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StarGlory Holdings Company Limited **榮暉控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8213)

SUPPLEMENTAL INFORMATION RELATING TO USE OF PROCEEDS FROM THE RIGHTS ISSUE

References are made to the prospectus of StarGlory Holdings Company Limited (the “**Company**”) dated 22 May 2017 (the “**Prospectus**”), the announcement made by the Company dated 6 November 2018 (the “**Announcement**”) and the annual report of the Company for the year ended 31 March 2019 (the “**Annual Report**”) in relation to, amongst others, the use of proceeds (the “**Use Of Proceeds**”) from allotting and issuing 1,388,725,000 rights shares by way of rights issue (the “**Rights Issue**”) at the subscription price of HK\$0.072 per rights share, on the basis of one (1) rights shares for every two (2) existing Shares held on 19 May 2017. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus, the Announcement and the Annual Report.

The board (the “**Board**”) of directors would like to provide the investors with the following additional information regarding the Use of Proceeds:

USE OF PROCEEDS

As disclosed in the Annual Report, among the net proceeds from the Rights Issue of approximately HK\$99.0 million, as at 31 March 2019, approximately HK\$5.0 million, HK\$13.4 million and HK\$1.7 million have been used as operation and expansion of the existing food and beverage business, the Company’s corporate expenses and investment in e-cigarette business in the PRC, respectively.

Set out below is a table summarising the Use of Proceeds at different periods of time:

	Original allocation of net proceeds <i>HK\$ million</i>	Actual amount utilised up to 31 March 2018 <i>HK\$ million</i>	Unutilised balance as at 31 March 2018 <i>HK\$ million</i>	Re-allocation of the unutilised amount as disclosed in the Announcement <i>HK\$ million</i>	Actual amount utilised up to 31 March 2019 <i>HK\$ million</i>	Unutilised balance as at 31 March 2019 <i>HK\$ million</i>
Operation and expansion of the existing food and beverage business	29.0	–	29.0	–	(5.0)	24.0
Company's corporate expenses	20.0	(8.2)	11.8	–	(13.4)	6.6
Repayment of bank loans	15.0	–	15.0	(15.0)	–	–
Potential investment opportunities by acquiring a Chinese restaurant chain	35.0	–	35.0	–	–	35.0
Investment in, research and development, sales and marketing of e-cigarette in the PRC and overseas countries	–	–	–	15.0	(1.7)	13.3
	<u>99.0</u>	<u>(8.2)</u>	<u>90.8</u>	<u>–</u>	<u>(20.1)</u>	<u>78.9</u>

As at 31 March 2019, the remaining unutilised net proceeds from the Rights Issue amounted to approximately HK\$78.9 million and the planned timeline for the respective utilisation is as follows:

- a) approximately HK\$24.0 million will be applied for the operation and expansion of the existing food and beverage business and is expected to be fully utilised by 31 July 2021;
- b) approximately HK\$6.6 million will be applied for the Company's corporate expenses and is expected to be fully utilised by 30 April 2020;
- c) approximately HK\$35.0 million will be applied for potential investment opportunities and is expected to be fully utilised by 31 July 2021. The actual timeline will be subject to availability of appropriate acquisition target, market condition and time required for performing due diligence work. As of the date of this announcement, the Board has not identified any suitable acquisition target; and
- d) approximately HK\$13.3 million will be applied for investment in, research and development, sales and marketing of e-cigarette in the PRC and overseas countries and is expected to be fully utilised by 31 July 2021.

The Board will constantly evaluate the Group's business objectives and may change or modify the plans against the changing market condition to suit the business growth of the Group. Further announcement(s), in respect of changing in timeline or redeploying the allocation of the Use of Proceeds, if any, will be made by the Company in accordance with the requirements of the GEM Listing Rules as and when appropriate to update its shareholders and potential investors.

By order of the Board
StarGlory Holdings Company Limited
Huang Chao
Chairman and Executive Director

Hong Kong, 8 July 2019

As at the date of this announcement, the executive Directors are Mr. Huang Chao and Mr. Wu Xiaowen; and the independent non-executive Directors are Mr. Chan Yee Ping Michael, Mr. Deng Guozhen and Mr. Zeng Shiquan.

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 Listed Company Information" page for at least 7 days from the date of its posting and the website of the Company at www.stargloryhcl.com.