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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)

(1) PROPOSED SHARE CONSOLIDATION AND (2) EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE BOND

PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.01 each be consolidated into one (1) Consolidated Share of HK\$0.05. The Share Consolidation is conditional upon, among other things, the approval by the Shareholders at the EGM.

Shareholders and potential investors should note that the Share Consolidation is conditional upon the satisfaction of the conditions as set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.

THIRD SUPPLEMENTAL DEED RELATING TO THE CONVERTIBLE BOND

The Board announces that on 13 August 2021 (after trading hours), 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 of the date of issue of the Convertible Bond, being 15 August 2021, to 15 August 2024, subject to the conditions precedent contained in the Third 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 Third Supplemental Deed pursuant to Rule 34.05 of the GEM Listing Rules.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving the Share Consolidation. No Shareholder is involved or interested in or has a material interest in the Share Consolidation and therefore no Shareholder is required to abstain from voting in favour of the resolution to approve the Share Consolidation at the EGM.

A circular containing, among other things, further details of the Share Consolidation and a notice of the EGM will be despatched to the Shareholders on or before 26 October 2021 as more time is required to prepare the information to be disclosed in the circular. An application will be made by the Company to the GEM Listing Committee for the listing of, and permission to deal in, the Consolidated Shares on GEM.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Existing Shares of HK\$0.01 each be consolidated into one (1) Consolidated Share of HK\$0.05.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions being satisfied:

1. the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation; and
2. the GEM Listing Committee granting the approval for listing of, and permission to deal in the Consolidated Shares.

Subject to the satisfaction of all of the above conditions, it is expected that the Share Consolidation will become effective one clear Business Day after the date of the EGM.

Effect of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$50,000,000 divided into 5,000,000,000 Shares of HK\$0.01 each, of which 4,166,175,000 Existing Shares have been allotted and issued, and are fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and on the basis that the Company does not allot, issue or repurchase any Existing Shares prior thereto, the authorised share capital of the Company will become HK\$50,000,000 divided into 1,000,000,000 Shares of HK\$0.05 each, of which 833,235,000 Consolidated Shares will be in issue.

Other than the relevant expenses incurred, the implementation of the Share Consolidation will have no effect on the consolidated total asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Group or the interests of the Shareholders as a whole, save for any fractional Consolidated Shares (if any) to which the Shareholders would otherwise be entitled. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Company.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other, and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Listing application

An application will be made by the Company to the GEM Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as the compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time when the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Other Arrangements

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder. Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Odd lots trading arrangement

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a licensed securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots arrangement will be set out in the circular to be despatched to the Shareholders.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, Shareholders may, on or after 23 November 2021 until 30 December 2021 (both days inclusive), submit share certificates of the Existing Shares (in pink colour) to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong to exchange, at the expense of the Company, for new share certificates of the Consolidated Shares on the basis of five (5) Existing Shares for one (1) Consolidated Share (in purple colour). Thereafter, share certificates of Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher.

Nevertheless, after 4:10 p.m. on 28 December 2021, share certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares at any time but will not be accepted for trading, settlement and registration.

Shareholders and potential investors should note that the Share Consolidation is conditional upon the satisfaction of the conditions as set out in the paragraph headed "Conditions of the Share Consolidation" in this announcement. Accordingly, the Share Consolidation may or may not proceed.

REASONS FOR THE PROPOSED SHARE CONSOLIDATION

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. The "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has stated that (i) market price of the Shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

The existing board lot value of the Company has been less than HK\$2,000. It is expected that the Share Consolidation will increase the nominal value of the Shares and would bring about a corresponding upward adjustment in the trading price per Consolidated Share. Immediately prior to the date of this announcement, the last trading price of the Existing Shares was HK\$0.041, with a board lot size of 10,000, and the existing board lot value was only HK\$410, which was less than HK\$2,000. Upon the Share Consolidation becoming effective, based on the last trading price of HK\$0.041 per Existing Share, the Share price of the Company would be adjusted to HK\$0.205 per Consolidated Share. With a board lot size of 10,000, the new board lot value would be HK\$2,050, which would be more than the expected value per board lot of HK\$2,000. As such, the proposed Share Consolidation would enable the Company to comply with the trading requirements under the GEM Listing Rules. Furthermore, it is also hoped that the Share Consolidation will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor.

Given the above reasons, the Company considers that the Share Consolidation is justifiable despite the potential costs and negative impact arising from the creation of odd lots to Shareholders. Accordingly, the Directors consider that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the date of this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

As at the date of this announcement, there are outstanding Convertible Bond for 571,428,571 Existing Shares to be issued upon full exercise of conversion rights as disclosed in this announcement and the announcements of the Company dated 28 June 2012, 8 July 2015, 10 July 2015 and 15 August 2018 and the circulars of the Company dated 30 July 2012 and 25 July 2015. The Share Consolidation may lead to adjustments to the Conversion Price and/or the number of Consolidated Shares falling to be issued upon exercise of the outstanding Convertible Shares pursuant to the terms and conditions of the Convertible Bond. The Company will make further announcement(s) on such adjustments as and when appropriate.

Save as disclosed above, as at the date of this announcement, there are no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation is set out below.

Event	Time and Date
Expected date of despatch of the circular with notice and form of proxy of the EGM	Tuesday, 26 October 2021
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:30 p.m. on Monday, 15 November 2021
Closure of register of members for determining the entitlement to attend and vote at the EGM	Tuesday, 16 November 2021 to Friday, 19 November 2021 (both dates inclusive)
Latest date and time for lodging forms of proxy for the EGM	11:00 a.m. on Wednesday, 17 November 2021
Date and time of the EGM	11:00 a.m. on Friday, 19 November 2021
Announcement of poll results of the EGM	Friday, 19 November 2021
Effective date of the Share Consolidation	Tuesday, 23 November 2021

Event**Time and Date**

First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 23 November 2021
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Tuesday, 23 November 2021
Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 23 November 2021
Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 23 November 2021
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) reopens	9:00 a.m. on Tuesday, 7 December 2021
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Tuesday, 7 December 2021
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Tuesday, 7 December 2021
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Tuesday, 28 December 2021
Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Tuesday, 28 December 2021
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:10 p.m. on Tuesday, 28 December 2021
Latest date and time for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:30 p.m. on Thursday, 30 December 2021

All times and dates in this announcement refer to Hong Kong local times and dates. In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the website of the Stock Exchange and on the website of the Company as and when appropriate.

The Share Consolidation is conditional upon, among other things, (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation; and (ii) the GEM Listing Committee granting the approval for listing of, and permission to deal in the Consolidated Shares. In the event that the relevant approval is not granted by the GEM Listing Committee or approved by the Shareholders, the Share Consolidation will lapse and will not proceed.

EXTENSION OF THE MATURITY DATE OF THE CONVERTIBLE BOND

Background

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

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 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 2021 pursuant to the terms and conditions of the Convertible Bond.

THIRD SUPPLEMENTAL DEED RELATING TO THE CONVERTIBLE BOND

On 13 August 2021 (after trading hours), 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. Pursuant to the Third 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 GEM 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 THIRD SUPPLEMENTAL DEED

Save and except the amendment to the maturity date pursuant to the Third 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 Third 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 22 May 2017, HK\$0.07 per Conversion Share as disclosed in the announcement of the Company dated 13 June 2017, 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 2024

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\$0.07 per Conversion Share and there is no further issue of the Shares (other than the Conversion Shares), a total number of 571,428,571 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 and 25 July 2015 and the announcement of the Company dated 15 August 2018 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 2021 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 Third 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 and (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) and prior to the Share Consolidation:

	As at the date of this announcement		Immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Bond at the Conversion Price and prior to the Share Consolidation (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)	
	<i>Number of Existing Shares</i>	<i>approximate %</i>	<i>Number of Existing Shares</i>	<i>approximate %</i>
Oceanic Fortress Holdings Limited Bondholder	2,375,096,529	57.01	2,375,096,529	50.13
Public Shareholder	–	–	571,428,571	12.06
	1,791,078,471	42.99	1,791,078,471	37.81
Total	<u>4,166,175,000</u>	<u>100</u>	<u>4,737,603,571</u>	<u>100</u>

IMPLICATIONS UNDER THE GEM LISTING RULES

Upon exercise of the conversion rights attaching to the Convertible Bond and prior to the Share Consolidation, 571,428,571 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 4 September 2020 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 Third Supplemental Deed pursuant to Rule 34.05 of the GEM Listing Rules.

GENERAL

The EGM will be convened for the purpose of considering and, if thought fit, approving the Share Consolidation. No Shareholder is involved or interested in or has a material interest in the Share Consolidation and therefore no Shareholder is required to abstain from voting in favour of the resolution to approve the Share Consolidation at the EGM.

A circular containing, among other things, further details of the Share Consolidation and a notice of the EGM will be despatched to the Shareholders on or before 26 October 2021 as more time is required to prepare the information to be disclosed in the circular.

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 Third 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, 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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC

“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“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
“Consolidated Share(s)”	ordinary Share(s) of HK\$0.05 each immediately after the Share Consolidation having become effective
“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\$0.07 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
“EGM”	the extraordinary general meeting of the Company to be convened on Friday, 19 November 2021 for the purpose of considering and if thought fit, approving the Share Consolidation
“Existing Share(s)”	ordinary Share(s) of HK\$0.01 each prior to the Share Consolidation having become effective
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every five (5) Existing Shares into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Supplemental Deed”	the third supplemental deed dated 13 August 2021 executed between the Company and the Bondholder in relation to the Convertible Bond
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

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

Hong Kong, 13 August 2021

As at the date of this announcement, the Company’s executive director is Mr. Huang Chao and Mr. Wu Xiaowen; and the independent non-executive Directors are Mr. Chan Yee Ping Michael, Mr. Yang Haiyu and Mr. Zeng Shiquan.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company having made all reasonable enquiries, confirm that to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and (2) 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 and the website of the Company at www.nwhcl.com for at least 7 days from the date of its posting.