

July 19, 2017

**Phoenix Property Investors' Sale of a Hong Kong Project
for US\$151.3 Million (HK\$1.180 Billion)**

We are pleased to announce a sixth disposition for the firm's fifth opportunity fund, Phoenix Asia Real Estate Investments V, L.P. ("**Fund V**").

Recently we entered into a binding Preliminary Sale & Purchase Agreement to sell Fund V's joint-venture (JV) project at 232 Wanchai Road to a subsidiary of Continental Holdings Limited, a Hong Kong-listed jewelry and property investment company, (the "**Sale**"), for approximately US\$151.3 million (HK\$1.180 billion) (the "**Sale Price**"). The Sale's return exceeded Fund V's return objective. Subject to certain closing conditions, the expected closing date of the Sale is on or about October 25, 2017.

This investment is a site assemblage project jointly owned by Fund V and CSI Properties on a 50/50 basis. The JV completed the site assemblage and obtained vacant possession of the property in 2016 Q1. Two sets of approved general building plans for commercial redevelopment were then obtained in February 2016 and April 2017 respectively. Demolition works were completed in early July 2017. The original investment program was to redevelop the site and exit upon building completion. However, market interest for buying the site had been keen and we received an offer to exit the project as-is in the form of a bare site, which enables us to realize a higher return in a shorter time frame. The early exit also allows us to capture the existing buoyant market sentiment while reducing risk exposure to construction, leasing and future exit. As such, we have decided to accept the offer and proceed with an earlier divestment.

Note: Exchange rate used in the announcement is US\$1=HK\$7.8

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