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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 NOTES
TO BE GUARANTEED BY THE COMPANY**

ESL, a wholly-owned subsidiary of the Company, proposes to issue Notes with a 5-year maturity. In connection with the proposed Notes 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 Notes Issue is subject to market conditions and investor interest. If the Notes 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 use the net proceeds for general working capital of the Larger Group.

Approval in-principle has been obtained for the listing of the Notes 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 Notes on the Official List of the SGX-ST and quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of ESL, the Company, the Larger Group or the Notes. No listing of the Notes has been, or will be, sought in Hong Kong.

As no binding agreement in relation to the proposed Notes Issue has been entered into as at the date of this announcement, the proposed Notes 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 Notes 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 Notes with a 5-year maturity. In connection with the proposed Notes 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 Notes to be issued under the Notes 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 Notes 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 Notes 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 Notes Issue will be placed to any connected persons of the Company.

REASON FOR THE NOTES 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 Notes Issue represents a timely opportunity for the Group to supplement the funding for its future property investments. The Board believes that the proposed Notes 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 Notes Issue is subject to market conditions and investor interest. If the Notes Issue proceeds, 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 use the net proceeds for general working capital of the Larger Group.

GENERAL

As no binding agreement in relation to the proposed Notes Issue has been entered into as at the date of this announcement, the proposed Notes 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 Notes 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
“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 Notes
“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
“Notes”	the notes to be issued by ESL and unconditionally and irrevocably guaranteed by the Company
“Notes Issue”	the issue of the Notes by ESL
“PRC”	the People’s Republic of China excluding, for the purpose 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, The Hongkong and Shanghai Banking Corporation Limited, UBS AG, Hong Kong Branch, DBS Bank Ltd., Merrill Lynch International and Sun Hung Kai Investment Services Limited in relation to the Notes 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,
1 August 2016

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, Mr. Wong Chung Kwong 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.