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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)

PROPOSED SHARE CONSOLIDATION

PROPOSED SHARE CONSOLIDATION

Reference is made to the announcements of the Company dated 13 August 2021 and 16 November 2021, the circular of the Company dated 26 October 2021 and the notice of the extraordinary general meeting of the Company dated 26 October 2021 in relation to, among others, the Original Share Consolidation, which is to consolidate every five (5) issued and unissued Existing Shares of HK\$0.01 into one (1) consolidated share of the Company of HK\$0.05.

The average closing Share price as quoted on the Stock Exchange for the last five consecutive trading days immediately before the extraordinary general meeting of the Company originally scheduled to be held on Friday, 19 November 2021 to approve, among others, the Original Share Consolidation, was approximately HK\$0.03. Upon the Original Share Consolidation becoming effective, based on the above average closing Share price of approximately HK\$0.03 per Existing Share, the Share price would be adjusted to approximately HK\$0.15 per consolidated share of the Company. With a board lot size of 10,000, the new board lot value would be approximately HK\$1,500, which would be less than the expected value per board lot of HK\$2,000, as required by the Guide on Trading Arrangements. As such, the Original Share Consolidation would not enable the Company to comply with the trading requirements under the GEM Listing Rules and the Company proposes to revise the structure of the Original Share Consolidation and to implement the Share Consolidation on the basis that every eight (8) issued and unissued Existing Shares of HK\$0.01 each be consolidated into one (1) Consolidated Share of HK\$0.08. 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.

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, details of the Share Consolidation and a notice of the EGM will be despatched to the Shareholders on or before 21 December 2021. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares on GEM.

PROPOSED SHARE CONSOLIDATION

Reference is made to the announcements of the Company dated 13 August 2021 and 16 November 2021, the circular of the Company dated 26 October 2021 and the notice of the extraordinary general meeting of the Company dated 26 October 2021 in relation to, among others, the Original Share Consolidation, which is to consolidate every five (5) issued and unissued Existing Shares of HK\$0.01 into one (1) consolidated share of the Company of HK\$0.05.

The average closing Share price as quoted on the Stock Exchange for the last five consecutive trading days immediately before the extraordinary general meeting of the Company originally scheduled to be held on Friday, 19 November 2021 to approve, among others, the Original Share Consolidation, was approximately HK\$0.03. Upon the Original Share Consolidation becoming effective, based on the above average closing Share price of approximately HK\$0.03 per Existing Share, the Share price would be adjusted to approximately HK\$0.15 per consolidated share of the Company. With a board lot size of 10,000, the new board lot value would be approximately HK\$1,500, which would be less than the expected value per board lot of HK\$2,000, as required by the Guide on Trading Arrangements. As such, the Original Share Consolidation would not enable the Company to comply with the trading requirements under the GEM Listing Rules and the Company proposes to revise the structure of the Original Share Consolidation and to implement the Share Consolidation on the basis that every eight (8) issued and unissued Existing Shares of HK\$0.01 each be consolidated into one (1) Consolidated Share of HK\$0.08. The Share Consolidation is conditional upon, among other things, the approval by the Shareholders at the EGM.

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 625,000,000 Shares of HK\$0.08 each, of which 520,771,875 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 11 January 2022 until 21 February 2022 (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 eight (8) 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 17 February 2022, 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 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\$0.029, with a board lot size of 10,000, and the existing board lot value was only HK\$290, which was less than HK\$2,000. Upon the Share Consolidation becoming effective, based on the last trading price of HK\$0.029 per Existing Share, the Share price of the Company would be adjusted to HK\$0.232 per Consolidated Share. With a board lot size of 10,000, the new board lot value would be HK\$2,320, 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 fundraising 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 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, 21 December 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, 3 January 2022
Closure of register of members for determining the entitlement to attend and vote at the EGM	Tuesday, 4 January 2022 to Friday, 7 January 2022 (both dates inclusive)
Latest date and time for lodging forms of proxy for the EGM	11:00 a.m. on Wednesday, 5 January 2022
Date and time of the EGM	11:00 a.m. on Friday, 7 January 2022
Announcement of poll results of the EGM	Friday, 7 January 2022
Effective date of the Share Consolidation	Tuesday, 11 January 2022
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 11 January 2022
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Tuesday, 11 January 2022
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, 11 January 2022
Temporary counter for trading in the Consolidated Shares in board lots of 1,250 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 11 January 2022

Event**Time and Date**

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, 25 January 2022
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences	9:00 a.m. on Tuesday, 25 January 2022
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, 25 January 2022
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Thursday, 17 February 2022
Temporary counter for trading in the Consolidated Shares in board lots of 1,250 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Thursday, 17 February 2022
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:10 p.m. on Thursday, 17 February 2022
Latest date and time for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:30 p.m. on Monday, 21 February 2022

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.

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 details of the Share Consolidation and a notice of the EGM will be despatched to the Shareholders on or before 21 December 2021.

DEFINITIONS

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

“Board”	the board of Directors
“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
“Consolidated Share(s)”	ordinary Share(s) of HK\$0.08 each immediately after the Share Consolidation having become effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened on Friday, 7 January 2022 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
“Guide on Trading Arrangements”	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
“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
“Original Share Consolidation”	the originally proposed consolidation of every five (5) Existing Shares into one (1) consolidated share of the Company
“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every eight (8) Existing Shares into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	Per cent

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

Hong Kong, 3 December 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 GEM Listing Rules 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: (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 www.hkgem.com on the “Latest Company Announcements” page and the website of the Company at www.stargloryhcl.com for at least 7 days from the date of its posting.