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CSI PROPERTIES LIMITED

資本策略地產有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 497)

RELEVANT ADVANCE TO AN ENTITY

The Company makes this announcement in relation to the Relevant Advance by the Group for Southwater Group pursuant to Rule 13.13 of the Listing Rules.

THE RELEVANT ADVANCE

The Company makes this announcement in relation to the Relevant Advance by the Group for Southwater Group pursuant to Rule 13.13 of the Listing Rules.

Southwater is a joint venture company formed in connection with a property development project at a site located at Gage Street/Graham Street in Hong Kong. At present, the Group and the JV Party have 35% and 65% equity interest in Southwater, respectively. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, the JV Party is a third party independent of the Company and its connected persons.

To date, the Relevant Advance provided by the Group amounts to approximately HK\$3,850 million. The Relevant Advance includes the relevant shareholder's loan of approximately HK\$2,310 million contributed by the Group to Southwater Group. The shareholder's loan is unsecured and interest free, and has no fixed repayment term. The remaining part of the Relevant Advance is provided in the form of a several guarantee, given by the Group for up to HK\$1,540 million of Southwater Group's bank borrowings. The Relevant Advance is provided in proportion to the Group's equity interest held in Southwater. No collateral is provided by the Group for or on behalf of Southwater Group. The cash proceeds received by Southwater Group are to be used in connection with its property development project.

GENERAL

The Company is an investment holding company and is primarily engaged in property development, repositioning and investment and securities investment.

Southwater Group is formed for the single purpose of engaging in its property development project mentioned above, which is of revenue nature and in the ordinary and usual course of business of the Group.

The Group's investment in Southwater Group forms part of the Group's principal activities, and falls within the exception in Rule 14.04(1)(f). The Company makes this announcement pursuant to Rule 13.13 of the Listing Rules since the amount of the Relevant Advance exceeds 8% of the asset ratio calculated in accordance with Chapter 14 of the Listing Rules. The Company will observe the continuing disclosure requirements obligations in respect of the Relevant Advance under Rule 13.20 of the Listing Rules where applicable.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	CSI Properties Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it the Listing Rules
“Director”	a director of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“JV Party”	the party holding 65% equity interest in Southwater
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Relevant Advance”	the aggregate of the shareholder’s loan from the Group to Southwater Group and the guarantee provided by the Group in respect of the bank borrowings of Southwater Group
“Southwater”	Southwater Investments Limited, a private limited liability company formed by the Group and the JV Party in connection with a property development project in Hong Kong as mentioned above in this announcement
“Southwater Group”	Southwater and its wholly-owned subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By order of the Board
CSI PROPERTIES LIMITED
Chan Suet Kwan
Company Secretary

Hong Kong, 23 March 2018

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

* *For identification purpose only*