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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING ON STRATEGIC COOPERATION

This announcement is made by Million Stars Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) on a voluntary basis for the purpose of providing updated information on the business development of the Group to the shareholders and potential investors of the Company.

MEMORANDUM OF UNDERSTANDING ON STRATEGIC COOPERATION

The board (the “**Board**”) of directors (the “**Director(s)**”) is pleased to announce that on 4 April 2023, the Company entered into a memorandum of understanding on strategic cooperation (the “**MOU**”) with Cangzhou Deneng Pharmaceutical Co., Ltd.* (滄州得能製藥有限公司) (the “**Strategic Partner**”).

Scope of Operation

Pursuant to the MOU, the Company and the Strategic Partner intend to collaborate with each other so as to bring mutual benefits to both parties, and the collaboration may be in form of, including but not limited to:

1. the Company and the Strategic Partner become official business partners to support each other and to explore the effective use and integration of their respective advantages in technology, talents, and resources to extensively cooperate in the field of digitally-empowered medicine and healthcare and achieve the goal of “complementary advantages and joint development”.

* For identification purposes only

2. possible formation of a joint venture between the Company and the Strategic Partner to incorporate the technologies possessed by both parties into each other's products; and
3. pooling of relevant resources of the parties to establish other cooperative model(s), aiming to maximise each other's benefits.

Term

The MOU shall be effective for a period of one year commencing from the date of the execution of the MOU, unless terminated by not less than one month's prior written notice to the other party prior to the expiration of the term of the MOU.

Non-legally Binding Effect

Save for certain clauses regarding, among others, confidentiality, costs and expenses and governing law, the MOU is not legally binding on the Company and the Strategic Partner. The parties to the MOU shall enter into formal written agreements to set out the terms and conditions of the collaboration between the Company and the Strategic Partner.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The Group is a conglomerate, which was principally engaged in internet advertising agency services, the build-up and operation of a digital empowerment platform, and the digital assets business. The Group's business strategy is to consider promising businesses and investment opportunities from time to time to add value to the Company in its core businesses. The Board is of the view that the MOU is in line with the Group's strategy of exploring new business opportunities. The transactions contemplated under the MOU, if materialised, are expected to bring new profit growth driver(s) to the Group, which is in the interest of the Company and its shareholders as a whole.

BACKGROUND OF THE STRATEGIC PARTNER

Established in 1968, Cangzhou Deneng Pharmaceutical Co., Ltd., formerly known as Hebei Qingxian Pharmaceuticals Factory, is one of the earliest enterprises in Hebei to manufacture drugs and a high-tech enterprise in Hebei Province. The company is equipped with a production capacity of multi-dose drugs, with all of its 65 varieties having passed the GMP certification. Its cough granules for children, roxithromycin granules, gentamicin sulfate granules, and other leading products, cough granules for children in particular, have been widely recognized by the market since the outbreak of COVID-19.

GENERAL

The MOU only represents a memorandum of understanding between the Company and the Strategic Partner. The implementation of the transactions contemplated under the MOU is subject to formal agreement(s) to be ultimately entered into, and may or may not materialise as described in this announcement. Should any formal agreement(s) in relation to the MOU be entered into, the Company will comply with the relevant requirements under the Rules Governing the Listing of Securities on the Stock Exchange, where applicable.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares.

By order of the Board
Million Stars Holdings Limited
Zhu Yongjun
Chairman

Hong Kong, 4 April 2023

As at the date of this announcement, the Board comprises Mr. Zhu Yongjun, Mr. Gan Xiaohua 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 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>.