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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 stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Capital Strategic Investment Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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資本策略

CAPITAL STRATEGIC INVESTMENT LIMITED

(Proposed to change its name to CSI Properties Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 497)

REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

AND

NOTICE OF SPECIAL GENERAL MEETING

**Independent financial adviser to the independent board committee and
independent shareholders of Capital Strategic Investment Limited**



INCUB Corporate Finance Limited

A letter from the independent board committee containing its recommendation to the independent shareholders of Capital Strategic Investment Limited is set out on page 7 of this circular. A letter from INCUB Corporate Finance Limited containing its advice to the independent board committee and independent shareholders of Capital Strategic Investment Limited is set out on pages 8 to 13 of this circular.

A notice to convene a special general meeting of Capital Strategic Investment Limited at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Thursday, 7 January 2010 at 4:45 p.m. (or so soon thereafter as the special general meeting of the Company convened at the same place and on the same date at 4:30 p.m. shall have been concluded or adjourned) is set out at the end of this circular. If you are not able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjournment thereof (as the case may be) should you so wish.

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DEFINITIONS

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

“associate(s)”	shall have the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	Capital Strategic Investment Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“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 People’s Republic of China
“INCU”	INCU Corporate Finance Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Issue Mandate. INCU is a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to conduct type 6 (advising on corporate finance) regulated activity
“Independent Board Committee”	a committee comprising all independent non-executive Directors, namely, Dato’ Wong Sin Just, Dr. Lam Lee G. and Mr. Cheng Yuk Wo, to advise the Independent Shareholders in relation to the refreshment of the Issue Mandate
“Independent Shareholder(s)”	Shareholder(s) other than the controlling Shareholder(s) and their respective associate(s) or, where there are no controlling Shareholder(s), Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associate(s)

DEFINITIONS

“Issue Mandate”	the general and unconditional mandate granted to the Directors to exercise all powers of the Company to allot, issue and deal with additional new Shares (or to grant any offers, agreements or options which would or might require new Shares to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter) under Rule 13.36(2)(b) of the Listing Rules, the current one being granted at the annual general meeting of the Company held on Thursday, 27 August 2009
“Latest Practicable Date”	16 December 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice of Special General Meeting”	the notice to convene the Special General Meeting set out at the end of this circular
“Repurchase Mandate”	the general and unconditional mandate granted to the Directors at the annual general meeting of the Company held on Thursday, 27 August 2009 to exercise all powers of the Company to repurchase Shares up to a maximum number equivalent to 10% of the issued share capital of the Company on the date of that meeting
“Share(s)”	ordinary share(s) of HK\$0.008 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Special General Meeting”	the special general meeting of the Company to be held at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Thursday, 7 January 2010 at 4:45 p.m. (or so soon thereafter as the special general meeting of the Company convened at the same place and on the same date at 4:30 p.m. shall have been concluded or adjourned) or at any adjournment thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



資本策略

CAPITAL STRATEGIC INVESTMENT LIMITED

(Proposed to change its name to CSI Properties Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 497)

Non-executive Director:

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

Executive Directors:

Mr. Hubert Chak

Mr. Kan Sze Man

Mr. Chow Hou Man

Independent non-executive Directors:

Dato' Wong Sin Just

Dr. Lam Lee G.

Mr. Cheng Yuk Wo

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business

in Hong Kong:

3203, Bank of America Tower

12 Harcourt Road

Central

Hong Kong

18 December 2009

*To the Shareholders, and, for information only,
the holders of the convertible notes and
options issued by the Company*

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

This circular is to provide you with information on the resolutions to be proposed at the forthcoming Special General Meeting to refresh the Issue Mandate and to give you the Notice of Special General Meeting.

LETTER FROM THE BOARD

REFRESHMENT OF THE ISSUE MANDATE

At the annual general meeting of the Company held on Thursday, 27 August 2009, the Issue Mandate was granted to the Directors to exercise the powers of the Company to allot, issue and deal with additional new Shares not exceeding 1,432,763,414 Shares, representing 20% of the aggregate nominal amount of the issued share capital of the Company as at that date.

Since the grant of the Issue Mandate and up to the Latest Practicable Date, the Company has utilized the Issue Mandate in fund raising of the Group as follows:

- (a) the Company has issued 1 billion new Shares under the top-up placing of Shares, raising net proceeds of approximately HK\$238.2 million for general working capital of the Group including for potential property related investments; and
- (b) the Company has issued HK\$78 million 4% convertible note due 2012, raising net proceeds of approximately HK\$77.5 million for general working capital of the Group. Full conversion of such convertible note at the initial conversion price of HK\$0.25 per Share will result in issue of 312 million new Shares.

Further particulars of the above fund raising conducted by the Group are set out in the announcements of the Company dated 27 August 2009 and 16 November 2009 respectively.

As at the Latest Practicable Date, the total of approximately HK\$238.2 million raised has been used for property related investments purpose. The remaining balance of HK\$77.5 million will be used for general working capital of the Company.

There has not been any refreshment of the Issue Mandate since the said annual general meeting. If the current Issue Mandate is not refreshed, only 120,763,414 new Shares may be further issued under the Issue Mandate, and these represent approximately 1.48% of the existing issued share capital of the Company.

The Board considers that it is appropriate, and also in the interests of the Company, to refresh the Issue Mandate to give general power and flexibility to the Directors for issue of new Shares in a speedy manner as and when opportunities arise, particularly in the current volatile stock market. Accordingly, the Board will seek approval of the Independent Shareholders at the Special General Meeting to refresh the Issue Mandate by way of ordinary resolutions to (i) grant new mandate to the

LETTER FROM THE BOARD

Directors to allot, issue and deal with additional new Shares (or to grant any offers, agreements or options which would or might require new Shares to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter) up to 20% of the issued share capital of the Company as at the date of the passing of such resolution and (ii) approve the addition to the new Issue Mandate of any Shares repurchased by the Company since the granting of the Repurchase Mandate in accordance with the Listing Rules.

As at the Latest Practicable Date, the issued share capital of the Company was HK\$65,310,537 divided into 8,163,817,074 issued Shares. On the basis that no further Shares are issued or repurchased following the Latest Practicable Date and prior to the date of the Special General Meeting, the Directors will be allowed after the refreshment of the Issue Mandate to issue a maximum of 1,632,763,414 new Shares, representing 20% of the issued share capital of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, there were no proposal or potential investments identified by the Directors which may require the utilisation of the Issue Mandate when it is refreshed.

IMPLICATION OF LISTING RULES

According to Rules 13.36(4)(a) and 13.39(4) of the Listing Rules, the refreshment of the Issue Mandate before the next annual general meeting is subject to the approval of the Independent Shareholders voting by way of poll at the Special General Meeting. Any controlling Shareholder(s) and their respective associate(s) or, where there are no controlling Shareholder(s), Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associate(s) are required to abstain from voting in favour of the relevant resolutions at the Special General Meeting.

Mr. Chung Cho Yee, Mico (“Mr. Chung”) is the beneficial owner of (or has interest in) a total of 2,678,552,062 Shares in the Company, directly and indirectly, representing approximately 32.81% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, Mr. Chung and the relevant associates or entities which control (or is/are otherwise entitled to exercise control over) the voting rights in respect of 2,678,552,062 Shares would abstain from voting in favour of the relevant resolutions approving the refreshment of the Issue Mandate. None of them, to the best of the knowledge of the Directors after reasonable enquiry, has any present intention to vote against the ordinary resolutions approving the refreshment of the Issue Mandate at the Special General Meeting.

The votes of the Shareholders at the Special General Meeting will be taken by poll.

LETTER FROM THE BOARD

NOTICE OF SPECIAL GENERAL MEETING

The Notice of Special General Meeting is set out at the end of this circular. A form of proxy for use at the Special General Meeting is enclosed with this circular.

If you are not able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrars of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Special General Meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Special General Meeting or any adjournment thereof should you so desire.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprises Dato' Wong Sin Just, Dr. Lam Lee G. and Mr. Cheng Yuk Wo, all being independent non-executive Directors. It has been established to advise the Independent Shareholders on the refreshment of the Issue Mandate.

INCU has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Issue Mandate.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the opinion that the refreshment of the Issue Mandate is in the interests of the Company and the Shareholders as a whole (after taking into account the advice of INCU). The Board accordingly recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the Special General Meeting to refresh the Issue Mandate.

Your attention is drawn to the letter from the Independent Board Committee set out on page 7 of this circular and the letter from INCU containing its advice and the principal factors which it has considered in arriving at its advice with regard to the refreshment of the Issue Mandate, as set out on pages 8 to 13 of this circular.

Yours faithfully,
For and on behalf of
Capital Strategic Investment Limited
Kan Sze Man
Director and Company Secretary

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



資本策略

CAPITAL STRATEGIC INVESTMENT LIMITED

(Proposed to change its name to CSI Properties Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 497)

18 December 2009

To the Independent Shareholders

Dear Sir or Madam,

REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

We refer to the circular of the Company dated 18 December 2009 (the “Circular”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We, being all the independent non-executive Directors, have been appointed to form the Independent Board Committee to advise you in connection with the refreshment of the Issue Mandate, details of which are set out in the “Letter from the Board” set out on pages 3 to 6 of the Circular. We wish to draw your attention to the “Letter from INCU” set out on pages 8 to 13 of the Circular, which contains the advice of INCU regarding the refreshment of the Issue Mandate.

Having taken into account the advice of INCU, we consider the refreshment of the Issue Mandate to be fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the Special General Meeting to approve the refreshment of the Issue Mandate.

Yours faithfully,

For and on behalf of the Independent Board Committee of
Capital Strategic Investment Limited

Dato’ Wong Sin Just

*Independent Non-executive
Director*

Dr. Lam Lee G.

*Independent Non-executive
Director*

Mr. Cheng Yuk Wo

*Independent Non-executive
Director*

LETTER FROM INCU

The following is the text of a letter of advice from INCU to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Issue Mandate, and is prepared for inclusion in this circular.



INCU Corporate Finance Limited

Unit 1602, Ruttonjee House
Ruttonjee Centre, 11 Duddell Street
Central, Hong Kong

18 December 2009

*To the Independent Board Committee and
the Independent Shareholders of*

Capital Strategic Investment Limited

(Proposed to change its name to CSI Properties Limited)

3203, Bank of America Tower

12 Harcourt Road

Central

Hong Kong

Dear Sirs,

REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Issue Mandate, details of which are contained in the Letter from the Board in the circular dated 18 December 2009 (the “Circular”), of which this letter forms a part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless otherwise stated.

LETTER FROM INCU

We have been retained by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the refreshment of the Issue Mandate is fair and reasonable and whether to (i) approve the grant of new mandate to the Directors to allot, issue and deal with additional new Shares (or to grant any offers, agreements or options which would or might require new Shares to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter) up to 20% of the issued share capital of the Company as at the date of the passing of such resolution and (ii) approve the addition to the new Issue Mandate of any Shares repurchased by the Company since the granting of the Repurchase Mandate are in the interests of the Company and its Shareholders as a whole, and to advise Independent Shareholders whether to vote in favour of the ordinary resolutions for approving the refreshment of the Issue Mandate.

Pursuant to Rule 13.36(4)(a) of the Listing Rules, the refreshment of the Issue Mandate requires the approval of the Independent Shareholders at the Special General Meeting at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. In addition, pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Independent Shareholders at the Special General Meeting will be taken by way of poll.

Mr. Chung Cho Yee, Mico (“Mr. Chung”) is the beneficial owner of (or has interest in) a total of 2,678,552,062 Shares in the Company, directly and indirectly, representing approximately 32.81% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, Mr. Chung and his associates or entities which control (or is/are otherwise entitled to exercise control over) the voting rights in respect of 2,678,552,062 Shares would abstain from voting in favour of the ordinary resolutions approving the refreshment of the Issue Mandate. None of them, to the best of the knowledge of the Directors after reasonable enquiry, has any present intention to vote against the ordinary resolutions approving the refreshment of the Issue Mandate at the Special General Meeting.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied upon accuracy of the information and representations contained in the Circular and information provided to us by the Company and its Directors. We have assumed that all statements and representations made or referred to in the Circular were true at the time they were made and continue to be true at the date of the Special General Meeting. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry.

LETTER FROM INCU

We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and have been confirmed by the Directors that there are no material facts and representations not contained in the Circular, the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and management of the Company. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information and representations contained in the Circular and to provide a reasonable basis for our recommendation regarding the refreshment of the Issue Mandate.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In giving our recommendations to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Issue Mandate, we have taken into consideration the following factors and reasons:

1. Background

The Group is principally engaged in property investment and securities investment.

The Company will convene the Special General Meeting at which ordinary resolutions will be proposed to the Independent Shareholders to:

- (i) grant new mandate to the Directors to allot, issue and deal with additional new Shares (or to grant any offers, agreements or options which would or might require new Shares to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter) up to 20% of the issued share capital of the Company as at the date of the passing of such resolution; and
- (ii) approve the addition to the new Issue Mandate of any Shares repurchased by the Company since the granting of the Repurchase Mandate.

2. Reasons for the refreshment of the Issue Mandate

At the annual general meeting of the Company held on 27 August 2009 (the “AGM”), the Directors were granted the Issue Mandate to allot, issue and deal with new Shares of up to 20% of the aggregate issued share capital of the Company as at the date of such meeting. As at the date of the AGM, 7,163,817,074 Shares were in issue and accordingly, up to 1,432,763,414 new Shares can be issued under the Issue Mandate.

LETTER FROM INCU

As advised by the Directors, the maximum net proceeds from the subscription of 1,000,000,000 new Shares of approximately HK\$238.20 million as set out in the Company's announcement dated 27 August 2009 has been applied towards property related investments.

As set out in the Company's announcement dated 16 November 2009 in relation to the issue of HK\$78 million convertible note, upon full conversion of such convertible note, an aggregate of 312,000,000 conversion shares will be issued, and as advised by the Directors, the maximum net proceeds from the issue of the convertible note of approximately HK\$77.5 million will be applied as general working capital of the Group.

There has not been any refreshment of the Issue Mandate since the AGM. As a result of the above subscription of new Shares and issue of convertible note, the Issue Mandate was utilised as to approximately 91.57%. In order to provide the Company with maximum financial flexibility for the Group's future business development, the Board proposed to seek approval by the Independent Shareholders at the Special General Meeting in respect of the refreshment of the Issue Mandate, pursuant to which the Directors shall be granted the authority to allot and issue additional new Shares not exceeding 20% of the issued share capital of the Company as at the date of the Special General Meeting plus the number of Shares repurchased by the Company pursuant to the Repurchase Mandate. The refreshment of the Issue Mandate will be in force when it is approved by the Independent Shareholders at the Special General Meeting. As at the Latest Practicable Date, the total number of issued Shares was 8,163,817,074. On the assumption that there will be no further issue or repurchase of Shares from the Latest Practicable Date to the date of the Special General Meeting (both dates inclusive), the Board will be granted the power to allot and issue further 1,632,763,414 Shares, being 20% of the total number of issued shares of the Company of 8,163,817,074 Shares, under the refreshment of the Issue Mandate when it is approved by the Independent Shareholders at the Special General Meeting.

3. Financial Flexibility

The Directors believe that the refreshment of the Issue Mandate will provide the Company the flexibility to take advantage of the market condition to raise additional funds for the Company through the issue of new Shares in a speedy manner as and when opportunities are identified and when the Directors think fit and appropriate.

Without the refreshment of Issue Mandate, any further equity issue by the Company in excess of the limit of the existing Issue Mandate will require specific approval from the Shareholders at general meeting. The extra time taken for holding the general meeting to obtain the specific Shareholders' approval and the uncertainty as to the voting results may hinder the Company's ability to grasp suitable investment opportunities, and defer potential investors from subscribing new Shares.

LETTER FROM INCU

Given that equity financing is an important avenue of resources of the Group as it does not create any interest paying obligations on the Group, we consider that the refreshment of the Issue Mandate could enhance the financing flexibility of the Company to raise capital, if and when required, through placing of Shares for further development of the Group and further strengthen the Company's capital base. We concur with the Directors' view that, although there is no immediate needs for further funding, the refreshment of the Issue Mandate is essential for the Group to respond to the market promptly in the event that the Group identifies suitable investment opportunities which may need further funding or attractive terms for investment in the Shares are to be offered by potential investors.

4. Other Financing Alternatives

Other than raising funds by way of issuing equity capital, the Board indicates that the Company will consider other financing methods such as bank financing, debt financing and funding through internal resources in order to meet its financing requirements arising from future investment of the Group, depending on the then financial position, capital structure and cost of funding of the Group as well as the then market condition. As discussed with the management of the Company, the Directors have also considered other alternative equity financing activities such as rights issue and open offer available to the Company; yet, such financing activities would be subject to a lengthy process and would incur additional costs to the amount raised. As such, the refreshment of the Issue Mandate will serve as one of the alternatives for the Company to finance the Group's future investment and the Board will use the method that serves the best interests of the Group. We consider that it is sensible to make reference to the then financial position, capital structure and cost of funding of the Group as well as the then market condition in order to decide a suitable financing method for the future investment of the Group.

5. Potential Dilution to Shareholdings of the Shareholders

Shareholders should note that the refreshment of the Issue Mandate if approved by the Independent Shareholders at the Special General Meeting will be and continue to be in force until the earliest of (i) the conclusion of the Company's next annual general meeting, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held, and (iii) the revocation or variation of the authority given under the relevant resolutions to be proposed as ordinary resolutions of the Shareholders in general meeting.

LETTER FROM INCU

Assuming that (i) the refreshment of the Issue Mandate is approved at the Special General Meeting; (ii) no Shares will be repurchased and no new Shares will be issued from the Latest Practicable Date up to the date of the Special General Meeting (both dates inclusive); and (iii) upon full utilisation of the refreshed Issue Mandate, 1,632,763,414 Shares are to be issued, which represent 20% of the existing issued share capital of the Company as at the Latest Practicable Date and approximately 16.67% of the enlarged issued share capital of the Company. The aggregate shareholding of the existing public Shareholders will be diluted from approximately 67.19% to approximately 55.99% upon full utilisation of the refreshed Issue Mandate for issue of Shares to third party other than the existing public Shareholders.

Taking into account that (i) the refreshment of the Issue Mandate will allow the increase in capital which may be raised by way of new equity issue under the refreshed Issue Mandate; (ii) the refreshment of the Issue Mandate will provide an alternative financing to the Group for future development of its business and potential investment as and when such opportunities arise, and (iii) the fact that the shareholding of all the existing Shareholders will be diluted proportionally to their respective shareholdings upon utilisation of the refreshed Issue Mandate, we consider that such maximum potential dilution to the shareholdings of the Shareholders to be acceptable.

RECOMMENDATIONS

Having considered the abovementioned principal factors and reasons, we consider that the refreshment of the Issue Mandate is fair and reasonable and is in the interests of the Company so far as the Shareholders as a whole are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the Special General Meeting to approve the refreshment of the Issue Mandate.

Yours faithfully,
For and on behalf of
INCU Corporate Finance Limited
Thomas Lee
Director

NOTICE OF SPECIAL GENERAL MEETING



資本策略

CAPITAL STRATEGIC INVESTMENT LIMITED

(Proposed to change its name to CSI Properties Limited)

(Incorporated in Bermuda with limited liability)

(Stock Code: 497)

NOTICE IS HEREBY GIVEN that a special general meeting (the “Meeting”) of Capital Strategic Investment Limited (the “Company”) will be held at Shop B27, Basement, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Thursday, 7 January 2010 at 4:45 p.m. (or so soon thereafter as the special general meeting of the Company convened at the same place and on the same date at 4:30 p.m. shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements or options (including bonds, warrants and debentures and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF SPECIAL GENERAL MEETING

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares as scrip dividends or similar arrangement pursuant to the bye-laws of the Company from time to time; or (iii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any option scheme or any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; or
- (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

NOTICE OF SPECIAL GENERAL MEETING

2. “**THAT** conditional upon the passing of resolution 1 set out in the notice convening this meeting, the general mandate granted to the directors of the Company for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares pursuant to resolution 1 set out in the notice convening this meeting be and is hereby extended by the addition of an amount representing the aggregate nominal amount of the shares repurchased by the Company under the authority granted pursuant to resolution 5 set out in the notice of the annual general meeting of the Company dated 28 July 2009 and passed at that meeting on Thursday, 27 August 2009, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of that resolution.”

By Order of the Board
Capital Strategic Investment Limited
Kan Sze Man
Director and Company Secretary

Hong Kong, 18 December 2009

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:

3203, Bank of America Tower
12 Harcourt Road
Central
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him/her.
2. A form of proxy for use at the meeting is enclosed in the circular of the Company of the same date of this notice. The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.
3. The form of proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be lodged at the branch share registrars of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 48 hours before the time appointed for holding the Meeting or any adjourned meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should they so wish.
4. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either in person or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members in respect of such share shall be accepted to the exclusion of the votes of the other joint holders.
5. As at the date hereof, the non-executive chairman of the Company is Mr. Chung Cho Yee, Mico, the executive directors of the Company are Mr. Hubert Chak, Mr. Kan Sze Man and Mr. Chow Hou Man, and the independent non-executive directors of the Company are Dato' Wong Sin Just, Dr. Lam Lee G. and Mr. Cheng Yuk Wo.