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If you have sold or transferred all your shares in Star Properties Group (Cayman Islands) Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED BONUS ISSUE;
PROPOSED FINAL DIVIDEND;
RE-ELECTION OF RETIRING DIRECTORS;
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Star Properties Group (Cayman Islands) Limited to be held at 603, 6/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on 27 April 2017, at 11:00 a.m., at which a number of matters including the above proposals will be considered, is set out on pages 20 to 24 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

23 March 2017

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 11:00 a.m. on Thursday, 27 April 2017 at Unit 603, 6/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong
“AGM Notice”	the notice convening the AGM as set out on pages 20 to 24 of this circular
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“Bonus Issue”	the proposed bonus issue of Shares on the basis of one (1) Bonus Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date
“Bonus Share(s)”	new Share(s) to be issued by way of the Bonus Issue by the Company
“Cayman Companies Law”	The Companies Law (2013 Revision) of the Cayman Islands, Cap. 22 (Law 3 of 1961) as amended, supplemented or otherwise modified from time to time
“Company”	Star Properties Group (Cayman Islands) Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot and issue Shares set out as resolution no. 11 in the AGM Notice

DEFINITIONS

“Latest Practicable Date”	16 March 2017, being the latest practicable date prior to the despatch of this circular for ascertaining certain information for inclusion in this circular
“Listing Committee”	the listing committee of the stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose addresses as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“Qualifying Shareholder(s)”	the Shareholder(s) whose names appear on the register of members of the Company on the Record Date and who are entitled to the Bonus Issue
“Record Date”	Tuesday, 9 May 2017, being the date by reference to which entitlements to the Bonus Issue will be determined
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares set out as resolution no. 12 in the AGM Notice
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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
“Share Option Scheme”	the share option scheme of the Company adopted on 27 June 2016
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission as amended, supplemented or otherwise modified from time to time
“%”	per cent

EXPECTED TIMETABLE

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

2017

(Hong Kong time)

Latest time for lodging transfer of Shares for registration
in order to qualify for attending the AGM 4:30 pm on Friday, 21 April

Closure of register of members for attending
and voting at the AGM Monday, 24 April to Thursday,
27 April (both days inclusive)

Latest time for lodging form of proxy for the AGM
(not less than 48 hours before time of the AGM
or any adjournment thereof)..... 11:00am on Tuesday, 25 April

Record date for attending the AGM..... Thursday, 27 April

Date and time of AGM 11:00am on Thursday, 27 April

Announcement of poll results of the AGM..... Thursday, 27 April

The following events are subject to the satisfaction of the conditions of the Bonus Issue as set out in the section headed “Conditions of the Bonus Issue” in this circular

Last day of dealings in the Shares on a cum-entitlement basis Tuesday, 2 May

First day of dealings in the Shares on an ex-entitlement basis Thursday, 4 May

Latest time for lodging transfers of the Shares for registration
in order to qualify for the Bonus Issue 4:30 pm on Friday, 5 May

Closure of register of members for determining
entitlement to the Bonus Shares Monday, 8 May to Tuesday,
9 May (both days inclusive)

Record Date for determining entitlement to the Bonus Shares..... Tuesday, 9 May

Re-open of register of members Wednesday, 10 May

Despatch of share certificates for the Bonus Shares..... On or before Friday, 19 May

First day of dealings in the Bonus Shares on
the Stock Exchange 9:00am on Monday, 22 May

EXPECTED TIMETABLE

Notes:

- (a) Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be announced or notified to the Shareholders as and when appropriate.
- (b) All references to times and dates in this circular refer to Hong Kong local times and dates.



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)

Executive Directors:

Chan Man Fai Joe (*Chairman*)

Lam Kin Kok

Liu Hon Wai

Cheung Wai Shuen

Registered Office:

PO Box 1350, Clifton House,

75 Fort Street,

Grand Cayman KY1-1108,

Cayman Islands

Non-executive Directors:

Pong Kam Keung

Yim Kwok Man

Head Office and Principal Place

of Business in Hong Kong:

Unit 1203A, 12/F, Tower 1,

Admiralty Centre,

18 Harcourt Road,

Admiralty, Hong Kong

Independent Non-executive Directors:

Shiu Siu Tao

Lee Chung Ming Eric

Chan Wah Man Carman

23 March 2017

To the Shareholders

Dear Sir or Madam,

**PROPOSED BONUS ISSUE;
PROPOSED FINAL DIVIDEND;
RE-ELECTION OF RETIRING DIRECTORS; AND
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES**

1. INTRODUCTION

The purpose of this circular is to provide Shareholders with the AGM Notice and the following proposals to be put forward at the AGM: (i) the re-election of the retiring Directors; (ii) the granting to the Directors of the Issue Mandate and the Repurchase Mandate; (iii) the proposed final dividend; and (iv) the proposed Bonus Issue.

LETTER FROM THE BOARD

2. PROPOSED FINAL DIVIDEND

Reference is made to the final results announcement for the year ended 31 December 2016 of the Company dated 28 February 2017, the Board has recommended a final cash dividend for the year ended 31 December 2016 of HK\$0.22 per Share, which is subject to the approval of Shareholders at the AGM and compliance with the Cayman Companies Law. An ordinary resolution no.2 will be proposed at the AGM to approve the declaration of the final dividend.

3. PROPOSED BONUS ISSUE

Reference is made to the final results announcement for the year ended 31 December 2016 and the announcement of the Company in relation to the Bonus Issue both dated 28 February 2017, the Company has resolved to recommend the Bonus Issue, being an issue of Shares on the basis of one (1) Bonus Share for every one (1) existing Share held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date, subject to the approval by the Shareholders at the AGM. The Bonus Shares will be credited as fully paid at par by way of capitalisation of an amount equal to the total par value of the Bonus Shares standing to the credit of the share premium account of the Company. The terms of the Bonus Issue are set out below.

Basis of the Bonus Issue

Subject to the conditions as set out under the heading “Conditions of the Bonus Issue” below, the Bonus Shares will be issued and credited as fully paid at par on the basis of one (1) Bonus Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date. Assuming that there is no change to the number of issued Shares on or before the Record Date, on the basis of 224,000,000 existing Shares in issue as at the Latest Practicable Date, 224,000,000 Bonus Shares will be issued representing 100% of the existing issued share capital as at the date hereof. After the completion of the Bonus Issue, there will be a total of 448,000,000 Shares in issue as enlarged by the Bonus Issue. The Bonus Shares will be credited as fully paid at par value by way of capitalisation of an amount of HK\$2,240,000 in the share premium account of the Company pursuant to the Bonus Issue. The Bonus Shares, upon issue, will rank *pari passu* with the then existing Shares in all respects.

The exact total number of the Bonus Share to be issued under the Bonus Issue will not be capable of determination until the Record Date.

Conditions of the Bonus Issue

The completion of the Bonus Issue is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM approving the Bonus Issue;

LETTER FROM THE BOARD

- (ii) the Listing Committee granting the listing of, and permission to deal in the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Cayman Islands and the articles of association of the Company to effect the Bonus Issue.

Application for Listing

Application has been made to the Listing Committee in respect of such approval for the listing of, and permission to deal in the Bonus Shares. No part of the securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchange.

Overseas Shareholders

According to the latest information provided by the Company's Hong Kong share registrar, as at the Latest Practicable Date, there was no Overseas Shareholders recorded on the Register. However, if at the close of the business on the Record Date, the register of members of the Company maintained in Hong Kong reveals there are Overseas Shareholders, the Board will make enquiry pursuant to Rule 13.36(2)(a) of the Listing Rules and, if necessary, seek legal advice from overseas counsel(s) on the applicable procedural requirements for extending the Bonus Issue to the Overseas Shareholders. Upon such enquiry, if the Board is of the view that there is no legal restriction(s) under the laws of the relevant place or any requirement of a regulatory body or stock exchange in that place, such Overseas Shareholders will be permitted to participate in the Bonus Issue. If, however, after making such enquiry the exclusion of the Overseas Shareholders is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirement of a regulatory body or stock exchange in that place, the Bonus Shares will not be granted to those excluded Overseas Shareholders.

In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Overseas Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Overseas Shareholders, if any, pro rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

Status of the Bonus Shares and fractional entitlements

The Bonus Shares, upon issue, will rank *pari passu* with the then existing Shares in all respects, including the entitlement of receiving dividends and other distributions the record date for which falls on or after the date of allotment and issue of those Bonus Shares. There will not be any fractional entitlements to the Bonus Shares.

LETTER FROM THE BOARD

The Bonus Issue is not expected to result in any odd lots for Shareholders who hold Shares in whole board lot size.

Certificates for the Bonus Shares

It is expected that share certificates for the Bonus Shares will be posted by ordinary post on or before Friday, 19 May 2017 upon fulfillment of all the conditions of the Bonus Issue at the risk of the Qualifying Shareholders to their respective addresses shown on the register of members of the Company on the Record Date. In the case of a joint holding, the share certificates for the Bonus Shares will be posted to the address of the person whose name stands first on the register of members of the Company on the Record Date.

Subject to the fulfillment of the conditions of the Bonus Issue, dealings in the Bonus Shares are expected to commence on Monday, 22 May 2017.

Reasons and benefits for the proposed Bonus Issue

The Board believes that the Bonus Issue will, on the one hand, enable the Group to maintain its cash position for future development, and on the other hand, allow the Shareholders to enjoy a pro-rata increase in the number of Shares held by them in the Company without incurring any significant costs to them.

The Board also believes that even if the price per Share on an ex-entitlement (or a post Bonus Issue) basis is expected to reduce proportionately, the Bonus Issue will not change any right or the proportionate equity interest of the Shareholders in the Company. By way of illustration only, based on the closing price of HK\$2.65 per Share as at the Latest Practicable Date, the theoretical price per Share is expected to decrease to HK\$1.325 after the Bonus Issue has taken place.

Nevertheless, the Bonus Issue will increase the number of Shares to be held by the Shareholders and will capitalise part of the share premium account of the Company. Whilst it is arguable that the Bonus Issue may reduce the value of each Shareholder's holding in the Company due to the transaction costs involved in the Bonus Issue, it is expected that the transaction costs will be minimal. With such additional number of Shares in issue as a result of the Bonus Issue, the trading volume and the liquidity of the Shares on the market are expected to be improved.

The Board has also considered alternative methods such as a sub-division of Shares to achieve the above purposes. Having considered the simple administrative procedures to be involved and comparatively low expenses to be incurred for the Bonus Issue, and to preserve cash for the Group's future development, the Directors consider that the Bonus Issue is a more appropriate way of achieving the abovementioned purposes taking into account the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

In addition, the Bonus Issue will double the number of Shares to be held by the Shareholders, which will afford them with more flexibility in managing their own investment portfolios such as giving them more convenience in disposing of a portion of their Shares and realising a cash return to meet the individual Shareholders' financial needs under good market conditions. As such, the Board considers the Bonus Issue could potentially improve the trading liquidity of the Shares which will be beneficial to the Company and the Shareholders as a whole.

Adjustments to the share options granted under the Share Option Scheme

As at the Latest Practicable Date, there were 12,432,000 share options granted by the Company pursuant to the Share Option Scheme entitling the holders thereof to subscribe for the Shares remain outstanding.

Implementation of the Bonus Issue will lead to adjustments to the subscription price and/or the number of Shares to be issued upon exercise of the share options granted under the Share Option Scheme. As the exact number of the Bonus Shares will not be determined until the Record Date, the Company will make a further announcement for the adjustments to the share options granted under the Share Option Scheme and notify the respective holders of the share options regarding the adjustments to be made pursuant to the respective terms and conditions applicable to such share options as and when appropriate.

4. RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 108 of Articles of Association, Ms. Cheung Wai Shuen, Mr. Pong Kam Keung, Mr. Shui Siu Tao, Mr. Lee Chung Ming Eric and Ms. Chan Wah Man Carman shall retire at the AGM and, being eligible, have offered themselves for re-election.

Details of the above named Directors who are subject to re-election at the AGM are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

5. GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

The purposes of the general mandates were to enable the Directors to issue additional Shares and to repurchase Shares should the need arise. Ordinary resolutions will be proposed at the AGM for approval of, amongst others, the Issue Mandate and the Repurchase Mandate in order to give to the Directors new general mandates:

- (i) to allot, issue and otherwise deal with new Shares not exceeding 20% of the number of issued shares of the Company as at the date of passing the proposed resolution at the AGM; and
- (ii) to repurchase Shares not exceeding 10% of the issued shares of the Company as at the date of passing the proposed resolution at the AGM.

LETTER FROM THE BOARD

In addition, a separate ordinary resolution will also be proposed at the AGM to add to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate (if granted to the Directors at the AGM).

As at the Latest Practicable Date, the number of Shares in issue is 224,000,000 Shares. Accordingly, the exercise of the Issue Mandate in full would enable the Company to issue a maximum of 44,800,000 new Shares (assuming there is no change of the number of issued Shares after the Latest Practicable Date and up to the passing of the relevant resolution at the AGM).

The Directors have no present intention to exercise the general mandates to issue Shares and to repurchase Shares of the Company. An explanatory statement required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

6. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

- (a) for the purpose of determining Shareholders who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 24 April 2017 to Thursday, 27 April 2017 (both days inclusive), during which no transfer of Shares can be registered. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with Company's Hong Kong share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 21 April 2017;
- (b) for the purpose of determining Shareholders who are qualified for the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 8 May 2017 to Tuesday, 9 May 2017 (both days inclusive), during which no transfer of Shares can be registered. In order to qualify for the entitlement to the proposed final dividend, all transfer documents should be lodged for registration with Company's Hong Kong share registrar at the above address not later than 4:30 p.m. on Friday, 5 May 2017; and
- (c) for the purpose of determining Shareholders who are qualified for the entitlement to the Bonus Shares, the register of members of the Company will be closed from Monday, 8 May 2017 to Tuesday, 9 May 2017 (both days inclusive), during which no transfer of Shares can be registered. In order to qualify for the entitlement to the Bonus Shares, all transfer documents should be lodged for registration with Company's Hong Kong share registrar at the above address not later than 4:30 p.m. on Friday, 5 May 2017.

LETTER FROM THE BOARD

7. AGM

A notice convening the AGM to be held at 11:00 a.m. on Thursday, 27 April 2017 at Unit 603, 6/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong is set out on pages 20 to 24 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

You will find enclosed a form of proxy for use at the AGM. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM, or any adjournment thereof, should you so wish.

Pursuant to the Listing Rules, voting by poll is mandatory at all general meetings save for purely procedural or administrative matters. The Chairman of the AGM will request for voting by poll on all the proposed resolutions. As at the Latest Practicable Date, to the extent that the Company is aware having made all reasonable enquires, no Shareholder has to abstain from voting on any of the proposed resolutions. The results of the poll will be published on the websites of the Company and the Stock Exchange on the day of the above meeting.

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

9. RECOMMENDATION

The Directors consider that the Bonus Issue, the re-election of Directors, the granting of the Issue Mandate and the Repurchase Mandate are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favour of all resolutions as set out in the AGM Notice.

Your attention is also drawn to the additional information set out in Appendix I (details of Directors standing for re-election) and Appendix II (explanatory statement on the Repurchase Mandate) to this circular.

LETTER FROM THE BOARD

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
By order of the Board
Star Properties Group (Cayman Islands) Limited
Chan Man Fai Joe
Chairman

The particulars of the Directors who are subject to re-election at the AGM and which are required to be disclosed by the Listing Rules are set out below:

(1) MS. CHEUNG WAI SHUEN — EXECUTIVE DIRECTOR

Ms. Cheung Wai Shuen (張慧璇), aged 41, is an executive Director and company secretary of the Company since 14 March 2016. Ms. Cheung is also a member of the executive committee and risk control committee focusing on business risk. Ms. Cheung is primarily responsible for the financial management, company secretarial matters, internal control related matters and administration of our Group. Ms. Cheung had been the company secretary of members of our Group and the finance & corporate planning managing director of Star Properties (HK) Limited since November 2010 and October 2014 respectively. Ms. Cheung has over 17 years of financial and regulated activities experience. Ms. Cheung is currently a registered representative of type 4 activities (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities with the Securities and Futures Commission. Ms. Cheung was elected as an associate of The Institute of Chartered Secretaries and Administrators and admitted associate of The Hong Kong Institute of Chartered Secretaries both in January 2014. Ms. Cheung graduated with a degree in Bachelor of Business Administration (Honours) in Finance from Hong Kong Baptist University in December 1998 and obtained the degree in Master of Corporate Governance, from Hong Kong Polytechnic University in October 2013.

Ms. Cheung has entered into an executive Director's service contract with the Company in respect of her appointment as its executive Director for an initial term of 3 years commencing on 13 July 2016. Ms. Cheung is entitled to receive emoluments of HK\$900,000 per annum as determined by the Board with recommendation made by the remuneration committee and reference to her job responsibility and prevailing market rate together with discretionary bonus based on her performance.

As at the Latest Practicable Date, Ms. Cheung has an interest in share options of the Company to subscribe for 2,240,000 Shares within the meaning of Part XV of the SFO.

(2) MR. PONG KAM KEUNG — NON-EXECUTIVE DIRECTOR

Mr. Pong Kam Keung (龐錦強), aged 55, is a non-executive Director of the Company since 14 March 2016. Mr. Pong is also a member of the risk control committee focusing on compliance related matters. Mr. Pong is currently an executive director of Sundart Holdings Limited (stock code: 1568), a company listed on the Main Board of the Stock Exchange and an integrated fitting-out contractors in Hong Kong and Macau. Mr. Pong obtained a degree in Bachelor of Science in Building Surveying from the Thames Polytechnic, United Kingdom in June 1989, a degree in Master of Science in Property Investment from the City University of London, United Kingdom in December 1993, a degree in Bachelor of Laws, from the University of Wolverhampton, United Kingdom in September 1995, a degree in Master of Science in Urban Planning, from The University of Hong Kong in December 2005 and a degree in Master of Corporate Governance, from the Hong Kong Polytechnic University in October 2008. Mr. Pong has been a fellow of the Hong Kong Institute of Facility Management, the Hong Kong Institute of Surveyors, the Chartered

Institute of Arbitrators, the Royal Institution of Chartered Surveyors, the Hong Kong Institute of Chartered Secretaries and a member of the Royal Town Planning Institute since July 2000, November 2000, January 2001, January 2006, October 2012 and January 2007, respectively. Mr. Pong is registered as a chartered building engineer by the Chartered Association of Building Engineers in February 2014.

Mr. Pong has entered into a non-executive Director's service contract with the Company in respect of his appointment as its non-executive Director for an initial term of 3 years commencing on 13 July 2016. Mr. Pong is entitled to receive emoluments of HK\$100,000 per annum as determined by the Board with recommendation made by the remuneration committee and reference to his job responsibility and prevailing market rate together with discretionary bonus based on his performance.

As at the Latest Practicable Date, Mr. Pong has an interest in share options of the Company to subscribe for 224,000 Shares within the meaning of Part XV of the SFO.

(3) MR. SHIU SIU TAO — INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Shiu Siu Tao (蕭少滔), aged 53, is an independent non-executive Director of the Company since 27 June 2016. Mr. Shiu is the chairman of the remuneration committee and a member of the audit committee and nomination committee. Mr. Shiu has more than 13 years of experience in corporate finance and he has been a director of First Capital International Finance Limited since February 2016. Mr. Shiu graduated from the Chinese University of Hong Kong with a Bachelor of Business Administration degree in December 1990. He obtained a diploma certificate from the HEC Paris School of Management (Ecole des Hautes Etudes Commerciales) in Paris, France in July 1992. Since October 2016, Mr. Shiu has been a responsible officer licensed to conduct type 6 (advising on corporate finance) regulated activity regulated activity under the SFO.

Mr. Shiu has entered into an independent non-executive Director's service contract with the Company in respect of his appointment as its independent non-executive Director for an initial term of 3 years commencing on 13 July 2016. Mr. Shiu is entitled to receive emoluments of HK\$100,000 per annum as determined by the Board with recommendation made by the remuneration committee and reference to his job responsibility and prevailing market rate together with discretionary bonus based on his performance.

As at the Latest Practicable Date, Mr. Shiu has an interest in share options of the Company to subscribe for 224,000 Shares within the meaning of Part XV of the SFO.

(4) MR. LEE CHUNG MING ERIC — INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lee Chung Ming Eric (李仲明), aged 52, is an independent non-executive Director of the Company since 27 June 2016. Mr. Lee is a member of the audit committee, nomination committee and risk control committee focusing on industry risk. Mr. Lee has professional experience in the architectural industry. Mr. Lee has been a Director of LWK Partners (HK) Ltd., an architectural firm, since September 2010. Mr. Lee graduated from The University of Hong Kong

with a degree in Bachelor of Arts (Architectural Studies) in November 1988, and subsequently with a Bachelor of Architecture degree in November 1991. Mr. Lee also obtained a degree in Master of Science (Conservation) from the University of Hong Kong in December 2005. He has been a member of the Hong Kong Institute of Architects since December 1992 and a registered architect in the Architects Registration Board in Hong Kong since July 1993. He is also qualified as an authorised person (list of architects) by the Buildings Department.

Mr. Lee has entered into an independent non-executive Director's service contract with the Company in respect of his appointment as its independent non-executive Director for an initial term of 3 years commencing on 13 July 2016. Mr. Lee is entitled to receive emoluments of HK\$100,000 per annum as determined by the Board with recommendation made by the remuneration committee and reference to his job responsibility and prevailing market rate together with discretionary bonus based on his performance.

As at the Latest Practicable Date, Mr. Lee has an interest in share options of the Company to subscribe for 224,000 Shares within the meaning of Part XV of the SFO.

(5) MS. CHAN WAH MAN CARMAN — INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. Chan Wah Man Carman (陳華敏), aged 48, is an independent non-executive Director of the Company since 27 June 2016. Ms. Chan is the chairman of the audit committee and a member of the remuneration committee. Ms. Chan possesses over 21 years of experience in private equity, corporate finance and financial advisory. Ms. Chan obtained a degree in Bachelor of Science from Minnesota State University, Bemidji, U.S. in August 1993, and a Master of Accounting degree from Curtin University of Technology, Australia through long distance learning in February 2000. Ms. Chan has been a member of Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia since July 2005 and April 2005, respectively. Since November 2011, she has been a responsible officer licensed to conduct type 6 (advising on corporate finance) regulated activity and a representative licensed to conduct type 9 (asset management) regulated activity under the SFO. Ms. Chan has been an independent non-executive director of Fuguinia Co., Ltd (stock code: 1819), a company listed on the Main Board of the Stock Exchange, since June 2014.

Ms. Chan has entered into an independent non-executive Director's service contract with the Company in respect of his appointment as its independent non-executive Director for an initial term of 3 years commencing on 13 July 2016. Ms. Chan is entitled to receive emoluments of HK\$100,000 per annum as determined by the Board with recommendation made by the remuneration committee and reference to his job responsibility and prevailing market rate together with discretionary bonus based on his performance.

As at the Latest Practicable Date, Ms. Chan has an interest in share options of the Company to subscribe for 224,000 Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, none of the above Directors has any interests in Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, none of the above Directors holds any directorships in other listed public companies in Hong Kong or overseas in the last three years.

Save as disclosed herein, as at the Latest Practicable Date, none of the above Directors holds any other positions with the Group.

Save as disclosed herein, as at the Latest Practicable Date, none of the above Directors has any relationship with any other Directors, senior management, substantial or controlling Shareholders.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and there is no information relating to the above Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 224,000,000 Shares of nominal value of HK\$0.01 each. Subject to the passing of the resolution granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed to repurchase a maximum of 22,400,000 Shares representing 10% of the number of issued shares of the Company during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company or (ii) the expiration of the period with which the next annual general meeting of the Company is required to be held by any applicable laws or the Articles of Association or (iii) the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASE MANDATE

Whilst the Directors do not presently intend to repurchase any Shares, they believe that the flexibility afforded by the mandate granted to them if the ordinary resolution no. 12 set out in the notice of AGM is passed would be beneficial to the Company and the Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in the future when Shares are being traded at a discount to their underlying value, the ability of the Company to repurchase Shares can be beneficial to those Shareholders who retain their investment in the Company since this may, depending on the circumstances, result in increases to the fully diluted net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

SOURCE OF FUNDS FOR REPURCHASES

In repurchasing Shares, the Company may only apply funds entirely from the Company's available cash flow or working capital facilities, which will be funded legally available for such purpose in accordance with its memorandum of association and Articles of Association and the applicable laws of the Cayman Islands. Such funds include but are not limited to the Company's profits available for distribution.

The Company shall not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Whilst the Repurchase Mandate, if exercised in full, may have a material adverse impact on the working capital or gearing position of the Company, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to Repurchase Mandate in accordance with the Listing Rules and the laws of the Cayman Islands and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates, presently intend to sell any Shares to the Company upon an exercise of the Repurchase Mandate in the event that the latter is granted by the Shareholders.

The Company has not been notified by any core connected persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company, in the event that Repurchase Mandate is granted by the Shareholders.

EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Chan Man Fai Joe, the chairman, the chief executive officer and an executive Director of the Company, through Star Properties Holdings (BVI) Limited, a substantial shareholder of the Company which was interested in 154,336,000 Shares, representing approximately 68.90% of the issued share capital of the Company.

In the event the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate and on the assumption that no further shares are issued or repurchased from the Latest Practicable Date to the date of the AGM, the shareholding interest of Star Properties Holdings (BVI) Limited would increase to approximately 76.56% of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Nevertheless, the Directors have no present intention to exercise in full the power to repurchase shares proposed to be granted pursuant to the Repurchase Mandate. The Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any purchase made under the Repurchase Mandate.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital of the Company would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

SHARES REPURCHASES MADE BY THE COMPANY

No repurchases of Shares (whether on the Stock Exchange or otherwise) have been made by the Company in the six months preceding the Latest Practicable Date.

MARKET PRICE

The highest and lowest traded market prices for Shares recorded on the Stock Exchange during since the listing date of the Company on 13 July 2016 up to and including the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2016		
July (since 13 July 2016)	3.45	1.72
August	3.15	1.86
September	2.32	1.80
October	2.09	1.84
November	1.94	1.80
December	1.98	1.83
2017		
January	2.26	1.87
February	2.25	2.04
March (up to the Latest Practicable Date)	2.78	2.40



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)

NOTICE IS HEREBY GIVEN that the annual general meeting (“AGM”) of Star Properties Group (Cayman Islands) Limited (the “Company”) will be held at 603, 6/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on 27 April 2017, Thursday, at 11:00 a.m. for the purpose of transacting the following business:

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors and the auditors of the Company for the year ended 31 December 2016.
2. To declare a final dividend of HK\$0.22 per ordinary share of the Company for the year ended 31 December 2016.
3. To re-elect Ms. Cheung Wai Shuen as an executive director.
4. To re-elect Mr. Pong Kam Keung as a non-executive director.
5. To re-elect Mr. Shiu Siu Tao as an independent non-executive director.
6. To re-elect Mr. Lee Chung Ming Eric as an independent non-executive director.
7. To re-elect Ms. Chan Wah Man Carman as an independent non-executive director.
8. To authorize the board (the “Board”) of directors (the “Directors”) to fix the remuneration of the directors.
9. To re-appoint Deloitte Touche Tohmatsu as the auditors and to authorise the Board to fix their remuneration.

As special business, to consider and, if thought fit, to pass, with or without amendments, the following resolutions as ordinary resolutions of the Company:

10. **“THAT:** subject to The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, the Bonus Shares (as defined below):
 - (A) an amount standing to the credit of the share premium account of the Company as shall be required to be applied in paying up in full at par new shares of HK\$0.01 each in the capital of the Company, such shares, credited as fully paid, to be issued,

NOTICE OF ANNUAL GENERAL MEETING

allotted and distributed among members of the Company whose names appear on the register of members of the Company on Tuesday, 9 May 2017 (the “Record Date”) on the basis of one new share (“Bonus Share”) for every one existing Share then held by a Qualifying Shareholder (as defined in the Circular), be capitalised and applied in such manner and the Directors be and are hereby authorised to allot, issue and distribute such Bonus Shares;

- (B) in the case where the address of any holder of Shares as shown on the register of members of the Company on the Record Date is outside Hong Kong (the “Overseas Shareholders”) and upon making relevant enquiries, the Directors consider the exclusion of such Overseas Shareholders is necessary or expedient, the Bonus Shares shall not be issued to such Overseas Shareholders (the “Non-Qualifying Shareholders”) but shall be aggregated and sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of sale, after deduction of the related expenses, of HK\$100.00 or more, will be distributed in Hong Kong dollars to the relevant Non-Qualifying Shareholders, if any, pro-rata to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company;
- (C) the Bonus Shares to be issued, allotted and distributed pursuant to paragraph of this resolution shall be subject to the memorandum of association of the Company and laws of Cayman Islands and shall rank *pari passu* in all respects with the existing issued and unissued shares on the Record Date, except that they will not be entitled for the issue of Bonus Shares mentioned in this resolution; and
- (D) the Directors are hereby authorised, at their absolute discretion, to do all acts and things as may be necessary and expedient in connection with the allotment and issue of the Bonus Shares, including, but not limited to, determining the amount to be capitalised out of the share premium account of the Company and the number of Bonus Shares to be issued, allotted and distributed in the manner referred to in paragraph (A) of this resolution.”

11. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

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- (B) the mandate in paragraph (A) shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (C) the number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (A) and (B) of this resolution above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the memorandum of association of the Company, shall not exceed 20% of the aggregate nominal amount of the existing issued shares capital of the Company on the day of passing this resolution; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next AGM of the Company; or
- (ii) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

12. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, a general mandate for the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on the Stock Exchange or any other stock exchange on which the shares of the Company

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may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such shares are subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby, generally and unconditionally approved;

- (B) the approval in paragraph (A) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (C) the number of shares of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution above during the Relevant Period shall not exceed 10% of the number of issued shares of the Company as at the time of passing this resolution; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next AGM of the Company; or
- (ii) the expiration of the period within which the next AGM of the Company is required by any applicable laws or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

13. “**THAT** conditional upon resolutions 11 and 12 above being passed (with or without amendments), the general mandate referred to in resolution 11 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of shares repurchased by the Company pursuant to the general mandate referred to in resolution 12 above provided that such amount shall not exceed 10% of the aggregate nominal amount of the existing issued share capital of the Company as at the date of the passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

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

Hong Kong, 23 March 2017

As at the date of this notice, the Board consists of nine Directors comprising four executive Directors, namely Mr. Chan Man Fai Joe (Chairman), Mr. Lam Kin Kok, Ms. Cheung Wai Shuen and Mr. Liu Hon Wai; two non-executive Directors, namely Mr. Pong Kam Keung and Mr. Yim Kwok Man; and three independent non-executive Directors, namely Mr. Shiu Siu Tao, Mr. Lee Chung Ming Eric and Ms. Chan Wah Man Carman.

Notes:

1. For the purpose of determining shareholders of the Company who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 24 April 2017 to Thursday, 27 April 2017 (both days inclusive), during which no transfer of Shares can be registered. In order to qualify for attending and voting at the AGM, all transfer documents should be lodged for registration with Company's Hong Kong share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 21 April 2017.
2. For the purpose of determining shareholders of the Company who are qualified for the entitlement to the proposed final dividend and proposed bonus shares, the register of members of the Company will be closed from Monday, 8 May 2017 to Tuesday, 9 May 2017 (both days inclusive), during which no transfer of Shares can be registered. In order to qualify for the entitlement to the proposed final dividend and proposed bonus Shares in relation to agenda item nos.2 and 8 in this notice respectively, all transfer documents should be lodged for registration with Company's Hong Kong share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 5 May 2017.
3. Any shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint another person as his or her proxy to attend and vote on his or her behalf. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
4. Where there are joint registered holders of any shares of the Company, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he or she was solely entitled to do so. However, if more than one of such joint holders be present at any meeting personally or by proxy, the joint holder whose name stands first on the register of members of the Company in respect of the relevant joint holding shall alone be entitled to vote in respect of such joint holding.
5. In order to be valid, a proxy form in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 48 hours before the time fixed for holding the annual general meeting or any adjournment of such meeting.
6. If Typhoon Signal No. 8 or above, or "black" rainstorm warning is in effect any time after 9:00 a.m. and before the above AGM time on the AGM date, the AGM will be postponed. The Company will post an announcement on the Company's website www.starproperties.com.hk to notify shareholders of the Company of the date, time and place of the rescheduled meeting as soon as practicable.
7. Please refer to the circular of the Company dated 23 March 2017 for the details of the retiring Directors subject to re-election at the AGM.