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**Star Properties Group (Cayman Islands) Limited**  
**星星地產集團(開曼群島)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1560)**

**VOLUNTARY ANNOUNCEMENT**  
**DISPOSAL OF THE KOREAN DEVELOPMENT PROPERTIES**

This is a voluntary announcement made by the board (the “**Board**”) of directors (the “**Directors**”) of Star Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

**THE DISPOSAL**

The Board announces that on 25 May 2022, Najin Industrial Co. Limited (the “**Purchaser**”), and (1) Star Properties Korea PFV Co. Ltd.; (2) Star Properties Korea PFV 2 Co. Ltd., and (3) Sungsu Vision Co. Ltd. (the “**Vendors**”) (subsidiaries of the Company) entered into three agreements for sale and purchase of the property of (1) 273-50, Seongsu Dong 2-ga, Seongdong-gu, Seoul (the Corner 50); (2) 314-19, Seongsu Dong 2-ga, Seongdong-gu, Seoul (the Corner 19); and (3) 656-25 Seongsu-dong 1-ga, Seongdong-gu, Seoul (the Corner 25) respectively (the “**Target Properties**”) (the “**Agreements**”). Pursuant to the Agreements, the Purchaser has agreed to purchase and the Vendor has agreed to sell the Target Properties (the “**Disposal**”).

The Target Properties are held by the subsidiaries of the Group as property held for sales. They are located in Seongsu area of Seoul, South Korea and redeveloped into 3 high end prestigious buildings. The redevelopment of Target Properties was completed in late 2021 and will be completed by 3rd quarter of 2022. After the completion of the redevelopment work, the Group shall sell out the whole building to generate revenue.

## CONSIDERATION

The total consideration under the agreements is 184 billion Korean won (“**KRW**”) (equivalent to approximately HK\$1,150 million) (an initial deposit of KRW18 billion (equivalent to approximately HK\$112 million) had been received by the Vendor as of the date of the announcement) and the Vendor expects the remaining consideration can be received by the second half of 2022 (the “**Completion Date**”). The total consideration will be recognized as revenue of the Group in the second half of 2022.

The Group expects to have a profit of approximately KRW87 billion, (equivalent to approximately HK\$543 million) before tax if and upon successful completion of the Disposal. The actual amount of profit is subject to audit and will take into account any costs and expenses incurred relating to the Disposal, and accordingly it may be different from the amount above.

The consideration under the agreements was determined after arm’s length negotiations between the Vendor and the Purchaser having taking into account the prevailing market value of comparable Property. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

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

Hong Kong, 25 May 2022

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