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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)**

## DISCLOSEABLE TRANSACTION IN RELATION TO DISPOSAL OF A SUBSIDIARY

**INTRODUCTION**

The Board is pleased to announce that on 27 August 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the sale and purchase agreement ("SPA") with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Share (being the only issue share in Target Company) and the Sale Debt at the total Consideration of HK$14,560,000 in accordance with the terms and conditions of the SPA.

**LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to notification and announcement requirements thereunder.

**As Completion is conditional upon fulfilment (or if applicable, waiver) of the conditions precedent set out in the SPA, the Disposal may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## INTRODUCTION

The Board is pleased to announce that on 22 August 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the SPA with the Purchaser in relation to the Disposal.

## SPA

The major terms of the SPA are set out below:

Date: 27 August 2025

Parties:
(i) Star Finance (BVI) Limited, a wholly owned subsidiary of the Company, as Vendor
(ii) the Purchaser, an Independent Third Party, as Purchaser

To the best knowledge, information and belief of the Directors after making reasonable enquiries, the Purchaser is a third party independent of the Company and its connected persons.

### Subject matters

Pursuant to the SPA, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Share (being the only issue share in Target Company) and the Sale Debt, subject to the terms and conditions contained in the Agreement.

### Consideration

The consideration for the sale and purchase of the Sale Share and the Sale Debt is HK$14,560,000, which was settled by the Purchaser to the Vendor on the Completion Date.

The Vendor and the Purchaser agree that the Consideration shall be subject to the following adjustment;-

(a) If the net asset value, being the total assets less total liabilities (without taking into consideration the Sale Debt), of the Target Company at Completion (the "Final Completion NAV") is:
   (i) above HK$14,560,000, then Consideration shall be HK$14,560,000 plus an amount equivalent to the difference between the Final Completion NAV and HK$14,560,000; or
   (ii) below HK$14,560,000, then the Consideration shall be HK$14,560,000 less an amount equivalent to the difference between the Final Completion NAV and HK$14,560,000.

(b) In determining the Final Completion NAV, the Parties agree to rely on the Target Management Accounts, which shall be prepared by the Vendor (at the cost and expenses of the Vendor for the benefit of the Purchaser) and delivered to the Purchaser upon Completion;

(c) For the purpose of considering the Final Completion NAV as set out in Clause(a) above, the Parties hereby agree that certain provisions for impairment and accounting treatment to be agreed by the Parties prior to Completion will be taken as items having been accounted for in the Accounts but will not be taken in determining the Final Completion NAV.

**Conditions precedent**

1. Completion is conditional upon the satisfaction of the following:

(a) the Purchaser being satisfied, in its sole and absolute discretion, in all material respects with the results of the due diligence investigations to be carried out by the Purchaser on the Target Company, including but not limited to , (i) the business, financial, legal, taxation and other conditions of the Target Company, (ii) the shareholding structure of the Target Company, and (iii) the validity of the Licences owned by the Target Company, including without limitation the Money Lender's Licence;

(b) all Authorisations (including but not limited to approvals or permissions of any kind of, from or by the Stock Exchange and the Securities and Futures Commission, if necessary) and any shareholder's approval necessary for the consummation of the transactions contemplated in this Agreement having been obtained by each of the Parties and remaining in full force and effect;

(c) the Vendor having good title to the Sale Share and the Sale Loan free from any Encumbrance;

(d) the Money Lender's Licence remains valid and not being revoked; and all relevant Consents from the relevant Governmental Authorities have been obtained to ensure the continued validity of the Money Lender's Licence in relation to the change in ownership, control and business premises of the Target Company as contemplated under this Agreement;

(e) the Vendor having provided to the Purchaser a certificate on the Loan Portfolio and the draft accounts of the Target Company as at the Completion Date being certified by a director of the Target Company (at the cost and expenses of the Vendor for the benefit of the Purchaser) certifying, among other things, that the loan receivables under the Loan Portfolio and the cash balance shall be in the aggregate amount of not less than HK$43,864,640 as at the Completion Date;

(f) there have not been, at any time after the date hereof and before the Completion, any Material Adverse Change in the Target Company;

(g) the Star Parties Warranties remaining true and correct and not misleading in all material respects at Completion as if repeated at all times between the date hereof up to Completion; and

(h) the Vendor having delivered to the Purchaser a certificate signed by its duly authorised director or officer certifying that the conditions set out in this Clauses 1(b) to (g) (in respect of itself, the Company and Mr. Chan) have been satisfied.

2. The Parties shall use their respective reasonable endeavours to fulfill or proceure the fulfilment of the Conditions Precedent as early as practicable; and each of them shall give to the other such reasonable assistance as shall be necessary for that purpose.

3. The Purchaser may, in its absolute discretion, waive any of the Conditions Precedent either in whole or in part at any time by notice in writing to the Vendor.

4. The Vendor shall notify the Purchaser in writing within one (1) Business Day after the Conditions Precedent in Clauses 1(b) to (g) have been fulfilled.

5. In the event that the Conditions Precedent are not fulfilled or waived on or before the Long Stop Date, or such later date as the Parties may agree in writing, this Agreement shall become null and void and be of no further effect whatsoever and all the obligations and liabilities of the Parties hereunder shall cease and save for any claims arising out of any antecedent breaches of this Agreement.

**Completion**

The Completion of the sale and purchaser of the Sale Share and the assignment of the Sale Debt shall take place on the Completion Date at the Purchaser's Solicitors office or at such other place as agreed by the Parties hereto and each Party hereto shall perform its obligations at Completion. Neither the Vendor nor the Purchaser is obliged to complete the sale and purchase of the Sale Shares or the assignment of the Sale Debt unless the sale and purchase of the Sale Share and the assignment are completed simultaneously.

Upon Completion, The Target Company no longer holds any shares in the Target Company, the Target Company ceased to be a subsidiary of the Company and the financial results of the Target Company are no longer consolidated into those of the Group.

**Post-Completion Undertakings**

1. The Vender, the Company and Mr. Chan shall deliver and/or shall procure that the Target Management Accounts certified by an independent certified public accountant in Hong Kong be delivered to the Purchaser within one (1) month from the Completion Date.

2. The Vendor, the Company and Mr. Chan shall deliver and/or shall procure that the original audited consolidated financial statements of the Target Company for the financial year ended 31 December 2024 be delivered to the Purchaser on or before 31 October 2025.

3. The Vendor, the Company and Mr. Chan hereby jointly and severally, irrevocably and unconditionally covenant with and undertake to the Purchaser that each of them shall provide the Purchaser and the Target Company with all necessary assistance in relation to the following matters after Completion: -

   (a) ensuring that the validity of the Money Lender's Licence shall continue after Completion, including without limitation providing all necessary assistance in: -

      (i) applying for a renewal of the Money Lender's Licence pursuant to Section 13 of the MLO;

      (ii) applying for transfer of business premises specified in the Money Lender's Licence pursuant to Section 15(4) of the MLO; and

      (iii) giving notice in writing to the Registrar of Money Lenders in relation to any change in relation to the Money Lender's Licence as a result of the transactions contemplated under this Agreement pursuant to Section 17 of the MLO; and

   (b) effectuating the change in bank signatory(ies) for the bank account(s) of the Target Company, including without limitation giving notice in writing to the relevant bank(s); and

   (c) ensuring that the Target Company will be granted a tenancy, lease or licence to continue to use the Leased Property for a period of not less than two (2) months after Completion without rent, licence fee or other payment.

**BASIS OF THE PURCHASE PRICE**

The Purchase Price was determined after arm's length negotiation between the Vendor and the Purchaser having taking into account: (i) Loan receivables from Clients; (ii) Loan outstanding to the Vendor; and (iii)the reasons for and benefits of the Disposal as described under the paragraph headed "Reasons for the Benefits of the Disposal" in this announcement below. Accordingly, the Directors consider that the Consideration and the terms of the Agreement are fair and reasonable, are on normal commercial terms and are in the interest of the Company and the Shareholders as a whole.

## INFORMATION ON THE TARGET COMPANY

The Target Company, a company incorporated in Hong Kong with limited liability, is principally engaged in the business of provision of finance. Prior to Completion, the Target Company was an indirect wholly-owned subsidiary of the Company.

The audited financial information of the Target Company for the two years immediately preceding the date of this announcement are as follows:

| | For the year ended 31 December | |
|---|---|---|
| | **2023** | **2024** |
| | **(audited)** | **(audited)** |
| | **HK$'000** | **HK$'000** |
| Revenue | 3,983 | 2,840 |
| Net (loss)/profit before taxation | (11,716) | (3,944) |
| Net (loss)/profit after taxation | (11,716) | (3,944) |

The audited net liabilities of the Target Company as at 31 December 2023 and 31 December 2024 was HK$9,535,652 and HK$13,479,958 respectively.

## INFORMATION ON THE GROUP AND THE VENDOR

The Group is principally engaged in property development and property investment for sale, rental or capital appreciation, provision of property management services and provision of finance. The Vendor is a company incorporated in the BVI and is principally engaged in the business of Investment holding. It is a wholly-owned subsidiary of the Company. Prior to Completion, the Target Company was a direct wholly-owned subsidiary of the Vendor.

## INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability and its principally engaged in the business of provision of finance. To the best of the Directors' knowledge, information the Purchaser and its ultimate beneficial owner and director are a third party independent of the Company and its connected persons.

## REASONS FOR THE BENEFITS OF THE DISPOSAL

The principal activity of the Target Company is provision of Finance. The Group is principally engaged in property development and property investment for sale, rental or capital appreciation, provision of property management services.

The Target Company was merged under the Group on 10 November 2016 for the provision of finance for the purchaser of the properties held by the Group. However, taking into consideration that (a) the current financial situation of the Group; and (b) the cost efficiency to maintain a small loan portfolios, the Directors consider that it is a suitable time to dispose the business in order to reduce the borrowing and interest burden of the Group and strengthen the general working capital of the Group.

Taking into account of the above, the Directors (including the independent non-executive Directors) believe that it is favourable to the Company and Shareholders as a whole amid the uncertain market condition. Furthermore, the terms of the Disposal consider that the terms of the SPA are fair and reason.

## FINALCIAL IMPLICATIONS AND USE OF PROCEEDS FROM THE DISPOSAL

Taking into account (i) the Consideration of approximately HK$14,560,000, (ii) the unaudited combined net liabilities of the Target Company as stated in the Management Accounts as at 25 August 2025 in the amount of approximately HK$14,386,000; and (iii) the amount of loan of approximately HK$28,946,000 as at 25 August 2025, the Directors do not expect to recognize any gain/loss from the Disposal.

After deducting the expenses and loan related to the Disposal, the Group expects that the net proceeds from the Disposal is approximately HK$14,000,000. The Group intends to use such net proceeds to settle the payable of the Group.

Upon the Completion, the Company and the Group will no longer have any interest in the Target Company and the Target Company will cease to be accounted as a subsidiary of the Group.

The abovementioned financial effects are shown for illustrative purposes only, and the actual financial effects to be recognized in the consolidated financial statements of the Company by the auditor of the Group upon finalization of the consolidated financial statement for the year ended 31 Dec 2025.

## LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to notification and announcement requirements thereunder.

**As Completion is conditional upon fulfilment (or if applicable, waiver) of the conditions precedent set out in the SPA, the Disposal may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

**DEFINITIONS**

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

| | |
|---|---|
| "Board" | the board of 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 sale and purchaser of the Sale Share and the Sale Debt |
| "Completion Accounts" | The management accounts of the Target Company made up to the Completion Date |
| "Completion Date" | a day falling three (3) Business Days immediately following the fulfillment of the Conditions Precedent or such other date as the Parties may agree in writing; |
| "connected person" | has the meaning ascribed thereto under the Listing Rules |
| "Director(s)" | the director(s), including independent non-executive director(s), of the Company |
| "Disposal" | The disposal of the Sale Share and the Sale Debt by Vendor to the Purchaser |
| "Group" | the Company together with its subsidiaries |
| "Hong Kong" | the Hong Kong Special Administrative Region of the People's Republic of China |
| "Listing Rules" | the Rules governing the Listing of Securities on the Stock Exchange |

| | |
|---|---|
| "Loan Portfolio" | the portfolio comprising all the loans provided by the Target Company, constituting 37 mortgage loans with a collective balance of outstanding principal amount of approximately HK$43,864,640 |
| "Long Stop Date" | 29 August 2025 or such later date as the Parties hereto may from time to time agree in writing |
| "MLO" | Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time |
| "Mr. Chan" | The controlling shareholder, the chairman, the chief executive officer and an executive director of the Company. |
| "SPA" | the Sale and Purchase Agreement entered into between the Purchaser and the Vendor dated 27 August 2025 in respect of the Sale Share and Sale Debt of the Target Company |
| "Purchaser" | Fortune Peace Holdings Limited, a company incorporated in Hong Kong (Business Registration Number: 58226753) or its nominee |
| "Sale Debt" | All debts owing by the Target Company to the Vendor and/ or directors) of the Target Company and/or its/ his/ their associates (if any) as at Completion Date. As at 25 August 2025, the amount of the Sale Debt is approximately HK$28,946,595. |
| "Sale Shares" | 1 ordinary shares, representing all the issued shares of the Target Company |
| "Share(s)" | ordinary share(s) of the Company |
| "Shareholder(s)" | the holder(s) of the Share(s) of the Company |
| "Stock Exchange" | the Stock Exchange of Hong Kong Limited |
| "Target Company" | Star Finance (H.K.) Limited, a company incorporated in Hong Kong with limited liability and an direct wholly-owned subsidiary of Vendor |

| | |
|---|---|
| "Vendor" | Star Finance (BVI) Limited, a company incorporation in British Virgin Islands (BVI Company Number: 1927762) with limited liability and is an indirect wholly-owned subsidiary of the Company |
| "HK$" | Hong Kong Dollar, the lawful currency of Hong Kong |
| "%" | per cent |

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

Hong Kong, 27 August 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.*