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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 ANNOUNCEMENT IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020

Reference is made to the annual report of StarGlory Holdings Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the year ended 31 March 2020 (“**FY2020**”) which was published on 29 June 2020 (the “**2020 Annual Report**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the 2020 Annual Report.

OPERATING EXPENSES

As set out in “Consolidated Statement of Profit or Loss” of the 2020 Annual Report, operating expenses incurred for FY2020 amounted to approximately HK\$128,677,000. A breakdown of such operating expenses in the 2020 Annual Report, together with the corresponding figures for the year ended 31 March 2019, are set out below:

| | For the year ended | |
|---|--------------------|----------|
| | 31 March | |
| | 2020 | 2019 |
| | HK\$'000 | HK\$'000 |
| Amortization of other intangible assets | 818 | 1,004 |
| Depreciation of plant and equipment – <i>Note (a)</i> | 3,076 | 7,683 |
| Depreciation of right-of-use assets – <i>Note (b)</i> | 17,450 | – |
| Auditor’s remuneration | 754 | 854 |
| Minimum lease payments for lease previously classified as operating lease under HKAS 17 – <i>Note (c)</i> | – | 57,896 |
| Variable lease payment not included in the measurement of lease liabilities | 3,154 | – |
| Short-term lease expenses | 15,031 | – |
| Directors’ remuneration | 1,020 | 1,020 |
| Building management fee | 4,098 | 3,924 |
| Cleaning | 1,749 | 2,518 |
| Utilities | 3,567 | 6,275 |
| Other staff costs | 57,425 | 76,536 |
| Franchise and royalties | 4,261 | 5,214 |
| Legal and professional fee | 2,526 | 3,280 |
| Loss on disposal of plant and equipment | 21 | 1,122 |
| Loss on deregistration of subsidiaries | 336 | – |
| Marketing | 1,340 | 1,371 |
| Repair and maintenance | 1,260 | 2,578 |
| Takeaway supplies | 1,995 | 2,043 |
| Others | 8,796 | 9,902 |
| | 128,677 | 183,220 |
| | 128,677 | 183,220 |

Notes:

- (a) The total depreciation of plant and equipment charged for the year ended 31 March 2020 was approximately HK\$3,924,000 (2019: approximately HK\$8,560,000), of which, approximately HK\$3,076,000 and approximately HK\$848,000 (2019: approximately HK\$7,683,000 and approximately HK\$877,000) were included in operating expenses and cost of sales, respectively.
- (b) The total depreciation of right-of-use assets charged for the year ended 31 March 2020 was approximately HK\$18,112,000, of which, approximately HK\$17,450,000 and approximately HK\$662,000 were included in operating expenses and cost of sales, respectively.
- (c) The total minimum lease payments for lease previously classified as operating lease under HKAS 17 charged for the year ended 31 March 2019 was approximately HK\$59,339,000, of which, approximately HK\$57,896,000 and approximately HK\$1,443,000 were included in operating expenses and cost of sales, respectively.

The supplemental information set out above does not affect other information contained in the 2020 Annual Report and all other information in the 2020 Annual Report remains unchanged.

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

Hong Kong, 4 August 2021

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. Yang Haiyu 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 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.