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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of Dragon King Group Holdings Limited (the “**Company**”) dated 9 July 2021 (the “**Announcement**”) in relation to, among others, the Placing. Unless otherwise stated, capitalized terms used herein shall bear the same meanings as defined in the Announcement.

The Board wishes to provide the Shareholders and potential investors of the Company with additional information in relation to the Placing.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company would like to supplement that the net proceeds will be utilised for the following purposes according to the following timetable:–

Purposes	Amount of the net proceeds <i>HK\$</i>	Percentage of the total net proceeds	Timetable
Repayment of loan	2,315,360	40%	August – December 2021
Operational expense (including salary and rent)	2,315,360	40%	August – December 2021
Expansion and development of the Group’s e-commerce sales channel	1,157,680	20%	August – December 2021
	<u>5,788,400</u>	<u>100%</u>	

The Company believes that by expanding and developing the Group's e-commerce sales channel, it will improve the performance of the online sales of the Group's products and increase the revenue of the Group. Also, the Company expects that it would have a positive impact on the financial position of the Group by expanding the income stream. The Company will also utilise part of the net proceeds for repayment of loan which shall improve the Group's financial position.

The outbreak of the COVID-19 pandemic in 2020 has led to a dramatic change in the business environment in Hong Kong. The Company considers that it would be prudent and in the best interests of the Company to diversify the Group's business and the income stream to improve the Company's business performance.

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

Hong Kong, 12 July 2021

As at the date of this announcement, the Board comprises Ms. Lee Ching Nung Angel, Mr. Wong Wing Chee, Mr. Zhu Min and Mr. Chan Ko Cheung as executive Directors; Mr. Lee Yiu Keung, Ms. Leung Hoi Ki and Mr. Lin Zhisheng 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 GEM website at <http://www.hkgem.com> on the "Latest Company Announcements" page for at least 7 days from the day of its publication and on the website of the Company at www.dragonkinggroup.com.