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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)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF CERTAIN GREENLAND NOTES**

#### **THE DISPOSAL**

On 20 January 2022, Mark Well (a wholly-owned subsidiary of the Company) disposed of the Disposed Greenland Notes on the open market at an aggregate consideration (including unpaid interests accrued) of approximately US\$1.61 million (equivalent to approximately HK\$12.56 million).

#### **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal, after aggregating with the Previous Disposals (which do not constitute a discloseable transaction for the Company whether on a standalone or an aggregated basis), exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

#### **THE DISPOSAL**

On 20 January 2022, Mark Well (a wholly-owned subsidiary of the Company) disposed of the Disposed Greenland Notes in an aggregate notional amount of US\$2.00 million (equivalent to HK\$15.60 million) on the open market at an aggregate consideration (including unpaid interests accrued) of approximately US\$1.61 million (equivalent to approximately HK\$12.56 million).

As the Disposal was conducted on the open market, the Company is not aware of the identities of the purchasers of the Disposed Greenland Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the purchasers of the Disposed Greenland Notes and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

### **INFORMATION OF THE DISPOSED GREENLAND NOTES**

The Disposed Greenland Notes are the 5.75% Greenland Notes due 2022 in the notional amount of US\$2.00 million (equivalent to approximately HK\$15.60 million) which are listed and quoted on the Stock Exchange held by Mark Well.

As at 30 September 2021, the carrying value of the Disposed Greenland Notes was approximately HK\$11.08 million. The net profits (both before and after taxation and extraordinary items) attributable to the Disposed Greenland Notes from 1 April 2021 to their date of disposal are approximately HK\$0.73 million.

### **REASONS FOR AND BENEFITS OF THE DISPOSAL**

Securities investment is one of the principal business activities of the Group and the Disposal is in line with such business. As at 30 September 2021, the investment portfolio of the Group comprises of 75.6% listed debt securities (mostly issued by PRC-based real estate companies), 6.2% listed equity securities and 18.2% unlisted funds and securities. The Group reviews the performance of its investment portfolio and makes adjustment to the same from time to time in order to optimise the return to the Group. The Disposal provides an opportunity for the Group to realise its investment in the Disposed Greenland Notes and re-allocate its resources for other investments when suitable opportunities arise.

As the Disposal was conducted on the open market, the Directors are of the view that the terms of the Disposal (including the consideration) are fair and reasonable and the Disposal is in the interests of the Company and its shareholders as a whole.

### **FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS**

As a result of the Disposal and subject to audit, it is expected that the Group will record a gain before tax and non-controlling interest of approximately HK\$1.21 million in the current financial year. The gain represents the difference between the consideration and the carrying value of the Disposed Greenland Notes, less unpaid interest accrued.

The Directors intend to apply the proceeds from the Disposal as general working capital and/or for other investments when suitable opportunities arise.

## **INFORMATION OF THE GROUP**

The Company is a limited liability company incorporated in Bermuda which shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the business of property development and investment, and securities investment.

Mark Well is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company. It is principally engaged in the business of sales of securities and investment holding.

## **INFORMATION OF GREENLAND**

Greenland and its subsidiaries are principally engaged in the development and sale of properties in the PRC. It also has presence in construction, finance and consumer related services in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Greenland and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal, after aggregating with the Previous Disposals (which do not constitute a discloseable transaction for the Company whether on a standalone or an aggregated basis), exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

Unless the context otherwise requires, the following terms shall have the following meanings in this announcement:

“Company”	CSI Properties Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 497)
“connected person”	has the same meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Disposed Greenland Notes by Mark Well on the open market on 20 January 2022, details of which are set out in the section headed “THE DISPOSAL” in this announcement

“Disposed Greenland Notes”	the 5.75% Greenland Notes due 2022 in the notional amount of US\$2.00 million (equivalent to approximately HK\$15.60 million) which are listed and quoted on the Stock Exchange
“Greenland”	Greenland Holdings Corporation Limited* (綠地控股集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (SSE: 600606)
“Greenland Notes”	the notes issued by Greenland and/or its subsidiaries
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mark Well”	Mark Well Investment Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Previous Disposals”	collectively, the disposal of: <ul style="list-style-type: none"> <li>(i) the 6.25% Greenland Notes due 2022 in the notional amount of US\$2.00 million (equivalent to approximately HK\$15.60 million) which are listed and quoted on the Stock Exchange on open market in February 2021;</li> <li>(ii) the 7.25% Greenland Notes due 2022 in the notional amount of US\$7.98 million (equivalent to approximately HK\$62.24 million) which are listed and quoted on the Stock Exchange on open market in October and November 2021; and</li> </ul>

(iii) the 6.75% Greenland Notes due 2022 in the notional amount of US\$3.50 million (equivalent to approximately HK\$27.30 million) which are listed and quoted on the Stock Exchange on open market in October and November 2021 and January 2022

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“US\$”

United States dollars, the lawful currency of the United States of America

“%”

per cent.

By Order of the Board  
**CSI Properties Limited**  
**Kan Sze Man**  
*Company Secretary*

Hong Kong, 24 January 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Chung Cho Yee, Mico (Chairman), Mr. Kan Sze Man, Mr. Chow Hou Man, Mr. Fong Man Bun, Jimmy, Mr. Ho Lok Fai and Mr. Leung King Yin, Kevin 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 the purpose of illustration only and unless otherwise stated, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 = HK\$7.80. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at such or any other rate.*

\* *For identification purpose only*