, the Group will press on with the expansion of its presence in the Web3 arena, including the development of blockchain technologies, metaverse and AI, with a focus on pathing ways for future business growth through the new Web3 model. In the near term, the Group will take the development of the Web3 E-commerce SAAS System as its main focus, aiming to become a leading Web3 e-commerce service provider.

## **Financial Review**

### *Revenue*

The Group's revenue principally represents income derived from the provision of internet advertising services and digitalization empowerment platform business.

The Group has recorded a revenue of approximately HK\$124.5 million for the year ended 30 June 2024, representing an increase of approximately 77.9% as compared with about HK\$70.0 million for the year ended 30 June 2023.

### *Cost of Sales and Gross Loss*

Cost of sales mainly represents costs incurred for provision of internet advertising services during the year.

The Group's cost of sales amounted to approximately HK\$136.9 million for the year ended 30 June 2024. Cost of sales increased by approximately 89.3% as compared with the cost of sales for the year ended 30 June 2023.

Gross loss margin of approximately 9.9% for the year ended 30 June 2024 increased by 6.6% comparing to the gross loss margin of approximately 3.3% for the year ended 30 June 2023, mainly due to the Group's investment in mobile game business in addition to the internet advertising business, representing an increase in initial investment costs, pursuing a strategy of small profits but quick turnover.



### *Other Income, Gains and Losses, Net*

Other income, gains and losses, net, mainly represents sundry income or losses incidental to our business, principally including interest income, impairment loss recognised on trade receivables, prepayments and other receivables, reversal of impairment losses recognised on trade receivables, prepayments and other receivables and exchange gains or losses, etc.

Other income, gains and losses, net, amounted to net income of approximately HK\$39.1 million for the year ended 30 June 2024 compared to net losses of approximately HK\$7.2 million for the year ended 30 June 2023.

### *Selling and Distribution Expenses*

Selling and distribution expenses comprise mainly payroll expenses. The selling and distribution expenses for the year ended 30 June 2024 and 2023 were approximately HK\$0.9 million and HK\$1.1 million respectively. The decrease in selling and distribution expenses was mainly due to the decrease in the digitalization empowerment platform business in the later stage.

### *Administrative Expenses*

Administrative expenses comprise mainly payroll expenses, rent, depreciation, operating expenses and other office administrative expenses. Administrative expenses were approximately HK\$8.1 million for the year ended 30 June 2024, while amounted to approximately HK\$17.8 million for the year ended 30 June 2023, representing a decrease of approximately 54.5%.

The lower administrative expenses for the year ended 30 June 2024 were recorded mainly due to reduction in depreciation charge and staff costs.

### *Finance Costs*

Finance costs decreased to HK\$1.3 million during the year ended 30 June 2024 from HK\$1.7 million during the year ended 30 June 2023, primarily due to the decrease in interest paid to shareholders and directors.

### *Income Tax Credit*

Income tax credit represents Hong Kong Profits Tax at 16.5% for the Company's subsidiaries in Hong Kong and PRC Enterprise Income Tax at 25% for the Company's subsidiaries in the PRC.

### *Profit/loss for the Year*

The Group recorded a profit of approximately HK\$17.5 million and a loss of HK\$30.0 million for the year ended 30 June 2024 and 2023, respectively.

### *Financial Position, Liquidity and Financial Resources*

The Group adopts a prudent cash and financial management policy. In order to achieve better cost control and minimise the costs of funds, the Group's treasury activities are centralised and cash is generally deposited with banks in Hong Kong and Mainland China.

The Group has maintained its funds at a sound and healthy financial resource level during the year under review. As at 30 June 2024, included in net current assets were cash and bank balances (including pledged bank deposits) totalling approximately HK\$4.2 million (30 June 2023: HK\$30.7 million), the decrease in which was mainly attributable to the fact that the pledged bank deposits were due for payment to suppliers and certain prepayments to suppliers.

The Group's outstanding borrowings as at 30 June 2024 amounting to HK\$1.9 million (30 June 2023: HK\$4.7 million) were principally denominated in HKD (2023: HKD and Renminbi) and carried at fixed interest rates.

The Group monitored capital using gearing ratio, which is total debt of the Group divided by total equity of the Group.

Total debt to equity ratio of the Group expressed as a percentage of borrowings over the total equity was approximately 3.1% as at 30 June 2024 (30 June 2023: 34.7%).

### *Financial Management Policies*

The Group in its ordinary course of business is exposed to market risks such as foreign currency risk and interest rate risk. The Group's risk management policy aims to minimise the adverse effects of these risks on its financial performance.

Cash is generally deposited with banks in Hong Kong and Mainland China, which is denominated mostly in United States dollars, Hong Kong dollars and Renminbi. Hong Kong dollars are pegged to United States dollars under the current policy of the Government of Hong Kong.

As the Group's trading transactions, monetary assets and liabilities in Mainland China are denominated mainly in Renminbi, and trading transactions, monetary assets and liabilities in Hong Kong and overseas are denominated mainly in Hong Kong dollars (being the Group's operating and reporting currencies) and United States dollars (to which Hong Kong dollars were pegged), the impact of foreign exchange exposure to the Group was minimal and the changes in foreign exchange rates did not have a significant adverse effect on normal operations during the reporting period.

With the current interest rates staying at relatively low levels, the Group has not entered into any interest rate hedging contracts or any other interest rate related derivative financial instrument. However, the Group continues to monitor its related interest rate exposure closely.

## USE OF PROCEEDS

On 15 November 2023, the Company entered into two subscription agreements (the "Subscription Agreements") with two subscribers (the "Subscribers"), pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 77,600,000 shares of the Company at the subscription price of HK\$0.12 per share. The Subscription Agreements have been completed on 29 December 2023 and 77,600,000 shares have been allotted and issued to the Subscribers.

The gross proceeds and net proceeds from the issue of the shares are estimated to be HK\$9,312,000 and approximately HK\$9,112,000 respectively. The Company intends to use the net proceeds for general working capital of the Group and for the future development of the Group's business. The net price of each share is approximately HK\$0.117.

The table below gives out the details of the use of proceeds:

	<b>Allocation of net proceeds <i>HK\$'000</i></b>	<b>Amount utilized as at 30 June 2024 <i>HK\$'000</i></b>	<b>Remaining balance of net proceeds as at 30 June 2024 <i>HK\$'000</i></b>
<b>Issue of 77,600,000 shares on 29 December 2023</b>			
Future business development, including but not limited to data centre and other potential business development	3,645	3,645	0
Repayment of borrowings and general working capital of the Group	5,467	5,467	0

On 11 March 2024, the Company entered into subscription agreement (the “Subscription Agreement”) with the subscriber (the “Subscriber”), pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 101,600,000 shares of the Company at the subscription price of HK\$0.125 per share. The Subscription Agreement has been completed on 28 March 2024 and 101,600,000 shares have been allotted and issued to the Subscriber.

The gross proceeds and net proceeds from the issue of the shares are estimated to be HK\$12,700,000 and approximately HK\$12,600,000 respectively. The Company intends to use the net proceeds (i) for future business development, (ii) for repayment of borrowings and for general working capital of the Group. The net price of each share is approximately HK\$0.124.

The table below gives out the details of the use of proceeds:

	<b>Allocation of net proceeds</b>	<b>Amount utilized as at 30 June 2024</b>	<b>Remaining balance of net proceeds as at 30 June 2024</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Issue of 101,600,000 shares on 28 March 2024</b>			
Repayment of certain borrowings and general working capital	6,300	2,200	4,100
Business development on internet advertising services and digitalization empowerment platform	6,300	6,300	0

#### *Charge over Assets of the Group*

As at 30 June 2024, there is no pledged bank deposits of the Group to support the Group’s banking facilities (30 June 2023: HK\$25,882,000).

#### *Capital Commitments*

As at 30 June 2024, the Group did not have any significant capital commitment (30 June 2023: Nil).

#### *Contingent Liabilities*

As at 30 June 2024, the Group did not have any significant contingent liability (30 June 2023: Nil).

### *Risk Management and Uncertainties*

The Board believes that risk management is essential to the Group's efficient and effective operation. The Group's management assists the Board in periodic evaluation of principal risks exposed to the Group and estimation made for the uncertainties; and participates in formulating appropriate risk management and internal control measures for the purpose of on-going monitoring of such risks and assessing the appropriateness of such estimations.

### **Material Acquisitions and Disposals**

During the year ended 30 June 2024, the Group did not have any material acquisition or disposal.

### **Events after the reporting period**

Save as disclosed in this announcement, there is no significant event that took place subsequent to 30 June 2024.

### **Employees and Remuneration Policy**

As at 30 June 2024, the Group had a workforce of 14 employees (2023: 22). Total staff costs for the year ended 30 June 2024 were approximately HK\$2 million, as compared to total staff costs of HK\$5 million for the year ended 30 June 2023.

The emolument policy of the employees of the Group is formulated by the Remuneration Committee (as defined below) with reference to the duties, responsibilities, experience and competence of individual employees. The same policy also applies to the Directors. In addition to salaries and discretionary bonuses relating to the performance of the Group, employee benefits included pension scheme contributions. The emoluments of the Directors are reviewed annually by the remuneration committee of the Company ("Remuneration Committee").

As incentives and rewards for their contributions to the Group, the employees of the Group and all the Directors (including the independent non-executive Directors) may also be granted share options by the Company from time to time pursuant to the share option scheme of the Company adopted on 28 January 2015.

The Group provides various training to its employees to enhance their technical skills and knowledge relevant to the employees' responsibilities. The Group also provides its employees with quality control standards and work safety standards training to enhance their safety awareness.

The employees in Hong Kong are enrolled in the Mandatory Provident Fund under the Hong Kong Mandatory Provident Fund Schemes Ordinance. Monthly contributions are made by the Group which are 5% of the monthly income of the employees as stipulated under the relevant requirements (if applicable), with the maximum contributions of HK\$1,500 monthly.

Pursuant to the regulations of the relevant authorities in the PRC, the employees in PRC shall be enrolled in the respective government retirement benefit schemes (the "Schemes") whereby the Group is required to contribute to the Schemes to fund the retirement benefits of the eligible employees. Contributions made to the Schemes are calculated based on certain percentages of the applicable payroll costs as stipulated under the requirements in the PRC. The relevant authorities of the PRC are responsible for the entire pension obligations payable to the retired employees. The only obligation of the Group with respect to the Schemes is to pay the ongoing required contributions under the Schemes.

### **Change of Company Name**

Pursuant to a special resolution passed at an extraordinary general meeting held on 10 September 2024 and the issue of the Certificate of Incorporation on Change of Name issued by the Registrar of companies in the Cayman Islands on 12 September 2024, the English name of the Company has been changed from "Million Stars Holdings Limited" to "Web3 Meta Limited" and the dual foreign name of the Company in Chinese had been changed from "萬星控股有限公司" to "瓦普思瑞元宇宙有限公司" with effect from 12 September 2024.

## **CHANGES OF DIRECTORS' INFORMATION**

Upon specific enquiry by the Company and following confirmations from Directors, save as disclosed as follows, there is no change in the information of the Directors required to be disclosed pursuant to Rule 17.50A(1) of the GEM Listing Rules since the Company's last published annual report.

<b>Name of Director</b>	<b>Changes in Positions held with the Company</b>
Ms. Tian Yuan	<ul style="list-style-type: none"><li>• ceased to be co-chairman of the Board of the Company with effect from 4 June 2024</li><li>• ceased to be the compliance officer of the Company with effect from 4 June 2024</li></ul>
Mr. Gan Xiaohua	<ul style="list-style-type: none"><li>• ceased to be co-chairman of the Board of the Company with effect from 4 June 2024</li></ul>
Mr. Zeng Jin	<ul style="list-style-type: none"><li>• appointed as the executive Director of the Company with effect from 4 June 2024</li><li>• appointed as the Chairman of the Board with effect from 4 June 2024</li><li>• appointed as the compliance officer of the Company with effect from 4 June 2024</li></ul>
Ms. Liu Qin	<ul style="list-style-type: none"><li>• appointed as the executive Director of the Company with effect from 4 June 2024</li></ul>

## **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS**

During the year ended 30 June 2024, the Directors are not aware of any business or interest of the Directors or the controlling shareholders of the Company that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the year ended 30 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct for securities transactions and dealing (the “Code of Conduct”) by Directors on terms no less exacting than the required standard set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “Model Code”). The Company has made specific enquiry of all Directors as to whether they have complied with the required standard set out in the Model Code and the Code of Conduct during the year ended 30 June 2024.

All the Directors have confirmed that they have complied with the required standards set out in the Model Code and the Code of Conduct throughout the year ended 30 June 2024.

## **CORPORATE GOVERNANCE CODE**

The Company has adopted the code provisions on Corporate Governance Code in force during the year ended 30 June 2024 as set out in Appendix C1 to the GEM Listing Rules.



During the year ended 30 June 2024, the Group was in compliance with the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules (the “CG Code”), except the deviations disclosed below:

	<b>CG Code Provision</b>	<b>Deviation</b>	<b>Considered Reason for Deviations</b>
D.1.2	Management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company’s performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules.	The management failed to provide the Directors with updated financial information of the Company each month.	The Board members of the Company were still informed by the management of the Company by email, by WeChat or by phone on the updated information of the Company’s performance and future business plan from time to time.
F.2.2	The Chairman should invite members of the audit, remuneration, nomination and any other committees (as appropriate) to attend the annual general meeting (the “AGM”). In their absence, he should invite another member of the committee or failing this his/her duly appointed delegate, to attend. These persons should be available to answer questions at the AGM.	Due to other work commitments, the chairperson and members of the Audit Committee of the Company did not physically attend the AGM of the Company held on 16 November 2023 (the “2023 AGM”).	In order to ensure an effective communication with the shareholders of the Company, other Board members (including the Chairman of the Board, executive Directors and independent non-executive Director) attended the 2023 AGM to answer relevant questions from the shareholders of the Company present thereat. The external auditor of the Company also attended the 2023 AGM.

## **AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS**

The Audit Committee has been established in accordance with the GEM Listing Rules. Members of the Audit Committee comprise Mr. Chen Ce (Chairman), Ms. Jiang Ying and Mr. LAM, Anthony Tze Cheung (appointed on 11 January 2024), all of them being independent non-executive Directors. The Audit Committee has reviewed with the management this announcement, the accounting principles and practices adopted by the Group, financial reporting matters including a review of the audited consolidated annual results for the year ended 30 June 2024 prior to recommending them to the Board for approval.

## SCOPE OF WORK OF AUDITOR

The figures in respect of the consolidated financial statements as set out in this results announcement have been agreed by the Group's independent auditor, **Prism Hong Kong Limited** to the amounts set out in the consolidated financial statements for the year ended 30 June 2024.

The work performed by Prism Hong Kong Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Prism Hong Kong Limited on this results announcement.

By order of the Board  
**Million Stars Holdings Limited**  
**Zeng Jin**  
*Chairman and executive Director*

Hong Kong, 26 September 2024

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

*This announcement will remain on the Stock Exchange website at <http://www.hkexnews.hk> on the "Latest Listed 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>.*