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Standard Development Group Limited

標準發展集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1867)

VOLUNTARY ANNOUNCEMENT

BUSINESS UPDATE

The announcement is made by Standard Development Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders and potential investors of the Company informed of the latest business development of the Group.

On 28 February 2020, PKNG Development and Project Management Limited (“**PKNG**”) and Ample Construction Company Limited (“**Ample Construction**”), an indirect wholly owned subsidiary of the Company, entered into an agreement, by which PKNG engaged Ample Construction as a contractor to carry out the renovation works (the “**Renovation Works**”) at a hotel in Tsim Sha Tsui. At all material times, Yee Fung Construction Engineering Limited (“**Yee Fung**”) was the sub-contractor of Ample Construction thereof. The Renovation Works have been duly completed in accordance with the terms of the agreement.

On 27 April 2021, PKNG and Ample Construction further entered into an agreement by which it was agreed that the final contract sum of the Renovation Works in the total sum of HK\$9,282,918.48 should be settled by 8 postdated cheques issued by PKNG. Accordingly, 8 postdated cheques have been issued by PKNG to Ample Construction. The first 2 cheques dated 30 May 2021 and 30 June 2021 in the total sum of HK\$3,000,000 among the 8 postdated cheques have been presented to the bank and cleared respectively. However, upon presentation of the 3rd and 4th cheques dated 30 July 2021 and 30 August 2021 in the total sum of HK\$2,000,000, Ample Construction was informed by the bank that the said payments of the said 2 cheques have been stopped and/or countermanded by PKNG and hence they were dishonoured. On 13 September 2021, a letter before action has been issued to PKNG by the solicitor acting for Ample Construction for the recovery of the said HK\$2,000,000.

On 20 September 2021, a writ of summons under action number HCA 1424 of 2021 was issued in the High Court of Hong Kong Special Administrative Region (the “**Writ**”) by the solicitors acting for PKNG as the plaintiff against Ample Construction as the defendant for alleged breach under the conditions which were claimed being made between PKNG and Yee Fung in mid-March 2021, under which Yee Fung shall keep the 8 postdated cheques which shall not be released to Ample Construction until PKNG makes a confirmation to Yee Fung to release the relevant post-dated cheques to Ample Construction. As stated in the indorsement of claim endorsed with the Writ, PKNG’s claim against Ample Construction is for:

- (1) Ample Construction’s immediate return of the remaining 6 postdated cheques to PKNG;
- (2) Further and/or other relief; and
- (3) Costs.

The Group is currently seeking legal advice in respect of the Writ and Ample Construction will contest it vigorously. Further announcement(s) will be made in due course as to any material development in connection with the proceedings.

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

By order of the Board
Standard Development Group Limited
Liu Zhancheng
Chairman and Executive Director

Hong Kong, 15 October 2021

As at the date of this announcement, the Board comprises Mr. Liu Zhancheng, Ms. Qin Mingyue and Mr. Ye Zuobin as executive Directors; and Dr. Su Lixin, Mr. Liang Rongjin and Dr. Yan Bing as independent non-executive Directors.