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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 UPDATE ON CAPITAL STRUCTURE AND PROGRESS OF WAI YIP STREET DEVELOPMENT PROJECT

This announcement is made by Star Group Asia Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide shareholders and potential investors with an update on the Group’s capital structure, financial position and progress of its Wai Yip Street development project.

UPDATE ON CAPITAL STRUCTURE

Following approval by shareholders of the Company at the extraordinary general meeting held on 12 October 2026, the Company implemented an increase in authorised share capital and a consolidation of every ten existing shares into one consolidated share, effective 14 October 2026 (the “**Capital Reorganisation**”). Please refer to the announcement of the Company dated 12 October 2026 for further details of the Capital Reorganisation.

The Board believes that the Capital Reorganisation will provide greater flexibility for the Company to consider potential equity financing, strategic investments and other corporate opportunities as appropriate.

Reference is also made to the announcements of the Company dated 13 October 2026, 14 October 2026 and 15 October 2026, in relation to the partial conversion of the convertible bonds issued in October 2020 with an aggregate principal amount of HK\$418,000,000 (the “**Convertible Bonds**”).

The board of directors of the Company (the “**Board**”) is pleased to announce that as at the date of this announcement, the Convertible Bonds with an aggregate principal amount HK\$413,000,000 has been fully converted into ordinary shares of the Company (the “**Conversions**”). Following completion of the Conversions, the principal amount of the remaining outstanding Convertible

Bonds is HK\$5,000,000, which can be converted into 1,000,000 conversion shares of the Company at the conversion price of HK\$5.00 per conversion share of the Company.

The Conversions were completed through the allotment and issue of ordinary shares of the Company, without requiring the Company to make cash repayment of the converted principal.

As a result of the Conversions, the obligations represented by the principal amount of the Convertible Bonds have been significantly extinguished, and the corresponding accounting adjustments will be reflected in the Group's financial statements in accordance with applicable accounting standards. The Conversions are expected to significantly reduce the Group's reported liabilities attributable to the Convertible Bonds and strengthen its equity position, subject to the final accounting assessment.

Furthermore, the Conversions reduce future coupon obligations associated with the converted principal, subject to any accrued obligations remaining payable.

The Board believes that the reduction of the outstanding principal of the Convertible Bonds will provide the Group with greater flexibility in managing its financial resources and pursuing future corporate and financing initiatives.

The Conversions do not affect the Group's existing bank borrowings or other financial obligations.

PROGRESS OF WAI YIP STREET DEVELOPMENT PROJECT

The Board is also pleased to provide an update on the Group's development project located at Nos. 107–109 Wai Yip Street, Kwun Tong, Hong Kong (the "Wai Yip Street Project").

The Group has been progressing the proposed lease modification of the Wai Yip Street Project with the Lands Department of the Hong Kong Special Administrative Region Government.

The basic terms offer for the proposed lease modification has been confirmed with the Lands Department.

The application is currently being processed by the Valuation Section of the Lands Department for determination of the applicable land premium.

The formal lease modification can only be executed following acceptance of the land premium offer and fulfilment of the relevant requirements.

The Board considers that confirmation of the basic terms represents progress in the lease modification process and an important step towards advancing the development potential of the Wai Yip Street Project.

The Company will continue to liaise with the Lands Department and evaluate the development and financing arrangements for the project as further information becomes available.

BUSINESS AND FINANCIAL OUTLOOK

The Group remains committed to improving its financial position, maintaining its business operations and pursuing opportunities that support its long-term development.

The Group continues to pursue appropriate asset disposals, engage with financial institutions regarding its existing borrowings and explore potential financing opportunities.

The Board considers that the Capital Reorganisation, together with the progress made on the Wai Yip Street lease modification application, represents constructive developments in the Group's ongoing efforts to improve its capital structure and advance its business plans and as disclosed in the announcement, the Board further considers the Conversions to result in a significant improvement in the financial position of the Group.

The Company will continue to evaluate appropriate measures with a view to safeguarding the interests of the Company and its shareholders as a whole.

The Company will make further announcements as appropriate in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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, 21 October 2026

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Chan Man Fai Joe (Chairman and chief executive officer), Ms. Cheung Wai Shuen and Mr. Lee Lap Yan Philip; one non-executive Director, namely Mr. Tsui Wing Tak; and three independent non-executive Directors, namely Mr. Leung Ka Tin, Mr. Mong Cheuk Wai and Mr. Hong Sze Lung.