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Star Group Company Limited

星星集團有限公司

(Carrying on business in Hong Kong as SGCL)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1560)

**CONNECTED TRANSACTION
IN RELATION TO
THE SALE OF THE RESIDENTIAL UNIT
OF ATR**

On 27 March 2023 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Preliminary Sale and Purchase Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the residential unit at the consideration of HK\$5,949,100.

The Purchaser is the sister of Mr. Chan Man Fai Joe (Substantial Shareholders) and is an associate of Mr. Chan Man Fai Joe. Therefore a connected person of the Company under Rule 14A.12(2)(a) of the Listing Rules. Accordingly, the Transaction constitutes connected transaction of the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios in respect of the Transaction exceed 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from independent Shareholders' approval requirement under the Listing Rules.

Mr. Chan Man Fai has abstained from voting on the relevant Board resolution(s) approving the entering into of the PASP.

INTRODUCTION

On 27 March 2023 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Preliminary Sale and Purchase Agreement (“**PASP**”), pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the residential unit of After The Rain (“**Residential Unit**”) at the consideration of HK\$5,949,100. The principal terms of the PASP are set out as follows:-

THE PRINCIPAL TERMS OF THE PASP

Date: 27 March 2023 (after trading hours of the Stock Exchange)
Parties: (i) the Vendor
(ii) the Purchaser

HK\$5,949,100, payable by the Purchaser in the following manner:

- (i) an initial deposit of HK\$ 297,455 has been paid prior to signing of the PASP
- (ii) balance of deposit of HK\$297,455 shall be paid on/before 25 April 2023
- (iii) the balance of HK\$5,354,190 shall be paid within 14 days of the date of notice completion

The Vendor and the Purchaser shall enter into the Formal Agreement on 1 April 2023. The consideration for the Transaction was determined on arm’s length basis and represented the quoted price of the Residential Unit as stated in the pre-sale price list for ATR less a predetermined discount as applicable to the Purchaser as per discount set out in the price list.

INFORMATION OF THE AFTER THE RAIN

ATR is a residential project under the development of the Vendor at No. 21 Wang Yip Street West, Yuen Long, Hong Kong with 23 storeys (excluding basement, roof, upper roof and top roof) and total saleable area of approximately 142,676 square feet providing 335 residential units, 5 shops and 74 car parking space.

REASONS FOR THE BENEFITS OF THE SALES

The development of ATR has been put on sale after obtaining the pre-sale consent of the residential units in the market since end of February 2023. The Company expects to record a gain of approximately HK\$500,000 from the Transaction. Such gain is only an estimate provided for illustrative purposes and it should be noted that the actual gain or loss on the Transaction will depend on the book value of the Residential Unit recorded in the financial statements of the Company at completion date and be subject to further review by the auditors of the Company, which may be different from the amount as above-mentioned. Proceeds from the sales of the Residential Unit will be used by the Vendor to finance further development costs or repayment of loan.

The Directors (including the independent non-executive Directors but excluding the Abstained Directors) consider that the entering into of the PASP is in the ordinary and usual course of business of the Company, and the term of the PASP are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE COMPANY AND THE VENDOR

The Company is principally engaged in property development; property investment for sale, rental or capital appreciation; provision of property management and security services; construction and fitting out works; provision of finance; fund investment and fund management; wine business which includes operation of wine cellar and trading of fine wine; and provision of media production services. The various lifestyle businesses are operating under the brand name of “Metropolitan”.

The Vendor is a wholly-owned subsidiary of the Company. Its principal activity is property development and it is the developer of ATR.

IMPLICATIONS UNDER THE LISTING RULES

The Purchaser is the sister of Mr. Chan Man Fai Joe (the substantial Shareholders of The Company) and is an associate of Mr. Chan Man Fai Joe. Therefore a connected person of the Company under Rule 14A.12(2)(a) of the Listing Rules. Accordingly, the Transaction constitutes connected transaction of the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios in respect of the Transaction exceed 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from independent Shareholders' approval requirement under the Listing Rules.

Mr. Chan Man Fai Joe has abstained from voting on the relevant Board resolution(s) approving the entering into of the PASP.

DEFINITIONS

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

“Abstained Directors”	Mr. Chan Man Fai Joe being an Chief Executive Director who has not given any opinion and has abstained from voting on the relevant Board resolution approving the PASP in view of his potential conflict of interest in the PASP and the transaction contemplated thereunder
“ATR”	After the rain, a residential project under the development of the Vendor at No. 21 Wang Yip Street West, Yuen Long, Hong Kong
“associate”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Star Group Company Limited, a company incorporate in Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code:01560)
“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
“PASP”	the Preliminary Sale and Purchase Agreement entered into between the Purchaser and the Vendor dated 27 March 2023 in respect of the sale and purchase of the Residential Unit
“Formal Agreement”	the formal agreement to be entered into between the Vendor and the Purchaser in respect of the sale and purchase of the Residential Unit
“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
“Residential Unit”	the residential unit of ATR located at 21 Wang Yip Street West, Yuen Long with a saleable area of 372 square feet
“Purchaser”	Ms. Chan Hang Mei
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Transaction”	the sale of the Residential Unit by the Vendor to the Purchaser pursuant to the PASP
“Vendor”	Sincere Gold Properties Limited, a wholly owned subsidiary, incorporated in Hong Kong
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“%”	per cent

For and on behalf of the Board
Star Group Company Limited
(Carrying on business in Hong Kong as SGCL)
Chan Man Fai Joe
Chairman

Hong Kong, 27 March 2023

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.