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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)

VOLUNTARY ANNOUNCEMENT THE PROPOSED ACQUISITION IN THE TARGET COMPANY & BUSINESS UPDATE ON DEVELOPMENT PROJECT

This announcement is made by Star Group Asia Limited (the “**Company**”), together with its subsidiaries (the “**Group**”) on a voluntary basis to inform its shareholders and potential investors of the latest business development of the Group.

THE PROPOSED ACQUISITION

On 27 January 2026 (after trading hours), a subsidiaries of the Company (the “Potential Purchaser”) entered into a memorandum of understanding (“**MOU**”) with Ms. Chan Wai Lee Venny, Mr. Leung Kin Bong and Mr. Chan Tak Sang Tony (the “**Potential Vendors**”) in relation to a proposed Acquisition in the Global Student Living Group Holding Limited and its subsidiaries (the “**Target Company**”) by way of subscription or acquisition of all or part of the shares of the Target Company (the “**Proposed Acquisition**”).

The MOU is non-legally binding save for the provisions relating to, among other things, exclusive negotiation period, due diligence, and applicable law and dispute resolution.

- Exclusive Negotiation Period and Due Diligence

The Potential Vendor will not, and will procure that the Target company will not, within 150 days from the date of the MOU being (the “**Exclusivity Period**”), commence or continue any discussions or negotiations with any other person without the prior written consent of the Potential Purchaser or accept, solicit or consider any offers in connection with the Proposed Acquisition, or any transactions which might compete with the transactions contemplated under the MOU.

Pursuant to the MOU, the Potential Purchaser shall be entitled to carry out due diligence investigations on the Target Company upon signing of the MOU. The Potential Vendor shall and shall procure the relevant parties, to provide all necessary access and assistance during the Exclusivity Period.

- **Non-Legally Binding Effect**

The MOU is non-legally binding save for the provisions relating to, among other things, exclusive negotiation period, due diligence, and applicable law and dispute resolution.

- **Termination**

The MOU shall take effect immediately upon signing by both parties. The validity period of the MOU is 150 days, or as otherwise confirmed in writing by both parties. The MOU shall automatically terminate upon the signing of the formal agreement or upon expiry of validity period of the MOU. Neither party shall bear any liability after termination.

- **Information of the Target Company**

Global Student Living Group Holding Limited is a Hong Kong-based accommodation and property management service provider specializing in student hostel and co-living solutions.

The Target Company established in 2012 and licensed by the Estate Agents Authority and the Property Management Services Authority in Hong Kong. The Target Company focuses on delivering safe, affordable and well-managed accommodation to students, young professionals and workers from Hong Kong and overseas, while providing landlords with professional, end-to-end tenancy and property management services.

The Target Company operates a diversified portfolio of residential units across key urban locations in Hong Kong. Its services cover room leasing, tenant sourcing, lease administration, property management, maintenance coordination and customer support, enabling property owners to achieve stable occupancy and optimized rental returns with minimal operational burden.

The Target Company has developed strong relationships with major tertiary institutions in Hong Kong and serves as an accommodation service provider to students from both local and overseas universities. Leveraging technology, standardized operating procedures and a dedicated management team, the Target Company aims to enhance living quality and operation efficiency across its portfolio.

To the best of the knowledge, information and belief of the directors of the Company (“**Directors**”), after having made all reasonable enquiries, the Target Company and its ultimate beneficial owners and third parties independent of the Company and its connected persons.

BUSINESS UPDATE ON DEVELOPMENT PROJECT

The Group has been working to develop its #107-109 Wai Yip Street site into Hotel /Student Hostel. A couple of milestone have been achieved, including The Town Planning Board's section 16 official approved to convert the zoning use to Hotel, and The Education Bureau's has conditional approval for the future finished project to be included in the Hostel in the City Scheme. The project is ready to enter the development stage, and the Group is currently working with potential investors to jointly develop the project, which is likely to become the first and largest purpose-built student hostel in Hong Kong comprising approximately 988 rooms. Upon completion, the project is expected to significantly increase the supply of quality student accommodation and help to meet the growing demand for hostel from local, mainland China, and other foreign students studying in Hong Kong.

The development is aligned with the Hong Kong Government's policy direction to promote Hong Kong as an international education hub and education city.

The Proposed Acquisition is consistent with the Group's strategic objective to expand its presence in the student hostel and accommodation market, in both the development aspect as well as the operation side.

REASONS FOR THE BENEFITS OF THE PROPOSED ACQUISITION

- Synergies Between the Proposed Acquisition and The Development Project

The Target Company is an established accommodation operator in Hong Kong with proven experience in student housing and co-living operations, including tenant sourcing, leasing management, property operations and day-to day hostel management. Through the acquisition, the Group will gain immediate access to an experienced operating platform, established management systems and industry know-how, thereby reducing execution risks and shortening the ramp-up period for the Group's student hostel projects.

In addition, the Target Company's established relationships with tertiary institutions and student communities are expected to strengthen the marketing and leasing capability of the Kwun Tong project, supporting stable and diversified tenant demand. The acquisition also enables the Group to develop an in-house student hostel operation team, providing a scalable platform for further hostel projects and asset-light expansion.

- Generate Recurring Income

The acquisition is expected to generate direct synergies with the Group's Kwun Tong student hostel development project. By integrating the Target Company's operational expertise at an early stage of development, the Group can optimize hostel layout design, room mix, pricing strategy and operational workflow to better align with market demand from students. This is expected to enhance occupancy rates, operational efficiency and long-term recurring income upon commencement of operations.

In light of the above, the Board believes that the Proposed Acquisition, if materialised, would enable to Group to broaden the business profile of the Group and achieve sustained growth in the industry by creating synergies and the integration of the Group's resources. It will enhance the Group's recurring income base, improve asset utilization and create long-term shareholder value. Therefore, the Board considers that the Proposed Acquisition is in the interests of the Company and the Shareholders.

GENERAL

The Board wishes to emphasize that the Proposed Acquisition contemplated under the MOU may or may not proceed and that the parties have not entered into a legally binding agreement in relation to the transactions contemplated under the MOU as at the date of this announcement. Should any transactions contemplated under the MOU materialize, the Company will make further announcements as and when appropriate in compliance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 27 January 2026

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.