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Dragon King Group Holdings Limited

龍皇集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8493)

(1) BUSINESS UPDATE AND (2) CHANGE IN USE OF PROCEEDS

Reference is made to the prospectus (the “**Prospectus**”) issued by Dragon King Group Holdings Limited (the “**Company**”, together with its subsidiaries the “**Group**”) dated 29 December 2017 in relation to the listing of the shares of the Company on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) by way of share offer (the “**Share Offer**”) and to the annual report of the Company for the year ended 31 December 2017 (the “**2017 Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning as defined in the Prospectus.

(1) BUSINESS UPDATE

The Group wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, the lease of the restaurant in Wan Chai (“**Wan Chai Restaurant**”) has expired on 30 June 2018 and was not renewed upon its expiry because the Directors considered that the Wan Chai Restaurant would not be able to generate positive operating profit if the lease was renewed based on the proposed considerable increment in rental.

The Group identified a new location in the same district as the Wan Chai Restaurant for relocation (the “**New Restaurant**”) and the Group considers the location of the New Restaurant to be more desirable in terms of the rental cost, customer flow and quality of surroundings by Grade A commercial buildings and exhibition centers. The expected commencement date of the New Restaurant is in August 2018.

(2) CHANGE IN USE OF PROCEEDS

The net proceeds from the Share Offer were approximately HK\$37.3 million (the “**Net Proceeds**”). As at the date of this announcement, the Group has used approximately HK\$18.2 million of the Net Proceeds and the remaining balance of the Net Proceeds is approximately HK\$19.1 million.

As disclosed in the Prospectus, it was expected that the Group would use approximately HK\$12.0 million of the Net Proceeds for the capital expenditure for opening a new restaurant under the brand name of “Dragon Feast (龍宴)” in Kwai Ching District for the first half of 2018. Although the Group had made attempts to identify suitable locations in Kwai Ching District, it could not find any appropriate locations. Furthermore, in view of the relocation of the Wan Chai Restaurant to the New Restaurant mentioned in the Business Update above, the board of directors of the Company (the “**Board**”) proposes that such portion of the Net Proceeds should be better utilised for the opening of the New Restaurant.

The Board considers that the above change in the use of the Net Proceeds is more in line with the current business needs of the Group, it will allow the Company to deploy its financial resources more efficiently and is in the best interest of the Company and its shareholders.

By order of the Board
Dragon King Group Holdings Limited
Lee Ching Nung Angel
Chairman and Executive Director

Hong Kong, 27 July 2018

As at the date of this announcement, the Board comprises Ms. Lee Ching Nung Angel, Mr. Wong Wing Chee and Mr. Wong Wing Hong as executive Directors; and Mr. Kwong Ping Man, Mr. Lin Zhisheng and Mr. Chang Cheuk Cheung Terence as independent non-executive Directors.

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 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 website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk on the “Latest Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.dragonkinggroup.com.