

For Immediate Release



## CSI Properties Limited

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HK\$2 billion Fundraising Proposal led by Chairman and Controlling Shareholder Mr.  
Mico Chung to Strengthen Balance Sheet  
Gaw Capital as New Financial Investor Subscribing (i) Rights Shares at Premium to  
Market with lock-up, and (ii) 4 Years Senior Unsecured Note  
HK\$9 billion Asset Disposal Program to Narrow NAV Discount and Strengthen  
Shareholders Equity  
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(Hong Kong, 2<sup>nd</sup> February, 2025) – CSI Properties Limited (“CSI” or the “Group”) (Stock code: 497) is pleased to announce a fundraising of approximately HK\$1.5 billion by way of a rights issue of shares and an issuance of a HK\$500 million senior unsecured note to Gaw Capital, to strengthen shareholders’ equity and working capital. This proposal will introduce a new financial investor with global institutional expertise and enhance our balance sheet’s resilience for the current economic challenges. Through a committed HK\$9 billion active asset disposal program, we aim to narrow our NAV discount to our share price, and position the company for future growth opportunities in the evolving market landscape.

*Key Highlights*

- 1. Fundraising of approximately HK\$2 billion to strengthen balance sheet to ride out current market challenges.**

The total fundraising of approximately HK\$ 2 billion will be composed of new equity capital of approximately HK\$ 1.5 billion from the rights issue and another HK\$500 million in senior unsecured note to be provided by Gaw Capital, which is a landmark fundraising in this challenging capital market. The fundraising is expected to strengthen our balance sheet and financial position, providing for working capital support for ongoing projects, as well as for retirement and refinancing of our debt obligations in the current challenging times. The management will strive to maintain continuous dialogue with all stakeholders concerned in order to strike an appropriate balance on the use of proceeds from this fundraising.

**2. Fundraising led by controlling shareholder and Gaw Capital via rights issue at premium to the last closing share price.**

As a demonstration of confidence, the rights issue will be priced at a premium to the last closing share price. This reflects the strong belief of our controlling shareholder and new strategic investor Gaw Capital in unlocking hidden shareholders value from the significant discount to the NAV and the long-term fundamental upside of CSI.

**3. Controlling shareholder is leading the Fundraising with HK\$400 million committed and will remain as the largest shareholder without any change of control after this approximately HK\$2 billion total fundraising.**

Controlling shareholder Chairman Chung will be underwriting \$400 million worth of rights shares, in addition to the participation from Gaw Capital, demonstrating their commitment to our Group's future.

**4. Issuing of Bonus Warrants to give shareholders opportunity to participate in future upside of CSI**

For every ten new consolidated shares, one bonus warrant will be issued with a conversion price of HK\$ 0.22 into one ordinary shares, giving shareholders the opportunity to participate in the future upside of CSI.

**5. New Investor Gaw Capital will provide capital commitment and a new institutional investor perspective.**

The introduction of Gaw Capital as an investor will contribute up to HK\$ 758 million in new equity capital and an additional senior unsecured note of HK\$500 million. In addition, our current management team is looking forward to working with Gaw Capital to leverage on their global network and institutional expertise in our key strategic decisions. Whilst control and management of CSI will remain unchanged, we believe Gaw Capital will become a valuable and strategic business partner.

**6. Gaw Capital has committed to a four-year lock-up to show commitment to the future of CSI, subject to market and other conditions**

The lockup is a strong testament to the controlling shareholder and management team in managing CSI through the current challenging market. Furthermore, the lockup will help to avoid any market volatility on the price of our shares.

**7. Strong commitment to a HK\$9 billion asset disposal program to narrow valuation discount.**

The management team and Gaw Capital are committed to a HK\$9 billion asset disposal program of our prime assets in both residential and commercial properties within the next 4 years, and will actively seek ways to increase and unlock shareholders value.

**8. The rights issue will be anchored by our Chairman as controlling shareholder and leading international real estate private equity firm Gaw Capital, in addition to the Underwriter VMS Securities fully underwriting the balance of the whole rights issue in raising approximately HK\$1.5 billion.**

The rights issue will provide existing shareholders with the opportunity to invest in the future of CSI together with our Chairman and Gaw Capital. Gaw Capital is a leading real estate private equity firm in the Asia Pacific and other global markets and currently managing over US\$35.8 billion in AUM.

“We are excited to welcome Gaw Capital as a true business partner from the angle of their global expertise and looking at things from an institutional investor perspective.” CSI Chairman Chung commented. “I am firmly committed to remain as the major controlling shareholder and this fundraising exercise will not result in any change of control. Indeed, I am thankful for Gaw Capital’s confidence in me and our management.”

Kenneth Gaw, President and Managing Principal of Gaw Capital Partners, said: “Gaw Capital values the opportunity to collaborate with CSI Properties as a strategic shareholder, with which it has enjoyed a business relationship dating back to 2012. CSI Properties hold high quality portfolio with a majority of quality residential and commercial assets in Hong Kong. The synergies we create will sharpen our competitive edges in asset management. We believe that with joint efforts, Gaw Capital will be able to

further advance sustainable growth and navigate distressed opportunities in Hong Kong.”

The management at CSI would like to extend our sincere gratitude to all our shareholders and partners for their continuous support. This strategic fundraising exercise, along with the collaboration with our new strategic investor Gaw Capital, is a strong testament to the long term growth and development of CSI.

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### **About CSI Properties Limited (SEHK: 497)**

CSI Properties Limited is listed on the Hong Kong Stock Exchange. CSI has successfully leveraged on its management's strength in identifying strategically located properties and repackaging and repositioning them to improve rental yield, thereby bringing capital value enhancement.

CSI Group currently owns and manages a number of prime investment properties in Hong Kong, Shanghai and Beijing, including all Ground Floor shops of Capital Centre in Wanchai; 30% interest in an commercial office at No. 38 Wai Yip Street in Kowloon Bay; lower F&B floors at LL Tower, No. 2-4 Shelly Street, Central; the FOCO building at Nos. 46 and 48 Cochrane Street, SOHO, Central; new commercial building at Nos 92-96 Wellington Street, commercial development site at and Nos. 152-156 Wellington Street, Central; 51% interest in the site of ex-Novotel Hotel (being redeveloped) in prime West Kowloon; 25% interest in Harbourside HQ in Kowloon Bay; Hong Kong Health Check Tower in prime West Kowloon; two floors of the Broadway Centre at the Rua Do Campo in downtown Macau, and the In Point and Richgate Plaza, two prime retail arcades in Shanghai.

### **About CSI Properties (Couture Homes) Limited**

CSI Properties (Couture Homes) Limited is the wholly owned subsidiary of CSI Properties Limited (Stock code: 497) set up in 2011 to develop luxury residential developments in Hong Kong and the PRC. With Haute Couture (the tradition of tailoring exclusive custom-fitted clothing for privileged customers) as its blue-print concept, CSI Properties (Couture Homes) Limited specializes in crafting special residences made to order for private clients. CSI Properties (Couture Homes) Limited is actively expanding its presence in the luxury property market, in addition to DUKES PLACE, Cadenza and 8-12 Peak Road, other developments in progress include No.44 Stanley Village Road Project, No.92 Repulse Bay Road Project, High Peak at Po Shan Road Project, Topside Residence at Nathan Road project, Phase 5 Wong Chuk Hang Project, Yau Tong Project, and a luxury apartment development called Knightsbridge located in the heart of the Beijing city in Dongcheng district.

## **About Gaw Capital Partners**

Gaw Capital Partners is a uniquely positioned private equity fund management company focusing on real estate markets in Asia Pacific and other high barrier-to-entry markets globally. Specializing in adding strategic value to under-utilized real estate through redesign and re-positioning, the firm's investments span the entire spectrum of real estate sectors, including residential development, commercial offices, retail malls, hospitality, logistics warehouses and IDC projects.

Since its inception in 2005, Gaw Capital has raised seven commingled funds targeting Asia Pacific regions. The firm also manages value-add/opportunistic funds in the US, a Pan-Asia hospitality fund, a European Hospitality Fund, a Growth Equity Fund, and it also provides services for credit investments and separate account direct investments globally.

Gaw Capital has raised equity of US\$22.9 billion since 2005 and commanded assets of US\$35.8 billion under management as of Q3 2024.

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