
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, 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 this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of CSI Properties Limited to be held at Shop B27-28, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on 5 September 2018 at 10:00 a.m. is set out on pages 14 to 18 of this circular. A proxy form for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjourned meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjourned meeting or meetings should you so desire.

27 July 2018

* For identification purpose only

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Shop B27-28, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on 5 September 2018 at 10:00 a.m., or any adjournment thereof
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“close associate”	has the same meaning as ascribed to it under the Listing Rules
“Company”	CSI Properties Limited, a company incorporated in Bermuda with limited liability whose securities are listed on the main board of the Stock Exchange
“core connected person”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 July 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the general and unconditional mandate to repurchase the fully paid up Shares up to 10% of the aggregate number of issued shares of the Company as at the date of passing the ordinary resolution in relation thereto

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share(s)”	share(s) of HK\$0.008 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

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. Fong Man Bun, Jimmy

Registered office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent non-executive Directors:

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

*Principal place of business
in Hong Kong:*

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

27 July 2018

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purposes of this circular are to provide you with information regarding the resolutions to be proposed at the Annual General Meeting relating to (i) the re-election of the Directors; and (ii) the granting to the Directors of a general and unconditional mandate to (a) issue Shares representing up to 20% of the aggregate number of issued shares of the Company as at the date of passing of the resolution; (b) repurchase Shares up to 10% of the aggregate number of issued shares of the Company as at the date of passing of the resolution; and (c) issue further Shares not exceeding the aggregate number of issued shares so repurchased pursuant to the Repurchase Mandate.

* For identification purpose only

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

The Board currently consists of eight Directors, namely, Mr. Chung Cho Yee, Mico, Mr. Kan Sze Man, Mr. Chow Hou Man, Mr. Fong Man Bun, Jimmy, Mr. Cheng Yuk Wo, Dr. Lam Lee G., Dr. Lo Wing Yan, William and Hon. Shek Lai Him, Abraham, *GBS, JP*.

Pursuant to Bye-law 99(A) of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that each Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years at the annual general meeting. Pursuant to Bye-law 102(B) of the Bye-laws, the Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy or as an addition to the Board but so that the maximum number of Directors so appointed shall not exceed the number determined from time to time by the members in general meeting. Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to their number), and shall then be eligible for re-election at the meeting, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Pursuant to Bye-law 99(A) of the Bye-laws, Mr. Chung Cho Yee, Mico, Mr. Fong Man Bun, Jimmy and Mr. Cheng Yuk Wo will retire from office at the Annual General Meeting. In addition, Hon. Shek Lai Him, Abraham, *GBS, JP*, being a Director appointed by the Board after the annual general meeting of the Company held on 5 September 2017, also needs to retire at the Annual General Meeting pursuant to Bye-law 102(B) of the Bye-laws. All of the aforementioned Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

According to paragraph A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, any further appointment of an independent non-executive director in excess of nine years should be subject to a separate resolution to be approved by shareholders. Mr. Cheng has served on the Board as an independent non-executive director for more than nine years. In accordance with Bye-law 99(A) of the Bye-laws, he should retire at the Annual General Meeting. Nevertheless, the Board recommends the Shareholders to vote in favour of the resolution to re-elect Mr. Cheng as an independent non-executive director of the Company for a further term of three years because Mr. Cheng has made valuable contribution to the Company by providing his balanced and objective views to the Board. Mr. Cheng has not held any executive or management position in the Group nor has he throughout such period been under the employment of any member of the Group. There is no evidence that the independence of Mr. Cheng, especially in

LETTER FROM THE BOARD

terms of exercising independent judgment and objective challenges to the management, has been or will be in any way compromised or affected by his length of service to the Company. Besides, Mr. Cheng has provided an annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Board therefore comes to the view that Mr. Cheng should be re-elected for a further term at the Annual General Meeting.

The brief biographical details of the Directors who are standing for re-election at the Annual General Meeting are set out in Appendix I to this circular.

THE REPURCHASE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. In particular, Shareholders should note that the maximum number of Shares that may be repurchased pursuant to the Repurchase Mandate will be such number which represents 10% of the aggregate number of issued shares of the Company as at the date of passing the resolution pursuant to the Listing Rules.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement which is set out in Appendix II to this circular.

THE GENERAL MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to issue Shares representing up to 20% of the aggregate number of issued shares of the Company as at the date of passing of the resolution. Based on 10,037,089,676 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased prior to the date of the Annual General Meeting, the Directors will be authorised to issue 2,007,417,935 Shares pursuant to the new general mandate.

Subject to the passing of the aforesaid ordinary resolutions of the Repurchase Mandate and general mandate to issue Shares, an ordinary resolution will also be proposed to authorise the Directors to issue further Shares not exceeding the aggregate number of issued Shares repurchased pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A notice of the Annual General Meeting to be held at Shop B27-28, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on 5 September 2018 at 10:00 a.m. is set out on pages 14 to 18 of this circular.

In accordance with Rule 13.39(4) of the Listing Rules, the vote of the Shareholders at the Annual General Meeting will be taken by poll.

A form of proxy for the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete the form of proxy in accordance with the instructions set out therein and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting (as the case may be) should you so wish.

RECOMMENDATIONS

The Directors consider that (i) the re-election of the retiring Directors; and (ii) the proposed grant of the general mandate to issue Shares and the Repurchase Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

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

APPENDIX I DETAILS OF THE DIRECTORS TO BE RE-ELECTED

The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:

Mr. Chung Cho Yee, Mico, aged 57, Chairman and Executive Director of the Company, joined the Company in 2004. He is also a director of certain subsidiaries of the Company and the Chairman of the Executive Committee and Nomination Committee and a member of the Remuneration Committee of the Board. Mr. Chung graduated from University College, University of 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, and an independent non-executive director of HKC (Holdings) Limited, the shares of both of which are listed on Stock Exchange. Save as disclosed herein, Mr. Chung does not hold any other directorship in any other listed company in the last three years.

Mr. Chung has entered into a service agreement with the Group and receives a monthly emolument of HK\$989,750, which was determined by reference to his duties and responsibilities with the Company. For the year ended 31 March 2018, Mr. Chung received emoluments including bonuses under the service agreement amounting to HK\$35,337,610. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

As at the Latest Practicable Date, Mr. Chung, together with corporations controlled by him, were interested in an aggregate of 5,008,562,062 Shares, representing approximately 49.90% of the existing issued share capital of the Company. Save as aforesaid, Mr. Chung does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Mr. Chung is the controlling Shareholder and the brother-in-law of Mr. Kan Sze Man, an executive director of the Company.

Mr. Fong Man Bun, Jimmy, aged 53, Executive Director, joined the Company in 2011 and is a Managing Director of Couture Homes Properties Limited, a wholly-owned subsidiary of the Company. He is also a director of certain subsidiaries and associates of the Company and a member of the Executive Committee of the Board. Mr. Fong is mainly responsible for identifying and advising on residential development and investment for both acquisition and disposal planning of the Group. Mr. Fong has over 25 years' solid experience in luxury residential real estate project development and investment and has in-depth knowledge of the property market. He worked as a Director of Savills Hong Kong Limited (formerly known as First Pacific Davis) since 1993. Mr. Fong has worked in Shanghai, PRC in the 90's and also in the real estate department of Jones Lang Wotton (now known as Jones Lang LaSalle) in 1989. Save as disclosed herein, Mr. Fong does not hold any other directorship in any other listed company in the last three years.

APPENDIX I DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Mr. Fong has not entered into any director's service contract with the Company and there is no designated length of service for his appointment. Mr. Fong is not receiving any director's fee for his directorship but is receiving a salary for his position as the Managing Director of Couture Homes Group. For the year ended 31 March 2018, Mr. Fong received salaries, bonuses and share-based payment, which was determined by reference to his duties and responsibilities with the Company, amounting to HK\$6,354,501. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

As at the Latest Practicable Date, Mr. Fong did not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Mr. Fong is not related to any Directors, senior management or substantial or controlling shareholders of the Company.

Mr. Cheng Yuk Wo, aged 57, Independent Non-Executive Director, joined the Company in 2002. He is also the Chairman of the Audit Committee and 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 and the Hong Kong Institute of Certified Public Accountants, and a member of 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 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 C.P. Lotus Corporation, Chong Hing Bank Limited, Goldbond Group Holdings Limited, HKC (Holdings) Limited, CPMC Holdings Limited, Top Spring International Holdings Limited, Liu Chong Hing Investment Limited, Chia Tai Enterprises International Limited, DTXS Silk Road Investment Holdings Company 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 also an independent non-executive director of Imagi International Holdings Limited up to January 2016, the shares of which are listed on the Stock Exchange. Save as disclosed herein, Mr. Cheng does not hold any other directorship in any other listed company in the last three years.

As at the Latest Practicable Date, Mr. Cheng did not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

APPENDIX I DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Mr. Cheng has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. Mr. Cheng has not entered into any director's service contract with the Company and is receiving a director's fee of HK\$200,000 per annum for his directorship in the Company, which was determined by reference to his duties and responsibilities with the Company. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Hon. Shek Lai Him, Abraham, GBS, JP aged 73, Independent Non-Executive Director, joined the Company in 2018. He is also a member of the Audit Committee of the Board. Mr. Shek obtained a bachelor degree of arts and a diploma in education in the University of Sydney in May 1969 and March 1970 respectively. He became the 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 has also been a member of the advisory committee board of the Independent Commission Against Corruption since January 2017. Mr. Shek is currently a member of the Legislative Council for the Hong Kong Special Administrative Region, the Court Member of The Hong Kong University of Science and Technology, the Court and the Council Member of The University of Hong Kong, a non-executive director of Mandatory Provident Fund Schemes Authority of Hong Kong and Chairman and an Independent Member of the Board of Governors of English Schools Foundation.

In addition, Mr. Shek is an independent non-executive director of the following listed companies and collective investment schemes, all of which are listed on the Stock Exchange: (a) Paliburg Holdings Limited (stock code: 0617) since July 2002; (b) Lifestyle International Holdings Limited (stock code: 1212) since March 2004; (c) Chuang's Consortium International Limited (stock code: 0367) since May 2004; (d) NWS Holdings Limited (stock code: 0659) since September 2004; (e) Country Garden Holdings Company Limited (stock code: 2007) since March 2007; (f) MTR Corporation Limited (stock code: 0066) since December 2007; (g) SJM Holdings Limited (stock code: 0880) since January 2008; (h) Chuang's China Investments Limited (stock code: 0298) since April 2008; (i) Hop Hing Group Holdings Limited (stock code: 0047) since April 2008; (j) ITC Properties Group Limited (stock code: 0199) since September 2010; (k) China Resources Cement Holdings Limited (stock code: 1313) since January 2011; (l) Lai Fung Holdings Limited (stock code: 1125) since December 2012; (m) Cosmopolitan International Holdings Limited (stock code: 0120) since December 2013; (n) Goldin Financial Holdings Limited (stock code: 0530) since January 2017; (o) Everbright Grand China Assets Limited (stock code: 3699) since December 2017; (p) Regal Portfolio Management Limited, the manager of Regal Real Estate Investment Trust (stock code: 1881) since 2006; and (q) Eagle Asset Management (CP) Limited, the manager of Champion Real Estate Investment Trust (stock code: 2778) since 2006.

APPENDIX I DETAILS OF THE DIRECTORS TO BE RE-ELECTED

Mr. Shek was also an independent non-executive director of the following companies, all of which are listed on the Stock Exchange: (a) ITC Corporation Limited (now known as “PT International Development Corporation Limited”) (stock code: 0372) from June 2006 to March 2017; (b) Dorsett Hospitality International Limited (previous stock code: 2266) (withdrawn from listing on the Stock Exchange on 17 October 2015) from September 2010 to October 2015; (c) TUS International Limited (stock code: 0872) from June 2015 to January 2017; and (d) Midas International Holdings Limited (stock code: 1172) from August 2001 to January 2018. Mr. Shek had been a non-executive director and a member of the audit committee of The Hong Kong Mortgage Corporation Limited, a public company incorporated in Hong Kong, from December 2004 to April 2016.

Mr. Shek had served as an independent non-executive director of Titan Petrochemicals Group Limited (stock code: 1192) (“Titan”), a company incorporated in Bermuda and listed on the Stock Exchange from February 2006 to February 2014. On 9 July 2012 (Bermuda time), a winding up petition (the “Petition”) was served on Titan at the Supreme Court of Bermuda (the “Bermuda Court”) by its shareholder which intended to redeem the outstanding shares held by it at a redemption amount equal to the notional value of such shares (being HK\$310.8 million), together with any accrued and unpaid dividends. In July 2013, the Bermuda Court struck out the Petition upon application by Titan and allowed another claimant, KTL Camden Inc. (“Camden”) to be substituted as the petitioner in the Petition (the “Substitution Petition”). Camden claimed that a subsidiary of Titan was unable to pay the outstanding hiring charges pursuant to a bareboat charter party contract in the sum of approximately US\$6,853,032. The Bermuda Court ordered to set up an informal committee of creditors and appoint joint provisional liquidators to facilitate information exchange between Titan and its creditors. The Bermuda Court required Titan to consult the joint provisional liquidators with respect to its restructuring proposals and report to the Bermuda Court. In July 2016, the Bermuda Court ordered that the joint provisional liquidators be discharged and the Substitution Petition be discharged.

Save as disclosed herein, Mr. Shek does not hold any other directorship in any other listed company in the last three years.

As at the Latest Practicable Date, Mr. Shek did not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Shek has no relationship with any Directors, senior management or substantial or controlling shareholders of the Company. Mr. Shek has not entered into any director’s service contract with the Company and is receiving a director’s fee of HK\$200,000 per annum for his directorship in the Company, which was determined by reference to his duties and responsibilities with the Company. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Save as disclosed above, there is nothing which needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor is there anything which needs to be brought to the attention of the Shareholders in connection with the above retiring Directors.

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 10,037,089,676 Shares in issue.

Subject to the passing of the proposed ordinary resolution approving the Repurchase Mandate and assuming no further Shares will be issued or repurchased prior to the date of the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase up to a maximum of 1,003,708,967 Shares, representing 10% of the aggregate number of issued shares of the Company as at the date of passing of the resolution, during the period from the passing of the resolution granting the Repurchase Mandate up to the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or the applicable laws and requirements of Bermuda to be held, or when revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

Whilst the Directors do not presently intend to repurchase any Shares, they believe that it is in the best interests of the Company and its Shareholders to have general authority from the Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market condition and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

3. FUNDING OF REPURCHASES

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchase will be made out of funds legally available for such purpose in accordance with the applicable laws of Bermuda and the memorandum of association of the Company and the Bye-laws.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements of the Company contained in its annual report for the year ended 31 March 2017) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

4. DISCLOSURE OF INTEREST

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates, has any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if it is approved by the Shareholders.

No core connected persons of the Company have notified the Company that they have a present intention to sell any Shares held by them to the Company, or they have undertaken not to sell any of the Shares held by them to the Company in the event that the Directors are authorised to exercise the Repurchase Mandate.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

6. EFFECT OF THE HONG KONG CODE ON TAKEOVERS AND MERGERS

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

As at the Latest Practicable Date, Mr. Chung Cho Yee, Mico and his close associates held approximately 49.90% of the issued Shares of the Company. Assuming that no further Shares are acquired or sold by any of them, in the event that the Directors exercise their power to repurchase the Shares in full pursuant to the Repurchase Mandate, the shareholding of Mr. Chung Cho Yee, Mico, together with his close associates, in the Company will be increased to

APPENDIX II EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE

approximately 55.45% and such increase would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to repurchase Shares to such extent that would give rise to an obligation on the part of Mr. Chung Cho Yee, Mico or any of his close associates to make a mandatory offer under the Takeovers Code.

7. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months were as follows:

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
	<i>(Note)</i>	<i>(Note)</i>
2017		
July	0.43	0.38
August	0.42	0.39
September	0.42	0.38
October	0.41	0.38
November	0.42	0.39
December	0.41	0.38
2018		
January	0.54	0.40
February	0.54	0.46
March	0.52	0.48
April	0.57	0.48
May	0.55	0.49
June	0.54	0.44
July (up to the Latest Practicable Date)	0.47	0.42

Note: All rounded up to 2 decimal places.

8. SHARE REPURCHASES MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, no Shares have been repurchased by the Company whether on the Stock Exchange or otherwise.

9. SHAREHOLDERS' APPROVAL

All the proposed repurchases of the Shares by the Company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by special approval of a particular transaction.

NOTICE OF ANNUAL GENERAL MEETING



CSI PROPERTIES LIMITED

資本策略地產有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 497)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CSI Properties Limited (the “Company”) will be held at Shop B27-28, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on 5 September 2018 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the following resolutions:

AS ORDINARY BUSINESS

- (1) To receive and consider the audited financial statements and the reports of the directors and auditors of the Company for the year ended 31 March 2018.
- (2) To declare a final dividend of 1.40 Hong Kong cents per share for the year ended 31 March 2018.
- (3) To re-elect retiring directors and to authorise the board to fix the directors’ remuneration.
- (4) To re-appoint the auditors and to authorise the board to fix their remuneration.

AS SPECIAL BUSINESS

- (5) To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT

- (a) subject to paragraph 5(c) below, the exercise by the directors of the Company during the Relevant Period (defined below) of all the powers of the Company to purchase issued shares of the Company subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time be and is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph 5(a) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the directors;
- (c) the aggregate number of shares which is authorised to be purchased by the directors of the Company pursuant to the approval under paragraph 5(a) above shall not exceed 10% of the aggregate number of shares of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
 - (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”
- (6) To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“THAT

- (a) subject to paragraph 6(c) below, the exercise by the directors of the Company during the Relevant Period (defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 6(a) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph 6(a) above, otherwise than pursuant to a Rights Issue (defined below) or the exercise of subscription rights under any share option scheme or an issue of shares upon the exercise of the subscription rights attached to any existing warrants, bonds, debentures, notes, deeds or other securities which are convertible into shares or any scrip dividend scheme or similar arrangement in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate number of shares of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

“Rights Issue” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company or, where appropriate, such other securities (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory).”

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- (7) To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of the ordinary resolutions numbered (5) and (6) above, the general mandate granted to the directors of the Company pursuant to resolution numbered (6) above be and is hereby extended by the addition thereto of the aggregate number of shares of the Company purchased by the Company under the authority granted pursuant to resolution numbered (5) above, provided that such number shall not exceed 10% of the aggregate number of issued shares of the Company as at the date of passing this resolution.”

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

Hong Kong, 27 July 2018

Notes:

- (1) Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the meeting is enclosed.
- (3) The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.
- (4) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged at the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting (as the case may be) and in default, the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the Annual General Meeting or at any adjourned meeting (as the case may be) should they so wish.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members in respect of such share shall be accepted to the exclusion of the votes of the other joint holders.

NOTICE OF ANNUAL GENERAL MEETING

- (6) The register of members of the Company will be closed for the following periods:
- (a) for the purpose of determining shareholders who are entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 31 August 2018 to Wednesday, 5 September 2018 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 30 August 2018; and
 - (b) for the purpose of determining the shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Tuesday, 11 September 2018 to Friday, 14 September 2018 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 10 September 2018.
- (7) As at the date hereof, the executive directors of the Company are Mr. Chung Cho Yee, Mico (Chairman), Mr. Kan Sze Man, Mr. Chow Hou Man and Mr. Fong Man Bun, Jimmy, and the independent non-executive directors of the Company are Mr. Cheng Yuk Wo, Dr. Lam Lee G., Dr. Lo Wing Yan, William and Hon. Shek Lai Him, Abraham, *GBS, JP*.