

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.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



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)

PROPOSED OPEN OFFER ON THE BASIS OF TWO (2) OFFER SHARES FOR EVERY FIVE (5) EXISTING SHARES HELD ON THE RECORD DATE

Underwriter to the Open Offer



GREAT ROC

CAPITAL SECURITIES LIMITED

鴻鵬資本證券有限公司

A wholly-owned subsidiary of URF (Holdings) Limited (HKEX stock code 1468)
英商匯豐有限公司之全資附屬公司 (香港交易所上市編號1468)

Great Roc Capital Securities Limited

PROPOSED OPEN OFFER

The Company proposes to raise approximately HK\$134.40 million before expenses by way of the Open Offer, pursuant to which 179,200,000 Offer Shares will be issued at the Subscription Price of HK\$0.75 per Offer Share. The Company will allot two (2) Offer Shares for every five (5) Shares held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date. The Open Offer will only be available to the Qualifying Shareholders. Any Offer Shares of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders.

The net proceeds of the Open Offer after the deduction of all relevant expenses are estimated to be approximately HK\$133.00 million. The Company intends to apply the net proceeds from the Open offer as to:

- (i) approximately HK\$56.00 million for land premium of the CWK Project;
- (ii) approximately HK\$62.00 million is expected to be used in the second half of year 2017 and the first to third quarters of 2018 for repayment of interest expenses; and
- (iii) approximately HK\$15.00 million for general working capital of the Group.

IRREVOCABLE UNDERTAKINGS AND THE UNDERWRITING AGREEMENT

On 26 July 2017, the Company, Star Properties BVI, Eagle Trend and the Underwriter entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite, on a fully underwritten basis, the Underwritten Shares subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfillment of the conditions precedent contained therein.

As at the date of this announcement, Star Properties BVI and Eagle Trend are the legal and beneficial owners of 308,672,000 and 27,328,000 Shares, respectively. Each of Star Properties BVI and Eagle Trend has given an irrevocable undertaking in favour of the Company and the Underwriter that, among other things, (i) they shall procure that all the Star Properties BVI Existing Shares and Eagle Trend Existing Shares, respectively, will remain beneficially and directly owned by them between the date of the Irrevocable Undertakings and up to the close of business on the Record Date as they are as at the date of the Irrevocable Undertakings free from all liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever; (ii) they shall subscribe, and will procure that their respective nominees (as the case may be) shall subscribe, for all the Offer Shares that they are respectively entitled to under the Open Offer in accordance with the terms of the Open Offer and the Prospectus Documents; and (iii) they shall procure that the acceptances in respect of all the Offer Shares that they are respectively entitled to under the Open Offer shall be lodged with the Registrar, with payment in full therefor in cash in accordance with the terms of the Prospectus Documents, by no later than the Latest Time for Acceptance.

Taking into account the Irrevocable Undertakings, the remaining Offer Shares (i.e. the Underwritten Shares) are fully underwritten by the Underwriter and the terms of the Open Offer are determined after arm's length negotiation between the Company and the Underwriter.

GENERAL

As the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding this announcement, the Open Offer is not subject to the approval by the Shareholders pursuant to Rule 7.24(5) of the Listing Rules.

The Prospectus Documents setting out details of the proposed Open Offer are expected to be sent to the Qualifying Shareholders on or about Monday, 21 August 2017. The Prospectus (but not the Application Form or the Excess Application Form) will be despatched to the Excluded Shareholders for information only.

WARNING OF THE RISKS OF DEALING IN THE SHARES

The Open Offer is conditional, inter alia, upon the fulfillment or waiver of the conditions set out under the section headed "Conditions of the Open Offer" of this announcement. In particular, the Open Offer is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out under the section headed "Termination or rescission of the Underwriting Agreement" in this announcement. Accordingly, the Open Offer may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares up to the date when the conditions of the Open Offer are fulfilled or waived will bear the risk that the Open Offer might not become unconditional and may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

PROPOSED OPEN OFFER

Issue statistics

Basic of the Open Offer	:	Two (2) Offer Shares for every five (5) Shares held on the Record Date
Total number of issued Shares as at the date of this announcement	:	448,000,000 Shares
Number of Offer Shares	:	179,200,000 Offer Shares
Nominal value of the Offer Shares	:	HK\$0.01 each
Aggregate nominal value of the Offer Shares	:	HK\$1,792,000
Number of Offer Shares agreed to be taken up by Star Properties BVI	:	123,468,800 Shares
Number of Offer Shares agreed to be taken up by Eagle Trend	:	10,931,200 Shares
Subscription Price	:	HK\$0.75 per Offer Share
Number of Offer Shares to be Underwritten by the Underwriter	:	44,800,000 Offer Shares (being all the Offer Shares (including the Offer Shares to which the Excluded Shareholder(s) would otherwise have been entitled) to be issued pursuant to the Open Offer, less the Committed Shares). Accordingly, taking into account the Irrevocable Undertakings in respect of an aggregate of 134,400,000 Offer Shares, the Open Offer is fully underwritten
Total number of Shares in issue upon closing of the Open Offer	:	627,200,000 Shares

Pursuant to the Underwriting Agreement, the Company has undertaken to the Underwriter that it shall not, without the prior consent of the Underwriter, issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares, save pursuant to the Open Offer, from the date of the Underwriting Agreement until the completion of the Open Offer.

The Offer Shares proposed to be issued represent:

- (a) 40.00% of the issued share capital of the Company as at the date of this announcement assuming no further Shares will be issued or bought back by the Company prior to the close of the Open Offer; and
- (b) approximately 28.57% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares, assuming no further Shares will be issued or bought back by the Company prior to the close of the Open Offer.

As at the date of this announcement, save as disclosed below, the Company has no outstanding convertible securities, options warrants or derivatives in issue which confer any right to subscribe for, convert or exchange into Shares.

On 25 January 2017, 12,432,000 Options to subscribe for up to a total of 12,432,000 Shares were granted under the Share Option Scheme. Such Options are exercisable from 25 January 2018 to 12 July 2026. Accordingly, the holders of such Options cannot participate in the Open Offer by exercising such Options.

Qualifying Shareholders

The Company will send the Prospectus containing details of the Open Offer to the Qualifying Shareholders and, for information only, to the Excluded Shareholders. The Application Form and the Excess Application Form will be sent to the Qualifying Shareholders only. The invitation to subscribe for the Offer Shares to the Qualifying Shareholders will not be transferable.

To qualify for the Open Offer, Shareholders must at the close of business on the Record Date be registered as a member of the Company. Shareholders having an address in Hong Kong on the register of members of the Company at the close of business on the Record Date are qualified for the Open Offer.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge the relevant transfer of Shares (with the relevant share certificates) with the Registrar, Tricor Investor Services Limited, of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Thursday, 10 August 2017. The last day of dealing in Shares on a cum-entitlement basis is therefore expected to be Tuesday, 8 August 2017. The Shares will be dealt with on an ex-entitlement basis from Wednesday, 9 August 2017.

Entitlements of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Board will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to whether the issue of the Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange. If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be available to such Overseas Shareholders, who will become Excluded Shareholders.

Accordingly, the Open Offer will not be extended to the Excluded Shareholders. The Company will send the Prospectus to the Excluded Shareholders for their information only but will not send any Application Form or Excess Application Form in respect of the Open Offer to the Excluded Shareholders. The basis of exclusion of the Excluded Shareholders, if any, from the Open Offer will be disclosed in the Prospectus.

Any Offer Shares of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders.

The Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Fractional entitlements

The Company shall not allot any fractions of Offer Shares to the Qualifying Shareholders and fractional entitlements will be rounded down to the nearest whole number of Offer Shares. Such fractional entitlements shall be aggregated and made available for application by the Qualifying Shareholders who wish to apply for Excess Shares or underwritten by the Underwriter if the Open Offer is under-subscribed.

Subscription Price

The Subscription Price of HK\$0.75 per Offer Share is payable in full when a Qualifying Shareholder accepts the Open Offer.

The Subscription Price represents:

- (1) a discount of approximately 26.47% to the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (2) a discount of approximately 17.58% to the average closing price of approximately HK\$0.91 per Share for the five consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (3) a discount of approximately 25.00% to the audited consolidated net assets per Share of approximately HK\$1.00 as at 31 December 2016, based on the Company's audited consolidated net assets attributable to owners of the Company of approximately HK\$450,128,000 as at 31 December 2016 and 448,000,000 Shares in issue; and
- (4) a discount of approximately 20.21% to the theoretical ex-entitlement price of approximately HK\$0.94 per Share as adjusted for the effects of the Open Offer, based on the closing price of HK\$1.02 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among other things, the prevailing market price and trading liquidity of the Shares. The Directors consider that the Open Offer will enable all Qualifying Shareholders to subscribe for the Offer Shares at the same Subscription Price in proportion to their shareholdings held on the Record Date.

Basis of the assured allotment of the Offer Shares

Two (2) Offer Shares will be issued for every five (5) existing Shares held by a Qualifying Shareholder on the Record Date. Acceptance of all or any part of a Qualifying Shareholder's assured allotment should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being accepted for.

Status of the Offer Shares

When issued and fully paid, the Offer Shares will rank *pari passu* in all respects with the Shares then in issue. Holders of the Offer Shares will be entitled to receive all dividends and distributions which are declared, made or paid after the date of allotment of the Offer Shares in their fully-paid form.

Closure of register of members

The register of members of the Company will be closed from Friday, 11 August 2017 to Friday, 18 August 2017, both days inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during this book closure period. The Record Date for the Open Offer is Friday, 18 August 2017.

Application for Excess Shares

Qualifying Shareholders shall be entitled to apply for entitlements of the Excluded Shareholders (see the paragraph headed "Entitlements of Overseas Shareholders") and any Offer Shares which are not taken up by other Qualifying Shareholders in excess of their own assured allotments but are not assured of being allocated any Offer Shares in excess of those in their assured allotments. Application may be made by Qualifying Shareholders by completing the Excess Application Form and lodging the same with a separate remittance for the Excess Shares being applied for. The Directors will, upon consultation with the Underwriter, allocate the Excess Shares at their discretion on a fair and equitable basis as far as practicable, according to the principle that any Excess Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the Excess Shares applied for by all such Qualifying Shareholders.

No preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for Excess Shares.

Any remaining Underwritten Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter. In the event that the Board notes unusual patterns of Excess Shares applications and has reason to believe that any application may have been made with the intention to abuse the above mechanism, such application(s) for Excess Shares may be rejected at the sole discretion of the Board.

Shareholders with their Shares held by a nominee (including HKSCC Nominees Limited) should note that the Directors will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of a nominee (including HKSCC Nominees Limited) should note that the aforesaid arrangements in relation to the allocation of Excess Shares will not be extended to them individually. Shareholders should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names prior to the book closure period and apply for the Excess Shares themselves. Excess application from Qualifying Shareholders (including registered nominee company) will be accepted by the Company even if their assured entitlement of the Offer Shares is not subscribed for in full.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares on the Stock Exchange will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy and any other applicable fees and charges in Hong Kong.

No part of the share capital of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought. Subject to the granting of the approval for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made to enable the Offer Shares to be admitted into CCASS. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Share certificates and refund cheques

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all fully-paid Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Monday, 11 September 2017. If the Open Offer is terminated and in respect of wholly or partially unsuccessful applications for the Excess Shares, refund cheques will be despatched on or before Monday, 11 September 2017 by ordinary post at the respective Shareholders' own risk.

UNDERTAKINGS GIVEN BY STAR PROPERTIES BVI AND EAGLE TREND

Pursuant to the Irrevocable Undertakings, each of Star Properties BVI and Eagle Trend has given an irrevocable and unconditional undertaking in favour of the Company and the Underwriter that, among other things: (i) they shall procure that all the Star Properties BVI Existing Shares and Eagle Trend Existing Shares, respectively, will remain beneficially and directly owned by them between the date of the Irrevocable Undertakings and up to the close of business on the Record Date as they are as at the date of the Irrevocable Undertakings free from all liens, charges, encumbrances and third party rights, interests or claims of any nature whatsoever; (ii) they shall subscribe, and will procure that their respective nominees (as the case may be) shall subscribe, for all the Offer Shares that they are respectively entitled to under the Open Offer in accordance with the terms of the Open Offer and the Prospectus Documents; and (iii) they shall procure that the acceptances in respect of all the Offer

Shares that they are respectively entitled to under the Open Offer shall be lodged with the Registrar, with payment in full therefor in cash in accordance with the terms of the Prospectus Documents, by no later than the Latest Time for Acceptance.

Other than the Irrevocable Undertakings, the Company has not received any other information or undertakings from any Shareholders of their intention in relation to the Offer Shares to be provisionally allotted to them under the Open Offer as at the date of this announcement.

THE UNDERWRITING ARRANGEMENT

On 26 July 2017, the Company, Star Properties BVI, Eagle Trend and the Underwriter entered into the Underwriting Agreement. Taking into account the Irrevocable Undertakings and subject to the terms and conditions of the Underwriting Agreement, the Underwriter has agreed to fully underwrite the remaining 44,800,000 Offer Shares (being the Underwritten Shares) at the Subscription Price. The Underwriting Agreement provides that the Underwriter will be obliged to subscribe or procure subscription for any Offer Shares not taken up by the Qualifying Shareholders. The Company shall by not later than five business days of despatch of the share certificates in respect of the Offer Shares pay to the Underwriter; (i) a commission, in HK\$, of 2.5% of the aggregate Subscription Price in respect of the Underwritten Shares (being 44,800,000 Offer Shares) for which the Underwriter agreed to subscribe or procure subscription pursuant to the Underwriting Agreement; and (ii) all reasonable costs, fees and other reasonable out-of-pocket expenses of the Underwriter in respect of the Open Offer. The Underwriter shall be responsible for paying any commissions, costs, fees and expenses in respect of any sub-underwriting of the Underwritten Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter is a company incorporated in Hong Kong with limited liability, and is a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) under the SFO and the Underwriter, its ultimate beneficial owner(s) and its associates are third parties independent of and not connected with the Company or any of its connected persons. As at the date of this announcement, the Underwriter is not interested in any Shares.

The Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate Subscription Price in respect of the Underwritten Shares. The commission rate was determined after arm's length negotiation between the Company and the Underwriter with reference to the existing financial position of the Company, the size of the Open Offer, and the current market condition.

The Directors consider that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Open Offer

The Open Offer is subject to the Underwriting Agreement having become unconditional and not being terminated in accordance with its terms. The Underwriting Agreement is conditional upon the following being fulfilled:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong, respectively, the Prospectus Documents not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus for information only and a letter to the Excluded Shareholders, if any, explaining the circumstances in which they are not permitted to participate in the Open Offer on the Prospectus Posting Date;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Offer Shares by no later than the first day of their dealings;
- (d) compliance with and performance of all undertakings and obligations of the Company pursuant to the terms and conditions of the Underwriting Agreement;
- (e) compliance with and performance of all undertakings and obligations of the Underwriter pursuant to the terms and conditions of the Underwriting Agreement; and
- (f) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof.

Save for condition (e) which may be waived by the Company and conditions (d) and (f) which may be waived by the Underwriter, all other conditions set out above are not capable of being waived. If the conditions precedent are not satisfied and/or waived in whole or in part by the Latest Time for Termination, the Underwriting Agreement shall terminate. Upon termination of the Underwriting Agreement, the Open Offer will not proceed.

Sub-underwriting

Under the Underwriting Agreement, the Underwriter may, at its absolute discretion, appoint any other person to be sub-underwriter(s) for the purposes of sub-underwriting the Underwritten Shares. Any commission, costs, fees and expenses incurred by the Underwriter in connection with any sub-underwriting arrangement shall be borne by Underwriter only.

Termination or rescission of the Underwriting Agreement

The Underwriter shall be entitled to terminate the Underwriting Agreement by notice in writing to the Company served prior to the Latest Time for Termination if, prior to the Latest Time for Termination:

- (1) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the sole and reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Open Offer; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic or other nature (whether or not of the same kind as any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or

- (c) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (2) any material adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the sole and reasonable opinion of the Underwriter are likely to materially or adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- (3) there is any change in the circumstances of the Company or any member of the Group which in the sole and reasonable opinion of the Underwriter will adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any of member of the Group or the destruction of any material asset of the Group; or
- (4) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of this announcement or the Prospectus Documents or other announcements or circulars in connection with the Open Offer; or
- (5) the circular, prospectus or announcements of the Company published since the date of the Underwriting Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company and which may in the sole and reasonable opinion of the Underwriter are material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to accept the relevant Offer Shares offered to it.

The Underwriter shall be entitled by notice in writing prior to the Latest Time for Termination to rescind the Underwriting Agreement if, prior to the Latest Time for Termination:

- (1) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

If the Underwriter terminates the Underwriting Agreement in accordance with the terms thereof, the Open Offer will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

EXPECTED TIMETABLE

The following is a summary of the events in relation to the proposed Open Offer and the dates upon which these events are currently expected to take place:

2017

(Hong Kong time)

Publication of the Open Offer announcement on the Stock Exchange's website	Wednesday, 26 July
Last day of dealing in Shares on the Stock Exchange on a cum-entitlements basis	Tuesday, 8 August
First day of dealings in Shares on the Stock Exchange on an ex-entitlements basis.	Wednesday, 9 August
Latest time for lodging transfers of Shares in order to qualify for the Open Offer	4:30 p.m. on Thursday, 10 August
Register of member closes (both days inclusive).	Friday, 11 August to Friday, 18 August (both days inclusive)

2017

(Hong Kong time)

Record Date Friday, 18 August

Register of members re-opens Monday, 21 August

Despatch of the Prospectus Documents Monday, 21 August

Latest Time for Acceptance 4:00 p.m. on
Monday, 4 September

Latest Time for Termination 4:00 p.m. on
Tuesday, 5 September

Announcement of the results of the Open Offer Friday,
8 September

Despatch of share certificates for fully-paid Offer Shares
and refund cheques if the Open Offer is terminated
and in respect of wholly or partially unsuccessful applications
for the Excess Shares Monday,
11 September

Expected first day of dealings in fully-paid Offer Shares
on the Stock Exchange 9:00 a.m. on
Tuesday, 12 September

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Open Offer set out above and all dates and deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will not take place if there is a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 4 September 2017. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same business day; or
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 4 September 2017. Instead the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on 4 September 2017, the dates mentioned in the section headed “Expected timetable” above in this announcement may be affected. In such event, the Company will notify the Shareholders by way of announcement on any change to the expected timetable as soon as practicable.

ADJUSTMENTS IN RELATION TO THE OPTIONS

Pursuant to the terms of the Share Option Scheme, the Open Offer may lead to adjustment to the number of Shares subject to the Options so far as unexercised and/or the exercise price payable by each Option holder and/or the method of exercise of the Options and/or the maximum number of Shares available for subscription under the Share Option Scheme. Such adjustment shall be certified either by the auditors or independent financial advisers appointed by the Company. The Company will notify holders of the Options such adjustments upon the Open Offer having become unconditional. Further announcement will be made by the Company in relation to details of such adjustments as and when appropriate.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the close of the Open Offer assuming no Shares will be issued or bought back by the Company after the date of this announcement:

	As at the date of this announcement		Immediately after the close of the Open Offer (assuming full subscription by the Qualifying Shareholders as to their respective entitlements under the Open Offer)		Immediately after the close of the Open Offer (assuming no Qualifying Shareholders take up their respective entitlements under the Open Offer and excess application except for the Committed Shares)	
	Shares	Approx. %	Shares	Approx. %	Shares	Approx. %
Star Properties BVI (Note 1)	308,672,000	68.90%	432,140,800	68.90%	432,140,800	68.90%
Eagle Trend (Note 2)	27,328,000	6.10%	38,259,200	6.10%	38,259,200	6.10%
Public Shareholders	112,000,000	25.00%	156,800,000	25.00%	112,000,000	17.86%
The Underwriter	-	-	-	-	44,800,000	7.14%
Total	<u>448,000,000</u>	<u>100.00%</u>	<u>627,200,000</u>	<u>100.00%</u>	<u>627,200,000</u>	<u>100.00%</u>

Note 1: Star Properties BVI is a Controlling Shareholder, which is 100% owned by Mr. Joe Chan and has given an irrevocable undertaking in favour of the Company and the Underwriter to take up all the Offer Shares that it is entitled to under the Open offer.

Note 2: Eagle Trend is a company 100% owned by Mr. Jack Lam and has given an irrevocable undertaking in favour of the Company and the Underwriter to take up all the Offer Shares that it is entitled to under the Open offer.

EQUITY FUND RAISING ACTIVITY DURING THE PAST TWELVE MONTHS

The Company had not conducted any fund raising exercise in the past 12 months immediately preceding the date of this announcement.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The Company is principally engaged in property development and property investment in Hong Kong. Currently, the Group has two completed projects and three projects under development. The Group has, in respect of one of its projects under development, namely the CWK Project, sought approval from the Hong Kong government to modify the existing government lease to allow commercial uses. The Hong Kong government has given the Group the offer on 19 June 2017 which has been accepted by the Group. The Group expects to commence foundation works in the third/fourth quarters of 2017.

The Directors consider that the Open Offer, which is on a fully underwritten basis, will not only allow the Group to strengthen its financial position without having to incur interest expenses as compared to debt financing, but will also provide an opportunity to all Qualifying Shareholders to subscribe for the Offer Shares at the same Subscription Price in proportion to their shareholdings held on the Record Date. In addition, the Subscription Price has been set as a discount to the recent closing prices of the Shares and excess applications will be available to encourage existing Shareholders to take up their entitlements and to participate in the future development of the Company. Therefore, taking into accounts of (i) development projects of the Group; (ii) financial position of the Group; and (iii) prevailing market conditions, the Directors consider that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole.

The net proceeds of the Open Offer after the deduction of all relevant expenses are estimated to be approximately HK\$133.00 million. The Company intends to apply the net proceeds from the Open offer as to:

- (i) approximately HK\$56.00 million for land premium of the CWK Project;
- (ii) approximately HK\$62.00 million is expected to be used in the second half of year 2017 and the first to third quarters of 2018 for repayment of interest expenses; and
- (iii) approximately HK\$15.00 million for general working capital of the Group.

GENERAL

As the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding this announcement, the Open Offer is not subject to the approval by the Shareholders pursuant to Rule 7.24(5) of the Listing Rules.

The Prospectus Documents setting out details of the proposed Open Offer are expected to be sent to the Qualifying Shareholders on or about Monday, 21 August 2017. The Prospectus (but not the Application Form or Excess Application Form) will be despatched to the Excluded Shareholders for information only.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the fulfillment of the conditions of the Open Offer as set out in the Underwriting Agreement and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis commencing from Wednesday, 9 August 2017 and that dealings in Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or potential investor dealing in Shares up to the date on which all conditions of the Open Offer are fulfilled (which is expected to be at 4:00 p.m. on Tuesday, 5 September 2017) will bear the risk that the Open Offer does not become unconditional and does not proceed.

Shareholders or potential investors contemplating selling or purchasing Shares are advised to exercise caution when dealing in the Shares and consult their professional advisers if they are in any doubt about their positions.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Application Form”	the application form for use by the Qualifying Shareholders to apply for the Offer Shares
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“business day(s)”	a day (other than a Saturday or Sunday or days on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which banks are generally open for business more than five hours in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Committed Shares”	the aggregate of 134,400,000 Offer Shares which Star Properties BVI and Eagle Trend have respectively undertaken to accept under the Open Offer pursuant to the Underwriting Agreement and the Irrevocable Undertakings
“Company”	Star Properties Group (Cayman Islands) Limited, a company incorporated in Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1560)
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“CWK Project”	a property development project which is currently under development by the Group and is intended to redevelop an existing industrial building into a 20-storey office tower with podium comprising a mixed use of offices and commercial services
“Director(s)”	director(s) of the Company for the time being
“Eagle Trend”	Eagle Trend (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Jack Lam
“Eagle Trend Existing Shares”	27,328,000 Shares, representing approximately 6.1% of the issued share capital of the Company as at the date of this announcement
“Excess Application Form”	the application form for the Qualifying Shareholders to use for application of the Excess Shares
“Excess Shares”	Offer Shares over and above the assured entitlements of the Qualifying Shareholders under the Open Offer
“Excluded Shareholders”	(if any) Shareholders whose names appear on the register of members of the Company at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong are in a place where the Directors, based on legal opinions provided by the legal advisers of the relevant jurisdictions, consider it necessary or expedient not to offer the Open Offer to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Irrevocable Undertakings”	collectively, the irrevocable undertakings dated 26 July 2017 and given by each of Star Properties BVI and Eagle Trend in favour of the Company and the Underwriter, further details of which are set out in the paragraph headed “Undertakings Given By Star Properties BVI and Eagle Trend” in this announcement
“Last Trading Day”	25 July 2017, being the last trading day for the Shares immediately prior to the date of this announcement
“Latest Time for Acceptance”	4:00 p.m. on 4 September 2017 or such later time or date as may be agreed between the Company and the Underwriter, being the latest time for acceptance of and payment for, the Offer Shares and the application for and payment for the Excess Shares in the manner as set out in the Prospectus Documents (or such other time or date as the Underwriter and the Company may agree in writing)
“Latest Time for Termination”	4:00 p.m. on the following business day immediately after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement (or such other time or date as the Underwriter and the Company may agree in writing)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Jack Lam”	Lam Kin Kok, an executive Director and the sole shareholder of Eagle Trend
“Mr. Joe Chan”	Chan Man Fai Joe, an executive Director, a Controlling Shareholder and the sole shareholder of Star Properties BVI
“Offer Share(s)”	179,200,000 new Shares proposed to be allotted and issued to the Qualifying Shareholders for subscription pursuant to the Open Offer on the terms and subject to the conditions set out in the Underwriting Agreement and in the Prospectus Documents
“Open Offer”	the proposed offer for subscription by the Qualifying Shareholders for the Offer Shares at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Options”	option(s) granted or to be granted under the Share Option Scheme
“Overseas Shareholder(s)”	Shareholder(s) whose addresses as shown on the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, the Application Form and the Excess Application Form
“Prospectus Posting Date”	21 August 2017 or such other date as the Underwriter may agree in writing with the Company as the date of despatch of the Prospectus Documents to the Qualifying Shareholders and for information only, the Prospectus to the Excluded Shareholders

“Qualifying Shareholder(s)”	Shareholder(s) whose names appear on the register of members of the Company at the close of business on the Record Date, other than the Excluded Shareholders
“Record Date”	18 August 2017 or such other date as the Underwriter may agree in writing with the Company as the date by reference to which entitlements to the Open Offer are expected to be determined
“Registrar”	Tricor Investor Services Limited, being the branch share registrar and transfer office of the Company in Hong Kong
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme adopted by the Company on 27 June 2016
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings contained in the Underwriting Agreement to be untrue or incorrect in any material respect
“Star Properties BVI”	Star Properties Holdings (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Joe Chan

“Star Properties BVI Existing Shares”	308,672,000 Shares, representing approximately 68.9% of the issued share capital of the Company as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the issue price of HK\$0.75 per Offer Share at which the Offer Shares are proposed to be offered for subscription
“Underwriter”	Great Roc Capital Securities Limited, a corporation licensed to conduct type 1 regulated activity (dealing in securities) and type 4 regulated activity (advising on securities) under the SFO
“Underwriting Agreement”	the underwriting agreement dated 26 July 2017 and entered into between the Company, Star Properties BVI, Eagle Trend and the Underwriter in relation to the Open Offer
“Underwritten Shares”	44,800,000 Offer Shares, being the total number of Offer Shares to which holders of existing Shares are entitled pursuant to the Open Offer less the Committed Shares, underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%”	per cent

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

Hong Kong, 26 July 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.