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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 PROPERTIES

THE DISPOSAL

The Board wishes to announce that after trading hours of the Stock Exchange on 22 January 2026, the vendor, an indirect wholly owned subsidiary of the Company, and the Purchaser entered into two preliminary sale and purchase Agreements, whereby the Vender 1 and Vendor 2 agreed to sell, and the Purchaser agreed to purchase, the Properties at total consideration of HK$58,000,000.

THE LEASEBACK ARRANGEMENT

Pursuant to the terms of the Agreements, the Purchaser agrees to let, upon Completion, the Properties to the Designated Tenant (being a wholly-owned subsidiary of the Company) at the rent of HK$250,000 per calendar month (exclusive of government rent, rate and management fee are all responsible by the Designed Tenant) for an initial term of two years commencing from the Completion Date with two months rental deposit, 1 month of advance rental payment.

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 Agreements 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 Agreements 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 Agreements 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 none of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Leaseback Arrangement exceeds 5%, the Leaseback Arrangement does not constitute a notifiable transaction for the Company 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 Agreements after trading hours of the Stock Exchange on 22 January 2026 in relation to the Disposal.

The principal terms of the Agreements are as follows:

The AGREEMENTS:

(1) Date :
22 January 2026 (signed after trading hours of the Stock Exchange)

(2) Parties:

Vendor 1: Wise City Holdings Limited
Vendor 2: Numeric City Limited 廸穎有限公司
Purchaser: New Joyful Way International Limited 新威怡國際有限公司

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

(3) Properties to be disposed of:

The Properties to be disposed of by the Vendor 1 and Vendor 2 comprises:

Premises 1: residential units on 1/F – 4/F, No. 16 Yiu Wa Street and 1/F – 5/F & The Roof, No. 18 Yiu Wa Street, Causeway Bay, Hong Kong; and

Premises 2: residential units on 5/F & The Roof, No. 16 Yiu Wa Street, Causeway Bay, Hong Kong

The total saleable area of the Properties are approximately 4,681sq.ft., which are being used as the rental apartment and operate by a subsidiary of the Group.

(4) Consideration and payment terms:
The Consideration for the properties is HK$58,000,000, 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 Agreements in the sum of HK$2,900,000; and

(ii) the formal Agreements for Sale and Purchase shall be signed on or before 2 February 2026, a further deposit shall be paid on or before 2 February 2026 in the sum of HK$2,900,000; and

(iii) The balance of the Consideration shall be paid on Completion in the sum of HK$52,200,000.

The Consideration was determined after arm's length negotiations between the Vendor 1 and Vendor 2 and the Purchaser with reference to, among other things, (i) the prevailing market value of comparable residential units in the vicinity of the property, (ii) financial situation of the Group and (iii) the preliminary assessment of the valuation of the Properties conducted by an independent valuer.

(5) Conditions precedent for the Disposal:

(i) the Purchaser is satisfied with the title to the Properties;

(ii) the Disposal shall be subject to the shareholders' approval of the Company at least 7 business days before completion date, the completion shall be postponed to a date which shall be the 7th business day after the date on which the shareholders' approval is provided to the Purchaser.

(iii) It is a condition to completion herein that the completion of the sale and purchase of the Premises 1 shall be simultaneous with the completion of the sale and purchase of the Premises 2.

(iv) Any other notice, order or direction issued by the Government (including the Buildings Department and the Fire Services Department) other competent authority that exist prior to the date of the Agreements, Vendor 1 and Vendor 2 shall complete all inspection, demolition, reinstatement, repair and or other works required under all such Notices on or before the handover of the properties upon the expiration of the leaseback period and responsible for the costs and expenses.

(6) Completion:
Completion shall take place on the Completion Date, being 31 March 2026 or subject to conditions precedent, shall be postponed to a date which shall be the 7th business day after the shareholders' approval is provided to the Purchaser, but not later than 18 June 2026.

THE LEASEBACK ARRANGEMENT

Under the Preliminary Agreements 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 Properties from Purchaser. The principal terms of the Leaseback Arrangement are set out below:

Parties:	(a) The Purchaser as landlord; and (b) Metropolitan Apartment Limited as the Designed Tenant
Term:	Two years commencing from the Completion Date
Properties:	The Properties with existing fixtures and fittings
Rental:	HK$250,000 per month exclusive of government rent, rate and management, etc.
Rental Deposit:	HK$500,000, equivalent to two months' rental

Usage: Residential

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$53.41 per square feet for the Properties at the net floor area of approximately 4,681 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 Properties 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$5,533,198 will be recognized under the Lease Agreement. Such amount is unaudited and may be subject to adjustment.

FINANCIAL EFFECT OF THE DISPOSAL

The Properties are 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$114,800,000.

Based on the Consideration under the Agreements, the audited carrying value of the Properties of approximately HK$114,800,000 as at 31 December 2024, and the related expenses for the Disposal of approximately HK$2,000,000 and cost for leaseback around HK$2,250,000, the Group currently expects to record aggregated loss of approximately HK$61,050,000 in the financial year of 2025 and 2026 from the Properties.

The net proceeds, being the Consideration net of relevant expenses, arising from the Disposal are estimated to be approximately HK$53,750,000. Additionally, approximately HK$50,000,000 is expected to be applied for repayment of bank loan by the Vendor1 and Vendor 2.

FINANCIAL INFORMATION OF THE PROPERTIES

Set out below is certain financial information of the Premises 1 for 31 December 2023 and 2024:

	For the years ended 31 December	
	2023	**2024**
	(HK$)	(HK$)
	audited	audited
Revenue	2,172,346	1,774,080
Net profit / (loss) before tax	(1,669,316)	(13,361,959)
Net profit / (loss) after tax	(1,994,547)	(11,865,036)

The net loss related to Properties for the year ended 31 December 2023 and 2024 was mainly attributable to the decrease in fair value of HK$nil and HK$11,000,000 respectively.

Set out below is certain financial information of the Premises 2 for 31 December 2023 and 2024:

	For the years ended 31 December	
	2023	**2024**
	(HK$)	(HK$)
	audited	audited
Revenue	215,040	215,040
Net profit / (loss) before tax	184,652	183,855
Net profit / (loss) after tax	159,232	158,436

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Hong Kong with limited liability. The principal activity of the Purchaser is Investment holding. The 100% ultimate beneficial ownership of the Purchaser is held equally by Ms. Liao Ziyi, Mr. Shi Haojun, and Ms. Liao Ziyu.

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 VENDORS

The Vendor 1 and Vendor 2 are an indirect wholly-owned subsidiaries of the Company and they are 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, residential 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 Properties to improve 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 apartment rental business in the Properties without having to incur effort and costs to looking for alternative residential premises for relocating the apartment business and to reinstate the Properties to bareshell condition at the end of the Leaseback Agreement.

Furthermore, the monthly rental under the Leaseback Arrangement is broadly comparable to the Group's current monthly interest payments. The average bank interest rate is around 2.5%p.a. above the HIBOR rate, currently which is around 5%p.a. 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 Properties and enhance financial flexibility.

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 Agreements 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 Agreements 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 Agreements and the transactions contemplated thereunder if such written Shareholders' approval is obtained.

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As none of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Leaseback Arrangement exceeds 5%, the Leaseback Arrangement does not constitute a notifiable transaction for the Company 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:

"Agreements"	the provisional agreements for sale and purchase dated 22 January 2026 entered into between the Vendor 1, Vendor 2 and the Purchaser in relation to the sale and purchase of the Properties
"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 Agreements
"Completion Date"	the date on which Completion shall take place, being 31 March 2026 provided that the Vendor 1 & Vendor 2 shall provide the shareholders' approval of the Company before 7 business days the Completion Date but not later than 18 June 2026.
"connected person"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	HK$58,000,000, being the consideration for the Properties Payable by the Purchaser to the Vendor 1 & Vendor 2 pursuant to the Agreements
"Disposal"	the disposal of the Properties by the Vendor 1 & Vendor 2 to the Purchaser pursuant to the terms of the Agreements

"Designated Tenant"	Metropolitan Apartment Limited, a wholly-owned subsidiary of 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 Properties 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
"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
"Properties"	Including premises 1: the residential units on 1/F - 4/F No.16 Yiu Wa Street and 1/F - 5/F, No.18 Yiu Wa Street, Hong Kong and premises 2: the residential units 5/F, No.16 Yiu Wa Street, Hong Kong
"Purchaser"	New Joyful Way International Limited 新威怡國際有限公司, 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 1"	Wise City Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.
"Vendor 2"	Numeric City Limited 廸穎有限公司, 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, 22 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.