

Strictly confidential



Turning a new page

1H FY2016 results presentation



November 2015

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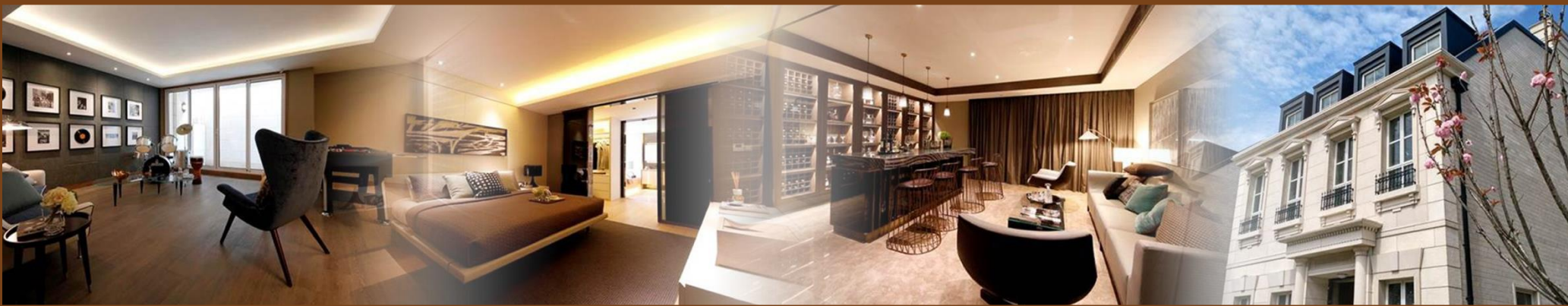
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Section 1

1H FY2016 Results Highlights



FY 2016 interim results highlights



(Year ended 31st March) (HK\$m)	1H FY'2016 (A)	1H FY2015 (B)	% change (A/B-1)
Gross revenue from property business	229	362	37% 
Property sale	124	270	
Rental income ¹	105	92	
Gross profit	130	114	14% 
Profit from property JV/associates	526	84	526% 
Profit attributable to equity holders	526	169	211% 
EPS (basic)	5.0 cents	1.8 cents	179% 

Note:

1 Rental income including JV/ Associates together should amount to HK\$300 million annually

FY 2016 interim results highlights (cont'd)



Strong cash and cash-equivalent investment balances demonstrate financial stability while allowing for flexibility in capturing future investment opportunities

(HK\$m)	1H FY 2016 30th Sep 2015	FY 2015 31st Mar 2015
Properties & related assets	11,716	9,830
Cash & bank balances	1,307	1,280
Investments	1,094	1,293
Other assets	86	159
Total assets	14,203	12,562
Bank loans	3,457	2,756
Guaranteed notes	1,170	1,170
Other liabilities	892	369
Total liabilities	5,518	4,295
Minority interests	10	2
Shareholders' equity	8,674	8,265

FY 2016 YTD key sales



CSI has made a few key sales this fiscal year to capitalize on positive market sentiment, especially in the HK office sector

Projects sold YTD	Location	Sale price (HK\$m)
13 Floors of Henan Building ¹	Wanchai	508
131 units of yoo Residence ² (50% interest)	Causeway Bay	c. 2,000
17-19th Floors of AXA Centre (plus 10 parking spaces) ³	Wanchai	730
20-21st Floors of AXA Centre (plus 7 parking spaces) ⁴	Wanchai	499
Platinum Building (50% interest)	Shanghai	RMB2.88bn

Notes:

- 1 All closed except 2 floors remaining to be completed Dec 2015
- 2 Completion expected Nov/Dec 2015
- 3 Completed late Oct 2015
- 4 Completed late Oct 2015

FY 2016 YTD key acquisitions



CSI has made several key acquisitions in the current fiscal year to build up its commercial and residential landbank to accelerate growth of Group in the future

Projects acquired YTD	Location	Purchase price (HK\$m)
Office land site (government tender) (30% interest)	Kowloon Bay	3,038
Residential land site (government tender) (100% interest)	FanLing	302
Peak road project (17 apartments and one house) for refurbishment	Peak	1,800
Novotel Hotel Jordan (Consolidation of remaining 50% stake)	Jordan, Kowloon	1,700

1H FY 2016 financial highlights



	1H FY 2016 (HK\$m)	FY 2015 (HK\$m)
Book NAV attributable to shareholders	8,674	8,265
Pro-forma adjusted NAV attributable to shareholders	12,493	12,970
Net debt	3,320	2,646
Current ratio	5.99x	7.65x
Gearing ratio ¹ (consolidated)	32.6%	31.3%
Pro forma Gearing ratio (consolidated & mark-to-mkt)	25.7%	22.7%
Gearing ratio ¹ (incl. JV/associate)	49.3%	48.5%
Pro forma Gearing ratio (incl. JV/associate & mark-to-mkt)²	38.9%	35.3%
Committed property JV/associate loans	2,381	2,171
Final dividend payout	NA	39.6
Special dividend payout	NA	26.4
Total dividend payout ratio (% of net profit)	NA	25.1%
Dividend yield (on announcement date)	NA	2.03%

Note:

1 Gearing ratio calculated based on historical book cost with no mark-to-market revaluation accounted for

2 Subsequent to end of 1H FY 2016, CSI successfully disposed the 5 upper floors of AXA Center which will lower the gearing ratio

Pro-forma Balance Sheet adjusted for market valuation



Properties valued at historical cost basis on book with no revaluation surplus. Even after revaluation adjustment still represents significant value in terms of a significant discount to pro forma adjusted NAV of HK\$1.19 per share when compared to current share price

	Net asset value (HK\$m)
Net assets attributable to shareholders (audited FY2015)	8,274
Add	
• Attributable revaluation surplus relating to the group's properties held for sale as per independent valuations at 31 March 2015 ¹	2,787
• Attributable revaluation surplus relating to the group's properties held for sale by jointly controlled entities as per independent valuations at 31 March 2015 ¹	1,033
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 value²	12,495
Pro-forma adjusted NAV per share³	HK\$1.19

Notes:

- 1 Independent valuations conducted by professional valuers incl. DTZ, CBRE, Jones Lane Lasalle and AG Wilkinson at 31 March 2015 (adjusted by sale of Platinum)
- 2 Deferred tax liabilities have not been provided for the attributable surplus of properties held for sale
- 3 NAV per share calculated based on 10,487 million shares in issue

Visible disposal and profitability pipeline¹



FY 2016

- AXA Centre- 17-21st floors plus 17 car parks (*Sold at total HK\$1.23 billion*)
- The Platinum in Shanghai (50% stake) (*Sold at RMB 2.88 billion*)
- Remaining units of yoo Residence (50% stake) (Proposed Sale Value c. HK\$700m) (*131 units presold for c. HK2.0 billion and completing Nov/ Dec 2015*)
- 5 detached houses in Kau To Shan (expecting 13k sq.ft.)
- 1st phase of c.75 houses in Daihongqiao (50% stake) in Shanghai (*Sold over 45 villas as of end of November*)



FY 2017

- AXA Centre-remaining units including ground floor shop, sky sign and 52 car park spaces
- Wanchai Road site (50% stake)
- Remaining 15 detached houses in Kau To Shan (expecting 39k sq.ft.)
- 2nd phase of c.150 houses in Daihongqiao in Shanghai(50%) (remaining c. 47k sqm)
- Yan Ching Road, Tuen Mun presale (expecting residential: 67.8k sq.ft. and commercial: 12.7k sq.ft.)
- Shelley Street Redevelopment presale (expecting 40k sqft)

Steady sales pipeline in commercial properties coupling with increasingly strong residential properties sales will ensure target sales of around HK\$3 billion every year with excellent profitability in the coming years

Notes:

1 Only key sales listed

All market value and book cost data based on independent valuers' estimates and historical acquisition costs

Section 2

New Acquisition Highlights

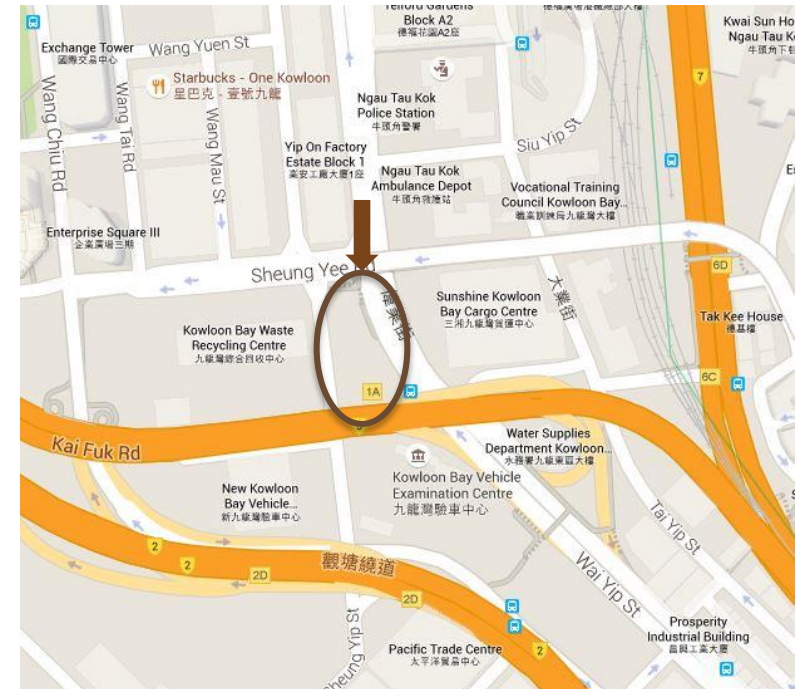


Newly acquired projects (cont'd)



Office building site, Kowloon Bay

- Won the government tender for this land site in May 2015 at premium of HK\$3.04 billion
- Consortium composed of Billion Development (40%), Sino Land (30%) and CSI (30%)
- Site area of 40,849 sf with maximum GFA at 490,193 sf
- AV amounts to approximately HK\$6.2k
- Plan is to develop into new office building in this prime office area in East Kowloon for sale

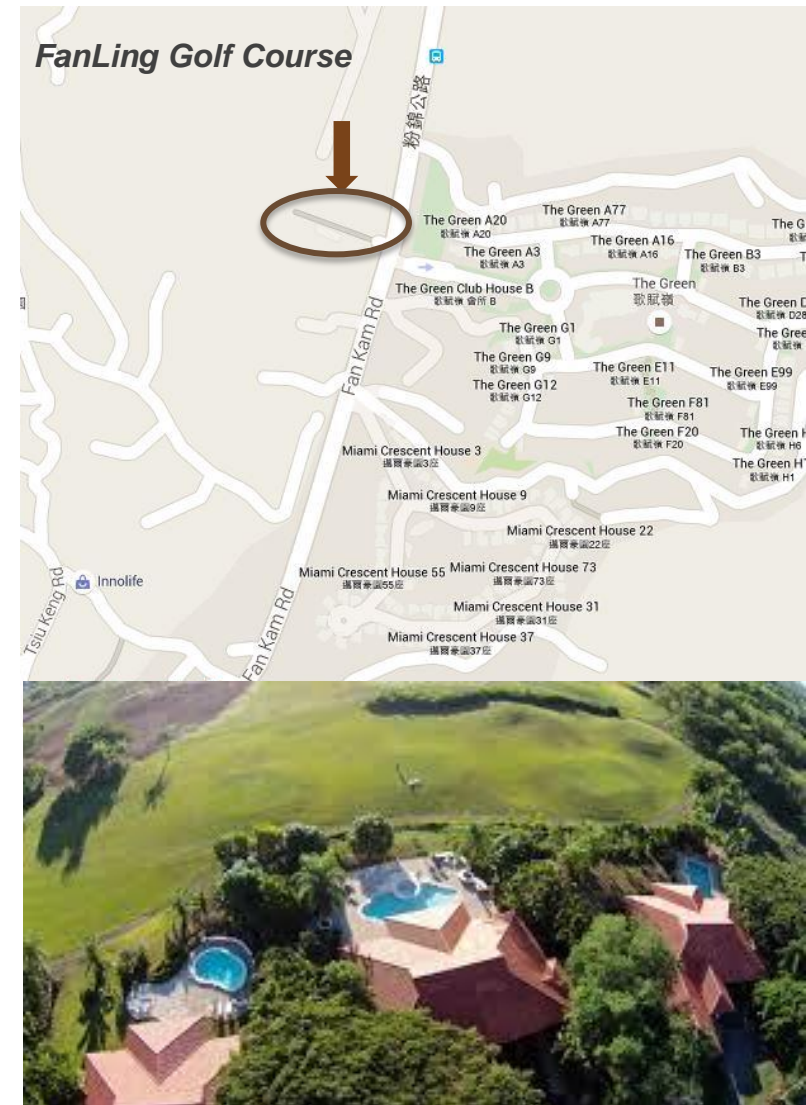


Newly acquired projects (cont'd)



Residential site in FanLing

- Won the government tender for this land site in April 2015 at premium of HK\$302 million
- Site area of 68,986 sf with maximum GFA at 33,110 sf
- AV amounts to approximately HK\$9.1k
- Plan is to develop into 6 premium luxury houses of c. 5k sf each with full design and furnishing, targeting the super affluent buyers at this prime site next to the FanLing Golf Club



Newly acquired projects (cont'd)



8-12 Peak Road (The Oasis)

- Acquired c. 60.3% interest in this old residential building in June 2015 at HK\$1.8 billion
- 17 apartments and one house with total saleable area of 46,512 sf
- AV amounts to approximately HK\$39k
- Plan is to refurbish the façade and interiors of the existing older building and individual units to capture the valuation premium at this super prime site with unmatched Victoria Harbor view (peer is the Opus which recently transacted at HK\$80+k psf)



Section 3

Company Background



CSI Properties at a glance



Who are we?	<ul style="list-style-type: none">One of the fastest growing property investment/development companies in Greater China in the past 10 years
Where do we operate?	<ul style="list-style-type: none">Headquartered in Hong Kong with offices in Shanghai and Macau with approximately 2.0 million sq. ft. of prime properties
What's our business model?	<ul style="list-style-type: none">Unique property repositioning model focusing on commercial projects in prime location and premium "life-style" residential properties
What's our business model peers?	<ul style="list-style-type: none">Great Portland Estates plc in UK and Westfield Corporation in Australia, etc. which are successful capital recyclers
What's our competitive strength vs. other properties companies?	<ul style="list-style-type: none">Real cash profit recorded from disposal of mature properties while maintaining outstanding investment returns with average annualized IRR of approximately c. 30+%
What's our financial performance?	<ul style="list-style-type: none">Proven track record of 10 years of solid NAV and profitability growth with strong earnings momentum in the forthcoming 3–5 years
What's our key future growth area?	<ul style="list-style-type: none">Our increasing sales pipeline from the residential division
What's in our current valuation?	<ul style="list-style-type: none">With pro forma NAV of c.HK\$1.19 per share after mark-to-market adjustment, our discount level should be substantially narrowed when benchmarked against our peers

Strategically positioned to capture opportunity in Greater China



1

Hong Kong headquarter

- Established in 2004 as head office of group
- Since grown to having 50 professionals
- Realized on over 30 major commercial transactions with 8 major commercial repositioning projects ongoing
- 9 residential projects forthcoming

2

Shanghai office

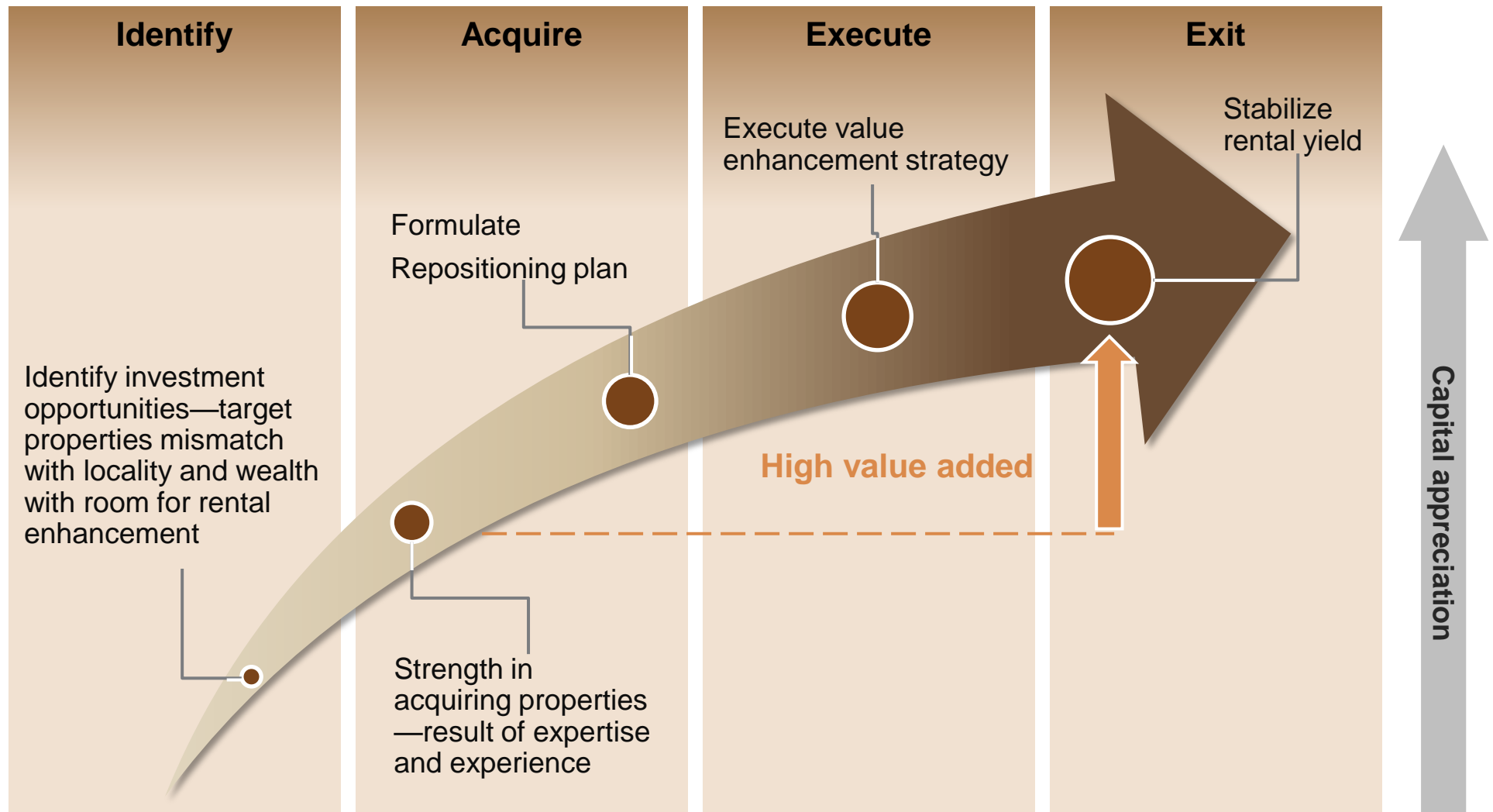
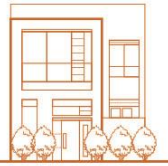
- Established in 2006 as first China office of group
- Since grown to having 30 professionals
- Realized on 3 major commercial repositioning transactions
- 1 commercial and 1 residential projects to be realized

3

Macau office

- Established in 2014
- Staff with 3 professionals with plans for further expansion
- Realized on 1 commercial transaction
- 1 commercial repositioning project to be realized
- Plans to further expand on both commercial and residential portfolio









Commercial properties business model— strategic repositioning of investment properties



Proven track record and superior investment return



Real cash profit from sale of properties while maintaining outstanding investment returns with average annualized IRR of approximately c. 30%

Major Projects (up until March 2013)		Cost (HK\$m)	Selling price (HK\$m)	Increase (%)	IRR (%)
	Paul Y. Centre, Kwun Tong (2006–07) • Renovation & tenants repositioning	780	1,150	48%	178
	No. 88 Gloucester Road, Wanchai (2003–07) • Renovation & tenants repositioning	196	783	300%	65
	4 houses in Tai Tam, Island South (2006–09) • Premium design & major renovation	280	555	98%	68
	Novel Plaza, Shanghai (2007–08) • Renovation & tenants repositioning	820	1,200	47%	84
	International Capital Plaza, Shanghai (2007–10) • Design, renovation & tenants mix	875	1,353	55%	24
	No. 14-16 Hankow Road, Tsimshatsui (2007–11) • Change in use from commercial to serviced apartments	620	1,380	122%	43
	11 units at The Hampton, Happy Valley (2008–13) • Design, major renovation & full furnishings	464	1,058	128%	29
	12 Floors at AXA Centre, Wanchai ¹ (2006–13) • Renovation & tenants repositioning	855	1,919	124%	31

Note:

1 12 floors sold for a total of HK\$1.9 billion and completed in FY ended March 2011 to March 2013

Proven track record and superior investment return (detailed list)



Properties		Date of purchase	Date of disposal	Months of holding	Purchase price (HK\$)	Selling price (HK\$)	Value creation (HK\$)	IRR (annualised)
45% of interest in a development site in Leighton Road	Vacant development site in the center of the retail hub of Causeway Bay	Feb-04	Mar-04	2	69,975,000	107,775,000	37,800,000	8007%
Fullcorp Centre No. 53-55 Chatham Road	Commercial building in the center of the retail hub of Tsimshatsui	May-04	Dec-04	7	223,000,000	296,000,000	73,000,000	236%
Yiu Wa Street, HK	vacant development site in the center of the retail hub of Causeway Bay	Apr-05	Jun-06	15	240,000,000	337,000,000	97,000,000	61%
Paul Y. Centre (25%)	IO Building	Jan-06	Jun-07	17	780,000,000	1,150,000,000	370,000,000	178%
No. 88 Gloucester Road	Grade A office building	Jun-03	Sep-07	51	196,000,000	783,000,000	587,000,000	65%
Tai Tam Road A	Luxury Residential	Dec-06	Feb-08	14	83,260,000	147,000,000	63,740,000	91%
Tai Tam Road B			May-09	26	86,213,000	110,000,000	23,787,000	17%
Tai Tam Road C			Mar-08	15	76,286,000	138,000,000	61,714,000	91%
Tai Tam Road D			Jul-08	18	85,142,000	161,000,000	75,858,000	74%
Novel Plaza (50%)	Commercial building	Oct-07	Aug-08	12	819,000,000	1,209,000,000	390,000,000	84%
No. 14-16 Hankow Road, TST	Retail/serviced apartments	Apr-07	Aug-11	52	605,000,000	1,380,000,000	775,000,000	43%
International Capital Plaza	Retail/commercial complex	Apr-07	Dec-10	44	875,000,000	1,345,600,000	470,600,000	22%
Stanley Street 30 30A	Retail/commercial	Apr-08	Nov-09	20	105,000,000	149,000,000	44,000,000	45%
67% interest in Yue Thai	Grade B office building	Apr-08	Nov-09	19	95,000,000	120,000,000	25,000,000	31%
10 floor AXA	Grade A office building	Aug-06	Nov-10	51	746,646,000	1,560,000,000	813,354,000	31%
Basement AXA	Grade A office building	Aug-06	Sep-12	73	55,500,000	188,000,000	132,500,000	33%
24F AXA	Grade A office building	Aug-06	Mar-13	80	52,500,000	171,300,000	118,800,000	29%
8 Units of the Hampton, Happy Valley	Luxury residential apartments	May-08	May-12	48	341,868,000	807,000,000	465,132,000	39%
Unit 2B Hampton	Luxury residential apartments	May-08	Nov-12	54	35,120,000	84,000,000	48,880,000	34%
Unit 2A Hampton	Luxury residential apartments	May-08	May-13	61	38,450,000	80,000,000	41,550,000	25%
Unit 1A Hampton	Luxury residential apartments	May-08	Oct-13	66	44,500,000	86,800,000	42,300,000	21%
H8	Commercial F&B	Jun-06	Jul-13	73	311,000,000	668,000,000	357,000,000	22%
12F Enterprise Bldg, Kln Bay	Office building	Feb-13	Aug-13	6	263,282,500	283,535,000	20,252,500	129%
Nathan Road 703 705	Retail building	Dec-13	Jul-13	7	830,000,000	1,062,715,000	232,715,000	509%
Ginza Plaza Basement Shops	Retail	Jul-14	Oct-14	3	234,330,700	288,170,000	53,839,300	170%
19/F Henan Building, Wanchai	Office	Jan-15	Aug 15 ¹	7	25,134,900	39,673,800	14,538,900	218%
18/F Henan Building, Wanchai	Office	Jan-15	Sep 15 ¹	8	25,433,220	38,668,800	13,235,580	155%
Average				31	7,342,641,320	12,791,237,600	5,448,596,280	47.4%

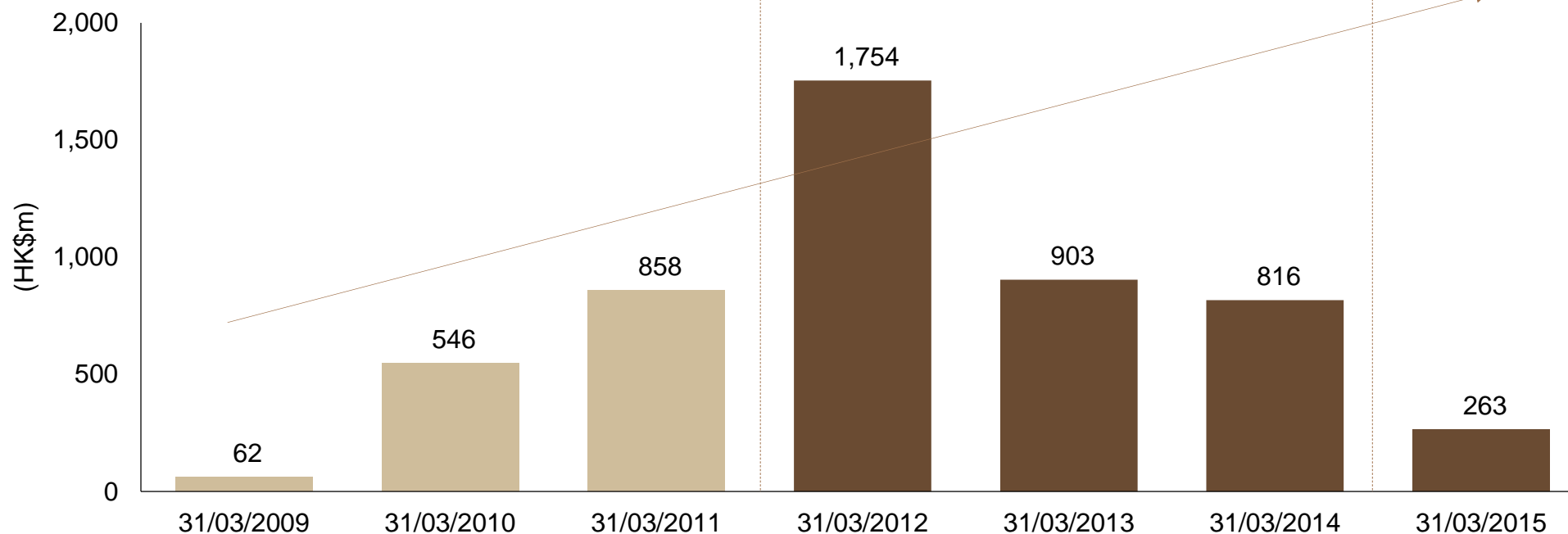
Proven track record in profit growth cycle



Proven growth in total profit for every 3 year value enhancement cycle for our properties, with all cash profit only with no revaluation gain

Profit attributable to equity holders

*FY'09–11 total: HK\$1,791 million
vs.
FY'12–14 total: HK\$3,473 million*



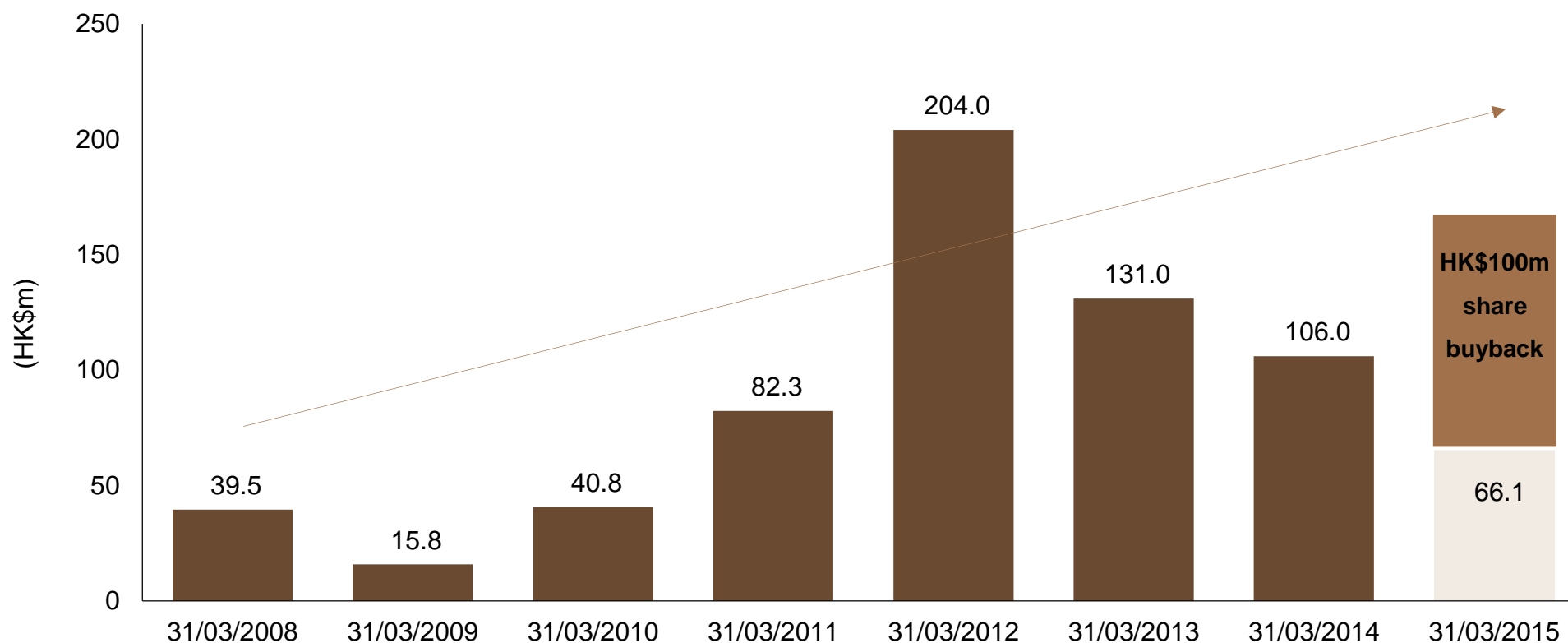
Note: Profit for FY 09 was lower due to financial crisis

Proven track record in dividend



Proven growth in dividend payout throughout the years with significant upside with additional residential sales in the forthcoming years

Dividend payout



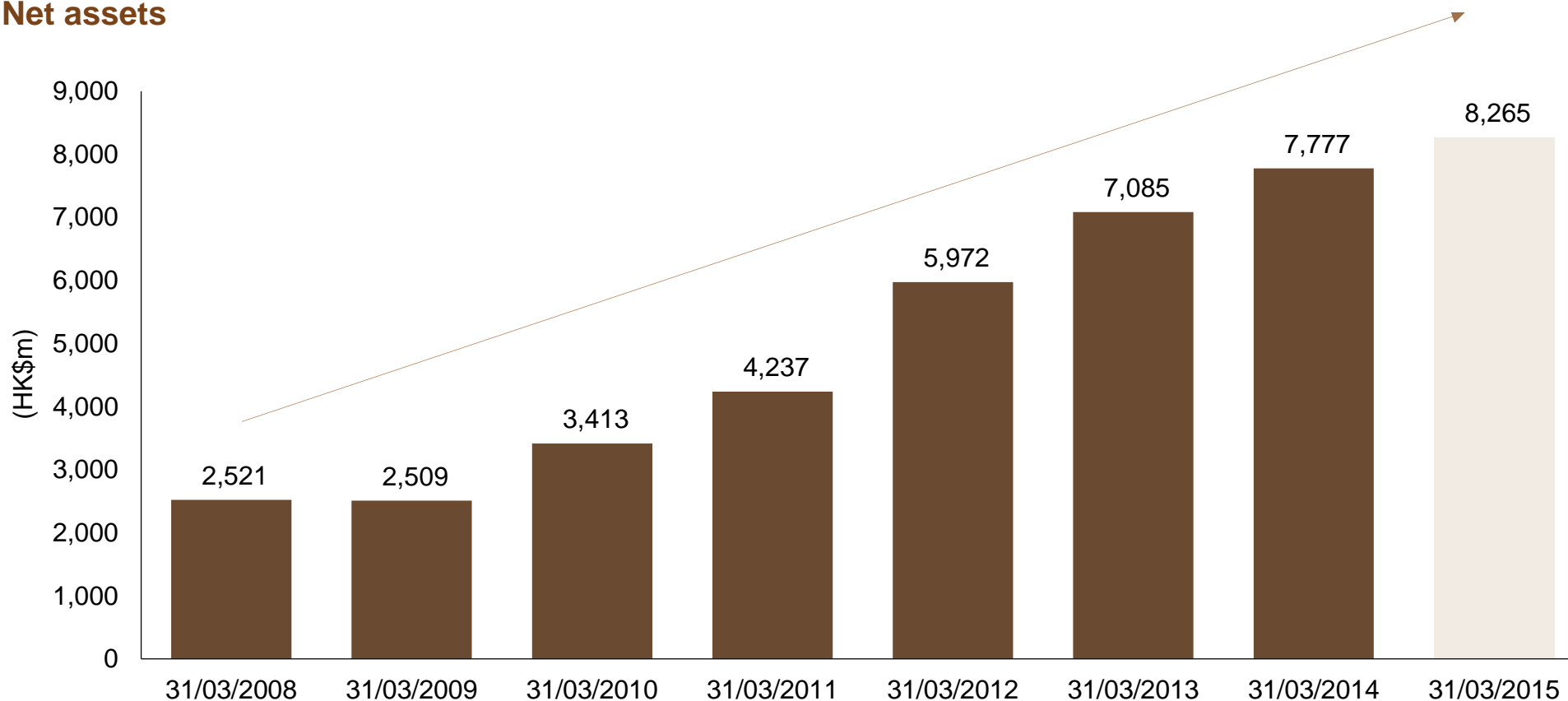
Note: CSI also spent c. HK\$100 million in share repurchase since Apr 2014 to boost shareholder's value

Proven track record in net asset growth



Proven growth in net asset for group despite challenging markets clearly demonstrates management's capabilities and skills

Net assets

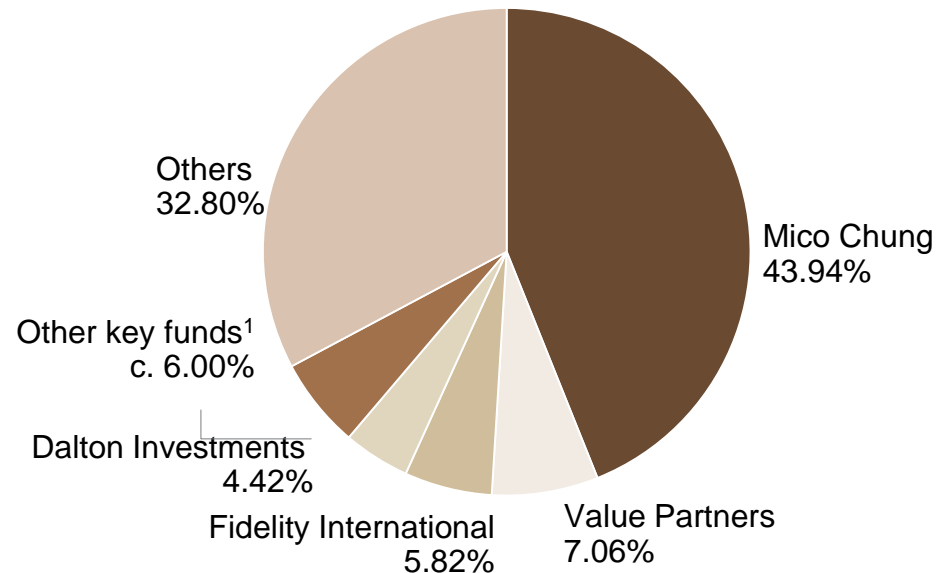


Note: NAV for FY 09 was lower due to financial crisis

Well researched and supported by institutional investors



Shareholding interests based on 10,487 million shares currently outstanding



- Mr. Chung's ownership interest increased to over 43.9% from 41.9% in Company as a result of open market share purchase in October 2014
- Strong commitment of controlling shareholder and tremendous confidence in future growth prospect of CSI as he also added 2% stake in April 2013
- Significant institutional ownership from various global fund managers also helps to drive valuation and growth

Notes:

¹ Others key funds includes Janus Capital/Dimensional/Forward/FMR/Alpine Woods/Schroders/HSBC AM etc.

Source: Bloomberg as of 23 June 2015

Inaugural bond issue opens up new financing avenue



- The Group achieved a 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 five 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

OFFERING CIRCULAR STRICTLY CONFIDENTIAL

ESTATE SKY LIMITED
(Incorporated with limited liability under the laws of the British Virgin Islands)

U.S.\$150,000,000
6.50 per cent. Guaranteed Notes due 2018
Unconditionally and Irrevocably Guaranteed by

CSI

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: 0497)

Issue Price: 100 per cent.

The U.S.\$150,000,000 6.50 per cent. Guaranteed Notes due 2018 (the "Notes") will be issued by Estate Sky Limited (the "Issuer") and will be unconditionally and irrevocably guaranteed (the "Guarantee of the Notes") by CSI Properties Limited (the "Guarantor"), the holding company of the Issuer. The Notes will be unsecured obligations of the Issuer ranking pari passu without any preference among themselves. The Notes and the Guarantees of the Notes will rank at least pari passu with all other present and future unsecured and unconditionally guaranteed obligations of the Issuer and the Guarantor, respectively, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Interest on the Notes is payable semi-annually in arrears on 16 January and 16 July in each year, commencing on 16 July 2013. Payments on the Notes will be made without deduction for or on account of taxes of the British Virgin Islands and Bermuda to the extent described under "Terms and Conditions of the Notes - Taxation".

The Notes mature on 16 January 2018 at their principal amount but may be redeemed before then at the option of the Issuer, in whole but not in part, at any time at the Make Whole Redemption Price (as defined in the Terms and Conditions of the Notes), together with interest accrued to the date of redemption. The Notes are subject to redemption, in whole but not in part, at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of the British Virgin Islands, Bermuda or Hong Kong. See "Terms and Conditions of the Notes - Redemption and Purchase - Redemption for Tax Reasons". At any time following the occurrence of a Change of Control (as defined in the Terms and Conditions of the Notes), the holder of a Note will have the right, at such holder's option, to require the Issuer to redeem all but not some of that holder's Notes on the Change of Control Put Date (as defined in the Terms and Conditions of the Notes) at 101 per cent. of their principal amount, together with accrued interest to but excluding such Change of Control Put Date. See "Terms and Conditions of the Notes - Redemption and Purchase - Redemption for Change of Control".

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this Offering Circular. Admission of the Notes to the Official List of the SGX-ST and quotation of the Notes on the SGX-ST and the above approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Guarantor, its subsidiaries, its associated companies, its jointly-controlled entities or the Notes. The Notes will be traded on the SGX-ST in a minimum bond lot size of US\$200,000 as long as any of the Notes remain listed on the SGX-ST.

Investing in the Notes involves certain risks. See "Risk Factors" beginning on page 10.

The Notes and the Guarantees of the Notes have not been and will not be registered under the U.S. Securities Act of 1933, an amended (the "Securities Act") and may not be offered, sold or delivered within the United States. The Notes are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. For a description of these and certain further restrictions on offers and sales of the Notes and the distribution of this Offering Circular, see "Subscription and Sale".

The Notes will be represented by beneficial interests in a global certificate (the "Global Note Certificate") in registered form, without interest coupons attached, which will be registered in the name of a nominee for and shall be deposited on or about 16 January 2013 in the "Clearing Data", with a common depositary for Euroclear Bank (S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), the Global Note Certificate will be shown on, and transfer thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg. Except as described herein, certificates for Notes will not be issued in exchange for interests in the Global Note Certificate.

Joint Lead Managers and Joint Bookrunners
J.P. Morgan BofA Merrill Lynch

This Offering Circular is dated 9 January 2013.

* For identification purposes only

Awarded “Best Small Cap Company in Hong Kong” for 2013 and 2014



- The Group was awarded the “Best Small Cap Company in Hong Kong” for 2013 and 2014 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



Our future goal



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 lifestyle oriented end-users willing to pay a premium
- Leverage on Couture Homes' uniqueness and capture more development opportunities in Hong Kong and Shanghai
- Unmatched in Greater China and deliver residences mirroring world-class premium developers like Candy & Candy SC Global Developments

*Young, high growth company with
passionate and experienced
management team*

Become the major player in Greater China property sector with unique, twin growth engine in investment property and life-style homes, with steady profitability and dividend policy

Why invest in CSI properties



Proven track record
and performance

10 years of solid NAV and profitability growth track record with strong earnings pickup in the forthcoming 3-5 years



Profitable twin driver
business model

Combining the repositioning of investment properties for value enhancement and premium **“tailor-made life-style”** residential properties development for highnet-worth users



Significant value
to be realised

If factoring in revaluation surplus, **mark-to-market book value** should have significant upside from current c. 0.3 x only



Management and
design strength

Experienced and financially disciplined management combining with world-class award-winning architectural and interior design strength



Strong and stable
financial performance

Strong cash profit growth, stable rental income of HK\$300 million per year, while keeping steady dividend payout averaging 4% in past years

High growth
prospect

To become the premium mid-cap investment property and life-style residential development company within 5 years

Prospects—list of major properties



Investment properties

		Date of purchase	Gross area sq.ft. (000s) (approx)	Market value ¹ (HK\$m)	Book value (HK\$m)	Current annual rent (HK\$m)	Occupancy (%)
G/F, 1506–07, 17–21F, Skysign, 69 carpark of AXA Centre	Wanchai	Aug-06/May-07	98	1,985	553	66	17-21/F sold
Novotel Nathan Road Hotel (CSI—now 100%)	Jordon	Jul-12/ Nov-15	290	3,400	2,760	120	90
No. 1 Irving Street (J-Plus Hotel)	Causeway Bay	May-11	45	900	575	21	100
No. 2–4 Shelly Street (Redeveloping currently)	Central	Mar-11	40	340	304	na	na
23–25 & 27 Ashley Road (Redevelopment)	Tsimshatsui	Sep-06	62	890	369	28	97
In Point, Wujiang Road & Shimenyi Road	Jing An	Aug-09	122	1,021	650	51	85
No. 58-60, Sai Yeung Choi Street (CSI–50%)	Mongkok	Jun-13	5	720	593	21	100
Henan Building, 90–92 Jaffe Road (13 floors)	Wanchai	Sep-14	43	508	330	9	All sold
90% of prime site at Wanchai Road (CSI–50%)	Wanchai	Sep-14	70	660	543	na	na
2 Floors of Broadway Centre	Macau	Jan-15	25	370	225	na	na
Office Land site in Kowloon Bay (from gov't tender)(CSI–30%)	Kowloon Bay	May-15	490	3,040	3,040	na	na
			1,290	13,834			

Disposal pipeline

Residential properties (market value on acquisition cost only)

		Date of purchase	Gross area sq.ft. (000s) (approx)	Market value ¹ (HK\$m)	Book value (HK\$m)	Developable area sq.ft (000s)	Gross development value (HK\$m)
No. 47 Barker Road	The Peak	Feb-11	4	204	204	4	800
yoo Residence, No. 33–39 Tung Lo Wan Road (CSI–50%) ²	Causeway Bay	Jul-11	90	1,107	1,107	88	2,644
Villas in Daihongqiao (CSI–50%)	Daihongqiao	Jun-11	677	1,512	1,498	658	4,090
Villas in Kau To Shan (from gov't tender)	Shatin	May-12	50	610	596	50	1,908
Monterey Court, Perkins Road (CSI–60%)	Jardine's Lookout	Dec -12 ²	68	1,568	1,568	68	3,123
Prime site at Glenealy Lane near Lan Kwai Fong	Central	Jun-13	52	762	762	52	1,385
Residential/commercial site at 513 Yan Ching Road (from gov't tender)	Tuen Mun	Aug-14	80	427	427	80	1,358
Residential site near Fanling Golf Course (from gov't tender)	Fanling	Apr-15	69	302	302	33	1,093
23 Po Shan Road (for redevelopment) (CSI-20%)	Mid-Levels	Apr-15	21	1,200	1,200	62	2,650
35 units at 8-12 Peak Road (for refurbishment)	Peak	Nov-15	47	1,800	1,800	47	3,000
			1,158	9,492			

Disposal pipeline

Source: Latest company records

Note: Based on 100% ownership interest

¹ As per valuation report by qualified valuers/actual sale & purchase agreement at end of March 2015

² 130+ units presold for a total of c. HK\$2.0 billion, with remaining special duplex and penthouse units expecting premium pricing

³ Gross development value based on targeted sales only

Section 4

Commercial and Residential Portfolio Highlights



Key current investment projects



AXA Centre, Wanchai (majority sold)

- Grade-A office located on 151 Gloucester Road with prime harbour view
- Still holds sky-sign, units no. 1506–1507, ground floor and c.50 car parking spaces, after sale of the basement and 17th–21st top floors
- Tenants include Porsche and Grand Prix Clothing on ground level
- Rental income of over HK\$24 million per year with rental reversion opportunity upon end of lease with Porsche



23, 25 & 27 Ashley Road, TST

- Ginza-style F&B buildings located in the heart of Tsim Sha Tsui
- GFA of 62,000 sq.ft. with current market value at approximately HK\$890 million versus our book value of c.HK\$369 million
- Occupancy at 87% with annual committed rent of over HK\$28 million
- Currently acquiring adjacent lot on 21 Ashley Road with potential redevelopment opportunity for this 9,000 sq. ft. site



Key current investment projects (cont'd)



Novotel Hotel Jordan

- Acquisition of 50% interest of **Novotel Hotel Jordan** for HK\$2.4 billion completed end of July 2012
- GFA of approximately 290,000 sq.ft. with 389 hotel rooms and prime shopping space
- Gross entry yield of 5.5% and targeting yield of 7.5% after renovation and repositioning
- Additional option to convert into mixed commercial/ residential complex for this prime site could bring further valuation upside
- In November 2015, consolidated remaining 50 % interest at valuation of HK\$3.4b

J Plus by yoo Hotel, No.1 Irving Street

- Acquisition of **J Plus Hotel**, a Philippe Stark-designed boutique hotel, in the prime area of Causeway Bay in May 2011
- Currently with 55 rooms and running at close to full occupancy
- Rebranding in Q2 2014 as J Plus by yoo Hotel with upgrades and renovation
- Potential redevelopment opportunity in conjunction with the adjacent site at No.14 Pennington Street for a combined site area of 5,500 sq. ft. to becoming a prime retail/F&B/hotel tower in the heart of Causeway Bay



Key current investment projects (cont'd)



Platinum, Shanghai (just sold in FY 1H 2016)

- Grade-A prime office building with 20 storeys located on Taicang Road near XianTianDi in Shanghai
- Majority of tenants are multi national corporations including the likes of McKinsey (China's headquarter), Standard Chartered Bank and LG Group etc.
- Occupancy at 93% with annual committed rent of approximately HK\$160 million
- GFA of 370,000 sq.ft. and market value of HK\$3,657 million versus book value of HK\$2,110 million



In Point Mall, Shanghai

- Popular shopping mall located in the heart of Shanghai just behind the Four Seasons Hotel on Wujiang Road
- GFA of 122,000 sq.ft. with current market value at approximately HK\$1,021 million versus our book value of HK\$650 million
- Occupancy at 80+% (lower due to some renovation upgrades to achieve bigger sized stores) with annual committed rent of over HK\$50 million
- Further substantial increase in value expected with the opening of the adjacent Dazhongli Project of Swire Properties in FY 2016

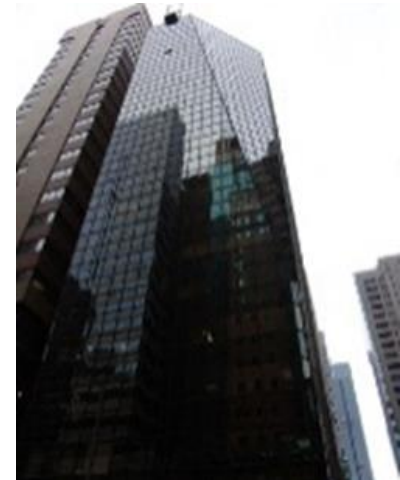


Key current investment projects (cont'd)



Henan Building, Wanchai (completing in 2H FY 2016)

- Office building located on 90–92 Jaffe Road near the MTR station
- Bought 13 high level floors with GFA of 43,000 sq.ft. at a cost of HK\$330 million
- Occupancy at 92% with annual committed rent of c. HK\$9 million
- Plan to renovate the exterior wall and lobby of the building to enhance rental yield and profile
- All floors strata sold to end users/ investors already for total of HK\$508 million



Broadway Centre, Macau

- Acquired two floors of shopping mall with GFA of 25k sq.ft. in prime shopping area for locals in Macau at HK\$225 million consideration
- Plan to upgrade and redecorate the mall and branded with a certain retail theme
- Currently strata selling the individual shop spaces within the two floors to users/investors



Our award-winning premium lifestyle residential division



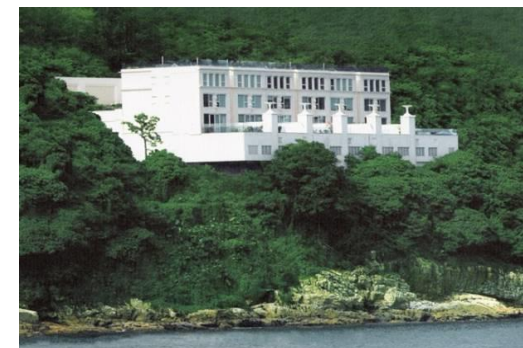
- As a commitment to our positioning on tailor-made, premium lifestyle residential property development, we have rebranded our residential development division under the brand “COUTURE HOMES”
- Going forward will focus on premium residential development in partnership with leading internationally renowned award-winning architects/designers including the yoo designer team (led by Philippe Starck), Steve Leung and Paul Davies etc.
- Focus on exploiting gap in the market to supply tailor-made “life-style” luxury residential apartments and houses to meet the untapped demand of high net-worth end users who are willing to pay premiums for such properties
- Dedicated to detailed design and top quality finishing, tailored made to aim at pre-targeted class of potential high-net worth buyers
- Deliver residences mirroring the works of world-class premium residential development companies like Candy & Candy and SC Global Developments



The origin of Couture Homes



- Purchased a detached houses complex in Tai Tam from a Singapore fund in 2006 for a total of HK\$330 million (incl. renovation)
- Working with the award-winning designer team led by Steve Leung, these houses were completely redesigned and furnished with bespoke furnishings and decorations
- Excellent reception in the market with these tailored-made, luxury life-style houses quickly sold in the market at a total consideration of HK\$555 million in 2008/09, **or 100% post-leveraged equity return within three years**
- Chairman Mico Chung and team recognise a strong demand for premium lifestyle residences targeting users who are willing to pay premium for the unique design and furnishings
- **Couture Homes as a brand was formally launched in 2010, with the first development project “The Hampton” in Happy Valley another tremendous success, setting the foundation for this premium lifestyle residential development division**



Couture Homes as the key growth driver



- The Hampton epitomizes the superior quality of our residential units by combining world-class design concepts together with use of bespoke furniture, fabrics, rugs, vanished wood panels, wall decoration and leather upholstery to set new standards of quality and lifestyles in the high end luxury residential market
- Our current and future residential projects will mirror the premium standards as seen by world-class premium residential development companies like Candy & Candy and SC Global Developments
- Forthcoming Couture Homes projects (greenfield projects with over 1 mil sq.ft.) include
 - yoo Residence, Nos. 33-39 Tung Lo Wan Road, Causeway Bay, Hong Kong (international branded apartments with 144 units)
 - No. 47 Barker Road, The Peak, Hong Kong (super luxury villa of 4,000 sq. ft. at this heritage site)
 - Kau To Shan site, Kowloon, Hong Kong (20 life-style luxury villas of approximately 2,000 to 4,000 sq. ft. each)
 - Queensgate, a prime villa development site, Qing Pu, Shanghai (244 luxury villas of approximately 2,000 to 4,000 sq. ft. each) (50%)
 - Grosvenor Place at Jardine's Lookout, Hong Kong (detached houses and super luxury life-style apartments of approximately 4,500 sq. ft. each) (60%)
 - Prime project at Glenealy Lane in Central (near Lan Kwai Fong), Hong Kong (approx. 50,000sq.ft.)
 - Prime residential/commercial site in Tuen Mun (approx. 80,000 sq.ft.)
 - Prime villa site next to FanLing golf course (approx. 33,000 sq.ft.)
 - Prime residential site in Po Shan Road (approx. 62,000 sq.ft.) (20%)
 - Prime residential units at Peak Road (approx. 46,000 sq.ft.)



Couture Homes

—key past and current projects



The Hampton, Happy Valley (All Sold)

- Successful sale of 11 uniquely-themed and furnished luxury units set the foundation for Couture Homes
- Combination of design concepts from world renowned designers and use of bespoke furnishing key success factors
- Tremendous success with total sale price of HK\$1.1billion versus cost of HK\$464 million at an annualised IRR of c. 29%



yoo Residence, Tung Lo Wan Road, Causeway Bay (Presale in progress)

- A prime residential site in the heart of Causeway Bay within a few walking steps to the Victoria Park
- Site area approximately 9,500 sq.ft.
- Proposed to develop into 144 high-end lifestyle units ranging from around 400 sq.ft. to over 5,000 sq. ft., and will be badged with international renowned designer brand, yoo (a Philippe Starck brand), a first in Hong Kong
- ***Presales in progress with c. 131 units sold for a total consideration of approximately c. HK\$1,900 million***



Couture Homes—key current projects



Queensgate —“Dahongqiao” Villa Project, Shanghai

- Acquired 50% interest in June 2011 for a prime residential site in the luxurious villa district in **Dahongqiao area, Shanghai**
- Project named as Queensgate with GFA of approximately 650,000 sq.ft.
- Only 15 minutes driving distance from the new Hong Qiao International Airport
- Proposed to develop into 224 luxurious villas with additional 96 apartment units
- ***Presale in progress since Aug2015 (45+ out of 1st batch 60 villas sold) and completion set for 2016 with targeted sale price of RMB 60K+ psm***



Couture Homes—key current projects (cont'd)



Kau To Shan, Shatin

- Acquisition of **Kau To Shan** land site through government tender in May 2012
- G.F.A. of approximately 50,000 sq. ft. for a cost of HK\$531 million
- Developing into 20 luxury villas of approximately 2,000 to 4,000 sq.ft. each
- Fully fitted with design furnishing as ready-to-live products
- ***Presale in progress in 2H FY 2016 with target price of c. HK\$35,000 psf***



Couture Homes—key current projects (cont'd)



Grovesnor Place, Jardine's Lookout

- Acquisition of residential tower previously named **Monterey Court at Jardine's Lookout**, the premier luxury residential district in Hong Kong in December 2012
- G.F.A. of approximately 73,000 sq. ft and old structure undergoing demolition for redevelopment
- New luxury residential tower named Grovesnor Place partnering with Grosvenor Fund from the UK targeting super high-end audience from Hong Kong and China
- ***Target completion and sale by FY 2017 with target sale price of HK\$65,000+ psf***



Couture Homes—key current projects (cont'd)



3–4 Glenealy, Central

- Acquisition of this c. 6K sq.ft. site at cost of around HK\$669 million
- G.F.A. of approximately 50,000+ sq. ft. in the heart of Central district next to Lan Kwai Fong
- Plans to develop into life-style residential tower targeting high net worths and professionals at this prime Central address
- **Targeted completion in FY2017 with target price of c.HK\$35,000 psf**



513 Yan Ching Street, Tuen Mun

- Acquisition of site for HK\$427 million from government land tender in August 2014
- G.F.A. of approximately 80,500 sq. ft. with approximately 67,800 sq.ft. for residential and 12,700 sq.ft. for commercial
- Prime address in key new satellite city next to the West Rail station and other major shopping malls in area
- **Plans to build a life-style residential building with prime street level retail shops in this vibrant, new residential area**



Couture Homes—key current projects (cont'd)



Barker Road, The Peak

- Acquired the heritage site at **47 Barker Road** in February 2011 at HK\$204 million
- A rare land lot at Barker Road in the ultra premier residential area at the Peak
- The house will be redesigned and refurbished and will blend in with its historical façade
- Recent sale of Hutchison's semi detached house project on Barker Road at HK\$100K psf a reference point for sale
- ***Target completion and sale in FY 2016***



Residential case example

—Grosvenor Place at Jardine's lookout



Opportunity identified

- Prime **residential tower at Jardine's Lookout**, renowned high-end residential district in Hong Kong popular to tycoons
- **Acquisition price at HK\$19,000 psf** for the site with a gross floor area of 73,000 sq ft

Redevelopment plans and execution strategy

- **60–40 JV with Grosvenor**, the internationally renowned developer and another minority for this newly built super luxury residential tower
- **Redevelop into an iconic, super luxury apartment building**, mirroring the prestige and quality of the OPUS, the landmark building that transacted at over HK\$89,000 psf
- Approximately 18 super luxury apartments with unit size of 5,000 sq ft and 2 super luxury villas
- Target completion at mid 2017 with target sale price of c. HK\$60,000+

Grosvenor Place (rendering)





Best Small-Cap

CSI Properties

Hong Kong

Jonathan Hirst
Publisher

Jame DiBiasio
Editorial Director

