Honma Golf Limited
本間高爾夫有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 6858)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2019

Reference is made to the annual report of Honma Golf Limited 本間高爾夫有限公司(the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 March 2019 (the "**Annual Report**"). Unless otherwise stated, capitalized terms used herein shall have the same meaning as defined in the Annual Report.

As disclosed in the Annual Report, the Company has not fully utilized the net proceeds from the Company's global offering. As at 31 March 2019, the unused balance of the proceeds from the global offering was approximately JPY5,976.7 million and there has been no change to the intended use of proceeds as previously disclosed in the Prospectus.

In addition to the information disclosed in the Annual Report, the board (the "**Board**") of directors (the "**Directors**") of the Company would like to provide additional information in relation to the proceeds from the global offering as follows*(Note 1)*:

Intended use of proceeds	**Percentage of intended use of proceeds** *(%)*	**Intended use of proceeds from the global offering** *(In JPY millions)*	**Percentage of used amount as at 31 March 2019** *(%)*	**Percentage of unused balance as at 31 March 2019** *(%)*	**Expected timeframe for utilizing the remaining unused net proceeds***(Note 2)*
Potential strategic acquisitions	29.4	4,939	–	29.4	– *(Note 3)*
Sales and marketing activities in North America and Europe	15.1	2,536	14.7	0.4	From 1 April 2019 to 31 March 2021
Sales and marketing activities in home markets of Japan, Korea and China (including Hong Kong and Macau)	15.1	2,536	15.1	–	N/A
Capital expenditures	13.0	2,184	7.4	5.6	From 1 April 2019 to 31 March 2022

Intended use of proceeds	Percentage of intended use of proceeds (%)	Intended use of proceeds from the global offering (In JPY millions)	Percentage of used amount as at 31 March 2019 (%)	Percentage of unused balance as at 31 March 2019 (%)	Expected timeframe for utilizing the remaining unused net proceeds(Note 2)
Repayment of interest-bearing bank borrowings	17.3	2,906	17.1	0.2	From 1 April 2019 to 31 March 2021
Providing funding for working capital and other general corporate purposes	10.1	1,697	10.1	–	N/A
Total	**100.0**	**16,798**	**64.4**	**35.6**	

Notes:

(1) The figures in the table are approximate figures.

(2) The expected timeline for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.

(3) As of the date of this announcement, we had not identified, committed to or entered into negotiations with any acquisition targets for our use of net proceeds from the global offering, hence we have no specific expected timeframe for fully utilizing such proceeds. We will continue to prudently evaluate potential acquisition targets within the golf products industry based on, among other factors, their brand recognition, geographic footprint, distribution network, product offerings, and financial condition, with a goal of identifying potential acquisition targets that best fit our growth strategies.

The above additional information does not affect other information contained in the Annual Report and, save as disclosed in this announcement, the remaining contents of the Annual Report remain unchanged.

For and on behalf of the Board
Honma Golf Limited
本間高爾夫有限公司
LIU Jianguo
Chairman of the Board

Hong Kong, 19 August 2019

As at the date of this announcement, the executive directors of the Company are Mr. LIU Jianguo (Chairman), Mr. ITO Yasuki, Mr. MURAI Yuji and Mr. ZUO Jun; the non-executive directors of the Company are Mr. YANG Xiaoping and Mr. HO Ping-hsien Robert; and the independent non-executive directors of the Company are Mr. LU Pochin Christopher, Mr. WANG Jianguo and Mr. XU Hui.