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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)

INSIDE INFORMATION **SUBSTANTIAL DECREASE IN LOSS**

This announcement is made by StarGlory Holdings Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 March 2020 and the information currently available to the Board, the Group is expected to record a substantial decrease in loss of approximately 68% to 72% for the year ended 31 March 2020 (the “**Reporting Period**”) as compared to the loss for the year ended 31 March 2019.

The Board considers that the substantial decrease in loss during the Reporting Period was mainly because (i) the Group reviewed the performance of restaurants and consolidated under-performing restaurants to further enhance the structure and reduce unnecessary expenses during the third and fourth quarter period from 1 October 2019 to 31 March 2020 (the “**Third and Fourth Quarter Period**”); (ii) as to Hong Kong market, our business was not as severely affected by the social movement as compared with our peers during the Third and Fourth Quarter Period; (iii) there is a decrease in depreciation of plant and equipment of approximately HK\$5 million as a result of the full depreciation of certain plant and equipment and hence no more depreciation was charged during the Reporting Period; and (iv) there is a substantial decrease in impairment loss recognized for the Reporting Period as compared to that of the corresponding period in 2019, given an impairment loss on non-financial assets under the cash-generating unit of restaurants, café and cake shops in an amount not exceeding HK\$12 million were recognized for the Reporting Period while an impairment loss on goodwill of approximately HK\$55 million was recognized for the year ended 31 March 2019.

As at the date of this announcement, the Company is in the course of finalizing its annual results for the Reporting Period. The information contained in this announcement is only a preliminary assessment made by the Board based on the unaudited consolidated management accounts of the Group, which have not been reviewed by the audit committee of the Board and have not been audited by the Company's auditor. As the Company is still in the process of finalizing the consolidated results of the Group for the Reporting Period, the above information may be subject to amendments. Shareholders and potential investors are advised to read carefully the annual results announcement of the Group for the Reporting Period, which is expected to be published by the end of June 2020.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 19 June 2020

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 matters the omission of which would make any statement in 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.