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

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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)

MAJOR TRANSACTION

DISPOSAL OF INTEREST IN GET WISDOM LIMITED

A notice convening the SGM to be held on 20 August 2010 at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong at 4:30 p.m. is set out on pages 30 to 31 of this circular. Whether or not Shareholders are able to attend the SGM, Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Hong Kong branch registrar of the Company, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17/F., 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 SGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM should Shareholders so wish.

4 August 2010

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DEFINITIONS

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

“Announcement”	the announcement dated 29 June 2010 in relation to, inter alia, the Call Option and the Conversion;
“Board”	the board of Directors;
“Call Option”	the option granted by Capital Strategic to Hill Shine under the Sale and Purchase Agreement in consideration of the payment of HK\$1.00, pursuant to which Hill Shine could require Capital Strategic to sell the Call Option Shares to Hill Shine, at the Call Option Price;
“Call Option Price”	HK\$7.80 per Call Option Share;
“Call Option Shares”	two Non-Voting Shares beneficially held by Capital Strategic;
“Capital Strategic”	Capital Strategic Ventures Limited, a company incorporated in the British Virgin Islands, and a wholly-owned subsidiary of the Company;
“Chinese Estates”	Chinese Estates Holdings Limited, a company incorporated in Bermuda, with limited liability the shares of which are listed on the Stock Exchange, stock code 127;
“Company”	CSI Properties Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“Conversion”	Subject to the passing of an ordinary resolution by the Shareholders, (other than those, if any who are required to abstain from voting under the Listing Rules) the redemption of Non-Voting Shares by Get Wisdom and the conversion of such Non-Voting Shares into Ordinary Shares, in the ratio of one Non-Voting Share to one Ordinary Share;
“Conversion Right”	the right granted to holders of Non-Voting Shares under the Shareholders’ Agreement to require Get Wisdom to undergo the Conversion;

DEFINITIONS

“Convertible Notes”	Convertible Notes 2011, Convertible Notes 2012 I and Convertible Notes 2012 II;
“Convertible Notes 2011”	1.5% convertible notes in the aggregate outstanding principal amount of HK\$70,500,000 convertible into shares of the Company at HK\$0.313 per Share, subject to adjustments, due in 2011;
“Convertible Notes 2012 I”	2% convertible notes in the aggregate outstanding principal amount of HK\$23,600,000 convertible into shares of the Company at HK\$0.429 per Share, subject to adjustments, due in 2012;
“Convertible Notes 2012 II”	4% convertible notes in the aggregate principal amount of HK\$78,000,000 convertible into shares of the Company at HK\$0.25 per Share, subject to adjustments, due in 2012;
“Director(s)”	director(s) of the Company;
“Get Wisdom”	Get Wisdom Limited, a company incorporated in the British Virgin Islands, and as at the Latest Practicable Date, a subsidiary of the Company;
“Get Wisdom Group”	Get Wisdom, Smart Dynasty and Shanghai Xin Mao;
“Group”	the Company and its subsidiaries;
“Hill Shine”	Hill Shine Limited, a company incorporated in the British Virgin Islands, and a wholly-owned subsidiary of Chinese Estates;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party”	a party who, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is independent of the Company and of connected persons (as defined in the Listing Rules) of the Company;

DEFINITIONS

“Latest Practicable Date”	2 August 2010, 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;
“Loan Agreement”	the loan agreement dated 17 March 2010 entered into between Smart Dynasty as borrower and a licensed bank in Hong Kong as lender in relation to a loan facility of up to HK\$895 million;
“Non-Voting Shares”	shares of US\$1.00 each in the share capital of Get Wisdom which rank pari passu with the Ordinary Shares in respect of the right to dividends and as regards priority and proportion in respect of repayment of the capital paid up and the distribution of the surplus assets upon liquidation of Get Wisdom, but holders of which have no right to vote in the meeting of members of Get Wisdom;
“Ordinary Shares”	ordinary shares of US\$1.00 each in the share capital of Get Wisdom;
“PRC”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau SAR and Taiwan;
“Property”	the building, named Platinum, located at 233 Taicang Road, in the centre of Huaihai Commercial Zone Shanghai, PRC, comprising a commercial building, with a total gross floor area of 43,335.55 square metres;
“Put Option”	the option granted by Hill Shine to Capital Strategic under the Sale and Purchase Agreement in consideration of the payment of HK\$1.00, pursuant to which Capital Strategic can require Hill Shine to purchase the Put Option Shares from Capital Strategic, at the Put Option Price;
“Put Option Price”	HK\$7.80 per Put Option Share;
“Put Option Shares”	five Ordinary Shares beneficially held by Capital Strategic;

DEFINITIONS

“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	an agreement dated 18 December 2009 entered into between Capital Strategic and Hill Shine for, inter alia, the sale and purchase of three Non-Voting Shares in Get Wisdom;
“SGM”	a special general meeting of the Company to be held on 20 August 2010 at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong at 4:30 p.m. to consider and, if though fit, approve the Conversion;
“Shanghai Xin Mao”	上海新茂房地產開發有限公司 (Shanghai Xin Mao Property Development Co., Ltd) a company incorporated in the PRC, and a wholly-owned subsidiary of Smart Dynasty;
“Share(s)”	ordinary share(s) of HK\$0.008 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Shares;
“Shareholders’ Agreement”	the shareholders’ agreement dated 12 January 2010 between Capital Strategic, Hill Shine and Get Wisdom setting out the respective rights and obligations of Capital Strategic and Hill Shine in relation to Get Wisdom and its subsidiaries;
“Smart Dynasty”	Smart Dynasty Limited, a company incorporated in Hong Kong, and a wholly-owned subsidiary of Get Wisdom;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Chung Cho Yee, Mico (*Chairman*)

Mr. Kan Sze Man

Mr. Chow Hou Man

Mr. Wong Chung Kwong

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Independent Non-executive Directors:

Dato' Wong Sin Just

Dr. Lam Lee G.

Mr. Cheng Yuk Wo

Principal place of business:

3203, Bank of America Tower

12 Harcourt Road

Central

Hong Kong

4 August 2010

*To the Shareholders and, for information only,
the holders of Convertible Notes*

Dear Sir/Madam,

MAJOR TRANSACTION

DISPOSAL OF INTEREST IN GET WISDOM LIMITED

INTRODUCTION

The Company announced on 29 June 2010, inter alia, that on 29 June 2010 Hill Shine had exercised the Conversion Right granted to holders of Non-Voting Shares under the Shareholders' Agreement in respect of all of the Non-Voting Shares (representing 50% of the total issued share capital of Get Wisdom).

** For identification only*

LETTER FROM THE BOARD

As one or more of the applicable percentage ratios (as defined in the Listing Rules) of the Conversion exceeds 25% but are less than 75% the exercise therefore constitutes a major transaction for the Company under Rule 14.06(3) of the Listing Rules. The completion of the Conversion is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules. As, to the best knowledge of the Directors, no Shareholder has any material interest in the Conversion, no Shareholder is required to abstain from voting at the SGM in respect of the resolution to approve the Conversion.

The purpose of this circular is to set out details of the Conversion and a notice convening the SGM at which a resolution will be proposed to Shareholders to approve the Conversion.

BACKGROUND

Get Wisdom is an investment holding company incorporated in the British Virgin Islands through which each of the Company and Chinese Estates, indirectly, holds 50% interest in the Property. The authorised share capital of Get Wisdom is divided into Ordinary Shares and Non-Voting Shares. According to the memorandum and articles of association of Get Wisdom, the Non-Voting Shares rank *pari passu* with the Ordinary Shares in respect of the right to dividends and as regards priority and proportion in respect of repayment of the capital paid up and the distribution of the surplus assets upon liquidation of Get Wisdom, but holders of Non-Voting Shares have no right to vote in the meeting of members of Get Wisdom.

Hill Shine acquired from Capital Strategic three of the Non-Voting Shares (representing 30% of the total issued share capital of Get Wisdom) for a cash consideration of HK\$23.40 pursuant to the Sale and Purchase Agreement dated 18 December 2009. On 18 December 2009, when the Sale and Purchase Agreement was entered into, Get Wisdom was a shelf company with no assets, and the basis for determining the consideration of the three Non-Voting Shares was the par value of the Non-Voting Shares of Get Wisdom. It acquired the remaining two Non-Voting Shares (representing 20% of the total issued share capital of Get Wisdom) from Capital Strategic for a cash consideration of HK\$15.60 on 29 June 2010 pursuant to the exercise of the Call Option granted under the Sale and Purchase Agreement. The exercise price of the Call Option was also determined on the date of the Sale and Purchase Agreement and under the same circumstances and the price paid by Hill Shine to exercise of the Call Option was merely pursuant to contractual terms which had been negotiated prior to the successful acquisition of interests in the Property. Under the Sale and Purchase Agreement, Hill Shine also granted the Put Option to Capital Strategic, which is conditional upon the exercise of the Call Option by Hill Shine, and is exercisable from the date of completion of the transfer of the Call Option Shares from Capital Strategic to Hill Shine, being 29 June 2010, to the expiry of 180 days after this date (both dates inclusive). In the event that the Put Option is exercised by Capital Strategic and the sale and purchase of the Put Option Shares is completed, Get Wisdom shall cease to be a jointly controlled entity of the Company and instead will become an indirect wholly-owned subsidiary of Chinese Estates.

There is outstanding from each of Hill Shine and Capital Strategic, shareholders loans to Get Wisdom of approximately HK\$487.6 million being their pro-rata share of advances to Get Wisdom in accordance with the terms of the Shareholders' Agreement.

LETTER FROM THE BOARD

To finance the indirect acquisition of the Property by Smart Dynasty (which was completed on 1 April 2010) and the working capital requirement of Smart Dynasty, Smart Dynasty had on 17 March 2010 obtained a loan facility of up to HK\$895 million pursuant to the Loan Agreement. In this connection, the Company provided a guarantee in favour of the lending bank in respect of the Loan Agreement pro-rata to its interest in Smart Dynasty of up to approximately HK\$626.5 million, while Chinese Estates provided a guarantee in favour of the lending bank in respect of the Loan Agreement pro-rata to its interest in Smart Dynasty of up to approximately HK\$268.5 million. The amount of the guarantees provided by the Company and Chinese Estates will be adjusted to reflect their pro-rata indirect shareholding in Get Wisdom and the Company's guarantee will accordingly be reduced to HK\$447.5 million.

At the Latest Practicable Date, the loan facility has been fully drawn.

The Shareholders' Agreement also provides that holders of Non-Voting Shares may exercise the Conversion Right on which exercise the Non-Voting Shares will, subject to the passing of an ordinary resolution by the Shareholders (other than those, if any, who are required to abstain from voting under the Listing Rules), be redeemed by Get Wisdom and converted into Ordinary Shares, at the ratio of one Non-Voting Share to one Ordinary Share.

EXERCISE OF CONVERSION RIGHT

On 29 June 2010, Hill Shine exercised the Conversion Right granted to holders of Non-Voting Shares under the Shareholders' Agreement, as a result of which, subject to the passing of an ordinary resolution by the Shareholders (other than those, if any, who are required to abstain from voting under the Listing Rules), all of the five Non-Voting Shares held by Hill Shine will be redeemed by Get Wisdom and converted into five Ordinary Shares to be held by Hill Shine.

As at the Latest Practicable Date the issued share capital of Get Wisdom is held as to 50% by the Company's wholly-owned subsidiary Capital Strategic (represented by five Ordinary Shares), and as to 50% by a wholly-owned subsidiary of Chinese Estates, Hill Shine (represented by five Non-Voting Shares). Get Wisdom is a subsidiary of the Company under the Listing Rules, as 100% of the voting rights in Get Wisdom continues to be held by Capital Strategic.

Upon completion of the Conversion, the entire issued share capital of Get Wisdom will be comprised solely of Ordinary Shares, and Get Wisdom will be held as to 50% by Capital Strategic (represented by five Ordinary Shares), and as to 50% by Hill Shine (represented by five Ordinary Shares). Get Wisdom will, as a result, cease to be a subsidiary of the Company, and the financial results of the Get Wisdom Group will no longer be consolidated into the consolidated financial statements of the Group, and Get Wisdom Group will then be accounted for as a jointly controlled entity of the Group. The completion of the Conversion will therefore constitute a deemed disposal of a subsidiary under the Listing Rules.

Conversion will take effect only upon Shareholders' approval being obtained.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

The Group is principally engaged in property investment and securities investment. Capital Strategic is an investment holding company.

INFORMATION ON HILL SHINE

As far as the Directors are aware, Hill Shine is an investment holding company, and is an indirectly wholly-owned subsidiary of Chinese Estates, a company which, according to public information released by Chinese Estates, is principally engaged in property investment and development, brokerage, securities investment, money lending and cosmetics distribution and trading, the shares of which are listed on the Stock Exchange, stock code 127.

Save and except for the holding of five Non-Voting Shares, to the best of the Directors' knowledge, information and belief, and after having made all reasonable enquiries, as at the Latest Practicable Date, Hill Shine, Chinese Estates, its controlling shareholder(s) and the ultimate beneficial shareholder(s) of the controlling shareholder(s) of Chinese Estates are Independent Third Parties.

INFORMATION ON THE GET WISDOM GROUP

Get Wisdom is an investment holding company incorporated in the British Virgin Islands, the sole asset of which is the entire issued share capital of Smart Dynasty, an investment holding company incorporated in Hong Kong, the sole asset of which in turn is the entire registered capital of Shanghai Xin Mao.

Shanghai Xin Mao is a company incorporated in the PRC and is the registered owner of the Property, which is its sole asset of significance. The Property is situated in the centre of Huaihai Commercial Zone Shanghai, comprising a 20-storey Grade A office building with a commercial area on the ground floor and carparking spaces in the three levels of the basement, with a total gross floor area of 43,335.55 square metres. The office area is currently leased to international and corporate tenants with an occupancy rate of over 93%. The acquisition of the Property was completed on 1 April 2010.

LETTER FROM THE BOARD

According to the unaudited consolidated financial statements of Get Wisdom and Smart Dynasty which were prepared in accordance with accounting principles and practices generally accepted in Hong Kong,

- (a) the net loss both before and after taxation for the period from 13 May 2009 (date of incorporation of Get Wisdom) to 31 March 2010 (financial year end date) was HK\$3.4 million; and
- (b) as at 31 March 2010, the total assets and the total liabilities amounted to approximately HK\$1,850.5 million and HK\$1,853.9 million respectively, resulting in a net liability value of approximately HK\$3.4 million.

The completion of the acquisition of Shanghai Xin Mao was completed on 1 April 2010. Accordingly, the financial results of Shanghai Xin Mao have not been included in the financial information of Get Wisdom and Smart Dynasty above. The financial information of Shanghai Xin Mao is presented separately below.

According to the audited financial statements of Shanghai Xin Mao which were prepared in accordance with accounting principles and practices generally accepted in the PRC,

- (a) the net profit before and after taxation for the financial year ended 31 December 2009 were approximately RMB 58.0 million and approximately RMB 43.5 million respectively;
- (b) the net profit before and after taxation for the financial year ended 31 December 2008 were approximately RMB 61.1 million and approximately RMB 44.3 million respectively; and
- (c) as at 31 December 2009, its total assets and total liabilities were approximately RMB 658.9 million and approximately RMB 378.9 million respectively, resulting in a net asset value of approximately RMB 280.0 million.

The major difference between the accounting standards of the Group and Shanghai Xin Mao is that the value of the Property has been stated at cost less depreciation in the financial statements of Shanghai Xin Mao for the financial years ended 31 December 2009 while property interests will be stated at fair value in the financial statements of the Group.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE CONVERSION

The entering into of the Sale and Purchase Agreement has formed the foundation of a strategic relationship with Chinese Estates, whilst the grant of the Call Option and Put Option under the Sale and Purchase Agreement allows the Company to strengthen the financial position of the Group, by the reduction in the pro-rata shareholders' loans and the adjustments in the corporate guarantees provided in connection with the Loan Agreement. The grant of the Conversion Right under the Shareholders' Agreement also allows the Company and Chinese Estates to further strengthen the strategic relationship between the Company and Chinese Estates.

FINANCIAL EFFECTS OF THE CONVERSION

As at the Latest Practicable Date, the issued share capital of Get Wisdom is held as to 50% by the Company's wholly-owned subsidiary, Capital Strategic (represented by five Ordinary Shares), and as to 50% by a wholly-owned subsidiary of Chinese Estates, Hill Shine (represented by five Non-Voting Shares).

Subject to the passing of an ordinary resolution by the Shareholders (other than those, if any, who are required to abstain from voting under the Listing Rules), upon completion of the Conversion, the entire issued share capital of Get Wisdom will be comprised solely of Ordinary Shares, and Get Wisdom will be held as to 50% by Capital Strategic (represented by five Ordinary Shares), and as to 50% by Hill Shine (represented by five Ordinary Shares). Get Wisdom will, as a result, cease to be a subsidiary of the Company, and the financial results of the Get Wisdom Group will no longer be consolidated into the consolidated financial statements of the Group. The completion of the Conversion will therefore constitute a deemed disposal of a subsidiary under the Listing Rules. The Group has no current intention to dispose of the five Ordinary Shares.

Further to the Company's Announcement dated 29 June 2010, the Board would like to clarify that as no consideration is payable upon exercise of the Conversion Right, the Group expects no material gain or loss will arise from the Conversion. As a result of the conversion, Get Wisdom Group will no longer be consolidated into the consolidated financial statements of the Group, and the Get Wisdom Group will then be accounted for as a jointly controlled entity of the Group. The assets of the Group will be decreased by approximately HK\$1,791.4 million and the liabilities of the Group will be decreased by approximately HK\$1,791.4 million. The net asset value of the group will remain unchanged.

LETTER FROM THE BOARD

SGM

The notice of the SGM is set out on pages 30 to 31 of this circular. A form of proxy for use at the SGM is enclosed. At the SGM, a resolution will be proposed to approve the Conversion.

Whether or not Shareholders are able to attend the SGM, Shareholders are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Hong Kong Branch Registrar of the Company, Computershare Hong Kong Investor Services Limited, the Hong Kong branch registrar of the Company at Rooms 1712-1716, 17/F., 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 SGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM should Shareholders so wish.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that terms of the Sale and Purchase Agreement, including the exercise of the Call Option and the grant of the Put Option, and the Conversion, are in the interests of the Group and the Shareholders as a whole, and are on normal commercial terms which terms are fair and reasonable. The Company will comply with the applicable requirements of the Listing Rules upon the exercise of the Put Option.

Your attention is also drawn to the additional information set out in Appendices to this circular.

By order of the Board of
CSI Properties Limited
Kan Sze Man
Executive Director

1. INDEBTEDNESS**Borrowings**

As at the close of business on 30 June 2010, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$4,536.6 million. The total borrowings consisted of (i) secured bank borrowings of HK\$4,037.8 million, and (ii) unsecured borrowings of approximately HK\$498.8 million which included borrowings from an associate of approximately HK\$0.4 million, borrowings from a jointly controlled entity of approximately HK\$0.4 million and borrowings from the non-controlling shareholders of certain subsidiaries of approximately HK\$498.0 million.

The secured bank borrowings were secured by certain of the Group's assets, including property, plant and equipment, prepaid lease payment, properties held for sale and short-term bank deposits with an aggregate carrying amount of approximately HK\$6,766.3 million at 30 June 2010.

All borrowings are unguaranteed on group basis.

Debt securities

As at the close of business on 30 June 2010, the Group had a carrying amount of debt component of convertible notes of approximately HK\$170.8 million with an aggregate outstanding principal amount of approximately HK\$172.1 million.

Contingent liabilities

As at the close of business on 30 June 2010, the Group had contingent liabilities in respect of guarantees given to banks for banking facilities granted to an associate of approximately HK\$84.8 million.

Disclaimer

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 30 June 2010, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

Foreign currency amounts have been translated into Hong Kong dollars at the approximate exchange rates prevailing at the close of business on 30 June 2010.

2. WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseen circumstances and after taking into account the financial effect of the Conversion and the financial resources available to the Group, after completion of the Conversion the remaining Group will have sufficient working capital to satisfy its present requirements and the requirements in the next twelve months.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in securities and properties investments with an emphasis on premium properties both in Hong Kong and Shanghai.

The property market has been highly volatile in this financial year. During the first half of the period, the financial markets world-wide were still recovering from the damage caused by the financial tsunami and the market uncertainties affected property market sentiment. However, the property market showed a speedy recovery since the third quarter of 2009 thanks to the stimulus measures introduced by various governments to stabilize the market. The resulting low interest rate environment and abundant liquidity have had a positive effect on both property prices and transaction volume.

During the financial year ended 31 March 2010, the management took measures to preserve cash and reduce capital expenditure by disposing some of its non-income generating assets to ensure sufficient liquidity would be available to meet potential liabilities. The assets disposed include House B at Tai Tam, a development site at Jervois Street in Sheung Wan, two commercial buildings located at 30 and 30A Stanley Street in Central and Yue Thai Commercial Building, Sheung Wan to realize capital gain and actively seek new investment opportunities.

Our construction projects in Hau Fook Street, Tsimshatsui and Hoi Ping Road, Causeway Bay (25%-owned) are progressing well with completion of both buildings targeted in the last quarter of 2010. Pre-leasing marketing for No. 1, Hoi Ping Road has commenced with good response from major international brand names and food and beverages operators. Our unique commercial complex on No. 8, Hau Fook Street would become a combination of retail and entertainment complex. We recently acquired g.i. mall, a chic shopping arcade located on Granville Road which is directly adjacent to our building on Hau Fook Street. Completion of the acquisition is expected in the last quarter of 2010 and the management is currently reviewing potential synergy between the two buildings.

Renovation work at our luxury residential apartments located on Blue Pool Road, Happy Valley should be completed in the later part of the year. These exclusive and elegantly designed high-end residences should be well received by the market.

Our Hong Kong rental properties situated in prime areas of Wan Chai and Tsimshatsui are providing stable rental income and operating cashflow to the Group with average occupancy over 90%.

The Group increased its presence in Shanghai during the financial year ended 31 March 2010 and rental contribution from Shanghai properties is expected to rise in the coming year.

International Capital Plaza, a 57,000 square metre commercial and retail complex, on Sichuan North Road in Hongkou district of Shanghai, has commenced its operation in the third quarter of 2009. The retail podium has been very well received and has attracted well-known international and local brand names including C&A, KFC, Xin Wang and 85 Degree C. Leasing of the office portion is progressing well and rental rates have improved with the general recovery of the office market in Shanghai.

In September 2009, the Group completed the acquisition of In Point, a themed avenue shopping street situated in one of the busiest shopping district in Jing An district on top of the Nanjing West Road subway station. Since taking over the property in the last quarter of 2009, our dedicated asset management team has implemented strategic tenant repositioning work and successfully introduced various famous international retail and food and beverage tenants such as Mcdonald's, Krispy Kreme and Urban Outfitters.

With our enlarged resources and presence in Shanghai, we are confident that we would be able to repeat the success of our property repositioning model in China.

4. MATERIAL ADVERSE CHANGE

The Directors were not aware as at the Latest Practicable Date of any material adverse change in the financial or trading position of the Group since 31 March 2010, the date to which the latest published audited financial statements of the Group were made up.

**Hong Kong Office:**

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4 August 2010

The Board of Directors
CSI Properties Limited
Room 3203, Bank of America Tower
12 Harcourt Road
Central
Hong Kong

Dear Sirs,

Re: Valuation of Platinum Tower located at No. 233 Taicang Road, Luwan District, Shanghai, the People's Republic of China (the "PRC")

We refer to the instructions from CSI Properties Limited (hereinafter referred to as the "Company") and its subsidiaries (hereinafter together referred to as the "Group") for us to value the captioned property interest in the People's Republic of China (the "PRC"). We confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of value of the property interest as at 30th June, 2010 (the "date of valuation") for public documentation purpose.

BASIS OF VALUATION

Our valuation is our opinion of the market value which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion."

In the course of our valuation, we have assumed that the owner has valid and enforceable title to the property interest which is freely transferable, and has free and uninterrupted right to use the same, for the whole of the land use term granted to subject to the payment of land use fee and all requisite land premium/purchase consideration payable have been fully settled.

VALUATION METHODOLOGY

In valuing the property interest, we have adopted Investment Approach by taking into account the current rents passing and the reversionary income potential of the tenancies or, wherever appropriate, the Direct Comparison Approach by making reference to comparable sale evidence as available in the relevant market.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property on the open market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangements which could serve to affect the value of the property interest. In addition, no account has been taken of any option or right of pre-emption concerning or affecting sales of the property and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest of the property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

TITLE INVESTIGATION

We have been provided with extracts copies of title documents of the property and have relied on the advice given by the Group's legal adviser Dacheng Law Offices (the "PRC Legal Adviser") on PRC Law for the title of the property interest. For the purpose of our valuation, we have assumed that the Group has legal and enforceable title to the property interest we valued.

LIMITING CONDITIONS

We have inspected the exterior and, where possible the interior of the property. In the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the property is free from rot, infestation or any other defects. No tests were carried out on any of the services.

We have not carried out on-site measurements to verify the correctness of the site/floor areas of the property but have assumed that the site/floor areas shown on the documents available to us are correct. Dimensions, measurements and areas included in the attached valuation certificate are based on information contained in the documents provided to us and are, therefore, only approximations.

We have relied to a considerable extent on the information provided by the Group and have accepted advice on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, lettings, site and floor areas and all other relevant matters in the identification of the property.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group. We have been also advised by the Group that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In our valuation, we have complied with all the requirements contained in the Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards on Properties (1st Edition) published by The Hong Kong Institute of Surveyors (“HKIS”).

REMARKS

Unless otherwise stated, all sums stated in our valuations are in Hong Kong dollars. The exchange rate adopted in our valuations are approximately HK\$1 = RMB0.87 which was approximately the prevailing exchange rate as at the date of valuation.

Our Valuation Certificate is enclosed herewith.

Yours faithfully,

For and on behalf of

Norton Appraisals Limited

Paul M. K. Wong

MRICS, MHKIS, RPS (G.P.)

Director

Note: Mr. Paul M. K. Wong is a Registered Professional Surveyor who has more than 18 years’ experience in valuation of properties in Hong Kong and the PRC.

VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of Occupancy	Capital value in its existing state as at 30th June, 2010																		
Platinum Tower located at No. 233 Taicang Road, Luwan District, Shanghai, the PRC	<p>Platinum Tower is a 20-storey commercial building with a 3-storey basement, having a site area of approximately 4,998 sq.m., and was completed in about 2005.</p> <p>The total gross floor area of the property is approximately 43,335.55 sq.m. Details of the gross floor area breakdown are listed as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Level*</th> <th style="text-align: left;">Use</th> <th style="text-align: right;">Approximate Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>B1-B3</td> <td>Basement Car park (126 nos.)</td> <td style="text-align: right;">9,365.68</td> </tr> <tr> <td>1/F</td> <td>Ancillary facilities</td> <td style="text-align: right;">15.66</td> </tr> <tr> <td>1/F</td> <td>Retail</td> <td style="text-align: right;">499.22</td> </tr> <tr> <td>2/F-25/F</td> <td>Office</td> <td style="text-align: right;">33,454.99</td> </tr> <tr> <td></td> <td>Total:</td> <td style="text-align: right;"><u>43,335.55</u></td> </tr> </tbody> </table>	Level*	Use	Approximate Gross Floor Area (sq.m.)	B1-B3	Basement Car park (126 nos.)	9,365.68	1/F	Ancillary facilities	15.66	1/F	Retail	499.22	2/F-25/F	Office	33,454.99		Total:	<u>43,335.55</u>	<p>The property is currently leased under various tenancies for terms of mostly 1 to 4 years with the latest tenancy due to expire on 30 September 2014 yielding a total monthly rental of approximately RMB9,533,808 (exclusive of management and service fees).</p>	<p>HK\$2,528,000,000 (100% interest)</p>
Level*	Use	Approximate Gross Floor Area (sq.m.)																			
B1-B3	Basement Car park (126 nos.)	9,365.68																			
1/F	Ancillary facilities	15.66																			
1/F	Retail	499.22																			
2/F-25/F	Office	33,454.99																			
	Total:	<u>43,335.55</u>																			

* without levels 4, 13, 14, 23 and 24.

The land use rights of the property have been granted for a term of 50 years from 26th April, 2002 to 25th April, 2052 for comprehensive use (including commercial, office and hotel etc.)

Notes:

Section I: Title Document

- Pursuant to the Certificate for Real Estate Ownership No. 【滬房地盧字(2006)第000398號】 issued by Shanghai Housing and Land Resources Administration Bureau on 23rd January, 2006, the title of the property with a total gross floor area of 43,335.55 sq.m. is vested in 上海新茂房地產開發有限公司 (Shanghai Xin Mao Property Development Co., Ltd.) for a term of 50 years from 26th April, 2002 to 25th April, 2052 for comprehensive use (including commercial, office and hotel etc.)

Section II: Corporate Background

2. Pursuant to the Business Licence No. 310000400187580 (市局) dated 5th May 2010, Shanghai Xin Mao Property Development Co., Ltd. has been established and the operation period is 50 years from 19th January, 1998 to 18th January, 2048. The scope of business is to develop, construct, sell, lease and manage commercial/entertainment facilities within the subject site.

Section III: Others

3. We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:
 - a) the land use rights of the property are legally owned by Shanghai Xin Mao Property Development Co., Ltd. is entitled to transfer, lease, mortgage or dispose of the land use rights of the property and the buildings legally erected thereon after obtaining consents from the mortgagee;
 - b) Shanghai Xin Mao Property Development Co., Ltd has been duly incorporated and has full corporate power and legal capacity to carry out on the business specified in the Business Licence; and
 - c) the property is subject to a mortgage in favour of Industrial and Commercial Bank of China (shanghai Nanhui Sub-Branch).

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(A) Interests of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and which were entered into the register required to be kept under section 352 of the SFO were as follows:—

(i) Long positions in Shares:

Name of Director	Nature of interests	Company/ name of associated corporation	Number of Shares held <i>(Note 1)</i>	Derivative Interests	Approximate percentage of total shareholding <i>(%)</i>
Chung Cho Yee, Mico ("Mr. Chung") <i>(Note 2)</i>	Beneficial owner	The Company	2,678,552,062 (L)		32.81
				194,366,867(L)	2.38
	Interest of controlled corporation	The Company	2,675,507,062 (L)		32.77
				194,366,867(L)	2.38

Notes:

- (1) The letter “L” denotes a long position in the relevant securities.
- (2) Mr. Chung is the beneficial owner of 2,678,552,062 Shares (being the aggregate of the personal interest of Mr. Chung of 3,045,000 Shares and the corporate interest held by Earnest Equity Limited (“Earnest Equity”) of 2,675,507,062 Shares) and 194,366,867 Shares relate to the derivative interests held by Earnest Equity in Convertible Notes 2011 and Convertible Notes 2012 I. The entire issued share capital of Earnest Equity is held by Digisino Assets Limited (“Digisino”), as trustee of a discretionary trust founded by Mr. Chung, who together with his spouse and children are the current discretionary beneficiaries. Further, the entire issued share capital of Digisino is held by Mr. Chung and therefore both Digisino and Earnest Equity are corporations wholly-owned and controlled by him. Therefore, Mr. Chung is deemed to be interested in any Shares or equity derivatives held by Earnest Equity or Digisino.

Mr. Chung, an executive director and the chairman of the Company is also a director of Digisino and Earnest Equity.

(ii) Long positions in the underlying shares of equity derivatives:

- (a) As at the Latest Practicable Date, the Company had the following outstanding options to subscribe for Shares under the Share Option Scheme of the Company adopted on 13 June 2001 (“2001 Share Option Scheme”) and 26 August 2002 (“2002 Share Option Scheme”), held by Directors of the Company:

Directors	Option Scheme	Date of Grant	Adjusted Exercise Price (HK\$)	Exerciseable period	Number of Options outstanding as at the Latest Practicable Date
Kan Sze Man	2001	30.8.2001	0.1061	30.8.2001 to 12.6.2011	24,534,562
	2002	23.9.2002	0.0884	23.9.2002 to 25.8.2012	19,785,938
Chow Hou Man	2001	30.8.2001	0.1061	30.8.2001 to 12.6.2011	5,302,631
	2002	23.9.2002	0.0884	23.9.2002 to 25.8.2012	19,785,938
Wong Chung Kwong	2002	3.10.2007	0.3198	3.10.2007 to 25.8.2012	25,326,000 <i>(Note 1)</i>

Note 1:

There is a limit on the number of share options under the 2002 Share Option Scheme that may be exercised by each grantee during each period of 12 months commencing from date of grant (until five years after the date of grant), namely, the aggregate of (a) 20% of the total number of such share options granted and (b) any unused limits accumulated during previous period(s), subject to the written consent of the chairman of the Company to the exercise of share options exceeding such limit.

The consideration paid by the grantee on each grant of the share option was HK\$1.

- (b) Mr. Chung is also interested in 194,366,867 Shares which relate to the derivative interests held by Earnest Equity in the Convertible Notes 2011 and Convertible Notes 2012 I. The entire issued share capital of Earnest Equity is held by Digisino, as trustee of a discretionary trust founded by Mr. Chung, who together with his spouse and children are the current discretionary beneficiaries. Further, the entire issued share capital of Digisino is held by Mr. Chung and therefore both Digisino and Earnest Equity are corporations wholly-owned and controlled by him. Therefore, Mr. Chung is deemed to be interested in any Shares or equity derivatives held by Earnest Equity or Digisino.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and which were entered into the register required to be kept under section 352 of the SFO.

(B) Interests of Shareholders

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of any member of the Group.

(i) The Company

Name of Shareholder	Nature of interests	Number of Shares held (Note 1)	Derivative interests	Approximate shareholding percentage (%)
Digisino Assets Limited (Note 2)	Interest of controlled corporation	2,675,507,062 (L)	— 194,366,867 (L)	32.77 2.38
Earnest Equity Limited (Note 2)	Beneficial Owner	2,675,507,062 (L)	— 194,366,867 (L)	32.77 2.38
Third Avenue Management LLC	Investment manager (Note 3)	569,238,500 (L)	—	6.97
Third Avenue Real Estate Opportunities Management LLC	Interest of controlled corporation (Note 3)	569,238,500 (L)	—	6.97
Cheah Capital Management Limited	Interest of controlled corporation (Note 4)	566,861,416 (L)	—	6.94
Cheah Cheng Hye	Person who set up a discretionary trust (Note 4)	566,861,416 (L)	—	6.94
Cheah Company Limited	Interest of controlled corporation (Note 4)	566,861,416 (L)	—	6.94

Name of Shareholder	Nature of interests	Number of Shares held (Note 1)	Derivative interests	Approximate shareholding percentage (%)
Heng Sang Bank Trustee International Limited	Trustee (Note 4)	566,861,416 (L)	—	6.94
To Hau Yin	Interest of child under 18 or spouse (Note 4)	566,861,416 (L)	—	6.94
Value Partners Group Limited	Interest of controlled corporation (Note 4)	566,861,416 (L)	—	6.94
Value Partners Limited	Investment manager (Note 4)	566,861,416 (L)	—	6.94
Lehman Brothers Holdings Inc.	Interest of controlled corporation (Note 5)	450,820,000 (L)	—	5.52
Templeton Asset Management Ltd.	Investment manager	117,000,000 (L)	— 312,000,000 (L)	1.43 3.82

Notes:

- (1) The letter “L” denotes a long position in the relevant securities.
- (2) Earnest Equity Limited (“Earnest Equity”) holds 2,675,507,062 Shares and 194,366,867 Shares relate to the derivative interests held by Earnest Equity in the Convertible Notes 2011 and Convertible Notes 2012 I. Digisino Assets Limited (“Digisino”) holds the entire issued share capital of Earnest Equity and therefore Digisino is deemed to be interested in the Shares and derivative interests held by Earnest Equity.
- (3) The 569,238,500 Shares held by Third Avenue Management LLC and Third Avenue Real Estate Opportunities Management LLC are the same parcel of shares.
- (4) The 566,861,416 Shares held by Cheah Capital Management Limited, Cheah Cheng Hye, Cheah Company Limited, Hang Seng Bank Trustee International Limited, To Hau Yin, Value Partners Group Limited and Value Partners Limited are the same parcel of shares.
- (5) Lehman Brothers Commercial Corporation Asia Limited (in Liquidation), is a company owned as to 50% by LBCCA Holdings I LCC, and owned as to 50% by LBCCA Holdings II LCC, respectively, which were, in turn wholly-owned subsidiaries of Lehman Brothers Holdings Inc.

(ii) Other members of the Group:

Name of subsidiary	Name of shareholder	Approximate percentage of shareholding
Keen Expert Limited	Duncanson Services Limited	20%
Favor Great Limited	Dragonwing International Limited	40%

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10 per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of any other member of the Group.

As at the Latest Practicable Date:—

- (i) None of the Directors had any direct or indirect interests in any assets which have since 31 March 2010 (being the date to which the latest published audited accounts of the Group were made up) been acquired or disposed of by or leased to any members of the Group, or are proposed to be acquired or disposed of by or leased to any members of the Group.
- (ii) Save for Mr. Chung's interest in the Convertible Notes as disclosed above, none of the Directors was materially interested in any contracts or arrangements entered into by any members of the Group subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with the Company or any other member of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and his/her respective associates was considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group other than those businesses to which the Directors and his/her associates were appointed to represent the interests of the Company and/or the Group.

6. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business carried on or intend to be carried on by the Group) within the two years preceding the Latest Practicable Date and are or may be material:—

- (1) the loan purchase agreement dated 22 May 2009 entered into between Lehman Brothers Commercial Corporation Asia Limited (in Liquidation), Paul Jeremy Brough, Edward Simon Middleton and Patrick Cowley in their capacity as joint and several liquidators of Lehman Brothers Commercial Corporation Asia Limited (in Liquidation), the Company and CSI (China) Development Limited in relation to the acquisition of a term loan facility of an outstanding amount of approximately HK\$430 million granted by Lehman Brothers Commercial Corporation Asia Limited (in Liquidation) to Lanrich International Limited for the consideration of HK\$236.5 million;
- (2) the underwriting agreement dated 25 May 2009 between the Company and Get Nice Securities Limited in relation to the issue of not less than 2,223,253,574 rights shares but not more than 2,332,371,678 rights shares on the basis of 9 rights shares for every 20 shares held at a subscription price of HK\$0.078 per rights share by the Company;

- (3) the contracts entered into between the Company, Prime Pacific Investments Limited and Chan Ting Lai dated 25 May 2009 in relation to the redemption of an aggregate principal amount of HK\$62.5 million of the Convertible Notes 2011 at an aggregate consideration of HK\$43.75 million;
- (4) the contracts entered into between the Company and Prime Pacific Investments Limited, Dumazulu Limited, Cheer Selection Ltd., Skytop Technology Limited and Hyde Park Group Limited dated 25 May 2009 in relation to the redemption of an aggregate principal amount of HK\$331.3 million of the Convertible Notes 2012 I at an aggregate consideration of HK\$221.776 million;
- (5) the contract entered into between the Company and Credit Suisse (Hong Kong) Limited dated 25 September 2009 in relation to the redemption of an aggregate principal amount of HK\$35.1 million of the Convertible Notes 2012 I at an aggregate consideration of HK\$28.782 million;
- (6) the subscription agreement entered into between the Company and Templeton Strategic Emerging Markets Fund III, LDC dated 16 November 2009 in relation to the subscription for the Convertible Notes 2012 II issued by the Company;
- (7) the placing agreement entered into between BOCI Asia Limited (“Placing Agent”), Earnest Equity Limited and the Company dated 27 August 2009 pursuant to which the Company appointed the Placing Agent to place 1,000,000,000 Shares (“Placing Shares”) at a price of HK\$0.245 per Placing Share;
- (8) the Sale and Purchase Agreement; and
- (9) the Shareholders’ Agreement.

7. QUALIFICATIONS OF EXPERTS AND CONSENTS

The following are the qualifications of the experts which have given opinions or advice which are contained in this circular:

Name	Qualifications
Deloitte Touche Tohmatsu	Certified Public Accountants
Norton Appraisals Limited	Independent Professional Valuer

Deloitte Touche Tohmatsu and Norton Appraisals Limited have given and have not withdrawn their written consent to the issue of this circular with the inclusion of and references to their names and the reports or letters in the form and context in which it appears.

As at the Latest Practicable Date, each of the above experts did not have:

- (a) any direct or indirect interest in any assets which have been, since 31 March 2010 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

8. GENERAL

- (i) The company secretary of the Company is Mr. Kan Sze Man who graduated from Wadham College, Oxford University, England in 1993 and qualified as solicitor in Hong Kong.
- (ii) The registered address of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.
- (iii) The principal place of business of the Company in Hong Kong is 3203, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.
- (iv) The branch share registrar of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (v) The English version of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the office of the Company at 3203, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong during normal business hours for the period ending on the date of the SGM:—

- (i) the memorandum of association and bye laws of the Company;
- (ii) the material contracts as disclosed in paragraph 6 of this Appendix III;
- (iii) the annual reports of the Company for the two years ended 31 March 2009 and 31 March 2010;
- (iv) the letters of consent referred to in the paragraph 7 of this Appendix III headed “Qualification of Expert and Consent”;
- (v) the valuation report from Norton Appraisals Limited, the text of which is set out in Appendix II of this circular;
- (vi) the comfort letters issued by Deloitte Touche Tohmatsu in connection with the statements of Indebtedness and sufficiency of working capital contained in this circular; and
- (vii) this circular.

NOTICE OF SPECIAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that a special general meeting of CSI Properties Limited will be held at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on 20 August 2010 at 4:30 p.m. for the purpose of considering and, if thought fit, passing with or without amendment the following resolution which will be proposed as an ordinary resolution:—

ORDINARY RESOLUTION

“THAT

- (a) the conversion (“Conversion”) by Hill Shine Limited of non-voting shares in Get Wisdom Limited (“Non-Voting Shares”) into ordinary shares of Get Wisdom Limited pursuant to the conversion right granted to holders of Non-Voting Shares under the shareholders’ agreement between Capital Strategic Ventures Limited, Hill Shine Limited and Get Wisdom Limited referred to in the Circular of the Company dated 4 August 2010 be and is hereby approved; and
- (b) the directors of the Company be and are hereby authorised to implement the Conversion, including doing all such acts and things and signing all such documents, agreements or deeds on behalf of the Company as they shall in their absolute discretion consider necessary or desirable to give effect to the Conversion and the arrangements contemplated thereunder.”

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

Dated 4 August 2010

** For identification only*

NOTICE OF SPECIAL GENERAL MEETING

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Notes:

1. A form of proxy to be used for the meeting is enclosed.
2. Any member of the Company entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll votes may be given either personally (or in the case of a member being a corporation, by its duly authorised representative) or by proxy. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting. A proxy need not be a member.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited at the Hong Kong branch registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the meeting or adjourned meeting or poll (as the case may be) at which the person named in the instrument proposes to vote. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or upon the poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose names stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
6. As at the date of this notice, Mr. Chung Cho Yee, Mico (Chairman), Mr. Kan Sze Man, Mr. Chow Hou Man and Mr. Wong Chung Kwong are the executive directors, Dato' Wong Sin Just, Dr. Lam Lee G. and Mr. Cheng Yuk Wo are the independent non-executive directors of the Company.