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MILAN STATION HOLDINGS LIMITED

米蘭站控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1150)

SUPPLEMENTAL ANNOUNCEMENT – IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report (the “**Annual Report**”) of Milan Station Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2020. Capitalised terms used herein shall have the same meanings as those defined in the Annual Report unless the context requires otherwise.

In addition to the information disclosed in the Annual Report under the section headed “CONNECTED TRANSACTIONS” and “USE OF NET PROCEEDS”, the board of directors of the Company (the “**Board**”) would like to provide to the shareholders of the Company and the potential investors with the following supplementary information.

CONTINUING CONNECTED TRANSACTION AND CONNECTED TRANSACTIONS

On 13 November 2017, Milan Station (Causeway Bay) Limited (“**MS CWB**”), as lessee, entered into a lease agreement with Excel Trend, as lessor, whereby MS CWB agreed to lease the CWB Premises from Excel Trend commencing from 1 January 2018 to 16 June 2020 for retail use. The monthly rental payable by Milan CWB is HK\$504,000. On 1 April 2020, MS CWB entered into Rental Concession Agreement which the monthly rental payable by Milan CWB is HK\$289,000 from 1 April 2020 to 16 June 2020. Total consideration payable to Excel Trend is HK\$14,032,000. This lease constituted continuing connected transaction of the Company.

Pursuant to the Listing Rules, the Independent Non-executive Directors have reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (iv) have not exceeded the relevant maximum amount capped.

HLB Hodgson Impey Cheng Limited, the Company's auditors, were engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. HLB Hodgson Impey Cheng Limited have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

On 10 June 2020, Milan Station (Causeway Bay) Limited ("MS CWB"), as lessee, entered into a lease agreement with Excel Trend, as lessor, whereby MS CWB agreed to lease the CWB Premises from Excel Trend commencing from 17 June 2020 to 16 June 2021 for retail use. The monthly rental payable by Milan CWB is HK\$360,000. Total consideration payable to Excel Trend is HK\$4,320,000. The Group recognized right-of-use assets of HK\$4,219,000 in respect of the lease, which constituted connected transaction of the Company.

USE OF NET PROCEEDS

As at 31 December 2020, the net proceeds from the Rights Issue were applied as follow:

	Planned use of proceeds HK\$ million	Actual use of proceeds up to 31 December 2020 HK\$ million	Use of proceed not yet utilized HK\$ million
Settlement of rental expenses and management fee of the Group's retail stores	27.6	2.7	24.9
Payment of salaries of the Group's employees	17.3	1.9	15.4
Settlement of the Group's trade payables	4.9	–	4.9
Opening and operating a new retail store in Tsimshatsui	4.0	0.7	3.3

The use of proceeds from the Rights Issue are proposed to be used as intended and the unutilized proceeds are expected to be used in next 16 months.

Save as disclosed in this announcement, the remaining contents of the Annual Report remain unchanged.

By Order of the Board
Milan Station Holdings Limited
Hu Bo
Director

Hong Kong, 29 September 2021

As at the date of this announcement, the Board comprises Mr. HU Bo, Mr. LI Zhongqi and Ms. LIN Mei Sze as Executive Directors; Mr. CHAN Chi Hung, Mr. TOU Kin Chuen and Mr. Choi Kam Yan Simon as Independent Non-executive Directors.