



COUTURE HOMES  
尚家生活

**FY 2013 Results  
Presentation  
June 2013**

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# Agenda

- Results Highlights
- Prospects
- Q&As





## Results Highlights & Prospects



## FY 2013 Final Results Highlights

<i>(Year ended 31<sup>st</sup> March)</i> <i>(HK\$'m)</i>	<b>FY'2013</b> <b>(A)</b>	<b>FY'2012</b> <b>(B)</b>	<b>% change</b> <b>(A/B-1)</b>
<b>Gross Revenue from property business</b>	1,162	3,217	64% ↓
- property sale	939	2,992	
- rental income	223	225	
<b>Gross Profit</b>	738	1,666	55% ↓
<b>Profit from Property JV/ Associates</b>	300	217	38% ↑
<b>Profit Attributable to Equity Holders</b>	903	1,754	48% ↓
<b>EPS (Basic)</b>	10.25 cents	21.32 cents	52% ↓

## FY 2013 Disposals

<i>Project</i>		<b>Selling Price (HK\$m)</b>	<b>Book Cost (HK\$m)</b>
25 %interest in CUBUS	Causeway Bay	383	130
4 units of the Hampton	Happy Valley	484	182
Basement and 24th floors of AXA Centre	Wanchai	359	108
Unit 3210, Bank of America Tower	Central	37	23
Interest in Yiu Wah Street	Kwun Tong	60	50



## FY 2014 YTD Disposals

<i>Project</i>		<b>Selling Price (HK\$m)</b>	<b>Book Cost (HK\$m)</b>
H8, 8 Hau Fook Street*	TST	668	311
2 units of the Hampton**	Happy Valley	160	80
703 Nathan Road***	Mongkok	1,063	830
Presale of 37 units at the yoo Residence****	Causeway Bay	c. 550	377

CSI has achieved several key sales in the current fiscal year despite the difficult market conditions

### Notes

\*: Sale agreement signed in November 2012 and completion set for July 2013

\*\*.: Completion for units 2A and 1A set for July 2013 and Sep 2013 respectively

\*\*\*.: Sale agreements signed in January 2013 with completion set for July 2013

\*\*\*\*.: Completion set for within FY 2015

## FY 2013 Final Results Highlights

<i>(HK\$'m)</i>	<b>FY 2013</b> <b><u>31<sup>st</sup> Mar 2013</u></b>	<b>FY 2012</b> <b><u>31<sup>st</sup> Mar 2012</u></b>
Properties & related assets	7,425	5,877
Cash & bank balances	<b>3,132</b>	<b>2,445</b>
Investments	752	646
Other assets	<u>181</u>	<u>81</u>
<b>TOTAL ASSETS</b>	<b>11,490</b>	<b>9,049</b>
Bank loans	2,707	2,655
Notes and Convertible Bonds	1,170	9
Other liabilities	<u>528</u>	<u>413</u>
<b>TOTAL LIABILITES</b>	<b>4,405</b>	<b>3,077</b>
Minority Interests	21	13
<b>SHAREHOLDERS' EQUITY</b>	<b>7,064</b>	<b>5,959</b>

**Strong cash position demonstrates financial stability while allowing for flexibility in capturing future investment opportunities**



## FY 2013 Financial Highlights

	FY 2013 (HK\$m)	FY 2012 (HK\$m)
Book NAV attributable to Shareholders	7,064	5,959
Pro-forma adjusted NAV attributable to Shareholders	10,530	9,448
Net debt	745	210
Current ratio	6.09x	5.6x
Gearing ratio (consolidated)	33.7%	29.3%
Committed Property JV/ Associate Loans	1,250	777
Gearing ratio (incl. JV/ Associate)	40.2%	34.9%
Dividend payout	131.4	199.3
Dividend payout ratio (% of net profit)	14.6%	11.4%
Dividend yield (on announcement date)	4.06%	7.62%

## Pro-forma Balance Sheet Adjusted for Market Valuation

	Net Asset Value (HK\$'m)
Net assets attributable to Shareholders (audited)	7,064
Add:	
Attributable revaluation surplus relating to the Group's properties held for sale as per independent valuations at 31 March 2013*	2,800
Attributable revaluation surplus relating to the Group's properties held for sale by jointly controlled entities as per independent valuations at 31 March 2013*	666
Net assets attributable to Shareholders as if properties held for sale by jointly controlled entities and interests in jointly controlled entities were stated at open market value <sup>(1)</sup>	10,530
Pro-forma adjusted NAV per share <sup>(2)</sup>	<b>HK\$1.11</b>

### Notes:

(1) Deferred tax liabilities have not been provided for the attributable surplus of properties held for sale

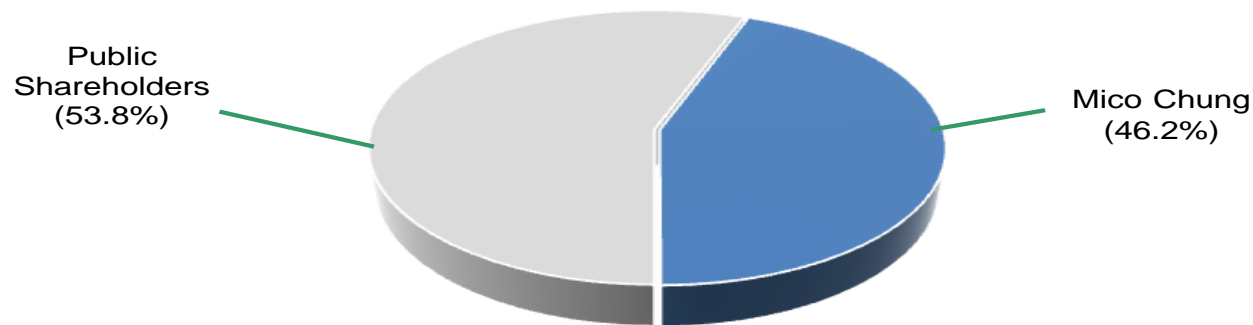
(2) NAV per share calculated based on 9,518m shares in issue

\* Independent valuations conducted by professional valuers DTZ and Jones Lane

## Key Corporate Activities Highlights

- Completed a placement exercise through CLSA Capital Markets Limited and JPMorgan Securities to raise approximately US\$50 million in October 2012.
- The placement proceeds further strengthen the balance sheet of the company and provide the funds for necessary acquisition of commercial and residential properties, while also helping the Group to further enhance the institutional investorbase.
- The Group also achieved another major milestone on the capital management front through the completion of our inaugural bond issue in January 2013 through JPMorgan Securities and Bank of America Merrill Lynch.
- The US\$150 million 5 year unrated fixed rate debut bond was priced at an attractive interest rate of 6.5% per annum.
- The issue opens up a new financing avenue and allows the Group more flexibility in financing our future growth while also giving us access to a broader investor base of global fixed income investors.

## Strong Commitment of Controlling Shareholder



Shareholding interests based on 9,518 million, the total number of outstanding shares after completion of top-up placement in October 2012

- Mr. Chung recently completed his annual 2% purchase limit in April 2013 to take his ownership interest to 46.2% stake in Company
- Strong commitment of controlling shareholder and tremendous confidence in future growth prospects of CSI



## Awarded “Best Small Cap Company in Hong Kong”

- The Group was awarded the “Best Small Cap Company in Hong Kong” in Asia's Best Managed Companies annual poll conducted by FinanceAsia, the leading financial journal in the Asia Pacific region
- FinanceAsia has organised the annual poll to select Asia's best managed companies for over 10 years
- The poll included opinions and votes from 300 major investment professionals and financial analysts in the Asia-Pacific region and companies were rated on overall management, corporate governance, investor relations and commitment to strong dividend payments, amongst other criteria
- This award reflects the wide recognition and trust by the investment community in the Group's business strategy and track record during the past decade



# Prospects

## Investment Properties

- Continue to leverage on established market strengths and network to identify and invest in properties that fit into our model of value enhancement in Hong Kong and Shanghai
- Closely monitor market conditions to optimize disposals of properties for reinvestment opportunities

## Couture Homes

- Commitment to detailed design and top quality finishing, tailored made to aim at pre-targeted class of high-net worth buyers
- Leverage on Couture Homes' uniqueness and capture more development opportunities in Hong Kong and Shanghai
- Target to become world-class premium residential development company like Candy & Candy and SC Global Developments

Leading mid-cap property group with steady profitability and dividend policy

## Prospects - List of Major Properties

Portfolio information *		Date of Purchase	Gross Area (approx) sq ft ('000)	Market Value <sup>(1)</sup> (HK\$'m)	Book Value (HK\$'m)	Current/Committed Annual Rent (HK\$'m)	Occupancy (%)
<b><i>Investment Property</i></b>							
G/F, 1506-07, 17-23F, Skysign, 75 carparks of AXA Centre, No. 151 Gloucester Road	Wanchai	Aug '06 / May '07	124	2,197	616	60	100
H8, 8 Hau Fook Street <sup>(3)</sup>	Tsimshatsui	Jun '06	45	668	311	18	<b>Sold</b>
The Platinum, Taicang Road (CSI – 50%)	Lu Wan	Apr '10	370	3,467	2,110	157	93
In Point, Wujiang Road & Shimenyi Road	Jing An	Aug '09	122	965	632	51	95
23 - 25 & 27 Ashley Road (Redevelopment)	Tsimshatsui	Sep '06	62	726	369	24	96
No. 1 Irving Street (J-Plus Hotel)	Causeway Bay	May '11	45	600	575	20	96
No. 2-4 Shelly Street (Redevelopment)	Central	Mar '11	32	325	285	7	N/A
Novotel Nathan Road Hotel (CSI – 50%)	Jordon	Jul'12	290	2,930	2,368	130	96
			<b>1,090</b>	<b>11,878</b>			
<b><i>Residential Property</i></b>							
1A <sup>(2)</sup> , 2A <sup>(2)</sup> The Hampton, 45 Blue Pool Road	Happy Valley	May '08	7	167	80	N/A	<b>Sold</b>
No. 47 Barker Road	The Peak	Feb '11	4	204	204	N/A	N/A
No. 33-39 Tung Lo Wan Road (CSI – 50%)	Causeway Bay	Jul '11	90	1,065	1,065	N/A	N/A
Land in Qing Pu (CSI – 50%)	Qing Pu	Jun '11	643	1,354	1,354	N/A	N/A
Land in Kau To Shan	Shatin	May '12	50	550	550	N/A	N/A
Monterey Court, Perkins Road (CSI - 60%)	Jardine's Lookut	Dec'12 <sup>(2)</sup>	73	1,403	1,403	36	100
			<b>867</b>	<b>4,743</b>			

\*Based on 100% ownership interest. Source: Company records as at Jun 2013

Note (1) As per valuation report by qualified valuers /Actual Sale & Purchase Agreement at end of Mar 2013.

(2) Purchase agreement signed for Units 1A and 2A, completing Oct 2013 and May 2013 respectively.

(3) Agreement entered in December 2012 for the disposal of the Group's interests at HK\$668 million with target completion in July 2013.

Disposal Pipeline

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**Best Small-Cap**

**CSI Properties**

Hong Kong

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# Q & As