
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Prospectus, you should consult your stockbroker or a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CSI Properties Limited, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of the Prospectus Documents, make no representation as to their 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 the Prospectus Documents.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG" in Appendix IV to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission in Hong Kong nor The Stock Exchange of Hong Kong Limited nor the Registrar of Companies takes any responsibility as to the contents of any of the Prospectus Documents.

Dealings in the Shares, the Rights Shares in both nil-paid and fully-paid forms and the Bonus Warrants may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Distribution of the Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of the Prospectus Documents (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which the Company will not accept any liability. In particular, subject to certain exceptions as determined by the Company, the Prospectus Documents should not be distributed, forwarded to or transmitted in, into or from any jurisdiction where such release or distribution might be unlawful.



CSI PROPERTIES LIMITED

資本策略地產有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 497)

(1) UNDERWRITTEN RIGHTS ISSUE ON THE BASIS OF EIGHTEEN (18) RIGHTS SHARES FOR EVERY TEN (10) SHARES AND (2) ISSUE OF BONUS WARRANTS TO SHAREHOLDERS

Financial adviser to the Company



Underwriter to the Rights Issue



VMS Securities Limited
鼎珮證券有限公司

Capitalised terms used on this cover page shall have the same meaning as defined in this Prospectus.

Shareholders and potential investors in the Company should note that the Rights Issue is conditional upon the Rights Issue Underwriting Agreement having become unconditional and the Underwriter not having terminated or rescinded (as the case may be) the Rights Issue Underwriting Agreement in accordance with the terms thereof. The Rights Issue Underwriting Agreement contains provisions granting the Underwriter the right in its absolute discretion to terminate the obligations of the Underwriter thereunder on the occurrence of certain events. Such events are summarised in the section headed "Termination of the Rights Issue Underwriting Agreement" of this Prospectus. Accordingly, the Rights Issue may or may not proceed. The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Monday, 7 April 2025. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out in the section headed "Procedures for acceptance and payment and/or transfer" of this Prospectus.

The Shares have been dealt on an ex-rights basis from Tuesday, 11 March 2025. Dealings in the Rights Shares in their nil-paid form will take place from Tuesday, 25 March 2025 to Tuesday, 1 April 2025 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled, and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

CONTENTS

	<i>Page</i>
TERMINATION OF THE RIGHTS ISSUE UNDERWRITING AGREEMENT	1
DEFINITIONS	4
EXPECTED TIMETABLE	11
LETTER FROM THE BOARD	14
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP	II-1
APPENDIX III – SUMMARY OF THE TERMS OF THE BONUS WARRANTS	III-1
APPENDIX IV – GENERAL INFORMATION	IV-1

TERMINATION OF THE RIGHTS ISSUE UNDERWRITING AGREEMENT

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

- (a) any event, or series of events, in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, epidemic, pandemic, large scale outbreak of diseases and such related/mutated forms, economic sanctions, strikes, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed)) in or affecting Hong Kong or the PRC;
- (b) the introduction of any new regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever after the signing of the Rights Issue Underwriting Agreement;
- (c) any local, national, or international event or change of a social, political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
- (d) the occurrence of 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 on trading in securities) in Hong Kong and the PRC;
- (e) any material adverse change, determined by the Underwriter in its sole and absolute opinion, after the signing of the Rights Issue Underwriting Agreement in (i) any aspects of the Rights Issue (including but not limited to its structure, timing or any prior understanding between the parties insofar as the underwriting arrangement therein is concerned) or (ii) the business or in the financial or trading position of any member of the Group;
- (f) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
- (g) any change or development involving a prospective change or amendment in or affecting taxation or foreign exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies), or the implementation of any exchange control, in Hong Kong or adversely affecting an investment in the Rights Shares;

TERMINATION OF THE RIGHTS ISSUE UNDERWRITING AGREEMENT

- (h) there has come to the notice of the Underwriter any statement contained in the Prospectus Documents, the Announcement and/or the Circular, and/or any notices, announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to the Rights Issue Underwriting Agreement) issued or used by or on behalf of the Company in connection with the Rights Issue (including any supplement or amendment thereto but excluding information relating to the Underwriter) was, when it was issued, or has become, untrue, incorrect, inaccurate, incomplete in any material respects or misleading or deceptive, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of such documents is not fair and honest and based on reasonable grounds or reasonable assumptions;
- (i) any non-compliance of the Announcement, the Circular and/or the Prospectus Documents, (or any other documents used in connection with the contemplated subscription and sale of the Rights Shares) or any aspect of the Rights Issue with the Listing Rules or any other applicable laws (including, without limitation, the Companies Ordinance, and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) and regulations;
- (j) any litigation, dispute, legal action, or claim being threatened or instigated against any member of the Group;
- (k) any matter which, had it arisen or been discovered immediately before the date of despatch of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the sole and absolute opinion of the Underwriter, a material omission in the context of the Rights Issue;
- (l) any contravention by the Company or any member of the Group of any applicable laws and regulations including the Listing Rules and the Takeovers Code; or
- (m) any order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or any resolution for the winding-up of any material member of the Group or the appointment of a provisional liquidator, receiver or manager over all or substantially all of the material assets or undertaking of any material member of the Group,

which, individually or in the aggregate, in the sole and absolute opinion of the Underwriter:

- (i) has or will or may have a material adverse effect on the business or financial position of the Group taken as a whole;
- (ii) has or will or may have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken-up; or
- (iii) has or will or is likely to have the effect of making any part of the Rights Issue Underwriting Agreement (including underwriting) inadvisable, incapable or impractical of performance in accordance with its terms or preventing or pursuant to the underwriting of the Rights Issue.

TERMINATION OF THE RIGHTS ISSUE UNDERWRITING AGREEMENT

In the event the Underwriter exercises its right to terminate the Rights Issue Underwriting Agreement before the Latest Time for Termination, the obligations of all parties thereunder shall terminate forthwith (save in respect of certain rights and obligations under the Rights Issue Underwriting Agreement), provided that such termination shall be without prejudice to any rights or obligations which may have accrued under the Rights Issue Underwriting Agreement prior to such termination.

If the Underwriter exercises such right, the Rights Issue will not become unconditional and the Rights Issue will not proceed. An announcement will be made if the Rights Issue Underwriting Agreement is terminated by the Underwriter.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“2021 Guaranteed Notes”	the notes guaranteed by the Company in the aggregate principal amount of US\$300 million issued by Estate Sky Limited, a wholly-owned subsidiary of the Company, to institutional investors on 22 July 2021, which carry interest at the rate of 5.45% per annum and payable semi-annually in arrears
“Announcement”	the announcement of the Company dated 2 February 2025 in relation to, among other things, the Strategic Funding & Partnership Proposal, the Share Consolidation, the Authorised Share Capital Increase, the Rights Issue, the Facilitation Agreement, the Rights Issue Underwriting Agreement, the Note Subscription Agreement, and the Bonus Warrants Issue
“associate”	the meaning ascribed to that term in the Listing Rules
“Authorised Share Capital Increase”	the increase, after the Share Consolidation, in the authorised share capital of the Company from HK\$180,000,000 divided into 11,250,000,000 Shares each to HK\$500,000,000 divided into 31,250,000,000 Shares with par value HK\$0.016 each
“Beneficial Owner”	any beneficial owner(s) of Shares whose Shares are registered in the name of a Registered Shareholder
“Board”	the board of Directors
“Bonus Warrant(s)”	the warrant(s) being issued by the Company entitling the holders to subscribe for Bonus Warrant Shares at a price of HK\$0.22 per Bonus Warrant Share, subject to adjustments
“Bonus Warrants Issue”	the issue of Bonus Warrants by the Company to Qualifying Shareholders on the basis of one (1) Bonus Warrant for every ten (10) Shares held on the Record Date
“Bonus Warrant Share(s)”	the new Share(s) to be allotted and issued pursuant to the exercise of the subscription rights attached to the Bonus Warrants
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Business Plans”	the business plans described in the section headed “Business Plans” in the “Letter from the Board” in the Circular

DEFINITIONS

“BVI”	British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time in force
“Change in Board Lot Size”	the change in board lot size of the issued Shares for trading, from 10,000 Old Shares to 20,000 Shares
“Circular”	the circular of the Company dated 17 February 2025 in relation to, among other things, the Strategic Funding & Partnership Proposal, the Share Consolidation, the Authorised Share Capital Increase, the Rights Issue, the Facilitation Agreement, the Rights Issue Underwriting Agreement, the Note Subscription Agreement, and the Bonus Warrants Issue
“Closing Price”	the closing price of HK\$0.0850 per Old Share as quoted on the Stock Exchange on the Last Trading Day equivalent to HK\$0.17 per Share
“Company”	CSI Properties Limited, a company incorporated in Bermuda with limited liability and having its shares listed and traded on the Main Board of the Stock Exchange
“connected person(s)”	the meaning ascribed thereto in the Listing Rules
“Digisino”	Digisino Assets Limited, a company incorporated in the BVI with limited liability, wholly-owned by Mr. Chung
“Director(s)”	the directors of the Company
“EAF(s)”	the excess application form(s) for use by Qualifying Shareholders who wish to apply for excess Rights Shares
“Earnest Equity”	Earnest Equity Limited, a wholly-owned subsidiary of Newco, incorporated in the BVI with limited liability and the controlling entity of the Company, controlling 2,589,586,031 Shares or approximately 56.24% of the issued share capital of the Company as at the Latest Practicable Date

DEFINITIONS

“Facilitation Agreement”	the agreement dated 23 January 2025 between the Company and the Investor to pay an amount of HK\$22 million to the Investor in consideration of the Investor’s contributions to the Company under the Strategic Funding & Partnership Proposal and agreeing to provide funding support under the Strategic Funding & Partnership Proposal
“Gaw Capital”	Gaw Capital Partners, an exempted company incorporated in the Cayman Islands with limited liability
“Golden Boost”	Golden Boost Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Newco, controlling 10,000 Shares, or approximately 0.0002% of the issued share capital of the Company as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholders other than Earnest Equity, Golden Boost and their respective associates
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Investor”	Petto Bell Limited, a company incorporated in the Cayman Islands with limited liability owned by a consortium of institutional investors led by a subsidiary of Gaw Capital (as general partner of Gateway Real Estate Fund VII (Singapore) L.P.)
“Irrevocable Undertaking”	the irrevocable undertaking dated 23 January 2025 given by Newco in favour of the Company with details in the section headed “Irrevocable Undertaking” in this Prospectus
“Last Trading Day”	22 January 2025, being the last trading day immediately before the trading halt in the Shares pending the publication of the Announcement
“Latest Practicable Date”	17 March 2025, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Latest Time for Acceptance”	4:00 p.m. on Monday, 7 April 2025, or such later time or date as may be determined by the Company, being the latest time and date for acceptance of and payment for the provisional allotments of Rights Shares and applications for excess Rights Shares
“Latest Time for Termination”	4:00 p.m. on Friday, 11 April 2025, or such other time or date as may be agreed between the Company and the Underwriter in writing, being the latest time to terminate the Rights Issue Underwriting Agreement
“Listing Committee”	the meaning ascribed to it under the Listing Rules
“Listing Rules” or “LR”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Chung” or “Controlling Shareholder”	Mr. Chung Cho Yee, Mico, a director and the Chairman of the Company
“NAV”	net asset value
“Newco”	Grand Future Ventures Limited, a company incorporated in the BVI with limited liability and controlled by Mr. Chung as at the Latest Practicable Date
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdiction(s), considers it necessary or expedient not to offer the Rights Shares or issue the Bonus Warrants on account either of legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction
“Note Issuer”	Affinity Ocean Limited, a BVI business company incorporated with limited liability under the laws of BVI
“Note Subscriber”	Kenton Harmony Limited, a company incorporated in the Cayman Islands with limited liability owned by a consortium of institutional investors led by a subsidiary of Gaw Capital (as general partner of Gateway Real Estate Fund VII (Singapore) L.P.)
“Note Subscription Agreement”	the subscription agreement dated 23 January 2025 entered into amongst the Note Issuer, the Company and the Note Subscriber in relation to the issue of the Senior Unsecured Note
“Old Share(s)”	ordinary share(s) of HK\$0.008 each in the share capital of the Company prior to the Share Consolidation having become effective

DEFINITIONS

“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date were outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) for the Rights Shares being issued to Qualifying Shareholders in respect of their entitlements under the Rights Issue
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this Prospectus
“Prospectus”	this prospectus dated 21 March 2025 to be despatched to the Shareholders containing details of the Rights Issue and the Bonus Warrants Issue
“Prospectus Documents”	collectively, this Prospectus, the PAL and the EAF
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than Non-Qualifying Shareholder(s)
“Record Date”	Thursday, 20 March 2025, or such other date as the Company may determine, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue and the Bonus Warrants Issue will be determined
“Registered Shareholder”	in respect of a Beneficial Owner, means a nominee, trustee, depository or any other authorised custodian or third party which is the registered holder in the register of members of the Company of the Share(s) in which the Beneficial Owner is beneficially interested
“Rights Issue Underwriting Agreement”	the underwriting agreement dated 23 January 2025 entered into among the Company and the Underwriter in relation to the Rights Issue
“Rights Issue”	the offer by way of rights of the Rights Shares to Qualifying Shareholders on the basis of eighteen (18) Rights Shares for every ten (10) Shares held on the Record Date at the Subscription Price, payable in full on acceptance and on the terms and subject to the conditions of the Prospectus Documents
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue, being in aggregate a maximum of 8,288,810,708 Rights Shares

DEFINITIONS

“Senior Unsecured Note”	a 4-year senior unsecured note to be issued by the Note Issuer to the Note Subscriber in a principal amount of HK\$500 million with an interest of 8.22% per annum
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“SGM”	the special general meeting of the Company held on 6 March 2025 at which the Authorised Share Capital Increase, the Share Consolidation, the Rights Issue, the Note Subscription Agreement, the Facilitation Agreement and the Bonus Warrants Issue and the transactions contemplated thereunder were approved by the Shareholders or the Independent Shareholders (as the case may be)
“Share Consolidation”	the consolidation of every two (2) issued and unissued Old Shares of HK\$0.008 each into one (1) Share of HK\$0.016 each
“Share(s)”	ordinary share(s) of HK\$0.016 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) in issue
“Shareholders Agreement”	the shareholders agreement dated 23 January 2025 entered into amongst Digisino, the Investor and Newco
“Share Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Singapore Exchange”	The Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Strategic Funding & Partnership Proposal” or “Proposal”	the strategic funding and fundraising proposal summarised in the Circular in relation to Gaw Capital, through its managed funds, becoming an investor in the Company, and the Company raising an aggregate of up to HK\$1,992 million (before the discount on issue of the Senior Unsecured Note and expenses) including approximately HK\$1,492 million from the Rights Issue and HK\$500 million from the issuance of the Senior Unsecured Note (before the discount on issue of the Senior Unsecured Note and expenses), and the payment by the Company to the Investor of HK\$22 million as stipulated in the Facilitation Agreement

DEFINITIONS

“Strategic Funding & Partnership Proposal Completion Date”	the later of (a) the date on which dealings in fully paid Rights Shares commence on the Stock Exchange and (b) the date on which the Senior Unsecured Note is issued in accordance with the terms of the Note Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 23 January 2025 entered into amongst Digisino, the Investor and Newco
“Subscription Price”	the subscription price of HK\$0.18 for each Rights Share under the Rights Issue
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“Undertaken Shares”	the Rights Shares undertaken to be accepted or applied for pursuant to the Irrevocable Undertaking, being a total of 6,435,997,850 Rights Shares comprising (a) 4,661,272,854 Rights Shares to be provisionally allotted to subsidiaries of Newco and (b) 1,774,724,996 excess Rights Shares to be applied for by Golden Boost as a Qualifying Shareholder following the completion of the Subscription Agreement, on an EAF
“Underwriter”	VMS Securities Limited, a corporation licensed to carry out business in Type 1 (dealing in securities) regulated activities under the SFO, and its ordinary course of business includes underwriting of securities
“Underwritten Shares”	the Rights Shares underwritten under the Rights Issue Underwriting Agreement, being a maximum of 1,852,812,858 Rights Shares
“Waiver”	the waiver granted by the SFC on 5 February 2025 pursuant to Note 6(a) to Rule 26.1 of the Takeovers Code in relation to the transactions contemplated under the Strategic Funding & Partnership Proposal
“Warrant Expiry Date”	Wednesday, 7 April 2027, the second anniversary of the date of issue of the Bonus Warrants which is expected to be Monday, 7 April 2025
“Warrant Subscription Price”	the subscription price of HK\$0.22 for each Bonus Warrant Share (subject to adjustment) under the Bonus Warrants Issue
“Warrant Subscription Rights”	the rights of the holders of the Bonus Warrants to subscribe for 1 Bonus Warrant Share per Bonus Warrant pursuant to the Bonus Warrants
“%”	per cent.

EXPECTED TIMETABLE

All times and dates in this Prospectus refer to Hong Kong local times and dates. The expected timetable for the Rights Issue and Bonus Warrants Issue set out below and all dates and deadlines specified in the Prospectus Documents for events in the timetable for (or otherwise in relation to) the Rights Issue and the Bonus Warrants Issue are for indicative purposes only and it has been prepared on the assumption that the condition of the Rights Issue and the Bonus Warrants Issue will be fulfilled. In the event of any changes to the timetable, any such change will be further announced by the Company as and when appropriate.

Event	Time and date (Hong Kong time)
Record Date for participation in the Rights Issue and Bonus Warrants Issue	Thursday, 20 March 2025
Register of members of the Company re-opens	Friday, 21 March 2025
Original counter for trading in the Shares in board lots of 20,000 Shares (in the form of new share certificates) reopens	9:00 a.m. on Monday, 24 March 2025
Parallel trading in the Shares (in the form of both existing share certificates and new share certificates) commences	Monday, 24 March 2025
Designated broker starts to stand in the market to provide matching services for odd lots of the Shares	9:00 a.m. on Monday, 24 March 2025
First day for dealings in nil-paid Rights Shares and new board lot size for nil-paid and fully-paid Rights Shares	Tuesday, 25 March 2025
Latest time for splitting PALs	4:00 p.m. on Thursday, 27 March 2025
Last day for dealings in nil-paid Rights Shares	Tuesday, 1 April 2025
Latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Monday, 7 April 2025
Certificates for the Bonus Warrants despatched	On or before Monday, 7 April 2025
Commencement of dealings in the Bonus Warrants	Tuesday, 8 April 2025

EXPECTED TIMETABLE

Event	Time and date (Hong Kong time)
Latest time to terminate the Rights Issue Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Friday, 11 April 2025
Designated broker ceases to provide matching services for odd lots of the Shares	4:00 p.m. on Monday, 14 April 2025
Temporary counter for trading in the Shares in board lots of 5,000 Shares (in the form of existing share certificates) closes	4:10 p.m. on Monday, 14 April 2025
Parallel trading in Shares (represented by both existing share certificates and new share certificates) ends	4:10 p.m. on Monday, 14 April 2025
Announcement of the results of the Rights Issue including applications for excess Rights Shares published on the Stock Exchange's website and the Company's website	Monday, 14 April 2025
Despatch of certificates for fully-paid Rights Shares and refund cheques (if any)	Tuesday, 15 April 2025
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 16 April 2025
Latest time for free exchange of existing share certificates for new share certificates	4:30 p.m. on Wednesday, 16 April 2025

Effect of bad weather or extreme conditions on the Latest Time for Acceptance and payment for the Rights Shares

The Latest Time for Acceptance of and payment for the Rights Shares will change if:

- (i) typhoon signal No. 8 (or above);
- (ii) "extreme conditions" as announced by the Hong Kong Government; or

EXPECTED TIMETABLE

(iii) a “black” rainstorm warning:

- (a) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (b) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. 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 in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance changes, the dates mentioned in the “Expected timetable” above may be affected. An announcement will be made by the Company in such event.

LETTER FROM THE BOARD



CSI PROPERTIES LIMITED

資本策略地產有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 497)

Executive Directors:

Mr. Chung Cho Yee, Mico (*Chairman*)
Mr. Kan Sze Man
Mr. Chow Hou Man
Mr. Ho Lok Fai
Mr. Leung King Yin, Kevin
Ms. Chung Yuen Tung, Jasmine

Independent non-executive Directors:

Mr. Cheng Yuk Wo
Mr. Shek Lai Him, Abraham, *GBS, JP*
Dr. Lo Wing Yan, William, *JP*

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:

31/F., Bank of America Tower
12 Harcourt Road
Central
Hong Kong

21 March 2025

To the Qualifying Shareholders,

Dear Sir or Madam,

**(1) UNDERWRITTEN RIGHTS ISSUE ON THE BASIS OF
EIGHTEEN (18) RIGHTS SHARES FOR EVERY TEN (10) SHARES
AND
(2) ISSUE OF BONUS WARRANTS TO SHAREHOLDERS**

INTRODUCTION

References are made to the Announcement and the Circular in relation to, among other matters, the Rights Issue and the Bonus Warrants Issue.

On 2 February 2025, the Company announced the Strategic Funding & Partnership Proposal, under which, among others, the Company proposed the Rights Issue on the basis of eighteen (18) Rights Shares for every ten (10) Shares held on the Record Date at the Subscription Price of HK\$0.18 per Rights Share, to raise gross proceeds of approximately HK\$1,492 million (before expenses), by way of the Rights Issue. The Rights Issue would involve the issue of a maximum of 8,288,810,708 Rights Shares to the Qualifying Shareholders. The Rights Issue will not be extended to the Non-Qualifying Shareholders.

LETTER FROM THE BOARD

The Company is also making the Bonus Warrants Issue to Qualifying Shareholders on the basis of one (1) Bonus Warrant for every ten (10) Shares held on the Record Date, with the aim to further enhance Shareholders' participation in the Company's future development. Each Bonus Warrant will entitle the holder thereof to subscribe in cash for one (1) Bonus Warrant Share at a Warrant Subscription Price of HK\$0.22 (subject to adjustment). The maximum number of Bonus Warrants to be issued to Qualifying Shareholders is 460,489,483 Bonus Warrants, and upon the full exercise of the Warrant Subscription Rights attaching to the Bonus Warrants, a maximum of 460,489,483 Bonus Warrant Shares will be issued.

The Rights Issue and the Bonus Warrants Issue were conditional on, among others, the approval of the Share Consolidation and the Authorised Share Capital Increase by the Shareholders at the SGM.

At the SGM held on 6 March 2025, all of the ordinary resolutions to approve the Share Consolidation, the Authorised Share Capital Increase, the Rights Issue, the Bonus Warrants Issue and the transactions contemplated by those transactions were also duly passed. The results of the SGM were set out in the Company's announcement of the same date.

Accordingly, the Share Consolidation and the Authorised Share Capital Increase became effective on Monday, 10 March 2025. Shareholders may refer to the Circular for the details in relation to, among others, the trading arrangement and the exchange of share certificates in connection with the Share Consolidation, the Authorised Share Capital Increase and the Change in Board Lot Size.

The Company has provisionally allotted Rights Shares on the basis of eighteen (18) Rights Shares for every ten (10) Shares held by Qualifying Shareholders at the close of business on the Record Date. The Company will also issue, on or before Monday, 7 April 2025, a maximum of 460,489,483 Bonus Warrants to the Qualifying Shareholders on the basis of one (1) Bonus Warrant for every ten (10) Shares held on the Record Date.

The purpose of this Prospectus is to provide you with further details of the Rights Issue and the Bonus Warrants Issue, including information on dealings in and transfer of the provisional allotments of the Rights Shares in nil paid form, and the procedure for the acceptance and transfer of the provisional allotments of Rights Shares and certain financial and other information of the Company.

THE RIGHTS ISSUE

The Company proposes to raise gross proceeds of approximately HK\$1,492 million by issuing a maximum of 8,288,810,708 Rights Shares at the Subscription Price of HK\$0.18 per Rights Share on the basis of 18 Rights Shares for every 10 Shares held on the Record Date.

Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue is underwritten by the Underwriter. The Rights Issue is being made available to Qualifying Shareholders and will not be extended to Non-Qualifying Shareholders.

LETTER FROM THE BOARD

The principal terms of the Rights Issue are set out below:

Rights Issue Statistics

Basis of the Rights Issue:	Eighteen (18) Rights Shares for every ten (10) Shares held by Qualifying Shareholders at the close of business on the Record Date and so in proportion for any other number of whole multiples of ten (10) Shares then held. Qualifying Shareholders were allotted nil-paid Rights Shares strictly based on whole multiples of ten (10) Shares held. Accordingly, Qualifying Shareholders with fewer than ten (10) Shares were not allotted any Rights Share.
Subscription Price:	HK\$0.18 per Rights Share
Number of Shares in issue as at the Record Date and the Latest Practicable Date:	4,604,894,838 Shares
Number of Rights Shares to be issued under the Rights Issue:	A maximum of 8,288,810,708 Rights Shares
Undertaken Shares:	A total of 6,435,997,850 Rights Shares comprising: (i) 4,661,254,854 and 18,000 Rights Shares provisionally allotted to Earnest Equity and Golden Boost, which are wholly-owned subsidiaries of Newco, respectively; and (ii) 1,774,724,996 excess Rights Shares to be applied for by Golden Boost as a Qualifying Shareholder on an EAF.
Number of Rights Shares underwritten:	The Underwriter has agreed to underwrite a maximum of 1,852,812,858 Rights Shares. The exact number of Rights Shares underwritten will be subject to the results of acceptances of provisional allotments and applications of EAFs.
Total number of issued Shares as enlarged by the allotment and issue of the Rights Shares (assuming a maximum number of 8,288,810,708 Rights Shares are issued and all Rights Shares are fully taken up):	12,893,705,546 Shares

LETTER FROM THE BOARD

Amount to be raised before expenses Approximately HK\$1,492 million
(assuming the Rights Issue is fully taken
up):

Rights of excess applications: Qualifying Shareholders may apply for Rights
Shares in excess of their provisional allotments.

Under the Rights Issue, the maximum number of 8,288,810,708 Rights Shares to be issued would represent approximately 180.00% of the total issued Shares as at the Latest Practicable Date and approximately 64.29% of the total issued Shares as enlarged by the Rights Shares. The aggregate nominal value of the Rights Shares will be approximately HK\$132.62 million.

The Board considers that the Rights Issue is on normal commercial terms and is fair and reasonable so far as the Shareholders are concerned.

Subscription Price

The Subscription Price of HK\$0.1800 per Rights Share will be payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or, where applicable, applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a premium of approximately 5.88% over the theoretical closing price of HK\$0.1700 per Share based on the Closing Price;
- (ii) a premium of approximately 5.14% over the average theoretical closing price of HK\$0.1712 per Share based on the average closing price of HK\$0.0856 per Old Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 5.26% over the average theoretical closing price of HK\$0.1710 per Share based on the average closing price of HK\$0.0855 per Old Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 2.04% over the theoretical ex-entitlement price of HK\$0.1764 per Share derived from (a) the theoretical closing price of HK\$0.1700 per Share based on the Closing Price, (b) the gross proceeds of the Rights Issue of approximately HK\$1,492 million and (c) the total number of theoretical Shares upon completion of the Rights Issue;
- (v) a premium of approximately 5.88% over the closing price of HK\$0.17 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

LETTER FROM THE BOARD

- (vi) a discount of approximately 93.55% to the latest published consolidated NAV of approximately HK\$2.7899 per Share based on the consolidated NAV attributable to the Shareholders as at 30 September 2024 of approximately HK\$12,847.27 million as disclosed in the interim report of the Company for the six months ended 30 September 2024 and 4,604,894,838 Shares in issue as at the Latest Practicable Date; and
- (vii) no theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of the theoretical diluted price of approximately HK\$0.1769 per Share to the benchmarked price of HK\$0.1712 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the Closing Price and the average of the closing prices as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to the date of the Announcement of HK\$0.0856 per Old Share).

The net price per Rights Share (i.e. the Subscription Price) less costs and expenses incurred in the Rights Issue) to be received by the Company upon full acceptance of the provisional allotments of Rights Shares is estimated to be approximately HK\$0.1766.

The Subscription Price was determined by the Company with reference to, in principle, (i) the intention that the Rights Issue should be non-price dilutive; (ii) the amount of funds the Company intended to raise under the Rights Issue; (iii) the theoretical market price of the Shares under the market conditions preceding and including the date of the Announcement; and (iv) the intention of the Board to issue at a premium to the theoretical market price of the Shares which the Board considered would send a positive signal to the market and demonstrate the Investor's confidence in the Company, and thus be acceptable and welcomed by the Shareholders.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the Shares in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid, the record dates of which are on or after the date of allotment and issue of the fully-paid Rights Shares.

Qualifying Shareholders

The Rights Issue is only available to Qualifying Shareholders. The Rights Issue is not extended to any Non-Qualifying Shareholder.

To qualify for the Rights Issue, a Shareholder (i) must have been registered as a member of the Company at the close of business on the Record Date; and (ii) not a Non-Qualifying Shareholder.

Shareholders whose Shares are held by nominee (or deposited in CCASS) should note that the Board regards a nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

LETTER FROM THE BOARD

The Prospectus Documents are being made available and/or despatched (as the case may be) to the Qualifying Shareholders. Copies of the Prospectus Documents are also available on the websites of the Company (www.csigroup.hk) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL and EAF) is being made available and/or despatched (as the case may be) to the Non-Qualifying Shareholders for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable. The Company is sending PALs to the Qualifying Shareholders individually in printed form. The Company is sending EAFs to the Qualifying Shareholders individually by email. If the Company does not possess the email address of a Qualifying Shareholder or the email address provided is not functional, the Company will send the EAF to that Qualifying Shareholder in printed form together with a request form for soliciting the Shareholder's functional email address to facilitate electronic dissemination of Actionable Corporate Communications (as defined under the Listing Rules) in the future. The Company will not send the PAL and EAF to the Non-Qualifying Shareholders.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled, and Non-Qualifying Shareholders, should note that their shareholdings in the Company will be diluted.

Basis of provisional allotments

The basis of the provisional allotment is eighteen (18) Rights Shares (in nil-paid form) for every ten (10) Shares held by a Qualifying Shareholders as at the close of business on the Record Date and so in proportion for any other number of whole multiples of ten (10) Shares then held. Qualifying Shareholders were allotted nil-paid Rights Shares strictly based on whole multiples of ten (10) Shares held. Accordingly, Qualifying Shareholders with fewer than ten (10) Shares were not allotted any Rights Share.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the relevant PAL and lodging the same with a remittance by cheque or banker's cashier order for the Rights Shares being applied for with the Share Registrar on or before the Latest Time for Acceptance.

Rights of the Overseas Shareholders

The Prospectus Documents have not been and will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

As at the Latest Practicable Date, there was only one Overseas Shareholder, with a registered address situated in Canada, which is interested in 1,250 Shares (representing approximately 0.000027% of the total issued share capital of the Company).

LETTER FROM THE BOARD

The Board has made enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules regarding the legal restrictions of extending the Rights Issue to such Overseas Shareholder under the laws of Canada and the requirements of the relevant regulatory bodies or stock exchanges. Based on the results of such enquiries obtained from the legal advisers of Canada engaged by the Company as at the Latest Practicable Date, the Company would need to make filings to the relevant authority in Canada to comply with the relevant legal or regulatory requirements therein. The extension of the Rights Issue to such Overseas Shareholder would, or might, in the absence of compliance with registration or other exemption requirements or other specific requirements in Canada, be unlawful or impracticable. The Directors are of the view that it is necessary or expedient not to offer the Rights Shares (in their nil-paid and fully paid forms) to the Overseas Shareholder located in Canada, as the time and costs involved in the filings of the Prospectus Documents and/or other documents and/or obtaining any required approvals by the relevant authorities in Canada and/or additional steps the Company and/or the Overseas Shareholder need to take to comply with the relevant legal or regulatory requirements therein would outweigh any possible benefit to the Company. Accordingly, the Overseas Shareholder whose registered address on the Record Date was in Canada is treated as a Non-Qualifying Shareholder for the purposes of the Rights Issue and is not entitled to participate in the Rights Issue.

As the register of members of the Company had already been closed as at the Latest Practicable Date, there would be no additional Overseas Shareholders and, save for the Overseas Shareholder located in Canada, there would be no Non-Qualifying Shareholder for the purposes of the Rights Issue on the Record Date.

The Company reserves the right to treat as invalid any acceptance of or application for Rights Shares where it believes that such acceptance or application would violate the applicable securities laws or other laws or regulations of any territory or jurisdiction.

It is the responsibility of any person (including, without limitation, a nominee, agent and trustee) receiving the Prospectus Documents outside Hong Kong and wishing to take up the Rights Shares to satisfy themselves as to the full compliance with the laws of the relevant jurisdictions including the obtaining of any governmental or other consents and observing other formalities which may be required in such jurisdictions, and to pay any taxes, duties and other amounts required to be paid in such jurisdictions in connection therewith. Any acceptance of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that such local laws, regulations and requirements of the relevant territory or jurisdiction have been fully complied with. If you are in any doubt as to your position, you should consult a professional adviser.

The Rights Issue does not constitute any offer or invitation to sell, issue or solicit for Shares in any jurisdiction in which such actions are unlawful or otherwise restricted.

Procedures in respect of Rights Shares of Non-Qualifying Shareholders

Arrangements have been made for the Rights Shares which would otherwise have been provisionally allotted to any Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained.

LETTER FROM THE BOARD

Any net proceeds of sale thereof, after deduction of expenses, will be paid in Hong Kong dollars to any Non-Qualifying Shareholders pro rata to their respective entitlements as at the close of business on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any such unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess applications by Qualifying Shareholders under the EAFs.

No fractional entitlements to the Rights Shares

Shareholders have been provisionally allotted nil-paid Rights Shares strictly based on whole multiples of ten (10) Shares held on the Record Date. The Company has not provisionally allotted or issued and will not provisionally allot or issue, and will not accept applications for, any fraction of the Rights Shares and the provisional allotments of Qualifying Shareholders have been rounded down to the nearest whole number. All fractions of Rights Share will be aggregated. All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) to a nominee and sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained, and the Company will retain the proceeds from such sale. Any unsold Rights Shares arising from such aggregation will be made available for excess application by Qualifying Shareholders under the EAFs.

Procedures for acceptance and payment and/or transfer

A PAL is being sent to the Qualifying Shareholder(s) in printed form which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, by no later than 4:00 p.m. on Monday, 7 April 2025. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "CSI Properties Limited – Rights Issue Account" and crossed "ACCOUNT PAYEE ONLY". The benefit of any rounding adjustments will be retained by the Company.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Share Registrar by no later than 4:00 p.m. on Monday, 7 April 2025, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

LETTER FROM THE BOARD

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to transfer all of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it, the Qualifying Shareholder must complete and sign the “FORM OF TRANSFER AND NOMINATION” in the PAL and hand the PAL to the transferee(s) or through whom the Qualifying Shareholder is transferring his/her/its rights. The transferee(s) must then complete and sign the “REGISTRATION APPLICATION FORM” in the PAL and lodge the PAL intact together with a remittance for the full amount payable on acceptance with the Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, by not later than 4:00 p.m. on Monday, 7 April 2025.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer or renounce part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Thursday, 27 March 2025 to the Share Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as “splitting” the nil-paid Rights Shares. Having “split” the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given in this section.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques or cashier’s orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier’s order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier’s order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier’s order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

LETTER FROM THE BOARD

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the PAL by anyone outside Hong Kong will constitute a warranty and representation by such person to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application or subscription for or of Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Underwriter exercises the right to terminate or rescind the Rights Issue Underwriting Agreement before the Latest Time for Termination or if the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” below are not fulfilled, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Share Registrar on or before Tuesday, 15 April 2025.

No receipt will be issued in respect of any application monies received.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply, by way of excess application under the EAFs, for additional Rights Share(s) in excess of their provisional allotments. Applications for excess Rights Shares may be made for:

- (i) any Rights Shares which would have been provisionally allotted to Non-Qualifying Shareholders had they been Qualifying Shareholders;
 - (ii) any Rights Shares provisionally allotted to but not validly accepted by Qualifying Shareholders or otherwise subscribed for by renouncees or transferees of Rights Shares in nil-paid form; and
 - (iii) any unsold Rights Shares created by aggregating fractions of Rights Shares in nil-paid form,
- (i) to (iii) are collectively referred to as “**excess Rights Shares**”.

LETTER FROM THE BOARD

Pursuant to Rule 7.21(3)(a) of the Listing Rules, the Company will allocate the excess Rights Shares (if any) at its discretion but on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of excess Rights Shares applied for;
- (ii) reference will only be made to the number of excess Rights Shares applied for and no reference will be made to the number of Rights Shares comprised in a Shareholder's PAL or the number of Shares held by a Qualifying Shareholder on the Record Date; and
- (iii) if the aggregate number of Rights Shares not taken up by Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for excess Rights Shares all excess Rights Shares applied for by the Qualifying Shareholder.

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. No preference will be given to topping up odd lots to whole board lots.

Pursuant to LR7.21(3)(b) of the Listing Rules, the Company will take steps to identify the excess applications made by Mr. Chung and/or his associates (collectively the “**Relevant Shareholders**”), whether in their own names or through nominees. The Company shall disregard excess applications made by the Relevant Shareholders to the extent that the total number of excess Rights Shares the Relevant Shareholders have applied for exceeds the maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their provisional allotment of Rights Shares.

Shareholders with their Shares held by a nominee (or deposited in CCASS) should note that the Board will regard such nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. In particular, in respect of Shares deposited in CCASS, as all Shares deposited by CCASS participants into CCASS are re-registered in the name of HKSCC Nominees Limited, HKSCC Nominees Limited is treated as a single shareholder for the purpose of allocating the excess Rights Shares. The allocation basis applicable to excess applications submitted by Shareholders will not be extended to beneficial owners holding the Shares through HKSCC Nominees Limited. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS participants pro-rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate, which is pursuant to the allocation basis as stipulated in Rule 8.10.4 (ix) of the HKSCC Operational Procedures. Shareholders should consult their professional advisors if they are in any doubt as to their status.

LETTER FROM THE BOARD

A Shareholder who applies to take up excess Rights Shares under the EAF may unwittingly cause the public float of the Company to drop below 25%. Accordingly, the allocations of excess Rights Shares to the application of any Shareholder under the EAF may be subject to scaling down as needed to a level which does not cause the Company's public float to drop below 25%. Rights Shares subject to scale down will be available in or towards satisfaction of application for excess Rights Shares by other Qualifying Shareholders. The appropriate amount of application moneys will be refunded to the applicants whose applications are not accepted in full for any reason.

Procedures for application and payment for excess Rights Shares

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:00 p.m. on Monday, 7 April 2025. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "CSI Properties Limited – Excess Application Account" and crossed "ACCOUNT PAYEE ONLY". The Share Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them.

If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post at his/her/its own risk by the Share Registrar on or before Tuesday, 15 April 2025. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus remittance without interest is also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post at his own risk by the Share Registrar on or before Tuesday, 15 April 2025.

All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation. The Company may require such incomplete EAF to be completed by the relevant applicants at a later stage.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques for amounts due, will be sent by ordinary post at the risk of the person(s) entitled thereto to their registered addresses by the Share Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions.

LETTER FROM THE BOARD

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving a copy of the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty and representation from such Qualifying Shareholder(s) to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any application thereunder, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

If the Underwriter exercises the right to terminate or rescind the Rights Issue Underwriting Agreement before the Latest Time for Termination or if the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" below are not fulfilled, the Rights Issue will not proceed. The remittances received in respect of applications for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Rights Issue Qualifying Shareholders to their registered addresses by the Registrar on or before Tuesday, 15 April 2025.

Action to be taken by Beneficial Owners holding interests in Shares through CCASS

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to take up the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or "split" your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should (unless you are a CCASS Investor Participant) contact your intermediary and provide your intermediary with instructions or make arrangements with your intermediary in relation to the acceptance, transfer and/or "splitting" of your nil-paid Rights Shares. You should consult your professional adviser if in doubt.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed "EXPECTED TIMETABLE" in this Prospectus and otherwise in accordance with the requirements of your intermediary in order to allow your intermediary sufficient time to ensure that your instructions are given effect.

The procedure for acceptance, transfer and/or "splitting" by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the "General Rules of CCASS", the "CCASS Operational Procedures" and any other requirements of CCASS. The procedures for acceptance, transfer and/or "splitting" of Rights Shares provisionally allotted to beneficial owners who have been admitted to participate in CCASS as investor participants shall be in accordance with HKSCC's "Operating Guide for Investor Participants" and any other requirements of CCASS. Beneficial Owners who have been admitted to participate in CCASS as investor participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners' interests in Rights Shares should be dealt with.

LETTER FROM THE BOARD

Action to be taken by Beneficial Owners whose Shares are held by a Registered Shareholder (other than Shares deposited in CCASS)

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Shareholder and you wish to take up the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should contact the Registered Shareholder and provide the Registered Shareholder with instructions or make arrangements with the Registered Shareholder in relation to the acceptance, transfer and/or “splitting” of your nil-paid Rights Shares.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “**EXPECTED TIMETABLE**” in this Prospectus and otherwise in accordance with the requirements of the Registered Shareholder in order to allow the Registered Shareholder sufficient time to ensure that your instructions are given effect. You should consult your professional adviser if in doubt.

Certificates of the Rights Shares and refund cheques

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 15 April 2025 to their registered addresses.

Refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares and excess Rights Shares, or if the Rights Issue does not proceed, are expected to be despatched on or before Tuesday, 15 April 2025 to the applicants without interest to their registered addresses by ordinary post at their own risk.

Application for listing of the Rights Shares

The Company has applied to the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

As at the Latest Practicable Date, save for the 2021 Guaranteed Notes which are listed on the Singapore Exchange, no part of the share capital or any other equity or debt securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares, Rights Shares, Bonus Warrants or Bonus Warrant Shares or any other securities of the Company to be listed or dealt in on any stock exchange other than the Stock Exchange.

LETTER FROM THE BOARD

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in their nil-paid forms and fully-paid forms on the Stock Exchange, respectively or such other dates as may be 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangement and how such arrangements will affect their rights and interests.

Rights Shares in their nil-paid forms and fully-paid forms will be traded on the Stock Exchange in the same board lots of 20,000 Shares.

Odd lot arrangement

In order to facilitate the trading of odd lots of the Shares arising from the Share Consolidation and the Change in Board Lot Size, the Company has appointed Computershare Hong Kong Investor Services Limited to provide a matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares during the period from 9:00 a.m. on Monday, 24 March 2025 to 4:00 p.m. on Monday, 14 April 2025 (both days inclusive). Holders of the Shares in odd lots represented by valid share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot, may directly or through their brokers, contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or at telephone number (852) 2862 8555 during office hours (i.e. 9:00 a.m. to 4:30 p.m.). Holders of the Shares who would like to match odd lots have to make an appointment in advance by dialling the telephone number of Computershare Hong Kong Investor Services Limited set out above. Holders of odd lots of the Shares should note that the matching of the sale and purchase of odd lots of the Shares is not guaranteed.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

LETTER FROM THE BOARD

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of any person resulting from the purchase, holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully-paid forms.

Fully underwritten basis

The Rights Issue, other than all the Rights Shares undertaken to be taken up or subscribed for by Newco's subsidiaries, is fully underwritten by the Underwriter. For details, please refer to the section headed "**THE RIGHTS ISSUE UNDERWRITING AGREEMENT**" in this Prospectus.

Conditions of the Rights Issue

The Rights Issue is conditional on each of the following conditions being fulfilled:

- (i) the approval of the Rights Issue, Share Consolidation, Authorised Share Capital Increase and Facilitation Agreement and transactions contemplated by them by those Shareholders (other than those who are required to abstain by the Listing Rules) at the SGM;
- (ii) the granting of the Waiver; and
- (iii) all of the Rights Issue Underwriting Agreement, the Note Subscription Agreement and the Facilitation Agreement having become unconditional, and not having been terminated.

None of the above conditions can be waived. On 5 February 2025, the Waiver was granted by the SFC. On 6 March 2025, the ordinary resolutions approving the Rights Issue, the Share Consolidation, the Authorised Share Capital Increase and the Facilitation Agreement and transactions contemplated by them were duly passed by the Shareholders by way of poll at the SGM. In accordance with Rule 7.27A, Newco and its subsidiaries including (i) Earnest Equity which is interested in 5,179,172,062 Old Shares, representing approximately 56.24% of the total issued share capital of the Company and (ii) Golden Boost which is interested in 20,000 Old Shares, representing approximately 0.0002% of the total issued share capital of the Company, all of which are controlled by Mr. Chung, abstained from voting on the resolutions relating to the Rights Issue and the Facilitation Agreement and transactions contemplated by them at the SGM. Accordingly, as at the Latest Practicable Date, conditions (i) and (ii) above have been fulfilled.

LETTER FROM THE BOARD

Irrevocable Undertaking

Irrevocable Undertaking by Newco

As at the Latest Practicable Date, Newco, through Earnest Equity and Golden Boost, beneficially owned 2,589,596,031 Shares, representing approximately 56.24% of the issued Share capital of the Company.

Pursuant to the Irrevocable Undertaking, Newco undertook in favour of the Company, among other things, that:

- (a) Newco will remain as the legal and beneficial owner of the entire issued share capital of each of its wholly-owned subsidiaries holding the 5,179,192,062 Old Shares or, upon the Share Consolidation becoming effective, 2,589,596,031 Shares, and will procure such Old Shares or (as the case may be) the Shares held by them to remain registered in the name of, or held by, such subsidiary until the commencement of dealings in the Rights Shares in fully-paid form;
- (b) Newco shall or shall procure Newco's subsidiaries or nominees (including the CCASS participant(s) holding any such Shares on behalf of any of them) to accept and take up in full a total of 4,661,272,854 nil-paid Rights Shares to be provisionally allotted or transferred to it/them at or before the Latest Time for Acceptance (out of which 2,222,222,222 nil paid Rights Shares will be taken up by Earnest Equity, and 2,439,050,632 nil paid Rights Shares will be taken up by Golden Boost);
- (c) Newco shall or shall procure that Newco's subsidiaries or nominees (including the CCASS participant(s) holding any such Shares on behalf of any of them) to apply (by way of excess application) for 1,774,724,996 Rights Shares; and
- (d) Newco will arrange for sufficient funds in Hong Kong dollars for payment of the subscription monies upon the lodging of the PAL(s) and the EAF(s) by Newco or any of its subsidiaries and procure full payment of the same by such subsidiary(ies).

The agreement of the parties in the Irrevocable Undertaking is conditional on any waivers, consents, authorisations, clearances and approvals which are required under the Listing Rules and the Takeovers Code for the Irrevocable Undertaking and the transactions contemplated therein having been granted, fulfilled or given (as applicable), and all such waivers, consents, authorisations, clearances and approvals not having been revoked or withdrawn.

Irrevocable Undertaking by Mr. Kan Sze Man

At the Latest Practicable Date, Mr. Kan Sze Man, a Director, beneficially owned 11,895,250 issued Shares, representing approximately 0.26% of the issued Share capital of the Company.

LETTER FROM THE BOARD

On 23 January 2025 (before trading hours of the Stock Exchange), Mr. Kan Sze Man made an irrevocable undertaking, pursuant to which, Mr. Kan Sze Man undertook in favour of the Company, among other things that:

- (a) he shall not take up any of the 21,411,450 Rights Shares to be provisionally allotted to him or for his benefit under PALs pursuant to the Rights Issue; and
- (b) he shall not apply for any excess Rights Shares under the EAFs.

Save for the above, the Company has not received any information or irrevocable undertakings from any other Shareholders of their intention in relation to the Rights Shares provisionally allotted to them under the Rights Issue as at the Latest Practicable Date.

Other Undertakings

Nomination of one Director

On 23 January 2025 (before trading hours of the Stock Exchange), Digisino, Newco and the Company entered into a letter of undertaking in favour of the Investor, pursuant to which, among other things:

- (a) Digisino and Newco irrevocably agreed and undertook in favour of the Investor, with effect from the Strategic Funding & Partnership Proposal Completion Date and for so long as the Investor remains a shareholder of Newco, to use their respective best endeavours, by exercising or procuring the exercise of all of their and Mr. Chung's votes at the board of directors (subject to his fiduciary duties) and the general meetings at their subsidiaries' level and at the Company level, to (i) procure the appointment of one individual to be nominated by the Investor in writing from time to time (the "**Investor Nominee**") as a non-executive Director; and (ii) ensure that the Investor Nominee will not be removed save and except where the Investor has requested for such removal in writing, and to give effect to the Investor's written request to replace the Investor Nominee from time to time, and, in each case subject to the requirements of the Listing Rules and the memorandum of association and bye-laws of the Company; and
- (b) the Company undertook in favour of the Investor to sign all such documents and do all such things necessary for the appointment of the Investor Nominee on the Strategic Funding & Partnership Proposal Completion Date and any of his/her replacement as notified by the Investor thereafter as a non-executive Director, subject to the requirements of the Listing Rules and the memorandum of association and bye-laws of the Company.

If the Rights Issue is terminated this undertaking shall lapse.

LETTER FROM THE BOARD

Pursuant to terms of the undertaking, the Company has a contractual obligation to nominate to the Board and the nomination committee of the Company the Investor Nominee nominated by the Investor in writing from time to time as a non-executive Director, which is subject to the requirements of the Listing Rules and the memorandum of association and bye-laws of the Company. Particularly, the nomination of the Investor Nominee as a non-executive Director will be subject to the decision and assessment of the Board and the nomination committee of the Company.

THE RIGHTS ISSUE UNDERWRITING AGREEMENT

The Rights Shares (other than the Undertaken Shares, i.e., those agreed to be taken up, and applied for, pursuant to the Irrevocable Undertaking) are fully underwritten by the Underwriter in accordance with the terms of the Rights Issue Underwriting Agreement.

The principal terms and conditions of the Rights Issue Underwriting Agreement are summarised below:

Date:	23 January 2025 (before trading hours of the Stock Exchange)
Issuer:	The Company
Underwriter:	The Underwriter, a corporation licensed to carry out business in Type 1 (dealing in securities) regulated activities under the SFO, the ordinary course of business of which includes underwriting of securities. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties. The Underwriter has confirmed that it has complied with LR7.19(1)(a) of the listing Rules.
Number of Rights Shares underwritten by the Underwriter:	The Underwriter has agreed to underwrite a maximum of 1,852,812,858 Rights Shares. The exact number of Rights Shares underwritten will be subject to the results of acceptances of provisional allotments and applications on EAFs.
Underwriting Commission:	2% of the amount equal to the Subscription Price multiplied by the number of Underwritten Shares

LETTER FROM THE BOARD

Undertaking in respect of public float:

To comply with the public float requirements in the Listing Rules, the Rights Issue Underwriting Agreement expressly sets out the undertakings of the Underwriter for, among other things, ensuring that it and the subscribers procured by it (including any direct and indirect sub-underwriters) would not, by itself or together with its associates, be substantial shareholder or hold 10% or more of the voting rights of the Company as at the date of the Rights Issue Underwriting Agreement or immediately upon completion of the Rights Issue.

Subject to the fulfilment or waiver (where permitted) of the conditions precedent contained in the Rights Issue Underwriting Agreement and provided that the Rights Issue Underwriting Agreement is not terminated before the Latest Time for Termination in accordance with the terms thereof or otherwise, the Underwriter has agreed to subscribe or procure subscribers for the underwritten Rights Shares. The Company has confirmed with the Underwriter that no sub-underwriting will be undertaken in respect of the Rights Issue.

To give effect to the undertaking in respect of public float as mentioned above, the Underwriter will obtain from each subscriber its confirmation to the effect that each subscriber and its ultimate beneficial owners (i) are not, and will not be, a connected person of the Company; and (ii) are and will be independent of the Company or any of its subsidiaries or any existing shareholder of the Company or any of its subsidiaries or any of their respective close associates or any connected person of the Company. The public float requirement under Rule 8.08 of the Listing Rules shall be fulfilled by the Company at all times.

The terms of the Rights Issue Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the parties with reference to the financial position of the Group, the size of the Rights Issue, the current and expected market condition and within the range of commission rates charged by underwriters in recent rights issue transactions by companies listed on the Stock Exchange. The Directors are of the view that the terms of the Rights Issue Underwriting Agreement (including the commission rate) are fair and reasonable, and the transactions contemplated under the Rights Issue Underwriting Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Underwriter has entered into contractual agreements with 6 subscribers procured by it to distribute all Rights Shares to be underwritten. Each of the 6 subscribers has irrevocably committed to the Underwriter to subscribe for up to a specified number of Rights Shares, with individual commitments ranging between 27,777,777 and 650,000,000 Rights Shares. The distribution of Rights Shares to these 6 subscribers shall be at the discretion of the Underwriter and scaled in accordance with the number of Rights Shares to be underwritten by the Underwriter, which will be subject to the results of acceptances of provisional allotments and applications of EAFs. Assuming their obligations are completely fulfilled after the completion of the Rights Issue, none of the subscribers procured by the Underwriter, together with their respective associates, will be a substantial Shareholder of the Company or holding 10% or more of the voting rights of the Company immediately upon completion of the Rights Issue. Hence, the Company will comply with the public float requirement under Rule 8.08 of the Listing Rules at all times.

Conditions of the Rights Issue Underwriting Agreement

The Rights Issue Underwriting Agreement is conditional upon the fulfilment (or waiver, where permitted, by the Underwriter) of the following conditions:

- (a) (i) the passing by the Shareholders at the SGM of ordinary resolution(s) to approve the Share Consolidation and Authorised Share Capital Increase; and (ii) the passing by Independent Shareholders at the SGM of ordinary resolution(s) to approve the Rights Issue and the transactions contemplated thereunder in accordance with the Listing Rules, by no later than the date of despatch of the Prospectus Documents;
- (b) the Stock Exchange issuing a certificate of authorisation for registration of the Prospectus, and the Registrar of Companies in Hong Kong issuing written confirmation of the registration of the Prospectus, not later than the date of despatch of the Prospectus Documents in compliance with section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and the applicable legal requirements;
- (c) the posting of the Prospectus Documents to Qualifying Shareholders on or before the date of despatch of the Prospectus Documents;
- (d) the Listing Committee granting the listing of, and permission to deal in, the Shares to be in issue on the Share Consolidation becoming effective, and the Rights Shares, in both their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Underwriter accept, by no later than the date of despatch of the Prospectus Documents, and such listing and permission to deal not having been withdrawn or revoked and such conditions (if any and where relevant) having been satisfied or not breached;
- (e) the Rights Issue Underwriting Agreement not having been terminated in accordance with its terms;

LETTER FROM THE BOARD

- (f) the Company having complied with and performed all its undertakings and obligations under the Rights Issue Underwriting Agreement, and the warranties, representations and undertakings of the Company in the Rights Issue Underwriting Agreement remaining true and correct, and not misleading, in each case in material respects;
- (g) any waivers, consents, authorisations, clearances and approvals which are required under the Listing Rules and the Takeovers Code for the Rights Issue Underwriting Agreement and the transactions contemplated therein having been granted, fulfilled or given (as applicable), and all such waivers, consents, authorisations, clearances and approvals not having been revoked or withdrawn at any time up to the Latest Time for Termination;
- (h) the delivery of a certified copy of the Irrevocable Undertaking to the Underwriter, the compliance with, and performance of all obligations specified in the Irrevocable Undertaking, and the Irrevocable Undertaking remaining in full force and effect; and
- (i) each condition to enable the Rights Shares (in their nil-paid or fully-paid forms) to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused.

Apart from the condition precedent set out in sub-paragraph (f) above which can be waived in whole or in part by the Underwriter unilaterally (but not by the Company) by notice in writing to the Company prior to the Latest Time for Termination, all the conditions precedent are incapable of being waived. If any of the conditions precedent (save and except those that have been waived) are not satisfied by the Latest Time for Termination (or where appropriate, the times stipulated above or such other time and/or date as the Underwriter may agree with the Company in writing), the Rights Issue Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches. As at the Latest Practicable Date, condition (a) above has been fulfilled.

Termination of the Rights Issue Underwriting Agreement

The Underwriter is entitled by a notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Rights Issue Underwriting Agreement, if at or prior to the Latest Time for Termination:

- (a) any event, or series of events, in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, epidemic, pandemic, large scale outbreak of diseases and such related/ mutated forms, economic sanctions, strikes, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed)) in or affecting Hong Kong or the PRC;

LETTER FROM THE BOARD

- (b) the introduction of any new regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever after the signing of the Rights Issue Underwriting Agreement;
- (c) any local, national or international event or change of a social, political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
- (d) the occurrence of 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 on trading in securities) in Hong Kong and the PRC;
- (e) any material adverse change, determined by the Underwriter in its sole and absolute opinion, after the signing of the Rights Issue Underwriting Agreement in (i) any aspects of the Rights Issue (including but not limited to its structure, timing or any prior understanding between the parties insofar as the underwriting arrangement therein is concerned) or (ii) the business or in the financial or trading position of any member of the Group;
- (f) the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
- (g) any change or development involving a prospective change or amendment in or affecting taxation or foreign exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies), or the implementation of any exchange control, in Hong Kong or adversely affecting an investment in the Rights Shares;
- (h) there has come to the notice of the Underwriter any statement contained in the Prospectus Documents, the Announcement and/or the Circular, and/or any notices, announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to the Rights Issue Underwriting Agreement) issued or used by or on behalf of the Company in connection with the Rights Issue (including any supplement or amendment thereto but excluding information relating to the Underwriter) was, when it was issued, or has become, untrue, incorrect, inaccurate, incomplete in any material respects or misleading or deceptive, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of such documents is not fair and honest and based on reasonable grounds or reasonable assumptions;

LETTER FROM THE BOARD

- (i) any non-compliance of the Announcement, the Circular and/or the Prospectus Documents, (or any other documents used in connection with the contemplated subscription and sale of the Rights Shares) or any aspect of the Rights Issue with the Listing Rules or any other applicable laws (including, without limitation, the Companies Ordinance and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) and regulations;
- (j) any litigation, dispute, legal action or claim being threatened or instigated against any member of the Group;
- (k) any matter which, had it arisen or been discovered immediately before the date of despatch of the Prospectus Documents and not having been disclosed in the Prospectus Documents, would have constituted, in the sole and absolute opinion of the Underwriter, a material omission in the context of the Rights Issue;
- (l) any contravention by the Company or any member of the Group of any applicable laws and regulations including the Listing Rules and the Takeovers Code; or
- (m) any order or petition for the winding up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or any resolution for the winding-up of any material member of the Group or the appointment of a provisional liquidator, receiver or manager over all or substantially all of the material assets or undertaking of any material member of the Group,

which, individually or in the aggregate, in the sole and absolute opinion of the Underwriter:

- (i) has or will or may have a material adverse effect on the business or financial position of the Group taken as a whole;
- (ii) has or will or may have a material adverse effect on the success of the Rights Issue or the level of Rights Shares taken-up; or
- (iii) has or will or is likely to have the effect of making any part of the Rights Issue Underwriting Agreement (including underwriting) inadvisable, incapable or impractical of performance in accordance with its terms or preventing or pursuant to the underwriting of the Rights Issue.

In the event the Underwriter exercises its right to terminate the Rights Issue Underwriting Agreement before the Latest Time for Termination, the obligations of all parties thereunder shall terminate forthwith (save in respect of certain rights and obligations under the Rights Issue Underwriting Agreement), provided that such termination shall be without prejudice to any rights or obligations which may have accrued under the Rights Issue Underwriting Agreement prior to such termination.

If the Underwriter exercises such right, the Rights Issue will not become unconditional and the Rights Issue will not proceed. An announcement will be made if the Rights Issue Underwriting Agreement is terminated by the Underwriter.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE

The Company reported a consolidated loss for the 2024 financial year and the interim period ended 30 September 2024, being the Company's first reported annual and interim losses since Mr. Chung acquired control of the Company in 2004. Considering the uncertain capital markets environment and significant downturn of the real estate sector in Hong Kong, the Board has been actively seeking longer-term funding to reposition the Group's balance sheet and in particular, to provide a safety margin to the Group's upcoming debt repayment obligations.

On 2 February 2025, the Company announced the Strategic Funding & Partnership Proposal under which, Gaw Capital, at the invitation of the Controlling Shareholder, will, through its managed funds, become a new long-term strategic investor in the Company, with a view to raising aggregate proceeds of approximately HK\$1,992 million (before the discount on issue of the Senior Unsecured Note and expenses) involving:

- (a) **The Rights Issue** to raise aggregate gross proceeds of approximately HK\$1,492 million, before expenses, of which approximately HK\$1,158 million has been committed under the Irrevocable Undertaking. Pursuant to the Irrevocable Undertaking, Newco has irrevocably undertaken to, and shall procure that Newco's subsidiaries or nominees (including the CCASS participant(s) holding any such Shares on behalf of any of them) to, amongst other things, (i) accept and take up in full a total of 4,661,272,854 nil-paid Rights Shares provisionally allotted or transferred to it/them, equivalent to approximately HK\$839 million; and (ii) apply (by way of excess application) for 1,774,724,996 Rights Shares, equivalent to approximately HK\$319 million. The remaining balance of approximately HK\$334 million is fully underwritten by the Underwriter. For details of the Irrevocable Undertaking, please refer to the section headed "Irrevocable Undertaking" in this Prospectus.
- (b) **The issuance of Senior Unsecured Note** to the Note Subscriber by the Note Issuer in a principal amount of HK\$500 million on normal commercial terms with an interest rate of 8.22% per annum. For details of the Senior Unsecured Note, please refer to the Circular.

Gaw Capital is a well-regarded institutional real estate investor with a strong track record of investing in Asia and other major international markets. For details of the Strategic Funding & Partnership Proposal, please refer to the Announcement and the Circular.

As disclosed in the Circular, the following are the principal factors considered in arriving at the structure and terms of the Strategic Funding & Partnership Proposal, of which the Rights Issue is a part:

- (i) the Group's requirement of up to HK\$2,000 million to strengthen its liquidity and financial stability and enable it to repay the Group's maturing indebtedness and for working capital;

LETTER FROM THE BOARD

- (ii) the formation of Newco and its related arrangements to anchor the commitment of the Investor while allowing sufficient capital from the Investor to be injected into the Company such that Mr. Chung's control of the Company will be maintained without any obligation to make a mandatory general offer under the Takeovers Code, and at the same time ensuring the Group's ongoing compliance with the covenants of its existing banking facilities, which include the Controlling Shareholder and his family maintaining a minimum 30% beneficial interest in the issued share capital of the Company and being the single largest shareholder of the Company, based on the Business Plans disclosed in the Circular to deleverage and target HK\$9,000 million property sales to enhance Shareholders' value;
- (iii) the Rights Issue will allow Shareholders to participate fairly pro rata to their existing shareholding in the Company and avoid equity dilution by discounted share placements or, issue of equity or quasi-equity instruments to third parties;
- (iv) avoiding dilution for existing Shareholders through pricing the Rights Shares at a premium to the Closing Price; and
- (v) to structure the transaction such that funds to be raised through the Rights Issue and the Senior Unsecured Note satisfies (i) to (iv) above.

The Board initially explored debt financing to address the capital needs of approximately HK\$2,000 million, including the possibility of borrowing the entire amount from Mr. Chung and/or the Investor. However, the Board concluded that relying solely on debt financing would not be an optimal solution given the Group's objective of optimising its capital structure amid the prolonged high interest rates environment and challenging market conditions. Additionally, securing a loan of such substantial amount for a property development and investment company under the prevailing market conditions would likely have been both difficult and costly. Consequently, the Board determined equity fundraising would be a more effective and sustainable approach.

Nonetheless, a placing of new Shares under the general mandate would not have been sufficient to meet the Group's large funding requirements and could have led to unfavourable market reactions. While a private placement to the Investor was considered as a potential alternative, it was ultimately deemed undesirable, as it would have resulted in significant dilution of the existing Shareholders' holdings. Furthermore, the Group's existing banking facilities contain covenants that restrict changes to Mr. Chung's shareholding control in the Company. As a result, conducting a private placement with the Investor would not have been a viable option under these circumstances.

The Board considers that the Strategic Funding & Partnership Proposal has addressed all the above considerations and presents a fair proposal taking into account of the interests of the Shareholders and other investors in the Company.

The investment by Gaw Capital, through its managed funds, together with the Controlling Shareholder's new cash commitment, will bring much needed equity capital and also potentially bring new opportunities in the future.

LETTER FROM THE BOARD

The Directors consider the Strategic Funding & Partnership Proposal to be a milestone for the Company, positioning it for growth. Having Gaw Capital through its managed funds as the Company's long-term strategic investor and business partner, the Company will be well positioned to gain access to the business and funding opportunities that Gaw Capital brings.

The Board is aware of the significant discount of the market price of the Company's Shares to the NAV and anticipates to work with Gaw Capital in reducing this discount given its institutional perspectives and expertise across different international markets. The Directors are confident that the participation of Gaw Capital, through its managed funds, will enhance shareholder value together with the Company's management, which has delivered sustained reported profits (except for the last annual and interim results) since the Controlling Shareholder taking control of the Company in 2004.

INTENDED USE OF PROCEEDS

The Strategic Funding & Partnership Proposal is expected to generate additional liquidity through raising of approximately HK\$1,992 million (or net proceeds of approximately HK\$1,919.5 million, after the discount on issue of the Senior Unsecured Note and expenses), to strengthen further the Company's financial position. Out of the HK\$1,919.5 million, the estimated net proceeds of the Rights Issue will be approximately HK\$1,463.4 million.

As at the Latest Practicable Date and subject to the assumptions stated below, the Board intends to apply the proceeds from the Strategic Funding & Partnership Proposal before 2027 as follows:

- (i) HK\$800 million (including all proceeds of the Senior Unsecured Note) to refinance and/or repay indebtedness falling due in 2025. The Company is currently exploring various means to finance or fund any remaining shortfall including but not limited to utilising its existing cash reserves, future sale proceeds and/or other potential refinancing options for, in particular, the 2021 Guaranteed Notes, as contemplated in the section of this letter headed "SATISFACTION OF 2021 GUARANTEED NOTES"; and
- (ii) approximately HK\$1,119.5 million will be allocated to cash reserves primarily for working capital requirements as a buffer to ensure a prudent level of liquidity. The Company currently expects (i) approximately 25% of this amount to be allocated for administrative expenses for the next two years; and (ii) approximately 75% of this amount to be designated for debt servicing and as a liquidity buffer for other upcoming financial obligations. As a property development and investment company, the Company believes it is imperative to maintain an adequate cash reserve to address the ongoing market volatility and macroeconomic uncertainties. This approach is designed to safeguard operational continuity by covering near-term expenses and meet financial obligations (including interest expenses) as they arise.

LETTER FROM THE BOARD

Given the covenants in the Company's existing banking facilities that restrict changes in Mr. Chung's shareholding control, as well as the Company's objective of maximising fundraising through equity financing, the Company decided to raise approximately HK\$1,492 million through the Rights Issue and HK\$500 million (before the discount on the issuance of the Senior Unsecured Note and expenses) through the Senior Unsecured Note. This transaction structure allows the Company to raise the required HK\$2 billion as efficiently as possible while ensuring that Mr. Chung's control in the Company is maintained through equity investment. Following the new capital raised through the Strategic Funding & Partnership Proposal, the Group will benefit from enhanced financial flexibility and a strengthened liquidity buffer to support its operations, despite the relatively slow turnover of property assets.

The Company has allocated approximately HK\$800 million from the proceeds for the repayment of indebtedness maturing in 2025. To address any remaining shortfall, the Company is actively exploring various financing options, including but not limited to utilising its existing cash reserves, future sale proceeds, and other potential refinancing alternatives for, in particular, the 2021 Guaranteed Notes, as contemplated in the section of this letter headed "SATISFACTION OF 2021 GUARANTEED NOTES". For the bank borrowings that are set to mature, which are secured by the Group's property assets, the Company plans to negotiate with the lender for renewal and/or refinancing of the majority of these loans while settling a portion of the borrowings using its internal resources.

The Group will continue to assess opportunities to monetise its property assets and optimise its capital structure, ensuring that it can generate recurring income from its core businesses to meet future debt repayment obligations. Additionally, the Group aims to maintain a sufficient financial buffer to manage maturing indebtedness prudently and adapt to changing market conditions as necessary.

The aforementioned allocation is dependent on prevailing market conditions and is based on the assumption that there will be no material adverse changes, and the ability of the Company to refinance its existing indebtedness on more favourable terms. This presupposes stability in economic conditions, the absence of unforeseen capital expenditures or bad debts, and the successful refinancing of the Group's bank loans upon their maturity.

SATISFACTION OF 2021 GUARANTEED NOTES

The Company is actively exploring with potential financiers various options to satisfy the 2021 Guaranteed Notes and the financing of their repayment.

The amount which may be raised, and ways of satisfying the 2021 Guaranteed Notes if the discussions are successful, are not decided. Such amount could be material but is not expected to affect in a materially adverse way the net debt of the Group. The terms are not expected to have any material adverse impact on the Group or its Business Plans.

If the discussions are successful, they may be concluded before or after the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares, and are not expected to affect the intended use of proceeds of the Strategic Funding & Partnership Proposal in the section headed "INTENDED USE OF PROCEEDS" in this letter. The Company will announce the results of the discussions if they are successful at such time as may be required under the Listing Rules.

LETTER FROM THE BOARD

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming full acceptance by Qualifying Shareholders other than Mr. Kan Sze Man; and (iii) immediately after completion of the Rights Issue (assuming that, save for Newco subsidiaries, none of the Qualifying Shareholders has taken up any Rights Shares in their provisional allotments, and the Underwriter fully takes up all Underwritten Shares). The scenarios assume the maximum number of 8,288,810,708 Rights Shares are issued and no Bonus Warrant is exercised.

Shareholders (Note 1)	As at the Latest Practicable Date		All Rights Shares are subscribed by Qualifying Shareholders other than Mr. Kan Sze Man (Note 2) (Note 3)		No Rights Shares are subscribed by Shareholders other than Earnest Equity and Golden Boost and all Rights Shares are all taken up by Earnest Equity, Golden Boost and the Underwriter	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mr. Chung, Newco & subsidiaries	2,589,596,031	56.24%	7,272,280,336	56.40%	9,025,593,881	70.00%
Mr. Kan Sze Man	11,895,250	0.26%	11,895,250	0.10%	11,895,250	0.10%
Public						
– Public Shareholders	2,003,403,557	43.50%	5,609,529,960	43.50%	2,003,403,557	15.54%
– Underwriter	–	–	–	–	1,852,812,858	14.36%
					(Note 4)	(Note 4)
Total number of Shares	4,604,894,838	100%	12,893,705,546	100%	12,893,705,546	100%

Notes:

- As at the Latest Practicable Date, the Company does not hold any legal or beneficial interest in treasury Shares.
- Pursuant to the irrevocable undertaking made by Mr. Kan Sze Man, Mr. Kan Sze Man undertook not to take up any of 21,411,450 Rights Shares to be provisionally allotted to him or for his benefit under PALs pursuant to the Rights Issue and not to apply for any excess Rights Shares under the EAFs. For details of the irrevocable undertaking made by Mr. Kan Sze Man, please refer to the section headed “Irrevocable Undertaking” in this Prospectus. The 21,411,450 Rights Shares not to be accepted by Mr. Kan Sze Man have been assumed to be taken up by Newco and its subsidiaries.
- As disclosed in the section headed “No fractional entitlements to the Rights Shares” in this Prospectus, Shareholders have been allotted nil-paid Rights Shares strictly based on whole multiples of ten (10) Shares held on the Record Date. The Company will not provisionally allot or issue, and will not accept applications for, any fraction of the Rights Shares and the provisional allotments of Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated and made available for excess application i.e., a fractions pool. Nonetheless, for illustrative purpose only, this scenario illustrates the effect of the Rights Issue on the shareholding structure of the Company that all Shareholders will be allotted Rights Shares arising from fractional entitlements on a pro-rata basis (i.e., number of Shares multiplied by 1.8).

LETTER FROM THE BOARD

4. Represents total percentage of shareholding which will be held by the Underwriter and potential subscribers procured by it. The Rights Issue Underwriting Agreement has set out the undertakings of the Underwriter for, among other things, ensuring that it and the subscribers procured by it (including any direct and indirect sub-underwriters) would not, by itself or together with its associates, be a substantial shareholder or hold 10% or more of the voting rights of the Company as at the date of the Rights Issue Underwriting Agreement or immediately upon completion of the Rights Issue.

Shareholders and public investors should note that the above information is for illustration only and the actual shareholding structure of the Company upon completion of the Rights Issue is subject to various variables.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon the Rights Issue Underwriting Agreement having become unconditional and the Underwriter not having terminated or rescinded (as the case may be) the Rights Issue Underwriting Agreement in accordance with the terms thereof. Please refer to the section headed “Conditions of the Rights Issue” and “Termination of the Rights Issue Underwriting Agreement” in this Prospectus. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or potential investors contemplating dealings in the Shares and/or the nil-paid Rights Shares prior to the date on which the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares and/or nil-paid Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisers.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.

BONUS WARRANTS ISSUE

Subject to the satisfaction of the conditions referred to in the section headed “Conditions of the Bonus Warrants Issue” below in this Prospectus, the Company will make the Bonus Warrants Issue to Qualifying Shareholders on the basis of one (1) Bonus Warrant for every ten (10) Shares held on the Record Date and so in proportion for any other number of integral multiples of ten (10) Shares then held.

Qualifying Shareholders will receive Bonus Warrants strictly based on whole multiples of ten (10) Shares held. Accordingly, Qualifying Shareholders with fewer than ten (10) Shares will not be entitled to any Bonus Warrant.

Special Mandate

Bonus Warrants and Bonus Warrant Shares are being or will be issued pursuant to a specific mandate. No Shareholder was required to abstain from voting on the resolution relating to the Bonus Warrants Issue at the SGM, and the ordinary resolution approving the Bonus Warrants Issue and the transactions contemplated thereunder was duly passed by the Shareholders by way of poll.

LETTER FROM THE BOARD

Shares to be issued upon exercise of the Bonus Warrants

Each Bonus Warrant will entitle the holder thereof to subscribe in cash for one (1) Bonus Warrant Share at a Warrant Subscription Price of HK\$0.22 (subject to adjustment). The maximum number of Bonus Warrants to be issued to Qualifying Shareholders is 460,489,483 Bonus Warrants, and upon the full exercise of the Warrant Subscription Rights attaching to the Bonus Warrants, a maximum of 460,489,483 Bonus Warrant Shares will be issued, representing 10% of the number of issued Shares as at the Latest Practicable Date, approximately 3.57% of the number of enlarged Shares immediately after the Share Rights Issue, and approximately 3.45% of the Shares as enlarged by the Rights Issue and the Bonus Warrant Shares to be issued upon the exercise of Warrant Subscription Rights attaching to all Bonus Warrants.

The entitlement to the Bonus Warrants is non-renounceable. Based on the initial Warrant Subscription Price of HK\$0.22 per Bonus Warrant Share, the Company would receive total gross subscription monies of approximately HK\$101 million upon the exercise of all Bonus Warrants.

Shares which are allotted and issued on the exercise of the subscription rights attaching to the Bonus Warrants will rank *pari passu* in all respects with the then Shares in issue on the date of such allotment and issue.

Conditions of the Bonus Warrants Issue

The Bonus Warrants Issue was conditional on each of the following conditions being fulfilled:

- (i) the passing at the SGM of the necessary resolutions to approve the issue of the Bonus Warrants and the Bonus Warrant Shares, the Share Consolidation, the Authorised Share Capital Increase and the transactions contemplated by the Strategic Funding & Partnership Proposal; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, Bonus Warrants and Bonus Warrant Shares.

As at the Latest Practicable Date, condition (i) above has been fulfilled.

Subscription Price and Subscription Period

The Bonus Warrants are issued in registered form and each Bonus Warrant entitles the holder thereof to subscribe in cash for one (1) Bonus Warrant Share at an initial Warrant Subscription Price of HK\$0.22, subject to customary anti-dilutive adjustments typical in securities of this type in certain events, including, among other things, share consolidations, share subdivisions, capitalisation issues and capital distributions, at any time from the date of issue of the Bonus Warrants to Warrant Expiry Date, which is from Monday, 7 April 2025 to Wednesday, 7 April 2027 (both dates inclusive).

A summary of the material terms of the Bonus Warrants is set out in Appendix III to this Prospectus.

LETTER FROM THE BOARD

The initial Warrant Subscription Price of HK\$0.2200 represents:

- (i) a premium of approximately 29.41% over the theoretical closing price per Share of HK\$0.1700 based on the Closing Price;
- (ii) a premium of approximately 28.50% over the theoretical average closing price of HK\$0.1712 per Share based on the closing price of HK\$0.0856 per Old Share as quoted on the Stock Exchange for the last five (5) trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 28.65% over the theoretical average closing price of HK\$0.1710 per Share based on the closing price of HK\$0.0855 per Old Share as quoted on the Stock Exchange for the last ten (10) trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 28.35% over the theoretical average closing price of HK\$0.1714 per Share based on the closing price of HK\$0.0857 per Old Share as quoted on the Stock Exchange for the last thirty (30) trading days up to and including the Last Trading Day;
- (v) a premium of approximately 29.41% over the closing price of HK\$0.17 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a premium of approximately 24.72% over the theoretical ex-entitlement price of approximately HK\$0.1764 per Share based on (a) the theoretical closing price of HK\$0.1700 per Share based on the Closing Price, (b) the gross proceeds of the Rights Issue of approximately HK\$1,492 million and (c) the total number of theoretical Shares upon completion of the Rights Issue.

The initial Warrant Subscription Price was determined with reference to the theoretical market price of the Shares and is at a premium to the theoretical market price of the Shares that the Board considers attractive to the Shareholders as the Bonus Warrant Issue is to provide Shareholders with an incentive to support the Strategic Funding & Partnership Proposal. Accordingly, the Directors consider the terms of the Bonus Warrants Issue, including the initial Warrant Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming all the Bonus Warrants are exercised, a maximum amount of gross proceeds and net proceeds of approximately HK\$101.31 million and HK\$99.36 million, respectively, will be raised. The net price per Bonus Warrant Share is therefore approximately HK\$0.2158. The maximum nominal value of all the Bonus Warrant Shares that may fall to be issued is approximately HK\$7.37 million.

Fractional Entitlements

Fractional entitlements to the Bonus Warrants (if any) will not be issued to Qualifying Shareholders but will, where practicable, be aggregated and sold in the market. The net proceeds of sale will be retained for the benefit of the Company.

LETTER FROM THE BOARD

Overseas Shareholders

The Prospectus Documents and the Bonus Warrants Issue will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be entitled to participate in the Bonus Warrants Issue.

As at the Latest Practicable Date, there was only one Overseas Shareholder, with a registered address situated in Canada, which is interested in 1,250 Shares (representing approximately 0.000027% of the total issued share capital of the Company).

The Board has made enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules regarding the legal restrictions of extending the Bonus Warrants Issue to such Overseas Shareholder under the laws of Canada and the requirements of the relevant regulatory bodies or stock exchanges. Based on the results of such enquiries obtained from the legal advisers of Canada engaged by the Company as at the Latest Practicable Date, there are exemptions available to the Company under the applicable legislation or requirement of the relevant regulatory body or stock exchange with respect to the Bonus Warrants Issue. Accordingly, the Bonus Warrants Issue is extended to such Overseas Shareholder, and such Overseas Shareholder is regarded as a Qualifying Shareholder for the purpose of the Bonus Warrants Issue only.

As the register of members of the Company had already been closed as at the Latest Practicable Date, there would be no additional Overseas Shareholders. Accordingly, there would be no Non-Qualifying Shareholder for the purposes of the Bonus Warrants Issue on the Record Date.

All Overseas Shareholders should consult their professional advisers as to whether or not they are permitted to participate in the Bonus Warrants Issue or whether any government or other consents are required, or other formalities need to be observed. No Shareholder receiving a copy of this Prospectus in any territory outside Hong Kong may treat the same as an invitation to subscribe for Share(s) unless in the relevant territory such invitation could lawfully be made to him/her/it without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Overseas Shareholder who wishes to receive Bonus Warrants and/or Bonus Warrant Shares under the Bonus Warrants Issue to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities or any restrictions on the resale of the Bonus Warrants or Bonus Warrant Shares which may apply outside Hong Kong.

The Bonus Warrants Issue does not constitute any offer or invitation to sell, issue or solicit for Shares in any jurisdiction in which such actions are unlawful or otherwise restricted. Accordingly, Overseas Shareholders and beneficial owners of Shares who are residing outside Hong Kong should inform themselves of and observe any such restrictions, if applicable, and exercise caution when dealing in the Shares.

LETTER FROM THE BOARD

Reasons for the Bonus Warrants Issue

The Directors believe that the Bonus Warrants Issue will provide the Shareholders with an opportunity to participate in the growth of the Company.

Intended use of proceeds from the Bonus Warrants Issue

In the event that any Bonus Warrants are exercised, the Company expects to allocate the net proceeds received for general corporate purposes including working capital, administrative expenses and other operational expenditures. The Company will adhere to the disclosure requirements under the Listing Rules and will promptly notify shareholders of any material changes to the use of proceeds, if applicable.

Application for listing, dealings and settlement

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Warrants and the Bonus Warrants Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Bonus Warrants.

As at the Latest Practicable Date, save for the 2021 Guaranteed Notes which are listed on the Singapore Exchange, no part of the share capital or any other equity or debt securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares, Rights Shares, Bonus Warrants or Bonus Warrant Shares or any other securities of the Company to be listed or dealt in on any stock exchange other than the Stock Exchange.

The Company has applied to HKSCC for the admission of the Bonus Warrants into CCASS operated by HKSCC. All necessary arrangements will be made by the Company to enable the Bonus Warrants to be admitted into CCASS.

Subject to the granting of the listing of, and permission to deal in, the Bonus Warrants and the Bonus Warrant Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Bonus Warrants on the Stock Exchange, and subject to the compliance with the stock admission requirements of HKSCC, the Bonus Warrants and the Bonus Warrant Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Bonus Warrants will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of their dealings on the Stock Exchange or such other date as may be determined by HKSCC.

Settlement 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.

Investors should seek the advice of their stockbroker or other professional adviser for details of settlement arrangements for the Bonus Warrants and the Bonus Warrant Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Bonus Warrants and how such arrangements affect their rights and interests.

LETTER FROM THE BOARD

Certificates for the Bonus Warrants and Board Lot

Subject to the satisfaction of the conditions to the Bonus Warrants Issue, it is expected that certificates for the Bonus Warrants will be despatched on or before Monday, 7 April 2025 at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company. In the case of joint shareholdings, the certificates for the Bonus Warrants will be posted to the address of the Shareholder first named in the register of members of the Company in respect of such joint shareholdings.

Dealings in the Bonus Warrants are expected to commence on the Stock Exchange on Tuesday, 8 April 2025. The Bonus Warrants are expected to be traded on the Stock Exchange in board lots of 20,000 Bonus Warrants.

Taxation

Dealings in the Bonus Warrants and the Bonus Warrant Shares which may fall to be issued upon exercise of the subscription rights attaching to the Bonus Warrants may be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, or any other applicable fees and charges in Hong Kong.

The Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or disposal of, dealing in or exercising, the Bonus Warrants and the subscription rights attaching thereto, and as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Bonus Warrants otherwise falling to be issued to them under the Bonus Warrants Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Bonus Warrants Issue accepts responsibility for any tax implication or liabilities of the Shareholders or the holders of the Bonus Warrants resulting from the purchase, holding or disposal of, or dealing in, the Bonus Warrant Shares or the Bonus Warrants or exercise of the subscription rights attaching to the Bonus Warrants.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fundraising activities by issue of equity securities in the twelve months immediately before the Latest Practicable Date.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of
CSI Properties Limited
Kan Sze Man
Executive Director

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Details of the audited consolidated financial information of the Group for the years ended 31 March 2022, 2023 and 2024, and the unaudited consolidated financial information of the Group for the six months ended 30 September 2024, are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.csigroup.hk):

- (i) the audited financial information of the Group for the year ended 31 March 2022 is disclosed in the annual report of the Company for the year ended 31 March 2022 (pages 66 to 169) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0728/2022072800515.pdf>);
- (ii) the audited financial information of the Group for the year ended 31 March 2023 is disclosed in the annual report of the Company for the year ended 31 March 2023 (pages 70 to 175) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0728/2023072800524.pdf>);
- (iii) the audited financial information of the Group for the year ended 31 March 2024 is disclosed in the annual report of the Company for the year ended 31 March 2024 (pages 72 to 161) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0726/2024072600509.pdf>); and
- (iv) the unaudited financial information of the Group for the six months ended 30 September 2024 is disclosed in the interim report of the Company for the six months ended 30 September 2024 (pages 2 to 35) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/1219/2024121900394.pdf>).

2. INDEBTEDNESS STATEMENT

As at 31 January 2025, being the latest practicable date for the purpose of this statement of indebtedness, the Group had the following outstanding indebtedness:

(a) Amounts due to joint ventures

As at 31 January 2025, the Group had amounts due to joint ventures of approximately HK\$469 million, which were unsecured and unguaranteed.

(b) Amounts due to non-controlling shareholders of subsidiaries

As at 31 January 2025, the Group had amounts due to non-controlling shareholders of subsidiaries of approximately HK\$129 million, which were unsecured and unguaranteed.

(c) Bank borrowings

As at 31 January 2025, the Group had total bank borrowings of approximately HK\$7,149 million, of which approximately HK\$3,872 million were secured and guaranteed and approximately HK\$3,277 million were unsecured and guaranteed.

(d) Charge on Assets

As at 31 January 2025, the Group had plant, property and equipment of approximately HK\$154 million, investment properties of approximately HK\$3,105 million, properties held for sales of approximately HK\$5,330 million charged to secure banking facilities granted to the Group.

(e) Guaranteed notes

As at 31 January 2025, the Group had unsecured guaranteed notes amounting to approximately HK\$2,316 million.

(f) Contingent Liabilities or guarantee

As at 31 January 2025, the Group provided financial guarantees amounting to approximately HK\$8,619 million, comprise corporate guarantees given by the Group for banking facilities granted to joint ventures of approximately HK\$7,302 million and associates of approximately HK\$1,317 million. The corporate guarantees represent the Group's proportionate share of the banking facilities utilised by the joint ventures and associates as at 31 January 2025.

Save as disclosed above and apart from intra-group liabilities and guarantees, the Group did not have any issued and outstanding debt securities, authorised or otherwise created but unissued debt securities, loan capital, bank overdrafts, loans, mortgages, charges or other similar indebtedness, hire purchase commitments, liabilities under acceptances or acceptance credits, guarantees or other contingent liabilities as at 31 January 2025.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, after taking into account the financial resources presently available to the Group including internally generated funds, the currently available banking facilities and other borrowings and the effect of the transactions contemplated under the Strategic Funding & Partnership Proposal and the Bonus Warrants Issue, the Group has sufficient working capital to satisfy its present requirements for at least the next twelve months from the date of the publication of this Prospectus.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that as at the Latest Practicable Date, save for the expected loss as disclosed in the profit warning announcement of the Company dated 14 November 2024, the significant decrease in revenues and unaudited condensed consolidated loss of HK\$914.6 million for the interim period ended 30 September 2024 disclosed in the interim results announcement of the Company for the six months ended 30 September 2024 dated 28 November 2024, there had been no material adverse change in the financial or trading position of the Group since 31 March 2024, the date to which the latest published audited consolidated financial statements of the Company were made up.

5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECTS

For the Hong Kong real estate sector, the persistently high interest rate environment has dampened overall property investment sentiment, and has remained a substantial strain on the Group's profitability. Facing continuing weakness in the Mainland China and Hong Kong economies, asset sales have remained slow, in addition to the need for making impairment provisions for some of the Group's property portfolio.

On the residential property market, Hong Kong Government has relaxed the various measures previously taken to dampen purchase sentiment since the beginning of 2024. The results have been mixed with improving sales volume but at subdued pricing levels. The Group's portfolio of residential properties has seen slow but improving sales on both the mass end and luxury end. In light of the recent US interest rate cuts, the Company remains cautious of an improving residential market and sales going forward, albeit at subdued pricings.

The Hong Kong commercial property sector continues to face significant challenges, with office and retail uptake demand remaining at subdued levels. The ongoing uncertainty in the broader economic environment, coupled with shifts in consumer behaviour and workplace dynamics, have contributed to sluggish demand for commercial spaces. Businesses remain cautious about expansion and investment, albeit there are some early signs of stabilisation in Hong Kong office vacancy rates as per a November property market report from Jones Lang LaSalle. As a result, while the outlook for the commercial property market remains challenging, the Company is hopeful of improvements in the medium to longer term. The Group will endeavour to navigate the complex landscape and seek strategies to adapt to the evolving market conditions prudently and carefully.

The Company expects the property markets in both Hong Kong and Mainland China to remain relatively subdued in the near future, despite early positive signals from US monetary policy and Chinese economic stimulus measures. With the recent return of Donald Trump back to the US presidency and the resultant uncertainties in rate cuts and possible tariffs on China, the outlook for Hong Kong and Mainland China will likely remain challenging.

On 2 February 2025, the Company put forward the Strategic Funding & Partnership Proposal to raise approximately HK\$1,992 million, with approximately HK\$1,492 million via the Rights Issue and HK\$500 million via the issue of Senior Unsecured Note to the Company's new investor, Gaw Capital, through the Note Subscriber. Both Mr. Chung and Gaw Capital (through its managed funds) contributed substantial cash in leading the Rights Issue. The total proceeds will be used to strengthen balance sheet and getting new capital for working capital and meeting debt obligations. The Company believes the Group's enhanced financial position will allow the Group to meet the current economic headwinds. Looking ahead, the Company will focus on continual asset disposal efforts as stated in the HK\$9 billion sales programme, and maintain prudent financial management strategies to balance the interests of all stakeholders.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company (the “**Unaudited Pro Forma Financial Information**”) has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Strategic Funding & Partnership Proposal, Bonus Warrants Issue and Share Consolidation on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Strategic Funding & Partnership Proposal, Bonus Warrants Issue and Share Consolidation had been completed on 30 September 2024, taking into account certain assumptions. Due to its hypothetical nature, the Unaudited Pro Forma Financial Information does not purport to predict what the assets and liabilities of the Group would have been if the Strategic Funding & Partnership Proposal, Bonus Warrants Issue and Share Consolidation had been undertaken at 30 September 2024 nor in any future period or on any future dates.

The Unaudited Pro Forma Financial Information was prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2024 as extracted from the interim report of the Company for the six months ended 30 September 2024.

The Unaudited Pro Forma Financial Information was prepared based on the aforesaid historical data after giving effect to the pro forma adjustments described in the accompanying notes. A narrative description of the pro forma adjustments of proposed Strategic Funding & Partnership Proposal, Bonus Warrants Issue and Share Consolidation that are factually supportable, is summarised in the accompanying notes.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The Unaudited Pro Forma Financial Information should be read in conjunction with, among others, the financial information of the Group as set out in Appendix I to the Prospectus and other financial information included elsewhere in the Prospectus.

				Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2024 HK\$'000 (Note 1)	Unaudited consolidated net tangible assets of the Group per Old Share attributable to the owners of the Company as at 30 September 2024 prior to the completion of the Strategic Funding & Partnership Proposal, the Bonus Warrants Issue and the Share Consolidation HK\$ (Note 5)	Unaudited consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 September 2024 prior to the completion of the Strategic Funding & Partnership Proposal, the Bonus Warrants Issue and the Share Consolidation HK\$ (Note 6)	Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 September 2024 immediately after the completion of the Strategic Funding & Partnership, the Bonus Warrants Issue and the Share Consolidation HK\$ (Note 7)
	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2024 HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 2)	Estimated issuance cost for Bonus Warrants Issue HK\$'000 (Note 4)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2024 HK\$'000 (Note 1)	Unaudited consolidated net tangible assets of the Group per Old Share attributable to the owners of the Company as at 30 September 2024 prior to the completion of the Strategic Funding & Partnership Proposal, the Bonus Warrants Issue and the Share Consolidation HK\$ (Note 5)	Unaudited consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 September 2024 prior to the completion of the Strategic Funding & Partnership Proposal, the Bonus Warrants Issue and the Share Consolidation HK\$ (Note 6)	Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 September 2024 immediately after the completion of the Strategic Funding & Partnership, the Bonus Warrants Issue and the Share Consolidation HK\$ (Note 7)
Based on a maximum of 8,288,810,708 Rights Shares to be issued at subscription price of HK\$0.18 per Rights Share	12,834,866	1,463,414	(1,943)	14,296,337	1.39	2.79	1.11

Notes:

- The amount of unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2024 is extracted from the interim report of the Company for the six months ended 30 September 2024 issued on 28 November 2024, which is based on the amount of equity attributable to the owners of the Company of approximately HK\$12,847,271,000, deducted by the intangible assets of approximately HK\$12,405,000 in the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2024.
- In connection with the Strategic Funding & Partnership Proposal, a maximum of 8,288,810,708 Rights Shares are to be issued (on the basis of eighteen (18) Rights Shares for every ten (10) Shares (Note 6) held on the Record Date) at the subscription price of HK\$0.180 per Rights Share. The estimated net proceeds from the Rights Issue are approximately HK\$1,463,414,000 after deduction of the estimated related expenses of approximately HK\$28,572,000, assuming that the Rights Issue had been completed on 30 September 2024.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The related expenses of the Strategic Funding & Partnership Proposal and the Bonus Warrants Issue are estimated to be approximately HK\$39,420,000, including the amount of HK\$22,000,000 which is payable by the Company to Petto Bell Limited (the Investor) under the Facilitation Agreement in consideration of the Investor's efforts in arranging the Strategic Funding & Partnership Proposal and giving funding commitments to support, and approximately HK\$17,420,000 of underwriting fees and other legal and professional fee. For the purpose of this unaudited pro forma financial information, the related expenses to the Rights Issue, the issue of Senior Unsecured Note and the Bonus Warrants Issue are approximately HK\$28,572,000, HK\$8,905,000 and HK\$1,943,000 respectively.

3. In connection with the Strategic Funding & Partnership Proposal, on 23 January 2025, the Note Issuer, the Company and the Note Subscriber, a company owned by a consortium of institutional investors led by a subsidiary of Gaw Capital (as general partner of Gateway Real Estate Fund VII (Singapore) L.P.), entered into the Note Subscription Agreement, pursuant to which the Note Issuer has conditionally agreed to issue, and the Note Subscriber has conditionally agreed to subscribe for, the Senior Unsecured Note in an aggregate principal amount of HK\$500 million.

The Note Subscriber conditionally agreed to subscribe for the Senior Unsecured Note in an aggregate principal amount of HK\$500 million at a subscription price of 93% of its face amount with an interest of 8.22% per annum, payable semi-annually in arrears. The Maturity Date will be the fourth anniversary of the date of Completion of the Note Subscription Agreement. The Note Subscriber shall be entitled to redeem in whole or in part the outstanding principal amount of the Senior Unsecured Note at any time after the second anniversary of the date of issue of the Senior Unsecured Note. The net proceed from the Senior Unsecured Note is approximately HK\$456,095,000, after deduction of the estimated related expenses of approximately HK\$8,905,000, assuming that the issuance of the Senior Unsecured Note had been completed on 30 September 2024. However, no adjustment shall be made to the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company due to the issuance of Senior Unsecured Note since it should be measured at the proceed minus transaction cost in accordance HKFRS 9 "Financial Instruments" which resulting no impact on the consolidated net tangible assets of the Group attributable to the owners of the Company.

4. Under the Bonus Warrants Issue, all Qualifying Shareholders will receive Bonus Warrants on the basis of one (1) Bonus Warrant for every ten (10) Shares held on the Record Date. Holders of the Bonus Warrants will be entitled to subscribe for Bonus Warrant Shares at an initial Warrant Subscription Price of HK\$0.220, subject to adjustment, at any time before the Warrant Expiry Date.

The Bonus Warrants Issue will be conditional upon (i) the passing at the SGM of the necessary resolutions to approve the issue of the Bonus Warrants and Bonus Warrant Shares, the Share Consolidation, the Authorised Share Capital Increase and the transactions contemplated by the Strategic Funding & Partnership Proposal; and (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Bonus Warrants and the Bonus Warrant Shares. As at the Latest Practicable Date, condition (i) above has been fulfilled.

The adjustment represents estimated legal and professional fees of approximately HK\$1,943,000 for the Bonus Warrants Issue. Except for the legal and professional fees, no other adjustment has been made to reflect the Bonus Warrants Issue as it is assumed that the Bonus Warrants are issued but not exercised for the purpose of this Unaudited Pro Forma Financial Information.

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP
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5. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Old Share as at 30 September 2024 was approximately HK\$1.39 which was based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2024 of approximately HK\$12,834,866,000, divided by 9,209,789,676 Old Shares in issue as at 30 September 2024.
6. After the effect of the Share Consolidation became effective on 10 March 2025 by which every two (2) issued and unissued Old Shares of par value of HK\$0.008 each into one (1) Share of par value of HK\$0.016 each, the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 September 2024 is HK\$2.79 based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2024 of approximately HK\$12,834,866,000, divided by 4,604,894,838 Shares in issue upon completion of the Share Consolidation but prior to the completion of the Strategic Funding & Partnership Proposal and the Bonus Warrants Issue.
7. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company per Share immediately after completion of the Share Consolidation, the Bonus Warrants Issue and the Strategic Funding & Partnership Proposal as at 30 September 2024 is approximately HK\$1.11 based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2024 immediately after completion of the Share Consolidation, Bonus Warrants Issue and Strategic Funding & Partnership Proposal of approximately HK\$14,296,337,000, divided by 12,893,705,546 Shares based on the sum of 4,604,894,838 Shares (Note 6) and the maximum of 8,288,810,708 Rights Shares (Note 2), assuming the Share Consolidation, Bonus Warrants Issue and the Strategic Funding & Partnership Proposal had been completed on 30 September 2024 and the Bonus Warrants are issued but not exercised.
8. Apart from above, no other adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2024 for the purpose of preparation of the Unaudited Pro Forma Financial Information of the Group.

B. ACCOUNTANT’S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the purpose of incorporation in this Prospectus, from the independent reporting accountant, Deloitte Touche Tohmatsu.



**INDEPENDENT REPORTING ACCOUNTANTS’ ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

TO THE DIRECTORS OF CSI PROPERTIES LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of CSI Properties Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) prepared by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2024 and related notes as set out on pages II-1 to II-3 of Appendix II to the prospectus issued by the Company dated 21 March 2025 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-3 of Appendix II the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed strategic funding & partnership proposal, bonus warrants issue and share consolidation on the Group’s financial position as at 30 September 2024 as if the proposed strategic funding & partnership proposal, bonus warrants issue and share consolidation had taken place at 30 September 2024. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s condensed consolidated financial statements for the six months ended 30 September 2024, on which a review report has been published.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Our firm applies Hong Kong Standard on Quality Management 1 “Quality Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
21 March 2025

The Bonus Warrants are issued subject to and with benefit of the Instrument and are in registered form and form one class and rank *pari passu* in all respects with each other.

The conditions of the Bonus Warrants are set out in the Warrant Certificates and include principal provisions summarised below. The Bonus Warrants shall be held subject to such conditions which shall be binding upon the Company and the Warrantheolders and all persons claiming through or under them respectively. The Warrantheolders are entitled to the benefit of and deemed to have notice of all such conditions and the terms of the Instrument, copies of which are available at the office of the Warrant Registrar or at such other place as maybe notified to the Warrantheolders from time to time.

The following definitions are used in this appendix:

- “approved financial adviser”: a reputable merchant bank or financial adviser (acting as an expert) selected by the Company;
- “market price”: with respect to a Share at a particular date, the arithmetic average of the closing prices of a Share published in the daily quotation sheet of the Stock Exchange for the five consecutive trading days (on each of which there is a closing price) ending on the trading day immediately preceding such date;
- “exercise moneys”: in relation to any Bonus Warrant, the amount in cash payable in respect of the Shares for which the Warrantheolder of such Bonus Warrant is entitled to subscribe upon the exercise of the Warrant Subscription Rights represented thereby;
- “Instrument”: the deed poll to be executed by the Company creating and constituting the Bonus Warrants;
- “Share”: a Share of HK\$0.016 each in the authorised capital of the Company existing on the date of issue of the Bonus Warrants and, where the context requires, all other (if any) stock or shares from time to time and for the time being ranking *pari passu* therewith and all other (if any) shares or stock in the equity share capital of the Company resulting from any subdivision, consolidation or reduction of capital of Shares; and
- “Warrant Subscription Rights”: the rights of the Warrantheolders represented by the Bonus Warrants to subscribe for Shares pursuant to the Bonus Warrants.

Unless expressly stated otherwise, Shares held by the Company or any of its subsidiaries in treasury shall not be considered as or treated as Shares in issue or issued Shares.

1. EXERCISE OF SUBSCRIPTION RIGHTS

- (a) Subject to the terms and provisions of the Bonus Warrants set out in the certificate for the Bonus Warrants (“**Warrant Certificate**”) and in compliance with all exchange control, fiscal and other laws and regulations applicable thereto, the holders of the Bonus Warrants (“**Warrantholders**”) shall have the right, which may be exercised in whole or in part, but not in respect of a fraction of a Share, at any time during the period (“**Warrant Subscription Period**”) from the original date of issue of the Bonus Warrants to the Warrant Expiry Date, to subscribe in cash for one fully-paid Share in respect of each Bonus Warrant at the Warrant Subscription Price (initially being HK\$0.22 per Share). After expiry of the Warrant Subscription Period, any Warrant Subscription Rights which have not been exercised will lapse and the Warrant Certificates will cease to be valid for any purpose whatsoever.
- (b) In order to exercise in whole or in part the Warrant Subscription Rights represented by the Warrant Certificate, the Warrantholder must complete and sign the form contained in each Warrant Certificate (or a separate form which the Company may in its discretion permit to be used for the purpose of exercise of the Warrant Subscription Rights and obtained from the office of the Registrar) (“**Subscription Form**”) (which shall be irrevocable) and deliver the same and the Warrant Certificate to the Share Registrar or such other person, firm or company retained by the Company for the time being to maintain in Hong Kong (unless the Directors otherwise determine) the register of Warrantholders (the “**Warrant Registrar**”), together with a remittance for the exercise moneys (or, in the case of a partial exercise, the relevant portion of the exercise moneys), being the amount of the Warrant Subscription Price for the Shares in respect of which the Warrantholder is exercising his Warrant Subscription Rights. In each case compliance must also be made with any exchange control, fiscal or other laws or regulations for the time being applicable.
- (c) The number of Shares to be allotted on exercise of the Warrant Subscription Rights shall be, in respect of each one (1) Bonus Warrant exercised, one (1) Share subject to adjustment in accordance with the Instrument. No fraction of a Share will be allotted or issued but any balance representing fractions of the exercise moneys paid on exercise of the Warrant Subscription Rights will be paid by the Company to the Warrantholder, provided always that if the excess is equal to or less than HK\$100, such excess will be retained by the Company for its own benefit. For the purpose of determining whether any (and if so what) fraction of a Share arises:
 - (i) if the Warrant Subscription Rights represented by the Warrant Certificate and any one or more other Warrant Certificates are exercised on the same Business Day falling in the Subscription Period on which the Subscription Rights represented by such Warrant Certificate is duly exercised (“**Subscription Date**”) by the same Warrantholder such that the Shares to be allotted and issued and delivered in respect of such exercise are to be registered in the same name, the Warrant Subscription Rights represented by such Warrant Certificates shall be aggregated in calculating the total number of Shares to be allotted and issued and delivered in respect thereof taken together; and

- (ii) regard shall be made, where applicable, to the provisions of the Instrument in relation to the subscription right reserve when the Warrant Subscription Price is reduced to below the nominal amount of a Share.
- (d) The Company has undertaken in the Instrument that any Shares falling to be issued upon the exercise of any of the Warrant Subscription Rights will be issued and allotted not later than 28 days after the relevant Subscription Date, taking account of any adjustment which may have been made pursuant to the Instrument, and will rank *pari passu* with the Shares in issue on the relevant Subscription Date and accordingly shall entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the relevant Subscription Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the date fixed in accordance with the bye-laws of the Company (as may be amended and modified from time to time) (“**Bye-laws**”) or otherwise specified by the Company or otherwise for the purpose of determining entitlement to dividends or other distributions to, or rights of, Shareholders (“**Entitlement Record Date**”) shall be before the relevant Subscription Date and notice of the amount and the Entitlement Record Date for which shall have been given to the Stock Exchange prior to the relevant Subscription Date.
- (e) As soon as practicable after the relevant allotment and issue of Shares under the Bonus Warrants (and, in any event, not later than 28 days after the relevant Subscription Date), there will be issued free of charge to the Warrantholder(s) to whom such allotment has been made upon his exercise of any Warrant Subscription Rights:
 - (i) a certificate (or certificates) for the relevant Share(s) in the name(s) of such Warrantholder(s);
 - (ii) (if applicable) a balancing Warrant Certificate in registered form in the name(s) of such Warrantholder(s) in respect of any Subscription Right(s) represented by the Warrant Certificate remaining unexercised; and
 - (iii) (if applicable) a cheque representing fractions of the exercise moneys in respect of the Warrantholder’s fractional entitlement to Shares as mentioned in sub-paragraph (c) above.

The certificate(s) for Share(s) arising on the exercise of Warrant Subscription Rights, the balancing Warrant Certificate (if any), and the cheque in respect of the exercise moneys in respect of the Warrantholder’s fractional entitlement to Shares (if any) will be sent by post at the risk of such Warrantholder(s) to the address of such Warrantholder(s) (or in the case of a joint holding, to that one of them whose name stands first in the register of Warrantholders (“**Register**”). If the Company agrees, such certificates and cheques may by prior arrangement be retained by the Warrant Registrar to await collection by the relevant Warrantholder(s).

- (f) The Subscription Rights may only be exercised if and to the extent that, immediately following the allotment of the Shares pursuant to the exercise of the relevant Warrants, the Company would still be able to meet the public float requirements in the Listing Rules.

2. ADJUSTMENTS

The Instrument contains detailed provisions relating to the adjustment of the Warrant Subscription Price. The following is a summary of, and is subject to, the adjustment provisions of the Instrument:

- (a) The Warrant Subscription Price shall (except as mentioned in sub-paragraphs (b), (c) and (d) below) be adjusted in accordance with the provisions set out the Instrument on occurrence of the events summaries below. Where more than one event which gives or may give rise to an adjustment to the Subscription Price occurs within such a short period of time that in the opinion of an approved financial adviser, the following provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the following provisions as may be advised by such approved financial adviser to be in its opinion appropriate in order to give such intended result:

(i) Subdivision or consolidation

If and whenever there shall be an alteration to the nominal amount of each of the Shares or the total number of the Shares as a class by reason of any subdivision or consolidation, the Warrant Subscription Price in force immediately prior thereto shall be adjusted by multiplying it by the following fraction:

$$\frac{A}{B}$$

where:

A is the nominal amount of one Share or the total number of Shares, as the case may be, immediately after such alteration; and

B is the nominal amount of one Share or the total number of Shares, as the case may be, immediately before such alteration.

Each such adjustment shall be effective from the close of business on the Business Day immediately preceding the date on which the relevant consolidation or subdivision (as the case may be) becomes effective provided that where the subscription date in respect of a particular exercise of any of the subscription rights attaching to a Bonus Warrant shall fall on or before such business day but the Company shall not by the close of business on such business day have allotted the relative Shares in accordance with its obligations under the Instrument, such adjustment shall, for the purpose of determining the number of Shares to be allotted to the Warrantholder exercising the said Subscription Rights, be deemed to be effective immediately before such Subscription Date.

(ii) Bonus shares

If and whenever the Company shall issue (other than pursuant to a scrip dividend scheme of the Company) any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account fund), the Warrant Subscription Price in force immediately prior to such issue shall be adjusted by multiplying it by the following fraction:

$$\frac{C}{C + D}$$

where:

C is the aggregate nominal amount of the Shares in issue immediately before such issue; and

D is the aggregate nominal amount of the ordinary capital of the Company capitalized from the profits or reserves of the Company in connection with and as a result of such issue.

Provided that if the relevant issue of Shares is made as part of an arrangement involving a reduction of capital of the Company, the Warrant Subscription Price shall be adjusted in such manner as an approved financial adviser shall certify to be appropriate, having regard to the relative interests of the persons affected thereby and such other matters as the approved financial adviser shall consider relevant.

Each such adjustment shall be effective (if appropriate retrospectively) from the commencement of the day immediately following the Entitlement Record Date for such issue.

(iii) Capital distribution

If and whenever the Company shall make any capital distribution (as defined in the Instrument) to the Shareholders (whether on a reduction of capital or otherwise), the Warrant Subscription Price shall be adjusted by multiplying the prevailing Warrant Subscription Price in force immediately before such capital distribution by the following fraction:

$$\frac{E - F}{E}$$

where:

- E is the closing price on the trading day immediately preceding the date on which the capital distribution or, as the case may be, the grant is announced (whether or not such capital distribution or grant is subject to the approval of the Shareholders or other persons) or (if there is no such announcement) immediately preceding the date on which the Share is traded ex-entitlement to such capital distribution or, as the case may be, the grant (or, where there is no closing price on such trading day, the closing price on the trading day on which there was a closing price immediately preceding the relevant date); and
- F is the fair market value of the portion of the capital distribution attributable to one Share on the date of such announcement or (as the case may require) the day immediately preceding the date on which the Share is traded ex-entitlement to such capital distribution or, as the case may be, the grant, as determined in good faith by an approved financial adviser.

Provided that if in the opinion of the relevant approved financial adviser, the use of the fair market value as aforesaid produces a result which, having regard to the relative interests of the persons affected thereof taken as a whole, is significantly inequitable, it may instead determine (and in such event the above formula shall be construed as if F meant) the portion of the said closing price which should, in its opinion, properly be attributed to the value of the relevant capital distribution or rights in question. The provisions referred to in this sub-paragraph (a)(iii) shall not apply in relation to the issue of Shares credited as fully paid or partly paid out of profits or reserves and issued in lieu of a cash dividend under a scrip dividend.

Each such adjustment shall be effective (if appropriate retroactively) from the commencement of the day next following the Entitlement Record Date for the relevant capital distribution or grant.

(iv) Rights and options or warrants to subscribe for new Shares to all Shareholders

If and whenever the Company shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for or purchase any new Shares, in each case at less than 90% of the market price on the date of the announcement of the terms of the issue or grant, the Warrant Subscription Price shall be adjusted by multiplying the Warrant Subscription Price in force immediately before such issue or grant by the following fraction:

$$\frac{G + H}{G + I}$$

where:

- G is the number of Shares in issue immediately before such announcement;
- H is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued by way of rights and for the total number of Shares comprised therein would purchase at such market price; and
- I is the aggregate number of Shares issued or, as the case may be, comprised in the grant (excluding Shares not taken up).

Such adjustment shall become effective (if appropriate retroactively) from the commencement of the day next following the Entitlement Record Date for the relevant offer or grant.

For the avoidance of doubt, no adjustment shall take effect in accordance with this sub-paragraph (a)(iv) should such offer or grant fail to become effective or unconditional.

(v) Issue for cash of securities convertible into or exchangeable for or carrying rights of subscription for new Shares

- (1) If and whenever the Company shall issue any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for or purchase of new Shares to all or substantially all Shareholders as a class by way of rights, and the total Effective Consideration per Share initially receivable (as defined below in this sub-paragraph (a)(v)) for such securities is less than 90% of the market price on the date of the announcement of the terms of issue of such securities, the Warrant Subscription Price shall be adjusted by multiplying the prevailing Warrant Subscription Price in force immediately before such issue or grant by the following fraction:

$$\frac{K + L}{K + M}$$

where:

- K is the number of Shares in issue immediately before the date of such issue of securities;
- L is the number of Shares which would be purchased at such market price by the total Effective Consideration receivable for such securities issued; and

M is the maximum number of new Shares to be issued upon full conversion or exchange of, or the exercise in full of the subscription rights conferred by, such securities at their relative initial conversion or exchange rate or subscription price.

Such adjustment shall become effective as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the foregoing purposes where it is adjusted to take account of rights or capitalisation issues and other events normally giving rise to adjustment of conversion, exchange or subscription terms.

Such adjustment shall become effective (if appropriate retroactively) from the close of business on the business day immediately preceding the date on which the issuer of the relevant securities determines the conversion or exchange rate or subscription price in respect of such securities or, to the extent that the relevant issue is announced (whether or not subject to the approval of Shareholders or other persons) and the date of such announcement is earlier than the said date, the business day immediately preceding the date of such announcement.

- (2) If and whenever the rights of conversion or exchange or subscription attached to any such securities as are mentioned in sub-paragraph (a)(v)(1) are modified so that the total Effective Consideration per Share initially receivable for such securities shall be less than 90% of the market price at the date of announcement of the proposal to modify such rights of conversion or exchange or subscription, the Warrant Subscription Price shall be adjusted by multiplying the Warrant Subscription Price in force immediately prior to such modification by the following fraction:

$$\frac{N + O}{N + P}$$

where:

N is the number of Shares in issue immediately before the date of such modification;

O is the number of Shares which would be purchased at such market price by the total Effective Consideration receivable for such securities issued at the modified conversion or exchange rate or subscription price; and

P is the maximum number of new Shares to be issued upon full conversion or exchange of, or the exercise in full of the subscription rights conferred by, such securities at their relative modified conversion or exchange rate or subscription price.

Such adjustment shall become effective (if appropriate retroactively) as at the date upon which such modification shall take effect. A right of conversion or exchange or subscription shall not be treated as modified for the purposes of this sub-paragraph (a)(v)(2) where it is adjusted to take account of rights or capitalization issues and other events normally giving rise to adjustments of conversion, exchange or subscription terms.

For the purposes of this sub-paragraph (a)(v):

- (1) the “**total Effective Consideration**” receivable for the securities issued shall be deemed to be the aggregate consideration receivable by the issuer for any such securities plus the additional minimum consideration (if any) to be received by the issuer and/or the Company (if not the issuer) upon (and assuming) the full conversion or exchange thereof or the exercise in full of such subscription rights, and
- (2) the “**Effective Consideration per Share**” initially receivable for such securities shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange rate or the exercise in full of such subscription rights at the initial subscription price, in each case without any deduction for any commissions, discounts or expenses paid, allowed or incurred in connection with the issue.

(vi) Issue for cash of new Shares

If and whenever the Company shall issue wholly for cash any Shares (other than Shares issued pursuant to any share option scheme adopted by the Company) at a price which is less than 90% of the market price on the date of the announcement of the terms of such issue, the Warrant Subscription Price shall be adjusted by multiplying the Warrant Subscription Price in force immediately prior to the date of such announcement by the following fraction:

$$\frac{R + S}{R + T}$$

where:

R is the number of Shares in issue immediately before the date of such announcement;

S is the number of Shares which the aggregate amount payable for the Shares allotted pursuant to such issue would purchase at such market price (exclusive of expenses); and

T is the number of Shares allotted pursuant to such issue.

Such adjustment shall become effective (if appropriate retroactively) on the date of the issue of such Shares.

(vii) Share buy-back by general offer

If and whenever the Company makes an offer or invitation to Shareholders generally to tender for sale to the Company any Shares or if the Company purchases/buys back any Shares or securities convertible into Shares or any rights to acquire Shares (excluding any such purchase made on the Stock Exchange pursuant to a general mandate granted by the Shareholders) and the Directors consider that it may be appropriate to make an adjustment to the Warrant Subscription Price, at that time the Directors shall appoint an approved financial adviser to consider whether, for any reason whatever as a result of such purchases, an adjustment should be made to the Warrant Subscription Price fairly and appropriately to reflect the relative interests of the persons affected by such purchases by the Company and, if such approved financial adviser shall consider in its opinion that it is appropriate to make an adjustment to the Warrant Subscription Price, an adjustment to the Warrant Subscription Price shall be made in such manner as such approved financial adviser shall certify to be, in its opinion, appropriate.

Such adjustment shall become effective (if appropriate retroactively) from the close of business in Hong Kong on the business day next preceding the date on which such purchases by the Company are made.

(b) Except as mentioned in sub-paragraph (c) below, no such adjustment as is referred to in sub-paragraph (a) above shall be made in respect of:

- (i) (1) an issue of fully paid Shares upon the exercise of any conversion rights attached to securities convertible into Shares or upon exercise of any rights (including any conversion of the Bonus Warrants) to acquire Shares pursuant to any options, warrants and similar rights to subscribe or purchase equity securities of the Company from time to time; or (2) any adjustment in the Warrant Subscription Price of any Bonus Warrants, if such adjustment is in accordance with the existing terms of the Bonus Warrants, provided that an adjustment to the Warrant Subscription Price has been made (if appropriate) under the provisions of the Instrument in respect of the issue of such securities or granting of such rights (as the case may be);

- (ii) an issue of Shares or other securities of the Company or any subsidiary of the Company wholly or partly convertible into, or rights to acquire, Shares pursuant to any scheme established in accordance with Chapter 17 or any similar sections of the Listing Rules;
 - (iii) an issue by the Company of Shares or by the Company or any subsidiary of the Company of securities wholly or partly convertible into or rights to acquire Shares, in any such case in consideration or part consideration for the acquisition of any other securities, assets or business;
 - (iv) an issue of the Bonus Warrants; or
 - (v) an issue of Shares pursuant to a scrip dividend scheme of the Company where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value of such Shares is not more than 110% of the amount of dividend which holders of the Shares could elect to or would otherwise receive in cash, for which purpose the “market value” of a Share shall mean the average of the closing prices for such trading days on which dealings in the Shares took place (being not less than 5 such days) as are selected by the directors of the Company in connection with determining the basis of allotment in respect of the relevant scrip dividend and which fall within the period of one month ending on the last day on which holders of Shares may elect to receive or (as the case may be) not to receive the relevant dividend in cash.
- (c) Notwithstanding the provisions referred to in sub-paragraphs (a) and (b) above, in any circumstances where the Directors shall consider that an adjustment to the Warrant Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Warrant Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or with a different time from that provided for under the said provisions, the Company may appoint an approved financial adviser to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved financial adviser shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including, without limitation, making an adjustment calculated on a different basis) and/or the adjustment shall take effect from such other date and/or time as shall be certified by such approved financial adviser to be in its opinion appropriate.

- (d) Any adjustment to the Warrant Subscription Price shall be made to the nearest one thousandth of a dollar (so that any amount less than five ten-thousandths of a dollar shall be rounded down and any amount equal to five ten-thousandths of a dollar or more shall be rounded up). No adjustment shall be made to the Warrant Subscription Price in any case where the amount by which the same would be reduced would be less than one thousandth of a dollar and any adjustment which would otherwise then be required shall not be carried forward. No adjustment shall be made (except on a consolidation of Shares into shares of a larger nominal amount each or upon a repurchase of Shares) which would increase the Warrant Subscription Price.
- (e) Every adjustment to the Warrant Subscription Price will be certified to be fair and appropriate by an approved financial adviser and notice of each adjustment (giving the relevant particulars) will be given to the Warrantholders. In giving any certificate or making any adjustment hereunder, the approved financial adviser shall be deemed to be acting as experts and not as arbitrators and, in the absence of manifest errors, their decision shall be conclusive and binding on the Company and the Warrantholders and all persons claiming through or under them respectively. Any such certificates of the approved financial adviser will be available for inspection at the principal place of business of the Company for the time being in Hong Kong, where copies may be obtained.
- (f) Whenever the Warrant Subscription Price is adjusted as a result of the occurrence of the events described in sub-paragraph (a)(i) or (a)(ii), the number of Shares which may be subscribed upon exercise of each Warrant shall be equal to the number of Shares to be allotted upon exercise of each Warrant immediately before such adjustment multiplied by the following fraction:

$$\frac{X}{Y}$$

where:

X is the Warrant Subscription Price immediately before such adjustment; and

Y is the Warrant Subscription Price immediately after such adjustment.

Each such variation shall take place (if appropriate retroactively) at the same time as the adjustment to the Warrant Subscription Price takes effect.

3. REGISTERED WARRANTS

The Bonus Warrants are issued in registered form. The Company shall be entitled to treat the registered holder of any Bonus Warrant as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or required by law, be bound to recognise any equitable or other claim to or interest in such Bonus Warrant on the part of any other person, whether or not it shall have express or other notice thereof.

4. TRANSFER, TRANSMISSION AND REGISTER

- (a) The Bonus Warrants shall be transferable, in any whole number of Bonus Warrants, by instrument of transfer in any usual or common form or in any other form which may be approved by the Directors. The Company shall accordingly maintain a register of Warrantholders in Hong Kong (or such other place as the Directors consider appropriate having regard to the applicable law and rules governing the listing of Bonus Warrants on the Stock Exchange). Transfers of Bonus Warrants must be executed by both the transferor and the transferee.
- (b) Where the transferor or the transferee is HKSCC Nominees Limited or its successor thereto (or such other company as may be approved by the board of Directors for this purpose), the transfers may be executed under the hand of an authorised person(s) or by machine imprinted signature(s) on its behalf or of such persons, as the case may be.
- (c) The provisions of the Bye-laws relating to the registration, transmission and transfer of Shares and the register of members shall, mutatis mutandis, apply to the registration, transmission and transfer of the Bonus Warrants and the Register. The Instrument contains provisions relating to the transfer, transmission and registration of the Bonus Warrants.
- (d) Persons who hold the Bonus Warrants and have not registered the Bonus Warrants in their own names and wish to exercise the Bonus Warrants should note that they may incur additional costs and expenses in connection with any expedited re-registration of the Bonus Warrants prior to the transfer or exercise of the Bonus Warrants.
- (e) Since the Bonus Warrants will be admitted to CCASS, so far as applicable laws or regulations of relevant regulatory authorities, terms of the Instrument and circumstances permit, the Company may (so far as any applicable laws or regulations of the relevant regulatory authorities, the terms of the Instrument and the circumstances permit) determine the last trading day of the Bonus Warrants to be a date at least three (3) trading days before the last day of the Warrant Subscription Period.

5. CLOSURE OF REGISTER OF WARRANTHOLDERS

The registration of transfers may be suspended and the Register may be closed at such times and for such periods as the Directors may from time to time direct, provided that the same shall not be closed for a period in aggregate more than thirty (30) days in any one year. Any transfer or exercise of the Warrant Subscription Rights attached to the Bonus Warrants made while the Register is so closed shall, as between the Company and the person claiming under the relevant transfer of Bonus Warrants or, as the case may be, as between the Company and the Warrantholders who have so exercised their respective Warrant Subscription Rights attached to their Bonus Warrants (but not otherwise), be considered as made immediately after the reopening of the Register.

6. PURCHASE AND CANCELLATION

Subject to The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong, the Listing Rules and all other applicable laws, rules and regulations, the Company or any of its subsidiaries may at any time purchase Bonus Warrants:

- (a) in the open market or by tender (available to all Warrantholders alike) at any price; or
- (b) by private treaty at a price, exclusive of expenses, not exceeding 110% of the closing price of the Bonus Warrants for one or more board lots of Bonus Warrants on the last day on which the Bonus Warrants were traded on the Stock Exchange prior to the date of purchase thereof,

but not otherwise.

All Bonus Warrants purchased as aforesaid shall be cancelled forthwith and may not be reissued or re sold.

7. MEETING OF WARRANTHOLDERS AND MODIFICATION OF RIGHTS

- (a) The Instrument contains provisions for convening meetings of Warrantholders to consider any matter affecting the interests of Warrantholders, including the modification by a special resolution of the provisions of the Instrument and/or the Conditions. A resolution duly passed at any such meeting shall be binding on the Warrantholders, whether present or not.
- (b) All or any of the rights for the time being attached to the Bonus Warrants (including any of the provisions of the Instrument) may from time to time (whether or not the Company is being wound up) be altered or abrogated (including but without prejudice to that generality by waiving compliance with, or by waiving or authorising any past or proposed breach of, any of the provisions of the Conditions and/or the Instrument) and the sanction of a special resolution shall be necessary and sufficient to effect such alteration or abrogation.
- (c) At any meeting of Warrantholders, two or more Warrantholders (or their proxies) shall form a quorum.
- (d) Where a Warrantholder is a recognised clearing house or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative (or representatives) or proxy (or proxies) at any Warrantholders' meeting. If more than one person is so authorised, the authorisation or proxy form must specify the number and class of Bonus Warrants in respect of which each such person is so authorised. The person or persons so authorised shall be entitled to exercise the same powers on behalf of the recognised clearing house as that recognised clearing house or its nominee(s) could exercise as if it were an individual Warrantholder.

8. REPLACEMENT OF WARRANT CERTIFICATES

- (a) If a Warrant Certificate is mutilated, defaced, lost or destroyed, it may, at the discretion of the Company, be replaced at the office of the Warrant Registrar on payment of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and/or security as the Company may require and on payment of such fee not exceeding HK\$2.50 (or such higher fee as may from time to time be permitted under the Listing Rules) as the Company may determine. Mutilated or defaced Warrant Certificates must be surrendered before replacements will be issued.
- (b) In case of lost Warrant Certificates, Division 5 of Part 4 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (except sub-section (5) of section 166) shall apply mutatis mutandis as if “shares” referred to therein included Bonus Warrants.

9. PROTECTION OF SUBSCRIPTION RIGHTS

The Instrument contains undertakings by and restrictions on the Company designed to protect the Warrant Subscription Rights.

10. CALL

If at any time the aggregate number of Bonus Warrants outstanding is equal to or less than 10% of the total number of Bonus Warrants issued under the Instrument, then the Company may, on giving not less than three (3) months’ notice to the Warrantheolders, require the Warrantheolders either to exercise their Warrant Subscription Rights represented thereby or allow the Bonus Warrants held by them to lapse. On expiry of such notice, all unexercised Bonus Warrants will be automatically cancelled without any compensation being payable to the Warrantheolders.

11. FURTHER ISSUES

The Company shall be at liberty to issue further warrants or other securities convertible into, exchangeable for or carrying rights to subscribe for Shares in such manner and on such terms as it sees fit.

12. UNDERTAKINGS BY THE COMPANY

In addition to the undertakings given by it in relation to the grant and exercise of the Warrant Subscription Rights and the protection thereof and subject to the provisions in the Instrument, the Company has undertaken in the Instrument that:

- (a) it will send to each Warrantheolder, at the same time as the same are sent to the holders of Shares, its audited accounts and all other notices, reports and communications despatched by it to the holders of Shares generally;

- (b) it will pay all stamp and capital duties, registration fees or similar charges, if any, in respect of the execution of the Instrument, the creation and issue of the Bonus Warrants in registered form, the exercise of the Warrant Subscription Rights and the issue of Shares upon exercise of the Warrant Subscription Rights;
- (c) it will keep available for issue sufficient shares in its equity share capital to satisfy in full all rights for the time being outstanding of subscription for and conversion into Shares;
- (d) it will use its best endeavours to procure that:
 - (i) at all times during the Warrant Subscription Period, the Bonus Warrants may be dealt in on the Stock Exchange (save that this obligation will lapse in the event that the listing of the Bonus Warrants on the Stock Exchange is withdrawn following an offer for all or any of the Bonus Warrants); and
 - (ii) all Shares allotted upon exercise of the Warrant Subscription Rights may, upon allotment or as soon as reasonably practicable thereafter, be dealt in on the Stock Exchange (save that this obligation will lapse in the event that the listing of the Shares on the Stock Exchange is withdrawn following an offer for all or any of the Shares where a like offer is extended to holders of the Bonus Warrants); and
- (e) it shall not do any act or engage in any transaction the result of which would be to reduce the Warrant Subscription Price to below the nominal amount of a Share unless the Company shall have established and maintain a reserve (the “**Subscription Right Reserve**”) the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional Shares required to be issued and allotted credited as fully-paid up on the exercise in full of all the subscription rights outstanding (and any other subscription rights outstanding in respect of Shares under other subscription warrants) and shall, subject to the approval of the shareholders of the Company being obtained in accordance with the provisions of the Companies Act, apply the Subscription Right Reserve in paying up in full such additional Shares as and when the same are allotted, and the implementation of such provisions is not prohibited by and is in compliance with the provisions of the Companies Act.

13. NOTICES

The Instrument contains provisions relating to notices to be given to Warrantholders and the following provisions shall apply to such notices:

- (a) every Warrantholder shall register with the Company an address either in Hong Kong or elsewhere to which notices to be given to such Warrantholder are to be sent and if any Warrantholder shall fail so to do, notice may be given to such Warrantholder by sending the same in any of the manners hereinafter mentioned to his last known place of business or residence or, if there be none, by posting the same for three (3) days at the principal place of business of the Company in Hong Kong;

- (b) a notice may be given by physical delivery, post or facsimile transmission or by electronic communication (including posting on the website of the Company or of the Stock Exchange) in accordance with the Listing Rules; and
- (c) all notices with respect to Bonus Warrants standing in the names of joint holders shall be given to whichever of such persons is named first in the Register and notice so given shall be sufficient notice to all the joint holders of such Bonus Warrants.

14. WINDING-UP OF THE COMPANY

The Instrument contains provisions to the effect that:–

- (a) in the event a notice is given by the Company to its shareholders to convene a shareholders' meeting for the purposes of considering, and if thought fit approving, a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to each Warrantholder and thereupon, every Warrantholder shall be entitled by irrevocable surrender of his Warrant Certificate(s) to the Company (such surrender to occur not later than seven (7) Business Days prior to the proposed shareholders' meeting referred to above) with the Subscription Form(s) duly completed, together with payment of the exercise moneys (or the relative portion thereof), to exercise the Warrant Subscription Rights represented by such Warrant Certificate(s) and the Company shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed shareholders' meeting allot such number of Shares to the Warrantholder which fall to be issued pursuant to the exercise of the Warrant Subscription Rights represented by such Warrant Certificate(s) to the extent specified in the Subscription Form(s). The Company shall give notice to the Warrantholders of the passing of such resolution within seven (7) days after the passing thereof; and
- (b) if an effective resolution is passed during the Warrant Subscription Period for the voluntary winding-up of the Company for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some persons designated by them for such purpose by special resolution, shall be a party, or in conjunction with which a proposal is made to the Warrantholders and is approved by special resolution, the terms of such scheme of arrangement or (as the case may be) proposal shall be binding on all the Warrantholders.

Subject to the foregoing, if the Company is wound up, all Warrant Subscription Rights which have not been exercised at the date of the passing of such resolution shall lapse and Warrant Certificates shall cease to be valid for any purpose.

15. OVERSEAS WARRANTHOLDERS

If a Warrantholder has a registered address in any territory other than Hong Kong where the offer or issuance of Shares to such Warrantholder upon exercise of any Warrant Subscription Rights would or might, in the absence of compliance with registration, filing or any other legal or regulatory requirements in such territory, be unlawful, then the Company shall as soon as practicable after exercise by such Warrantholder of any Warrant Subscription Rights either:

- (a) allot the Shares which would otherwise have been allotted to such Warrantholder to one or more third parties selected by the Company; or
- (b) allot such Shares to such Warrantholder and then, on his behalf, sell them to one or more third parties selected by the Company,

in each case for the best consideration then reasonably obtainable by the Company.

As soon as reasonably practicable following any such allotment or (as the case may be) allotment and sale, the Company shall pay to the relative Warrantholder an amount equal to the consideration received by the Company therefor (but having deducted therefrom all brokerages, commissions, stamp duties, withholding tax and similar charges and taxes, if any, payable in respect of such sale only, in the case of an allotment and sale as aforesaid, and such payment, unless the amount falling to be distributed to any such person is less than HK\$100 (in which case it will be retained for the benefit of the Company)) by posting the relevant remittance to him at his risk. The Company is deemed to be authorised to effect any of the aforesaid transactions and for this purpose the Company may appoint one or more persons to execute such transfers, renunciations or other documents on behalf of the relevant Warrantholders as may be required to be executed and generally may make all such arrangements as may appear to the Directors to be necessary or appropriate in connection therewith.

16. GOVERNING LAW

The Instrument and the Bonus Warrants will be governed by and will be construed in accordance with the laws of Hong Kong. The Company will submit the non-exclusive jurisdiction of the courts of Hong Kong in respect of the Instrument and the Bonus Warrants and all matters and disputes in connection with them.

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

(i) Share capital as at the Latest Practicable Date

Authorised: HK\$

31,250,000,000 Shares of HK\$0.016 each	500,000,000.000

Issued and paid-up share capital: HK\$

4,604,894,838 Shares of HK\$0.016 each	73,678,317.408

(ii) Immediately after the completion of the Rights Issue but before exercise of any Bonus Warrants (assuming no further issue or repurchase of Shares from the Latest Practicable Date up to completion of the Rights Issue and the issuance of a maximum of 8,288,810,708 Rights Shares)

Authorised: HK\$

31,250,000,000 Shares of HK\$0.016 each	500,000,000.000

Issued and paid-up share capital: HK\$

4,604,894,838 Shares of HK\$0.016 each	73,678,317.408
8,288,810,708 Rights Shares to be allotted and issued upon completion of the Rights Issue	132,620,971.328

12,893,705,546 Shares in issue immediately after the completion of the Rights Issue	206,299,288.736

- (iii) Immediately after the completion of the Rights Issue and full exercise of the Bonus Warrants (assuming no further issue or repurchase of Shares from the Latest Practicable Date up to completion of the Rights Issue and the issuance of a maximum of 8,288,810,708 Rights Shares and full exercise of the Bonus Warrants):

Authorised: HK\$

31,250,000,000 Shares of HK\$0.016 each	500,000,000.000

Issued and paid-up share capital: HK\$

12,893,705,546	Shares in issue immediately after the completion of the Rights Issue	206,299,288.736
460,489,483	Maximum number of the Shares to be issued upon the full exercise of the Bonus Warrants at initial Warrant Subscription Price of HK\$0.220 per Share	7,367,831.728
13,354,195,029	Shares in issue immediately after the completion of the Rights Issue and the issue of Bonus Warrant Shares on the full exercise of the Bonus Warrants at initial Warrant Subscription Price of HK\$0.220 per Share	213,667,120.464

All the Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. All the Rights Shares to be issued will rank *pari passu* in all respects with each other, including, in particular, as to all rights as to dividends, voting rights and capital, and once issued and fully paid, with all the Shares in issue as at the date of allotment and issue of the Rights Shares.

All of the Bonus Warrant Shares to be issued upon the exercise of the subscription rights attaching to the Bonus Warrants will rank *pari passu* in all respects with each other, including, in particular, as to all rights as to dividends, voting rights and capital, and once issued and fully paid, with all the Shares in issue as at the date of allotment and issue of the Bonus Warrant Shares.

As at the Latest Practicable Date, save for the 2021 Guaranteed Notes which are listed on the Singapore Exchange, no part of the share capital or any other equity or debt securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares, Rights Shares, Bonus Warrants or Bonus Warrant Shares or any other securities of the Company to be listed or dealt in on any stock exchange other than the Stock Exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company had no treasury shares or other derivatives, outstanding convertible securities, options or warrants in issue which are convertible into or confer any right to subscribe for, convert or exchange into, any Shares, and no capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

3. DISCLOSURE OF INTERESTS

Directors' and chief executive's interests and short positions in Shares, underlying shares and debentures of the Company or any associated corporations

As at the Latest Practicable Date, the interest and the short positions the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

Interest in the Company – Long Positions

Name of Director or chief executive	Capacity/Nature of Interests	Number of Shares	Total	Approximate percentage of shareholdings (Note 1)
Chung Cho Yee, Mico (Note 2)	Interest of controlled corporation	9,025,593,881	9,025,593,881	196.00%
Kan Sze Man	Beneficial owner	11,895,250	11,895,250	0.26%

Notes:

- The percentages are calculated based on the number of Shares of the Company in issue as at the Latest Practicable Date, i.e. 4,604,894,838 Shares.
- As at the Latest Practicable Date, Digisino was wholly-owned by Mr. Chung, Newco was 99.9996% owned by Digisino, and Earnest Equity and Golden Boost were wholly-owned subsidiaries of Newco. Earnest Equity held 2,589,586,031 Shares and Golden Boost held 10,000 Shares. Pursuant to the Irrevocable Undertaking, among others, Newco undertook to (or procure Newco's subsidiaries or nominees to), accept and take up in full a total of 4,661,272,854 nil-paid Rights Shares and to apply (by way of excess application) for 1,774,724,996 Right Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, the following Directors were directors/employees of a company which had an interest in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

- (a) Mr. Chung was a director of Digisino and Newco.
- (b) Mr. Kan Sze Man was an alternate director to Mr. Chung of Digisino and Newco.

Interest of substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons (not being Directors or chief executive of the Company) had, or were deemed or taken to have, an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

Interest in the Company – Long Positions

Name of substantial Shareholder	Capacity	Number of Shares	Total	Approximate percentage of shareholdings (Note 1)
Digisino (Note 2)	Interest of controlled corporation	9,025,593,881	9,025,593,881	196.00%
Newco (Note 2)	Beneficial owner	6,435,997,850		
	Interest of controlled corporation	2,589,596,031	9,025,593,881	196.00%
Petto Bell Limited	Interest of controlled corporation	9,025,593,881	9,025,593,881	196.00%
Gaw Goodwin	Interest of controlled corporation	9,025,593,881	9,025,593,881	196.00%
Gaw Capital Partners	Interest of controlled corporation	9,025,593,881	9,025,593,881	196.00%
Gateway VII Holdings Pte. Ltd.	Interest of controlled corporation	9,025,593,881	9,025,593,881	196.00%
Gateway VII GP (Singapore) Pte. Ltd.	Interest of controlled corporation	9,025,593,881	9,025,593,881	196.00%
Gateway Real Estate Fund VII (Singapore), LP	Interest of controlled corporation	9,025,593,881	9,025,593,881	196.00%
Walter One Limited	Interest of controlled corporation	9,025,593,881	9,025,593,881	196.00%
Golden Growth Holdings Limited	Interest of controlled corporation	9,025,593,881	9,025,593,881	196.00%

Notes:

1. The percentages are calculated based on the number of Shares of the Company in issue as at the Latest Practicable Date, i.e. 4,604,894,838 Shares.
2. As at the Latest Practicable Date, Digisino was wholly-owned by Mr. Chung, Newco was 99.9996% owned by Digisino, and Earnest Equity and Golden Boost were wholly-owned subsidiaries of Newco. Earnest Equity held 2,589,586,031 Shares and Golden Boost held 10,000 Shares. Pursuant to the Irrevocable Undertaking, among others, Newco undertook to (or procure Newco's subsidiaries or nominees to), accept and take up in full a total of 4,661,272,854 nil-paid Rights Shares and to apply (by way of excess application) for 1,774,724,996 Right Shares.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no person had, or was deemed or taken to have, an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

4. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS AND ARRANGEMENT OF THE GROUP

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, any member of the Group since 31 March 2024, being the date to which the latest published audited financial statements of the Group were made up.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors, the controlling shareholders of the Company or their respective associates had any interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the Company or any member of the Group within one year without payment of compensation (other than statutory compensation)).

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

8. EXPERTS AND CONSENTS

The following sets out the qualifications of the experts who have given opinions, letters or advice included in this Prospectus:

Name	Qualifications
Deloitte Touche Tohmatsu	Certified Public Accountants and Registered Public Interest Entity Auditor

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2024, being the date to which the latest published audited accounts of the Company were made up.

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they are included.

9. MATERIAL CONTRACTS

Save for those listed below, no material contracts (not being contracts entered into in the ordinary course of business) have been entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date:

- (i) the Note Subscription Agreement;
- (ii) the Rights Issue Underwriting Agreement; and
- (iii) the Facilitation Agreement.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors

Executive Directors

Chung Cho Yee, Mico (*Chairman*)
 Kan Sze Man
 Chow Hou Man
 Ho Lok Fai
 Leung King Yin, Kevin
 Chung Yuen Tung, Jasmine

Independent non-executive Directors

Cheng Yuk Wo
 Shek Lai Him, Abraham, *GBS, JP*
 Lo Wing Yan, William, *JP*

Registered office

Clarendon House
 2 Church Street
 Hamilton HM 11
 Bermuda

Head office and principal place of business in Hong Kong

31/F., Bank of America Tower
 12 Harcourt Road
 Central
 Hong Kong

Authorised representatives	Kan Sze Man Chow Hou Man
Company secretary	Kan Sze Man <i>Solicitor</i>
Auditors and reporting accountants	Deloitte Touche Tohmatsu <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> 35/F, One Pacific Place 88 Queensway Hong Kong
Hong Kong branch share registrar and transfer office	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17/F, Hopewell Centre 183 Queen's Road East Wanchai, Hong Kong
Legal adviser to the Company in relation to the Rights Issue and the Bonus Warrants Issue	<i>As to Hong Kong law</i> Iu, Lai & Li Solicitors & Notaries Rooms 2201, 2201A & 2202, 22nd Floor Tower I, Admiralty Centre, No.18 Harcourt Road, Hong Kong <i>As to Canadian law</i> DLA Piper (Canada) LLP Suite 2700 1133 Melville Street Vancouver British Columbia V6E 4E5 Canada
Financial adviser to the Company	Anglo Chinese Corporate Finance, Limited Room 4001, 40th Floor, Two Exchange Square 8 Connaught Place, Central Hong Kong
Underwriter	VMS Securities Limited 28/F, Viva Place 36 Heung Yip Road Wong Chuk Hang Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
1 Garden Road, Hong Kong

Bank of Communications Co., Ltd., Hong Kong Branch
20 Pedder Street, Central, Hong Kong

Chong Hing Bank Limited
488 Jaffe Rd., Causeway Bay, HK

Dah Sing Bank, Limited
33/F, Everbright Centre,
108 Gloucester Road, Hong Kong

DBS Bank (Hong Kong) Limited
99 Queen's Road Central, Central, Hong Kong

Fubon Bank (Hong Kong) Limited
38 Des Voeux Road, Central

Hang Seng Bank Limited
83 Des Voeux Road, Central, Hong Kong

Hua Xia Bank Co., Limited Hong Kong Branch
18/F, Two International Finance Centre,
8 Finance Street, Central, Hong Kong

Industrial and Commercial Bank of China (Asia) Limited
33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong

Nanyang Commercial Bank, Limited
151 Des Voeux Road Central, Hong Kong

Oversea-Chinese Banking Corporation Limited
17/F, 9 Queen's Road Central, Central, Hong Kong

The Bank of East Asia, Limited
10 Des Voeux Road Centra, Hong Kong

The Hong Kong and Shanghai Banking Corporation Limited
1 Queen's Road Central, Hong Kong

United Overseas Bank Limited
25/F., Gloucester Tower, 15 Queen's Road,
Central, Hong Kong

11. EXPENSES

The expenses in connection with the proposed Rights Issue and the transactions contemplated thereunder, including underwriting commission, financial advisory fees, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$28,572,000, and are payable by the Company.

12. PARTICULARS OF DIRECTORS OF THE COMPANY**Executive Directors**

Mr. Chung Cho Yee, Mico, aged 64, Chairman and Executive Director of the Company, joined the Company in 2004. He is a director of certain subsidiaries of the Company. He is also the chairman of the Executive Committee and the Nomination Committee of the Company, and a member of the Remuneration Committee of the Board. Mr. Chung graduated from University College London in the United Kingdom, with a law degree in 1983 and qualified as a solicitor in Hong Kong in 1986. Mr. Chung is currently a non-executive director of HKT Limited and HKT Management Limited, the trustee– manager of the HKT Trust, the shares of which are listed on the Stock Exchange. Mr. Chung is the father of Ms. Chung Yuen Tung, Jasmine, an executive director of the Company. He is also the brother-in-law of Mr. Kan Sze Man, an executive director and Deputy Chief Executive Officer of the Company.

Mr. Kan Sze Man, aged 53, joined the Company as Group General Counsel in 2001 and served as the Chief Operating Officer from 2016 until 28 February 2025. He was promoted to the role of Deputy Chief Executive Officer on 1 March 2025 and is a director of certain subsidiaries and associates of the Company and a member of the Executive Committee of the Board. Mr. Kan is a qualified solicitor by profession. He graduated from Wadham College, University of Oxford in the United Kingdom in 1993 and qualified as a solicitor in Hong Kong in 1997. He worked in the commercial department of a Hong Kong law firm and a U.K. city firm, until joining Hikari Tsushin International Limited (now known as China Oil and Gas Group Limited) as its senior vice president and legal counsel in early 2000. Mr. Kan is the brother-in-law of Mr. Chung Cho Yee, Mico, the Chairman and the controlling shareholder of the Company. He also is the uncle of Ms. Chung Yuen Tung, Jasmine, an executive director of the Company.

Mr. Chow Hou Man, aged 54, joined the Company in 2001 and resigned as the Group Chief Financial Officer on 7 February 2025. He was redesignated as Executive Director – Operations and Finance on 1 March 2025 and is a director of certain subsidiaries and associates of the Company and a member of the Executive Committee of the Board. Mr. Chow graduated from The Hong Kong Baptist University and holds a Master of Business Administration degree from The Hong Kong Polytechnic University. He has over 20 years of financial experience in various companies listed in Hong Kong and overseas and an international firm of certified public accountants. He is a member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

Mr. Ho Lok Fai, aged 63, joined the Company in 2005. He is a deputy managing director/director of certain subsidiaries of the Company and a member of the Executive Committee of the Board. Mr. Ho has been involved in the commercial property investment and agency business since 1991, having over 30 years of solid and proven experience specialising in the investment in Grade A and B offices in Hong Kong. He is responsible for investment in commercial properties, leasing matters, and the property management business for offices and industrial properties of the Group.

Mr. Leung King Yin, Kevin, aged 63, joined the Company in 2021 and was appointed as managing director of development in May 2021 by the Company. He is a director of a subsidiary of the Company and a member of the Executive Committee of the Board. He is the head of the project management and development department of the Group, leading a team of project managers and surveyors in managing a variety of residential and commercial projects in Hong Kong. Prior to joining the Group, he was the general manager/project director of a number of sizable listed companies. He has over 30 years of experience in the property development field with a variety of portfolio including residential, commercial and hotel developments in Hong Kong, Mainland China and Canada. Mr. Leung holds a Bachelor degree of Architecture from the University of Melbourne. He is a registered architect and an authorised person under the Buildings Ordinance (Cap. 123 of the Laws of Hong Kong), with extensive project management experience.

Ms. Chung Yuen Tung, Jasmine, aged 33, joined the Company in 2017. She is a member of Executive Committee of the Board. Ms. Chung holds a Bachelor of Arts degree with a major in Economics from New York University. Ms. Chung is responsible for driving corporate development strategy to optimise business units, sales and marketing functions of the Group. She also plays an active role in promoting the Group's Environmental, Social and Governance initiatives and integrating corporate branding strategy. Ms. Chung is the daughter of Mr. Chung Cho Yee, Mico, the Chairman and the controlling shareholder of the Company. She is also the niece of Mr. Kan Sze Man, an executive director and Deputy Chief Executive Officer of the Company.

Independent non-executive Directors

Mr. Cheng Yuk Wo, aged 64, joined the Company in 2002. He is the chairman of the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee of the Board. Mr. Cheng is a fellow of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Professional Accountants of Canada. He is a co-founder of a Hong Kong merchant banking firm and is the proprietor of a certified public accountant practice firm in Hong Kong. Mr. Cheng obtained a Master of Science (Economics) degree in Accounting and Finance from the London School of Economics, England and a Bachelor of Arts (Honours) degree in Accounting from the University of Kent, England. Mr. Cheng had worked at Coopers and Lybrand (now known as PricewaterhouseCoopers) in London and with Swiss Bank Corporation (now known as UBS AG) in Toronto.

Mr. Cheng is an independent non-executive director of Chong Hing Bank Limited and C.P. Pokphand Co. Ltd., the shares of which were delisted from the Stock Exchange in September 2021 and January 2022 respectively. He is also an independent non-executive director of China Renewable Energy Investment Limited, CPMC Holdings Limited, Liu Chong Hing Investment Limited, Chia Tai Enterprises International Limited, Miricor Enterprises Holdings Limited, Somerley Capital Holdings Limited and Kidsland International Holdings Limited, the shares of all of which are listed on the Stock Exchange.

Mr. Cheng was an independent non-executive director of Top Spring International Holdings Limited, the shares of which are listed on the Stock Exchange.

Dr. Lo Wing Yan, William, JP, aged 64, joined the Company in 2014. He is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board. Dr Lo is currently the Vice Chairman of www.dayuclass.com, a digital knowledge platform. Dr Lo is also a Founding Governor of The Independent Schools Foundation Academy, one of the most well-known independent schools in HK. He has also been the Chairman of the Charles K Kao Foundation for Alzheimer's Disease and Junior Achievement Hong Kong since 2013.

Dr. Lo started his career in McKinsey & Company Inc. and subsequently held various management posts at Hongkong Telecom, Cable & Wireless plc, Citibank, WPP plc, China Unicom, I.T Limited, South China Media Group and Kidsland International Holdings Ltd. He is renowned for being the founder of Netvigator, the largest Internet business in Hong Kong, as well as iTV (the predecessor of NowTV), one of the first interactive and on-demand TV services in the world.

Dr. Lo obtained an M. Phil. Degree in Molecular Pharmacology and a Ph.D. degree in Engineering/Neuroscience, both from the University of Cambridge.

In 1996, he was selected as a "Global Leader for Tomorrow" by the Davos-based global organisation World Economic Forum. In 2000, he was selected as one of the top 25 Asia's Digital Elites by the Asiaweek magazine. Dr. Lo has held numerous Government appointments during his career and is currently a member of the Cyberport Advisory Panel and an Advisory Committee of School of Chinese Medicine, Hong Kong Baptist University. Dr. Lo is also at present an Advisor of the Our Hong Kong Foundation, an Honorary Advisor of the institute of Web3.0 HK and a Board Governor of the Hong Kong Adventist Hospital Foundation. He was a board member of the Hong Kong Broadcasting Authority (now known as the Communications Authority) as well as the Hong Kong Applied Science and Technology Research Institute and the Hong Kong Science Park. He was also a founding member of the Growth Enterprise Market (GEM) Listing Committee of the Stock Exchange. In 1999, Dr. Lo was appointed as Justice of the Peace (JP) of the Government of the Hong Kong Special Administrative Region for his contribution to Hong Kong. During the period 2003 to 2016, Dr. Lo was a Committee Member of Shantou People's Political Consultative Conference. Recently, Dr. Lo has been invited by the United Nations Economic and Social Commission for Asia and the Pacific to lead a task force for its Sustainable Business Network committee to look at financial inclusion leveraging fintech in the region. He was also appointed as an expert committee member of the GP Capital Research Institute of Shanghai GP Capital. In addition, Dr. Lo is a Board Mentor at Criticaleye, where he provides strategic guidance and mentorship to senior executives and board members.

Dr. Lo is an independent non-executive director of Television Broadcasts Limited and OCI International Holdings Limited, the shares of all of which are listed on the Stock Exchange. Also, Dr. Lo is an independent non-executive director of Regencell Bioscience Holdings Limited (NASDAQ: RGC).

Dr. Lo was an independent non-executive director of Jingrui Holdings Limited up to December 2024 and Oshidori International Holdings Limited up to July 2023, the shares of which are listed on the Stock Exchange and South Shore Holdings Limited up to November 2022, the shares of which are delisted from the Stock Exchange in February 2023.

Mr. Shek Lai Him, Abraham, *GBS, JP*, aged 79, joined the Company in 2018. He is a member of the Audit Committee of the Board. Mr. Shek obtained a bachelor's degree of arts and a diploma in education in the University of Sydney in May 1969 and March 1970 respectively. Mr. Shek also obtained a Juris Doctor Degree in The City University of Hong Kong in June 2022. He became an honorary fellow of Lingnan University, The Hong Kong University of Science and Technology, The University of Hong Kong and The Education University of Hong Kong in November 2008, June 2014, September 2016 and March 2018 respectively. In addition to his achievements in the academic field, Mr. Shek has also earned certain honorary titles in various ambits. He was appointed as Justice of the Peace in July 1995 and awarded the Silver Bauhinia Star and Gold Bauhinia Star in the Hong Kong Special Administrative Region 2007 and 2013 Honors Lists respectively. He was a member of the advisory committee board of the Independent Commission Against Corruption from 2017 to 2022. Mr. Shek is currently an honorary member of the Court of The Hong Kong University of Science and Technology, a member of the Court of The City University of Hong Kong and a member of the Court of The Hong Kong Metropolitan University.

In addition, Mr. Shek is an independent non-executive director of the following listed companies, the shares of all of which are listed on the Stock Exchange: Paliburg Holdings Limited; Chuang's Consortium International Limited; CTF Services Limited (formerly known as NWS Holdings Limited); Chuang's China Investments Limited; ITC Properties Group Limited; China Resources Building Materials Technology Holdings Limited (formerly known as China Resources Cement Holdings Limited); Lai Fung Holdings Limited; Cosmopolitan International Holdings Limited; Everbright Grand China Assets Limited; Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust; Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust; Far East Consortium International Limited; Shin Hwa World Limited (formerly known as Landing International Development Limited); Hao Tian International Construction Investment Group Limited and Alliance International Education Leasing Holdings Limited (formerly known as International Alliance Financial Leasing Co., Ltd).

Mr. Shek was the chairman and an executive director of Goldin Financial Holdings Limited up to October 2023, the shares of which were delisted from the Stock Exchange in October 2023.

Mr. Shek was also an independent non-executive director of the following companies: Country Garden Holdings Company Limited up to March 2024, the shares of which are listed on the Stock Exchange, and Lifestyle International Holdings Limited up to December 2022, the shares of which were delisted from the Stock Exchange in December 2022.

Business address of the Directors

The business address of the Directors is the same as the Company's principal place of business in Hong Kong at 31/F., Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "8. EXPERTS AND CONSENTS" in this appendix, has been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

15. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.csigroup.hk) for a period of not less than 14 days from the date of this Prospectus:

- (i) the letter from the Board, the text of which is set out on pages 14 to 48 of this Prospectus;
- (ii) the accountants' report on the unaudited pro forma financial information of the Group issued by Deloitte Touche Tohmatsu as set out in Appendix II to this Prospectus;
- (iii) the material contracts referred to in the paragraph headed "9. MATERIAL CONTRACTS" in this appendix;
- (iv) the written consents of the expert referred to in the paragraph headed "8. EXPERTS AND CONSENTS" in this appendix; and
- (v) the draft of the Bonus Warrant instrument.

16. MISCELLANEOUS

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profits or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) The English texts of this Prospectus, the PAL and the EAF shall prevail over the respective Chinese texts in case of inconsistency.