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Star Group Asia Limited

星星集團亞洲有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1560)

**MAJOR TRANSACTION IN RELATION TO
DISPOSAL OF PROPERTY
AND
DISCLOSEABLE TRANSACTION IN RELATION TO
LEASEBACK ARRANGEMENT**

THE DISPOSAL

The Board wishes to announce that after trading hours of the Stock Exchange on 4 November 2025, the vendor, an indirect wholly owned subsidiary of the Company, and the Purchaser entered into the Agreement, whereby the Vender agreed to sell, and the Purchaser agreed to purchase, the Property at the consideration of HK\$48,367,000.

THE LEASEBACK ARRANGEMENT

Pursuant to the terms of the Agreement, the Purchaser agrees to let, upon Completion, the Property to the Designated Tenant (being a wholly-owned subsidiary of the Company) at the rent of HK\$185,000 per calendar month (exclusive of government rent, rate and management & Air-conditioning charges, all of which shall be borne by the Designed Tenant) for an initial term of two years commencing from the Completion Date with an option on the Designated Tenant to renew for a further term of two years.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 25% and all of applicable percentage ratios are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder or its/ his/ her associate(s) has a material interest in the Agreement and the transactions contemplated thereunder and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a Shareholders' meeting for approving the Agreement and the transactions contemplated thereunder.

As at the date of this announcement, Mr. Chan directly and indirectly owns 432,140,800 Shares of the Company by himself and Star Properties Holdings (BVI) Limited, which representing approximately 68.7% of the existing issued share of the Company, prior to the dispatch of the circular by the Company. Pursuant to Rule 14.44(2) of the Listing Rules, the written Shareholders' approval from Mr. Chan and Star Properties Holdings (BVI) Limited will be accepted in lieu of holding a general meeting of the Shareholders. Accordingly, no physical Shareholders' meeting will be held by the Company to approve the Agreement and the transactions contemplated thereunder if such written Shareholders' approval is obtained.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, information relating to the Disposal, the financial information and other information of the Group and other information as required under the Listing Rules shall be despatched to the Shareholders within fifteen (15) business days after the publication of this announcement. As additional time is required for the Company to prepare the relevant information including the financial information and other information of the Group for inclusion in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and for an extension of the deadline for the dispatch of the circular to 1 December 2025.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Leaseback Arrangement exceeds 5%, but all of applicable percentage ratios are less than 25%, the Leaseback Arrangement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and subject to the reporting and announcement requirement but is exempt from circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

The Board wishes to announce that the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement after trading hours of the Stock Exchange on 4 November 2025 in relation to the Disposal.

The principal terms of the Agreement are as follows:

The AGREEMENT

(1) Date :

4 November 2025 (signed after trading hours of the Stock Exchange)

(2) Parties:

Vendor: Eternal Great Development Limited

Purchaser: Wise Brave Limited

To the best Directors' knowledge, information and belief having made all reasonable enquiry, the Buyer and the Agent and their respective directors and ultimate beneficial owners are all Independent Third Parties.

(3) Property to be disposed of:

The Property to be disposed of by the Vendor comprises the Premises, being the office and ancillary areas on 20th Floor, Silver Fortune Plaza, No.1 Wellington Street, Hong Kong, with a gross floor area of approximately 4,397 sq.ft. The Premises are being used as the co-working space and operate by a subsidiary of the Group.

(4) Consideration and payment terms:

The Consideration for the property is HK\$48,367,000, which has been/shall be paid by the Purchaser to the Vendor in the following manner:

- (i) the initial deposit shall be paid upon the signing of the Agreement in the sum of HK\$2,410,000; and
- (ii) the formal agreement for Sale and Purchase shall be signed on or before 14 November 2025, a further deposit shall be paid on or before 14 November 2025 in the sum of HK\$2,426,700; and
- (iii) The balance of the Consideration shall be paid on Completion in the sum of HK\$43,530,300.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to, among other things, the prevailing market conditions, Completion Date and the preliminary assessment of the valuation of the Property conducted by an independent valuer.

(5) Conditions precedent for the Disposal:

- (i) the Purchaser is satisfied with the title to the Property;
- (ii) the Disposal shall be subject to the shareholders' approval of the Company at least 21

days before completion date, the completion shall be postponed to a date which shall be the 21st day after the date on which the shareholders' approval is provided to the Purchaser.

(6) Completion:

Completion shall take place on the Completion Date, being 29 December 2024 or subject to conditions precedent, shall be postponed to a date which shall be the 21st day after the shareholders' approval is provided to the Purchaser.

THE LEASEBACK ARRANGEMENT

Under the Preliminary Agreement the Company and the Purchaser have also conditionally agreed on the Leaseback Arrangement, pursuant to which if Completion materializes, the Company or one of its subsidiaries shall lease back the Property from Purchaser. The principal terms of the Leaseback Arrangement are set out below:

Parties:	(a) The Purchaser as landlord; and (b) The Company or one of its subsidiaries as the tenant
Term:	Two years commencing from the Completion Date
Premises:	The Property with existing fixtures and fittings
Rental:	HK\$185,000 per month exclusive of government rent, rate and management & air-conditioning charges, etc.
Rental Deposit:	HK\$370,000, equivalent to two months' rental
Usage:	Office

The terms of the Leaseback Arrangement were determined between the Company and the Purchaser after arm's length negotiations, equivalent to, approximately to a monthly rental of HK\$42.07 per square foot for the Property at the gross floor area of approximately 4,397 square feet.

Right-of-use assets under the Leaseback Arrangement Pursuant to HKFRS 16, the Leaseback Arrangement and the entering into the Lease Agreement as tenant will require the Group to recognize the Property as the right-of-use assets on its consolidated statement of financial position, thus the Leaseback Arrangement and the transactions contemplated thereunder will be regarded as an acquisition of assets by the Group under the Listing Rules. A right-of-use assets and lease liabilities of approximately HK\$4,095,000 will be recognized under the Lease Agreement. Such amount is unaudited and may be subject to adjustment.

FINANCIAL EFFECT OF THE DISPOSAL

The Property is for self-use of the Group and was classified as investment properties in the accounts of the Group as at 31 December 2024 with an audited carrying value of approximately HK\$103,000,000.

Based on the Consideration under the Agreement, the audited carrying value of the Property of approximately HK\$103,000,000 as at 31 December 2024 and the related expenses for the Disposal of approximately HK\$2,000,000, the Group currently expects to record a loss of approximately HK\$ 56,633,000 in the financial year ended 31 December 2025.

The net proceeds, being the Consideration net of relevant expenses, arising from the Disposal are estimated to be approximately HK\$46,367,000 and are expected to be applied for repayment of bank loan by the Vendor.

FINANCIAL INFORMATION OF THE PROPERTY

Set out below is certain financial information of the Property for 31 December 2023 and 2024:

	For the years ended 31 December	
	2023	2024
	(HK\$) audited	(HK\$) audited
Revenue	1,991,148	1,991,148
Net profit / (loss) before tax	(10,647,272)	(8,490,974)
Net profit/ (loss) after tax	(9,675,129)	(7,848,831)

The net loss related to Property for the year ended 31 December 2023 and 2024 was mainly attributable to the decrease in fair value of approximately HK\$ 7,000,000 and HK\$5,000,000 respectively.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability. The principal activity of the Purchaser is investment.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser, its shareholders and their respective connected persons are Independent Third Parties.

INFORMATION ON THE VENDOR

The Vendor is an indirect wholly-owned subsidiary of the Company and it is principally engaged in property investment.

REASONS FOR THE BENEFITS OF THE DISPOSAL AND LEASEBACK ARRANGEMENT

The Board has been assessing the development of the business environment, commercial property market in Hong Kong and the financial position of the Company. The Directors are of the view that the Disposal would benefit the Group by realising its investment in the Property to address the downward trend and uncertainty of the commercial property market in Hong Kong and improving the debt, liquidity, financing costs and overall financial position of the Group while the Leaseback Arrangement will allow the Group to continue to operate the co-working business in the Property without having to incur effort and costs to looking for alternative office premises for relocating the Group and to reinstate the Property to bareshell condition at the end of the Lease Agreement.

Furthermore, the monthly rental under the Leaseback Arrangement will be lower than the future monthly interest payment on the loan of the Property. After the Disposal, the proceeds will be applied toward the outstanding loan balance and thus can reduce the associated monthly financial obligation which then can improve the cash flow, maintain operational use of the Property and enhance financial flexibility.

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As at the date of this announcement, Mr. Chan directly and indirectly owns 432,140,800 Shares of the Company by himself and Star Properties Holdings (BVI) Limited, which representing approximately 68.7% of the existing issued share of the Company, prior to the dispatch of the circular by the Company. Pursuant to Rule 14.44(2) of the Listing Rules, the written Shareholders' approval from Mr. Chan and Star Properties Holdings (BVI) Limited will be accepted in lieu of holding a general meeting of the Shareholders. Accordingly, no physical Shareholders' meeting will be held

by the Company to approve the Agreement and the transactions contemplated thereunder if such written Shareholders' approval is obtained.

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As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Leaseback Arrangement exceeds 5%, but all of applicable percentage ratios are less than 25%, the Leaseback Arrangement constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and subject to the reporting and announcement requirement but is exempt from circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	The provisional agreement for sale and purchase dated 4 November 2025 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property
“Board”	the board of Directors (including all independent non-executive directors)
“Company”	Star Group Asia Limited, a company incorporate in Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code:01560)
“Completion”	Completion of the Disposal in accordance with the terms and conditions of the Agreement

“Completion Date”	The date on which Completion shall take place, being 29 December 2025 provided that the Vendor shall provide the shareholders’ approval of the Company and if documents, in accordance with the terms and conditions of the Agreement
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	HK\$48,736,000, being the consideration for the Property Payable by the Purchaser to the Vendor pursuant to the Agreement
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the terms of the Agreement
“Designated Tenant”	A wholly-owned subsidiary of the Company to be nominated by the Company as the tenant under the Leaseback Arrangement
“Director(s)”	the director(s), including independent non-executive director(s), of the Company
“Group”	the Company together with its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Leaseback Arrangement”	The tenancy in respect of the Property to be entered into by the Purchaser as landlord and the Designated Tenant as tenant for an initial term of two years commencing from the Completion Date with an option on the Designated Tenant to renew for a further two years.
“Listing Rules”	the Rules governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Man Fai Joe, who is the controlling shareholder, the chairman, the chief executive officer and an executive director of the Company.

“Property”	the office and ancillary areas on 20 th Floor, Silver Fortune Plaza, No.1 Wellington Street, Hong Kong
“Purchaser”	Wise Brave Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party.
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s) of the Company
“sq.ft.”	square feet
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Vendor”	Eternal Great Development Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.
“%”	per cent

For and on behalf of the Board
Star Group Asia Limited
Chan Man Fai Joe
Chairman

Hong Kong, 4 November 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Chan Man Fai Joe (Chairman and chief executive officer) and Ms. Cheung Wai Shuen; two non-executive Directors, namely Mr. Tsui Wing Tak and Mr. Yim Kwok Man; and three independent non-executive Directors, namely Dr. Wong Wai Kong, Mr. Lee Chung Ming Eric and Ms. Chan Wah Man Carman.