

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 purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities referred to herein. This announcement is not, and is not intended to be, an offer of securities of the Company for sale, or the solicitation of an offer to buy securities of the Company, in the United States. The securities referred to herein and the related Guarantee have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States or other jurisdiction and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state and local securities laws. The securities referred to herein will be offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. This announcement and the information contained herein are not for distribution, directly or indirectly, in or into the United States. No public offer of the securities referred to herein is being or will be made in the United States. None of the securities referred to herein will be offered to the public in Hong Kong other than to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong and any rules made under that Ordinance.



CSI PROPERTIES LIMITED

資本策略地產有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 497)

**ANNOUNCEMENT
PROPOSED ISSUE OF U.S. DOLLAR DENOMINATED
SENIOR PERPETUAL CAPITAL SECURITIES
TO BE GUARANTEED BY THE COMPANY**

ESL, a wholly-owned subsidiary of the Company, proposes to issue the Capital Securities. In connection with the proposed Capital Securities Issue, ESL and the Company will provide certain institutional investors with an offering circular containing recent corporate and financial information regarding the Group, including risk factors, capitalisation and indebtedness information, description of ESL and description of the Group. An extract of such recent information can be viewed on the Company's website www.csigroup.hk at approximately the same time when such information is released to institutional investors.

* For identification purpose only

The completion of the Capital Securities Issue is subject to market conditions and investor interest. If the Capital Securities are issued, the entire amount of the net proceeds will be on-lent by ESL to the Company and/or other members of the Larger Group, which will be used for refinancing of the Larger Group's debt and general working capital of the Larger Group.

Approval in-principle has been obtained for the listing of the Capital Securities on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed in this announcement. Admission of the Capital Securities on the Official List of the SGX-ST and quotation of the Capital Securities on the SGX-ST is not to be taken as an indication of the merits of ESL, the Company, the Larger Group or the Capital Securities. No listing of the Capital Securities has been, or will be, sought in Hong Kong.

As no binding agreement in relation to the proposed Capital Securities Issue has been entered into as at the date of this announcement, the proposed Capital Securities Issue may or may not complete. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the proposed Capital Securities Issue will be made by the Company should the Subscription Agreement be signed.

BACKGROUND

ESL, a wholly-owned subsidiary of the Company, proposes to conduct an international offering of Capital Securities. In connection with the proposed Capital Securities Issue, ESL and the Company will provide certain institutional investors with an offering circular containing recent corporate and financial information regarding the Group, including risk factors, capitalisation and indebtedness information, description of ESL and description of the Group. An extract of such recent information can be viewed on the Company's website www.csigroup.hk at approximately the same time when such information is released to such institutional investors.

Any Capital Securities to be issued under the Capital Securities Issue and the related Guarantee have not been, and will not be, registered under the U.S. Securities Act and may not be offered, sold or delivered within the United States. The Capital Securities will be offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act. None of the Capital Securities will be offered to the public in Hong Kong other than to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong and any rules made under that Ordinance and none of the proposed Capital Securities Issue will be placed to any connected persons of the Company.

REASON FOR THE CAPITAL SECURITIES ISSUE

The Company is an investment holding company and is primarily engaged in property development, repositioning and investment. The subsidiaries of the Company are primarily engaged in property enhancement, development and property investment in Hong Kong, the PRC and Macau. The Board considers that the proposed Capital Securities Issue represents a timely opportunity for the Group to supplement the funding for its general working capital. The Board believes that the proposed Capital Securities Issue will further extend the profile of the Group and improve its ability to access the international debt capital markets to support the growth of the Group in the future.

PROPOSED USE OF PROCEEDS

The completion of the Capital Securities Issue is subject to market conditions and investor interest. If the Capital Securities are issued, the entire amount of the net proceeds will be on-lent by ESL to the Company and/or other members of the Larger Group, which will be used for refinancing of the Larger Group's debt and general working capital of the Larger Group.

GENERAL

As no binding agreement in relation to the proposed Capital Securities Issue has been entered into as at the date of this announcement, the proposed Capital Securities Issue may or may not complete. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the proposed Capital Securities Issue will be made by the Company should the Subscription Agreement be signed.

DEFINITIONS

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

“Board”	the board of Directors
“Capital Securities”	the senior perpetual capital securities to be issued by ESL and unconditionally and irrevocably guaranteed by the Company
“Capital Securities Issue”	the issue of the Capital Securities by ESL
“Company”	CSI Properties Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“ESL”	Estate Sky Limited, a company incorporated with limited liability in the British Virgin Islands, and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guarantee”	the unconditional and irrevocable guarantee to be given by the Company in respect of the due and punctual payment of all sums from time to time payable by ESL in respect of the Capital Securities
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Larger Group”	the Company, its subsidiaries, associated companies and joint ventures from time to time taken as a whole collectively
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“PRC”	the People’s Republic of China excluding, for the purposes of this announcement, Hong Kong, Macau and Taiwan
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the agreement proposed to be entered into among ESL, the Company, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc, UBS AG Hong Kong Branch, AMTD Asset Management Limited, China Merchants Securities (HK) Co., Limited and ICBC International Securities Limited, in relation to the Capital Securities Issue
“U.S. Securities Act”	United States Securities Act of 1933, as amended

By Order of the Board of
CSI Properties Limited
Chan Suet Kwan
Company Secretary

Hong Kong, 13 September 2017

As at the date of this announcement, the executive directors of the Company are Mr. Chung Cho Yee, Mico (Chairman), Mr. Kan Sze Man, Mr. Chow Hou Man and Mr. Fong Man Bun, Jimmy, and the independent non-executive directors of the Company are Dr. Lam Lee G., Mr. Cheng Yuk Wo and Dr. Lo Wing Yan, William.