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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)

FINANCIAL ASSISTANCE FROM CONTROLLING SHAREHOLDER

The Board announce that on 8 August 2017, the Company had accepted the Loan granted by the Lender with aggregate sum of HK\$200 million. Mr. Chan has provided Personal Guarantee as a continuing security for the obligations and liabilities of the Company without receiving any form of consideration.

The Directors believe that the terms of the Loan are made on arm's length basis and on normal commercial terms, and are made in the ordinary and usual course of business of the Group and are fair and reasonable and in the interest of the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As Mr. Chan is a Director and controlling shareholder of the Company, the provision of the Personal Guarantee constitutes a connected transaction in the form of financial assistance in favour of the Group. However, as the Personal Guarantee is not secured by any assets of the Group, and as the Directors consider that the Personal Guarantee is on normal commercial terms or better, the Personal Guarantee is fully-exempted from the shareholders' approval, annual review and all disclosure requirements pursuant to Rule 14A.90 Listing Rules.

This announcement is made by Star Properties Group (Cayman Islands) Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Insider Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap.571 of the Laws of Hong Kong).

The Board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that on 8 August 2017, the Loan Agreement was entered into between a money lender (the “**Lender**”), an independent third party and the Company as borrower, pursuant to which the Lender will provide a term loan to the Company in the amount of up to HK\$200,000,000, (the “**Loan**”). The term of the Loan shall be about 12 months from the date of the drawdown of the Loan save and except the Company shall repay partial principal amount of the Loan in the sum of HK\$100,000,000 on or before 10 November 2017. The remaining principal amount of the Loan plus any unpaid interest be repaid on or before 3 September 2018. The Loan are secured by personal guarantee (the “**Personal Guarantee**”) executed by Mr. Chan Man Fai Joe (“**Mr. Chan**”), the controlling shareholder and Director of the Company.

Mr. Chan has not and will not receive any form of consideration from the Group for the provision of the Personal Guarantee. Mr. Chan has undertaken not to withdraw or release the Personal Guarantee unless the Company had fully repaid the Loan.

PURPOSE AND BENEFITS OF THE FACILITIES

The Loan will be used for general working capital in the usual course of business of the Group. The purpose of the Loan is to strengthen our financial position for replenishing our land bank and increase our future development sites which are suitable for development.

The Directors (including the independent non-executive Directors) consider that the terms of the Loan are made on arm’s length basis and on normal commercial terms, and are made in the ordinary and usual course of business of the Group and are fair and reasonable and in the interest of the shareholders of the Company as a whole.

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To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Lender are independent third parties and not connected with the Group and its connected persons (as defined in the Listing Rules) as at the date of this announcement. Save for Mr. Chan, none of the connected persons have any interest, whether directly or indirectly, in the Facilities.

Shareholders and potential investors are advised to exercise caution when dealing in Shares.

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

Hong Kong, 8 August 2017

As at the date of this announcement, the Board comprises Mr. Chan Man Fai Joe (Chairman and chief executive officer), Mr. Lam Kin Kok, Ms. Cheung Wai Shuen and Mr. Liu Hon Wai, as executive Directors; Mr. Pong Kam Keung and Mr. Yim Kwok Man, as non-executive Directors; Mr. Shiu Siu Tao, Mr. Lee Chung Ming Eric and Ms. Chan Wah Man Carman, as independent non-executive Directors.