CSI
PROPERTIES
資 本 策 略

# CSI PROPERTIES LIMITED
# 資本策略地產有限公司*

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

# INSIDE INFORMATION RELATING TO PROFIT WARNING AND SHARE REPURCHASE PROGRAMME

This announcement is made by CSI Properties Limited (the "Company" and together with its subsidiaries, the "Group") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## PROFIT WARNING

The board of directors of the Company (the "Board") wishes to inform shareholders of the Company and potential investors that based on the management's preliminary assessment of the Company's unaudited condensed consolidated results of the Group for the six months ended 30 September 2018 and the unaudited management accounts for the five months ended 28 February 2019, the consolidated net profit of the Group for the fiscal year ended 31 March 2019 is expected to reflect a significant decrease as compared to that of the corresponding year ended 31 March 2018.

The anticipated decrease in profit is mainly attributable to the reduction in the booking of contracted sales as revenue for the fiscal year ended 31 March 2019 as compared to the preceding fiscal year.

* *For identification purposes only*

The estimated contracted sales for the fiscal year ended 31 March 2019 expected to be accounted for in the fiscal year ending 31 March 2020 is approximately HK$3 billion, primarily arising from the sales of (i) all office floors (except one) of the commercial tower at Nos. 2–4 Shelley Street in Central; (ii) all 204 residential units of COO Residence at No. 8 Kai Fat Path in Tuen Mun; and (iii) approximately 50% of the units in the Grade-A office tower at No. 38 Wai Yip Street (a joint venture project with Billion Development and Sino Land).

The information contained in this announcement is only based on the Board's current assessment of the market conditions and the latest management accounts of the Group which have not yet been confirmed or audited. Details of the Group's performance for the fiscal year ended 31 March 2019 will be disclosed in the final results announcement of the Group due to be published before the end of June 2019.

## SHARE REPURCHASE PROGRAMME

As the Board considers the current trading price of shares in the Company is at a level which undervalues the Company's performance, assets value and business prospects, subject to market conditions, the Board will actively consider undertaking an on-market share repurchase programme ("Share Repurchase Programme") of the Company's ordinary shares ("Share(s)") in the open market on or before (i) 26 April 2019 or (ii) 60 days immediately preceding the publication date of the Company's annual results (whichever is earlier). If appropriate and subject to market condition, the Board may also consider extending the Share Repurchase Programme for such periods after the publication of the Company's annual results until the next annual general meeting of the Company.

The Share Repurchase Programme will be conducted pursuant to the share repurchase mandate ("Repurchase Mandate") given to directors of the Company at the Company's annual general meeting on 5 September 2018 ("AGM"). Under the Repurchase Mandate, the directors of the Company are authorized to repurchase on the Stock Exchange 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 the AGM. The repurchase of Shares will be executed subject to requirements of the Listing Rules. The Board has no present intention to repurchase Shares to the 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 Rule 26 of the Takeovers Code. Thus, based on the shareholding of Mr. Chung Cho Yee, Mico and his close associates as at 1 April 2019, the Board does not intend to repurchase more than approximately 386.7 million Shares under the Share Repurchase Programme.

The repurchase of Shares will be funded by the existing cash resources of the Group. Shares repurchased will be cancelled. The effect of the repurchase will result in a reduction of the Company's total outstanding Shares and in turn lead to an enhancement of the net asset value of the Company and its asset value and/or its earning per Share. The Share Repurchase Programme demonstrates the Board's confidence in the Company and will only be conducted under circumstances which the Board considers to be appropriate and in the interest of the Company and its shareholders as a whole.

**Shareholders and potential investors should note that the exercise of the Share Repurchase Programme by the Company shall be subject to the market conditions and will be at the absolute discretion of the Board. There is no assurance of the timing, quantity or price of any Share repurchase. Shareholders and potential investors are therefore advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 1 April 2019

*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, Dr. Lo Wing Yan, William and Hon. Shek Lai Him, Abraham are the independent non-executive directors of the Company.*