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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)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RESPECT OF THE DISCLOSEABLE TRANSACTION IN RELATION TO INVESTMENT IN GUANGZHOU R&F NOTES**

Reference is made to the announcement issued by CSI Properties Limited (the “**Company**”) on 30 December 2020 in relation to the investment by the Company and/or its subsidiary(ies) in the notes issued by Guangzhou R&F Properties Co., Ltd. and/or its subsidiaries (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement have the same meanings as defined in the Announcement.

With respect to the Investment, the Company would like to provide further information as follows:

#### **INFORMATION OF THE COUNTERPARTIES**

CMBI, the dealer under the Note Purchase Agreement, is a subsidiary of China Merchants Bank Co., Ltd., a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3968). China Merchants Bank Co., Ltd. is principally engaged in banking and related financial services.

Golden Sunflower, the issuer of the linked notes referred to in the Note Purchase Agreement, is a special purpose vehicle incorporated for the purpose of issuing asset-backed securities and is held by MaplesFS Limited as trustee of a trust. To facilitate the issue of the linked notes, Golden Sunflower has entered into a total return swap arrangement with CMBI Global Markets Limited, a fellow subsidiary of CMBI. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, Golden Sunflower and its shareholder (being the trustee) are third parties independent of the Company and connected persons of the Company.

## REASONS FOR AND BENEFITS OF THE INVESTMENT

The purchase price for the linked notes is the same as the prevailing market price of the 6.7% Guangzhou R&F Notes as quoted on the Shanghai Stock Exchange and the return of the linked notes is the same as the 6.7% Guangzhou R&F Notes except that the Group is required to pay an annual management fee to CMBI pursuant to the Note Purchase Agreement, which is comparable to the rate charged by major commercial banks in Hong Kong for similar kind of investment products, and the return will be paid by Golden Sunflower instead. Unlike the Previous Investments, the 6.7% Guangzhou R&F Notes which are denominated in RMB, are only available for purchase by qualified foreign institutional investors approved by the China Securities Regulatory Commission. If the Group were to acquire interest in such notes, it has to be done through investment in their derivatives like the linked notes rather than direct acquisition.

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

Hong Kong, 8 January 2021

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

\* *For identification purpose only*