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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)**

## **EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE BOND**

### **FOURTH SUPPLEMENTAL DEED RELATING TO THE CONVERTIBLE BOND**

The Board announces that on 12 August 2024 (after trading hours), the Company entered into the Fourth Supplemental Deed with the Bondholder pursuant to which the Company and the Bondholder agreed to extend the maturity date of the Convertible Bond for 36 months from the date falling on the twelfth anniversary of the date of issue of the Convertible Bond, being 15 August 2024, to 15 August 2027, subject to the conditions precedent contained in the Fourth Supplemental Deed being satisfied.

### **GEM LISTING RULES IMPLICATIONS**

Pursuant to Rule 34.05 of the GEM Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company has applied to the Stock Exchange for its approval of the Amendment of Terms contemplated by the Fourth Supplemental Deed pursuant to Rule 34.05 of the GEM Listing Rules.

### **BACKGROUND**

Reference is made to the Company's announcements dated 28 June 2012, 8 July 2015, 10 July 2015, 15 August 2018, 13 August 2021 and 7 January 2022 and the circulars of the Company dated 30 July 2012, 25 July 2015 and 21 December 2021 in relation to, among other things, the issue of the Convertible Bond, the extension of the maturity date of the Convertible Bond and the adjustments in relation to the Convertible Bonds.

As disclosed in the circular of the Company dated 30 July 2012, the Convertible Bond was to be issued to Strong Venture Limited, a company wholly-owned by the Bondholder, in the principal amount of HK\$80,000,000 as payment for the consideration under the sale and purchase agreement dated 25 June 2012 entered into between Strong Venture Limited as the vendor and Theola Limited as the purchaser (an indirect wholly-owned subsidiary of the Company) in relation to the entire issued share capital of Mark Limited and the relevant shareholder's loan. The Convertible Bond was issued to Strong Venture Limited on 15 August 2012.

As disclosed in the circular of the Company dated 25 July 2015, all the Convertible Bond would be mature on 15 August 2015 pursuant to the original terms and conditions of the Convertible Bond and on 8 July 2015, the Company entered into the first supplemental deed with Strong Venture Limited, pursuant to which the Company and Strong Venture Limited agreed to extend the maturity date of the Convertible Bond for 36 months from the date falling on the third anniversary to the sixth anniversary of the date of issue of the Convertible Bond, subject to the conditions precedent contained in the first supplemental deed being satisfied.

On 21 August 2015, Strong Venture Limited had transferred to the Bondholder all the Convertible Bond. On 9 October 2015, the Bondholder exercised partially the conversion rights attaching to the Convertible Bond in respect of the principal amount of HK\$40,000,000 of the Convertible Bonds at the conversion price of HK\$0.08 per conversion shares.

As disclosed in the announcement of the Company dated 15 August 2018, the Convertible Bond, as amended in the first supplemental deed, would be mature on 15 August 2018 pursuant to the terms and conditions of the Convertible Bond. On 15 August 2018, the Company entered into the second supplemental deed with the Bondholder, pursuant to which the Company and the Bondholder agreed to extend the maturity date of the Convertible Bond for 36 months from the date falling on the sixth anniversary to the ninth anniversary of the date of issue of the Convertible Bond, subject to the conditions precedent contained in the second supplemental deed being satisfied.

As disclosed in the announcement of the Company dated 13 August 2021, the Convertible Bond, as amended in the second supplemental deed, would be mature on 15 August 2021 pursuant to the terms and conditions of the Convertible Bond. On 13 August 2021, the Company entered into the third supplemental deed with the Bondholder, pursuant to which the Company and the Bondholder agreed to extend the maturity date of the Convertible Bond for 36 months from the date falling on the ninth anniversary to the twelfth anniversary of the date of issue of the Convertible Bond, subject to the conditions precedent contained in the third supplemental deed being satisfied.

As at the date of this announcement, the outstanding principal amount of the Convertible Bond was HK\$40,000,000. All outstanding principal amount under the Convertible Bond will be mature on 15 August 2024 pursuant to the terms and conditions of the Convertible Bond.

#### **FOURTH SUPPLEMENTAL DEED RELATING TO THE CONVERTIBLE BOND**

On 12 August 2024 (after trading hours), the Company entered into the Fourth Supplemental Deed with the Bondholder, pursuant to which the Company and the Bondholder agreed to extend the maturity date of the Convertible Bond for 36 months from the date falling on the twelfth anniversary to the fifteenth anniversary of the date of issue of the Convertible Bond. Pursuant to the Fourth Supplemental Deed, the Amendment of Terms is conditional upon the satisfaction of the following conditions:

1. The Stock Exchange having approved the Amendment of Terms in accordance with the GEM Listing Rules and the Listing Committee granting approval for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange and the approval not having been subsequently revoked or cancelled; and
2. All necessary consents and approvals required to be obtained on the part of the Company and the Bondholder in respect of the Amendment of Terms having been obtained.

The Conversion Period under the Convertible Bond, which is between the date immediately following the issue of the Convertible Bond and the maturity date (both dates inclusive), will be extended accordingly.

#### **PRINCIPAL TERMS OF THE CONVERTIBLE BOND AS AMENDED BY THE FOURTH SUPPLEMENTAL DEED**

Save and except the amendment to the maturity date pursuant to the Fourth Supplemental Deed, all the terms and conditions in the Convertible Bond remain unchanged, valid and in full force.

The principal terms of the Convertible Bond as amended pursuant to the Fourth Supplemental Deed are summarised as follows:

- Total principal amount : HK\$40,000,000
- Issue price : At the full face value of the Convertible Bond
- Redemption : Unless previously converted, the Company shall repay the Convertible Bond in full with all interest accrued thereon up to and including the maturity date
- Conversion Price : as adjusted on 11 January 2022, HK\$0.56 per Conversion Share as disclosed in the announcement of the Company dated 13 August 2021, subject to adjustments for, among other things, customary anti-dilution provisions summarised below
- Conversion Period : the period commencing from the 10th Business Day after the issue date of the Convertible Bond and ending on the 10th Business Day immediately prior to the maturity date (both days inclusive)
- Anti-dilution adjustments : The Conversion Price shall from time to time be adjusted upon the occurrence of certain events including but not limited to the following:—
- (i) consolidation, sub-division or reclassification of the Shares;
  - (ii) capitalisation of profits or reserves;
  - (iii) capital distribution of Shares; and
  - (iv) the Company's issue for cash any Shares or other securities which are convertible into new Shares, and the consideration per Share initially receivable for such securities is less than 92% of the market price as at the date of the announcement of the terms of issue of such securities. For the purpose of this provision, "market price" means the average of the closing price per Share for each of the last ten Stock Exchange trading days on which dealings in the Shares on the Stock Exchange took place ending on such trading day last preceding the day on or as of which the market price is to be ascertained.

Every adjustment to the Conversion Price shall be certified by the Company's auditors or a merchant bank of repute in Hong Kong selected and appointed jointly by the Company and the Convertible Bondholder. Whenever the Conversion Price is adjusted, the Company shall as soon as possible but not later than three (3) Business Days after the relevant adjustment has been determined give notice to the Convertible Bondholder setting out the details of the adjustment to the Conversion Price.

The anti-dilution adjustment provisions contained in the Convertible Bond are all customary in nature. The mechanism for the anti-dilution adjustment provisions in the Convertible Bond was negotiated by the parties on an arm's length basis with reference to the initial Conversion Price and the anti-dilution adjustment provisions commonly found in transactions involving issue of convertible bonds.

- Maturity date : 15 August 2027
- Interest rate : 2% per annum, payable at the end of each March, June, September and December commencing on the date of issue of the Convertible Bond on the principal amount of the Convertible Bond outstanding from time to time
- If the Company does not pay any sum payable under the Convertible Bond when due, it shall pay interest on the amount from time to time outstanding in respect of that overdue sum at the rate of eight (8) per cent. per annum for the period beginning on its due date and ending on the date of actual payment
- Transferability : The Convertible Bond is freely transferable (whether in whole or in part) provided that: (i) it may not, without the prior written consent of the Company, be transferred to any person who is at the time of such transfer a connected person of the Company; and (ii) the principal amount to be transferred is at least HK\$1,000,000 and in integral multiples of HK\$1,000,000
- Conversion : Subject to compliance with the GEM Listing Rules and the Takeovers Code, the Convertible Bondholder will have the right during the Conversion Period, to convert the whole or part of such principal amount of the Convertible Bond into the Conversion Shares at the Conversion Price PROVIDED THAT any such conversion shall not result in the shareholding of the Company held by the public being less than the then minimum public float requirement as stipulated by the GEM Listing Rules at the time of such conversion
- Conversion Shares : Upon full conversion of the Convertible Bond and assuming no further adjustment to the Conversion Price of HK\$0.56 per Conversion Share and there is no further issue of the Shares (other than the Conversion Shares), a total number of 71,428,571 Conversion Shares will be issued upon conversion, representing approximately 13.72% of the number of Shares in issue and approximately 12.06% of the number of Shares in issue as enlarged by the issue of the Conversion Shares
- Ranking of the Conversion Shares : The Conversion Shares will rank pari passu in all respects among themselves and with other Shares in issue on the date of allotment and issue of such Conversion Shares
- Early repayment : The Company may upon mutual agreement with the Convertible Bondholder request for early repayment of all or part of the outstanding sums under the Convertible Bond on terms as may be mutually agreed between the Company and the Convertible Bondholder
- Voting : Holder of the Convertible Bond will not be entitled to attend or vote at any meetings of the Company by reason only of its being a bondholder

No application will be made for the listing of, or permission to deal in the Convertible Bond on the Stock Exchange or any other stock exchange. An application will be made to the GEM Listing Committee for the listing of, and permission to deal in the Conversion Shares that may be issued upon the conversion of the Convertible Bond.

Please refer to the circulars of the Company dated 30 July 2012, 25 July 2015 and 21 December 2021 and the announcements of the Company dated 15 August 2018, 13 August 2021 and 7 January 2022 for further details of the Convertible Bond.

## **REASON FOR AND BENEFIT OF THE EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE BOND**

The Convertible Bond would be mature on 15 August 2024 under its terms unless further extended. The extension of the maturity date of the Convertible Bond would allow the Company to finance the debts under the Convertible Bond under the same terms for further 36 months. The Board is of the view that the extension of the maturity date will enhance the sufficiency of working capital of the Group.

The Amendment of Terms is arrived at after arm's length negotiation between the Company and the Bondholder. The Board (including the independent non-executive Directors) considers that the terms and conditions of the Fourth Supplemental Deed are fair and reasonable, and the Amendment of Terms is in the interests of the Company and the Shareholders as a whole. The Directors are of the view that the Amendment of Terms will not pose any significant impact on the operations of the Group.

## **SHAREHOLDING STRUCTURE OF THE COMPANY**

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bond at the Conversion Price (assuming that there are no other changes to the issued share capital of the Company from the date of this announcement and prior to the full conversion of the Convertible Bond):

	<b>As at the date of this announcement</b>		<b>Immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bond at the Conversion Price (assuming that there are no other changes to the issued share capital of the Company from the date of this announcement and prior to the full conversion of the Convertible Bond)</b>	
	<i>Number of Shares</i>	<i>approximate %</i>	<i>Number of Shares</i>	<i>approximate %</i>
Oceanic Fortress Holdings Limited <sup>(1)</sup>	296,887,066	57.01	296,887,066	50.13
Bondholder	–	–	71,428,571	12.06
Ms. Huang Li	5,280,000	1.01	5,280,000	0.89
Ms. Pang Xiaoli <sup>(2)</sup>	410,000	0.08	410,000	0.07
Public Shareholder	218,194,809	41.90	218,194,809	36.84
<b>Total</b>	<b>520,771,875</b>	<b>100</b>	<b>592,200,446</b>	<b>100</b>

*Notes:*

- (1) The entire issued shares of Oceanic Fortress Holdings Limited is owned by Ms. Huang Li.
- (2) Ms. Pang Xiaoli is an independent non-executive Director.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

Upon exercise of the conversion rights attaching to the Convertible Bond, 71,428,571 Conversion Shares will be allotted and issued to the Bondholder. A general mandate was granted to the Directors by Shareholders at the annual general meeting of the Company held on 22 September 2023 to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting (the “**General Mandate**”). The General Mandate has not been previously utilised prior to the date of this announcement and therefore all the Conversion Shares would be allot and issued pursuant to the General Mandate subject to the listing approval of the Stock Exchange.

Pursuant to Rule 34.05 of the GEM Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company has applied to the Stock Exchange for its approval of the Amendment of Terms contemplated by the Fourth Supplemental Deed pursuant to Rule 34.05 of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, the following definitions shall have the meanings set out below unless the context requires otherwise:

“Amendment of Terms”	the proposed amendment of the terms and conditions of the Convertible Bond pursuant to the Fourth Supplemental Deed to extend the maturity date of the Convertible Bond
“Board”	the board of Directors
“Bondholder” or “Convertible Bondholder”	holder of the Convertible Bond as at date of this announcement, being Mr. Tang Sing Ming Sherman, a third party independent of the Group and its connected persons in accordance with the GEM Listing Rules
“Business Day”	a day (other than Saturday) on which banks in Hong Kong are generally open for business
“Company”	StarGlory Holdings Company Limited (榮暉控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM under the stock code 8213
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Conversion Period”	the period commencing from the 10th Business Day after the issue date of the Convertible Bond and ending on the 10th Business Day immediately prior to the maturity date (both days inclusive)



“Conversion Price”	HK\$0.56 per Conversion Share (as adjusted), subject to further adjustments, pursuant to the terms and conditions of the Convertible Bond
“Conversion Share(s)”	new Share(s) which would fall to be issued by the Company upon the exercise of the conversion rights attached to the Convertible Bond
“Convertible Bond”	the convertible bond in the aggregate principal amount of HK\$80 million issued by the Company to Bondholder, the outstanding principal amount of which is HK\$40 million as at the date of this announcement
“Director(s)”	the director(s) of the Company
“Fourth Supplemental Deed”	the fourth supplemental deed dated 12 August 2024 executed between the Company and the Bondholder in relation to the Convertible Bond
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong Dollar”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.08 each in the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

By order of the Board  
**StarGlory Holdings Company Limited**  
**Zhang Tao**  
*Chairman and executive Director*

Hong Kong, 12 August 2024

*As at the date of this announcement, the executive Directors are Mr. Zhang Tao and Mr. Li Hongchen; and the independent non-executive Directors are Mr. Chan Yee Ping Michael, Ms. Pang Xiaoli and Ms. Zhang Wenjuan.*

*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.*

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