

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

SUPPLEMENTARY AND CLARIFICATION ANNOUNCEMENT

IN RELATION TO DISCLOSEABLE TRANSACTION:

THE DISPOSAL

Reference is made to the announcement of Star Properties Group (Cayman Islands) Limited (the “**Company**”) published on 3 March 2021 (the “**Announcement**”) regarding the discloseable transaction of the Disposal. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

CONDITION PRECEDENT

As disclosed in the Announcement, Completion of the Disposal shall be subject to and conditional (unless the same has been waived by the Purchaser) on several conditions. The Company would like to supplement clause (d) under the “Condition Precedent” section by revising the clause (d) as follow:

“Certain representations, undertakings and warranties given by the Vendor in respect of the ownership of the Property, no litigation and no encumbrances over the Target Company’s assets in the Provisional Agreement and the Formal Agreement (if any) are and remain true, accurate, correct in all material respects up to the Completion ; and (applicable only if the Property Procurement Option has not been exercised) all the representatives, undertakings and warrants given by the Vendor under the Provisional Agreement shall remain true, accurate, correct in all material respects up to Completion;”

ADJUSTMENT TO THE PURCHASE PRICE

As disclosed in the Announcement, the Purchase Price is subject to adjustment. The Company would like to supplement the details of the adjustment to the Purchase Price as following:

As at the Completion Date, providing that the Property Procurement Option has not been exercised:-

- (a) if the current assets of the Target Company exceed its current liabilities (excluding the Sale Debt and the outstanding indebtedness under the existing mortgage, if applicable), the Purchaser shall pay the excess to the Vendor on Completion, or the Vendor will pay the deficiency to the Purchaser if the current assets of the Target Company is less than its current liabilities (excluding the Sale Loan and the amount outstanding indebtedness under the existing mortgage, if applicable);
- (b) the Vendor undertakes to deliver to the Purchaser or the Purchaser's solicitors at least three (3) days prior to the Completion Date the proforma management accounts (hereinafter called the "**Proforma Accounts**") comprising a proforma profit and loss account of the Target Company for the period from its date of incorporation/ the beginning of the current financial year to the Completion Date and a proforma balance sheet of the Target Company as at the Completion Date. If the NTAV (hereinafter defined) as shown in the Proforma Accounts is more or less than zero, the Balance of Purchase Price shall be adjusted upwards or downwards (as the case may be) accordingly in the manners as follows:
 - (i) it shall be added to the Balance of Purchase Price all current tangible assets of the Target Company as shown in the Proforma Accounts including rental receivable (if applicable) (up to and inclusive of the Completion Date), utilities and other miscellaneous deposits, prepaid rates and government rents, and other expenses relating to the Property (up to but exclusive of the Completion Date); and
 - (ii) it shall be deducted from the Balance of Purchase Price all liabilities of the Target Company as shown in the Proforma Accounts (other than the Sale Debt).

"NTAV" means the aggregate of all tangible assets of the Target Company which are readily convertible into cash or cash equivalents (excluding the Property, any intangible assets and other fixed assets) less the aggregate of all liabilities (actual, contingent or otherwise but excluding the Sale Debt) and provision of the Target Company as at the Completion Date.

PROCEEDS FROM THE DISPOSAL

As disclosed in the Announcement, the net proceeds from the Disposal (after deducting transaction costs, tax and professional expenses) will be approximately HK\$15,454,401; and the Company intends to use

the net proceeds from the Disposal for the repayment of bank loan and general working capital of the Group.

The Company would like to supplement the details of the transaction costs should include the repayment of existing mortgage borrowings of the Target Company which amounted to approximately HK\$35,607,474 as at 31 December 2020. The Company would also like to clarify that the intended use of the net proceeds from the Disposal for the repayment of bank loan was referring to the bank loan of the Company and its subsidiaries.

CLARIFICATION

The Company would like to clarify that the inadvertent error under the “Purchase Price” section in the Announcement that the net asset value of the Target Company as shown in the audited financial statement as at 31 December 2020 should be HK\$13,430,589 instead of HK\$49,430,589.

Except as stated above, all the information in the Announcement remains unchanged.

For and on behalf of the Board
Star Properties Group (Cayman Islands) Limited
Chan Man Fai Joe
Chairman

Hong Kong, 4 March 2021

As at the date of this announcement, the Board consists of eight Directors comprising four executive Directors, namely Mr. Chan Man Fai Joe (Chairman), Ms. Cheung Wai Shuen, Mr. Liu Hon Wai and Prof. Pong Kam Keung; one non-executive Directors, namely Mr. Yim Kwok Man; and three independent non-executive Directors, namely Mr. Lee Chung Ming Eric, Ms. Chan Wah Man Carman and Dr. Wong Wai Kong.