PROPERTIES
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: 497)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2015

The board of directors (the "Board") of CSI Properties Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2015, together with comparative figures for the previous year.

DIVIDEND

The Board has recommended the payment of a final dividend of 0.378 Hong Kong cents (2014: 1.14 Hong Kong cents) and a special dividend of 0.252 Hong Kong cents per share (2014: nil) or an aggregate amount of approximately HK$66.1 million (2014: HK$104.73 million) for 2015, subject to the approval of shareholders of the Company at the 2015 Annual General Meeting, to shareholders whose names appear on the register of members of the Company on 31 August 2015, payable on or around 10 September 2015.

BUSINESS REVIEW AND OUTLOOK

For the year ended 31 March 2015, the Group reported a consolidated profit attributable to the equity shareholders of the Company of HK$262.9 million, compared with HK$815.5 million reported in 2014.

Total revenue for the Group was HK$745.6 million, compared with HK$2,578.1 million for the year ended 31 March 2014.

The decrease in profit was mainly attributable to decrease in contribution of profits from sale of properties (including joint ventures) during the year.

* *For identification purpose only*

Overview

The fiscal year was particularly challenging due to the dampening sentiment from the developing Occupy Central Movement in Hong Kong, resulting in limited liquidity in the market on both the residential and commercial property fronts. The policies in China have also caused significant difficulties in China's property market. On the brighter side, the Group has ventured into a new growth market in Macau where we see good opportunities on both the commercial and residential fronts.

Despite these challenging operating environments, the Group has continued to deliver respectable results and profitability in such times and continued to well-position itself as a rising leader in real estate investment and development in Hong Kong and China. Furthermore, the Group has been capitalizing from these uncertain market conditions and utilizing its healthy balance sheet to acquire prime commercial and residential projects, with details in the following section, to further build up its land bank and accelerate the growth of the Group in the coming years.

Commercial Properties

Significant disposals completed during the period included the sale of the Golden Centre in Sham Shui Po for HK$665 million. The Group also strata sold the 32 shops of the basement floor of the Ginza Plaza at the S. Domingos District in Macau for a total consideration of HK$288 million. In addition, the 22nd floor of AXA Center in Wanchai was also sold at a consideration of HK$221 million. These successful sales helped the Group to realize significant profit in the fiscal year.

On the acquisition side, the Group purchased 13 floors of the Henan Building at 90-92 Jaffe Road in Wanchai which have all been strata-sold subsequently, and completion of these sales will take place towards the end of 2015. Furthermore, the Group, via a jointly controlled entity, has acquired over 90% interest in another site in Wanchai with the Compulsory Sale process already begun.

The Group also partnered in a consortium with Billion Development and Project Management Limited and Sino Land Holdings Limited and won the government tender for the development of a commercial property site of over 40,000 sq.m.in Kowloon Bay for a consideration of HK$3,038 million. The site will be developed into a brand new commercial building comprising of offices and retail shops in 2018.

In our new growth market in Macau, besides acquiring the basement floor of the Ginza Plaza, the Group also purchased two floors of the Broadway Centre at the Rua Do Campo in downtown Macau. The plan for Broadway Centre is to conduct lobby and facade refurbishment work with expected completion time in third quarter of 2015. 10 shops (together with 20 car-parking spaces) out of 50 shops had been sold at a total consideration of HK$96.9 million, among which 1 shop together with 17 car-parking spaces had been completed in March 2015 and the completion of the remaining will be taken place during the third quarter of 2015.

We have also gone through significant work in terms of managing and upgrading our other existing commercial projects. For the newly rebranded J Plus Hotel by yoo in Causeway Bay, renovation work for the lobby and exterior facade has been completed with a brand new, trendy image featuring input from Philippe Starck's yoo designer team. Redevelopment work at our Shelley Street project is well underway with the new 22-storey commercial building in the heart of the SOHO area in Central set for completion in year 2017. The remaining floors of AXA Centre, namely 17th to 21st floors, are still occupied by AXA Insurance as its head office and we have recently signed a new lease for these floors with significant rental enhancement. Furthermore, the Platinum Building in Shanghai is well taken up by leading international corporations including McKinsey & Co. etc., and we expect decent rental reversion for various tenants upon expiration of their leases. Last but not least, the In Point Shopping Mall in Shanghai opposite to Swire Properties' Daizongli Project will be moving forward with the upgrade and revamp plan to enhance value.

Coutures Homes – Residential Property Development

The Group acquired two residential land sites from government land tenders. One site is at Yan Ching Road in Tuen Mun for HK$427 million. The plan is to develop the site into an upscale residential tower targeting the increasingly affluent homeowners in the locality, while also adding a strong retail element on the ground level at this dynamic neighbourhood in Tuen Mun. The other land site is at Fan Kam Road near the Fanling Golf Course for HK$302 million. The plan is to develop the site into six super luxury villas with bespoke design and furnishing, targeting the ultra-high-net-worth families looking for lifestyle living near the golf course.

In addition, our life-style oriented project in Causeway Bay, yoo Residence, achieved tremendous pre-sales records, with over 130 out of the 144 units at approximately HK$2 billion already sold with completion expected in third quarter of year 2015. The pricing achieved is at a significant premium to neighbouring projects by other developers. The strong response reinforces the market recognition of our team's strength in designing and delivering premium projects and helps to cement Couture Homes as the leading premium life-style residential development company in Asia.

The other residential development projects for Couture Homes, including the villa projects at Kau To Shan in the New Territories and Daihongqiao area in Shanghai are under vigorous construction schedule and we will soon commence marketing efforts of these villa units. The super luxury lifestyle development project at Jardine's Lookout has completed demolition of the old structure and the new residential tower is expected to be completed in 2017. Partnering with the prestigious Grosvenor Fund from the UK, this is expected to be one of the most iconic residential buildings in Asia Pacific upon its completion. Furthermore, we have completed the acquisition of the remaining interest in a residential building in Glenealy which is close to the Lan Kwai Fong area and will soon commence redevelopment of the site into a brand new iconic building at this premier address.

With these new projects on the horizon, we aim to continue the drive to have Couture Homes recognized by the market as a distinct and unique supplier of personalized home, satisfying the increasing needs of buyers who are looking for more than just a mass market apartment.

Corporate Activities

The Group completed a placement exercise through Jefferies Hong Kong Limited and J.P. Morgan Securities (Asia Pacific) Limited to raise approximately US$60 million on September 2014. The placement proceeds further strengthen the balance sheet of the Group and provide the funds for necessary acquisition of commercial and residential properties, especially for our new market in Macau, while also helping the Group to further enhance the institutional investorbase.

Outlook

The global economy is undergoing steady recovery with signs of good improvements, especially in the US. The new Chinese administration has also implemented economic and monetary policies to continue a slower but steady growth of the economy. In addition, with the effect from the Occupy Central Movement slowly diminishing, we are seeing a strong reception in the sales from primary units in Hong Kong by various developers. These factors all allow CSI and Couture Homes to take advantage of the current market opportunities to continue the steady growth of the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2015

	NOTES	2015 HK$'000	2014 HK$'000
Revenue		**745,611**	2,578,071
Cost of sales/services		**(385,167)**	(1,638,518)
Gross profit		**360,444**	939,553
Income and gains (losses) from investments	3	**47,581**	90,885
Other income	4	**72,217**	62,359
Other gains and losses	5	**1,147**	21,287
Administrative expenses		**(152,307)**	(178,518)
Finance costs	6	**(122,089)**	(124,802)
Share of results of joint ventures		**16,631**	53,114
Share of results of associates		**57,737**	7,424
Profit before taxation		**281,361**	871,302
Income tax expense	8	**(16,308)**	(52,040)
Profit for the year	7	**265,053**	819,262
Attributable to:			
Owners of the Company		**262,936**	815,489
Non-controlling interests		**2,117**	3,773
		265,053	819,262
Earnings per share (HK cents)	10		
Basic		**2.65**	8.57
Diluted		**2.65**	8.57

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2015

	2015	2014
	HK$'000	*HK$'000*
Profit for the year	**265,053**	819,262
Other comprehensive income (expense)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**521**	7,458
Share of exchange differences of joint ventures	**(3,545)**	12,818
Change in fair value of available-for-sale investments	**(409)**	4,843
Reclassification of investment revaluation reserve upon derecognition of the available-for-sale investments	**(11,677)**	–
	(15,110)	25,119
Total comprehensive income for the year	**249,943**	844,381
Total comprehensive income attributable to:		
Owners of the Company	**247,826**	840,608
Non-controlling interests	**2,117**	3,773
	249,943	844,381

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2015

	NOTES	2015 HK$'000	2014 HK$'000
Non-Current Assets			
Property, plant and equipment		**664,818**	660,211
Available-for-sale investments		**50,033**	24,569
Club memberships		**11,385**	6,860
Interests in joint ventures		**1,653,996**	1,517,088
Amounts due from joint ventures		**1,937,397**	1,701,726
Interests in associates		**17,567**	116,897
Amount due from an associate		**18,947**	–
Other investments		**14,546**	–
		4,368,689	4,027,351
Current Assets			
Trade and other receivables	*11*	**117,595**	143,692
Deposit paid for acquisition of properties held for sale		**–**	10,896
Properties held for sale		**5,556,593**	3,973,587
Investments held for trading		**1,231,378**	1,825,264
Available-for-sale investments		**–**	36,043
Conversion options embedded in convertible notes		**–**	31,252
Taxation recoverable		**7,703**	4,322
Cash held by securities brokers		**5,340**	3,993
Bank balances and cash		**1,274,443**	1,790,628
		8,193,052	7,819,677
Current Liabilities			
Other payables and accruals	*12*	**120,089**	100,813
Taxation payable		**138,854**	160,290
Amount due to a joint venture		**169**	432
Amounts due to associates		**10,218**	14,097
Amounts due to non-controlling shareholders of subsidiaries		**91,178**	25,355
Bank borrowings – due within one year		**710,204**	802,395
		1,070,712	1,103,382
Net Current Assets		**7,122,340**	6,716,295
		11,491,029	10,743,646

	2015	2014
	HK$'000	*HK$'000*
Capital and Reserves		
Share capital	**83,896**	76,145
Reserves	**8,180,824**	7,697,367
Equity attributable to owners of the Company	**8,264,720**	7,773,512
Non-controlling interests	**2,066**	4,141
Total Equity	**8,266,786**	7,777,653
Non-Current Liabilities		
Guaranteed notes	**1,170,000**	1,170,000
Bank borrowings – due after one year	**2,045,713**	1,788,250
Deferred tax liabilities	**8,530**	7,743
	3,224,243	2,965,993
	11,491,029	10,743,646

NOTES:

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Amendments to HKFRSs and the new Interpretation that are mandatorily effective for the current year

The Group has applied for the first time in the current year the following amendments to HKFRSs and a new Interpretation issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC*) – INT 21	Levies

* *IFRIC represents the IFRS Interpretations Committee*

The application of the new and amendments to HKFRSs and the new interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
Amendments to HKAS 1	Disclosure Initative[4]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[4]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[3]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[4]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle[4]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

[2] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

[3] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

[4] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

[5] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application permitted.

HKFRS 9 "Financial Instruments"

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 "*Financial Instruments: Recognition and Measurement*" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate based on the Group's consolidated financial statements as at 31 March 2015, the adoption of HKFRS 9 in the future will not affect the classification and measurement of the Group's consolidated financial statements.

HKFRS 15 "Revenue from Contracts with Customers"

In July 2014, HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "*Revenue*", HKAS 11 "*Construction Contracts*" and the related Interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a potential impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

The directors of the Company do not anticipate that the application of the other new and revised standards, amendments and interpretations will have a material impact on the consolidated financial statements of the Group.

2. Segment Information

The Group's operating segments, identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the "CODM") in order to allocate resources to the segments and to assess its performance, are summarised as follows:

(a) property holding segment, which engages in the investment and trading of properties and hotel operation;

(b) strategic investment segment, which engages in property holding through strategic alliances with the joint venture partners of the joint ventures and associates; and

(c) securities investment segment, which engages in the securities trading and investment.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Property holding *HK$'000*	Strategic investment *HK$'000*	Securities investment *HK$'000*	Consolidated *HK$'000*
For the year ended 31 March 2015				
Gross proceeds	**745,611**	**–**	**1,069,349**	**1,814,960**
EXTERNAL REVENUE				
Rental income and hotel operation	**202,641**	**–**	**–**	**202,641**
Sales of properties held for sale	**542,970**	**–**	**–**	**542,970**
Revenue of the Group	**745,611**	**–**	**–**	**745,611**
Interest income and dividend income	**–**	**–**	**132,426**	**132,426**
Share of results of joint ventures *(Note ii)*	**–**	**16,631**	**–**	**16,631**
Share of results of associates *(Note ii)*	**–**	**57,737**	**–**	**57,737**
Segment revenue	**745,611**	**74,368**	**132,426**	**952,405**
RESULTS				
Segment profit	**305,873**	**81,079**	**40,733**	**427,685**
Unallocated other income				**65,506**
Other gains and losses				**1,147**
Central administration costs				**(90,888)**
Finance costs				**(122,089)**
Profit before taxation				**281,361**

Notes:

(i) The directors of the Company are not aware of any transactions between the operating segments during the year.

(ii) Share of results of associates and joint ventures mainly represent share of the operating profits of these entities from their businesses of property development and trading.

	Property holding HK$'000	Strategic investment HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the year ended 31 March 2014				
Gross proceeds	2,578,071	–	683,527	3,261,598
EXTERNAL REVENUE				
Rental income and hotel operation	207,656	–	–	207,656
Sales of properties held for sale	2,370,415	–	–	2,370,415
Revenue of the Group	2,578,071	–	–	2,578,071
Interest income and dividend income	–	–	130,303	130,303
Gain on disposal of joint ventures	–	5,693	–	5,693
Share of results of joint ventures *(Note ii)*	–	53,114	–	53,114
Share of results of associates *(Note ii)*	–	7,424	–	7,424
Segment revenue	2,578,071	66,231	130,303	2,774,605
RESULTS				
Segment profit	857,044	71,755	82,788	1,011,587
Unallocated other income				56,945
Other gains and losses				15,483
Central administration costs				(87,911)
Finance costs				(124,802)
Profit before taxation				871,302

Notes:

(i) The directors of the Company are not aware of any transactions between the operating segments during the year.

(ii) Share of results of associates and joint ventures mainly represent share of the operating profits of these entities from their businesses of property development and trading.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents profit earned by each segment, interest income, dividend income, fair value change of investments, gain on disposal of joint ventures and share of results of joint ventures and associates, without allocation of certain items of other income (primarily bank interest income) and of other gains and losses, central administrative costs, finance costs and income tax expenses. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

3. INCOME AND GAINS (LOSSES) FROM INVESTMENTS

	2015	2014
	HK$'000	*HK$'000*
Interest income from		
– investments held for trading	**128,556**	123,052
– available-for-sale investments	**983**	2,458
Dividend income from investments held for trading	**2,887**	4,793
(Decrease) increase in fair values of		
– investments held for trading	**(86,420)**	(56,190)
– conversion options embedded in convertible notes	**–**	16,272
Gain on derecogniton of investments in convertible notes	**1,575**	500
	47,581	90,885

The following is the analysis of the investment income and gains from respective financial instruments:

	2015	2014
	HK$'000	*HK$'000*
– investments held for trading	**45,023**	71,655
– available-for-sale investments	**2,558**	2,958
– conversion options embedded in convertible notes	**–**	16,272
	47,581	90,885

4. OTHER INCOME

	2015	2014
	HK$'000	*HK$'000*
Bank interest income	**11,075**	16,823
Loan interest income	**6,011**	4,534
Interest income from amount due from a joint venture	**33,202**	30,041
Amortisation of financial guarantee contracts	**1,328**	1,808
Asset management income	**6,711**	3,716
Others	**13,890**	5,437
	72,217	62,359

5. OTHER GAINS AND LOSSES

	2015	2014
	HK$'000	*HK$'000*
Other gains and losses comprise:		
Gain on disposal of property, plant and equipment	**285**	15,483
Net exchange gain	**1,031**	111
Gain on disposal of joint ventures *(Note i)*	**–**	5,693
Other sundry losses	**(169)**	–
	1,147	21,287

Note:

(i) The gain on disposal of joint ventures during the year ended 31 March 2014 represented the disposal of the Group's 50% interest in Clever Keen Limited at a consideration of HK$30,000,000.

6. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interests on:		
Bank borrowings wholly repayable within five years	**44,349**	36,052
Bank borrowings not wholly repayable within five years but contain a repayment on demand clause in the loan agreement	**543**	1,629
Bank borrowings not wholly repayable within five years	**17,479**	19,559
Guaranteed notes	**76,050**	76,050
Total borrowing costs	**138,421**	133,290
Less: Amounts capitalised in the cost of qualifying assets	**(16,332)**	(8,488)
	122,089	124,802

7. PROFIT FOR THE YEAR

	2015	2014
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Directors' remuneration:		
Fees	**600**	450
Salaries and other benefits	**20,218**	19,152
Performance-related incentive bonus	**11,271**	25,857
Contributions to retirement benefits schemes	**661**	752
	32,750	46,211
Other staff costs:		
Salaries and other benefits	**24,077**	30,118
Performance-related incentive bonus	**8,194**	8,169
Contributions to retirement benefits schemes	**2,673**	2,277
	34,944	40,564
Total staff costs	**67,694**	86,775
Auditor's remuneration	**1,438**	1,344
Depreciation of property, plant and equipment	**35,876**	55,442
Gain on disposal of property, plant and equipment	**285**	15,483
Impairment loss on properties held for sale	**36,341**	31,668
Cost of properties held for sale recognised as an expense	**307,331**	1,523,718

8. INCOME TAX EXPENSE

	2015 *HK$'000*	2014 *HK$'000*
The charge (credit) comprises:		
Hong Kong Profits Tax		
– Current year	**11,123**	45,206
– Underprovision in prior years	**4,398**	3,329
PRC Enterprise Income Tax		
– Underprovision in prior years	**–**	4,466
	15,521	53,001
Deferred taxation	**787**	(961)
	16,308	52,040

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

According to the Macau Complementary Tax Law, complementary tax is imposed on a progressive rate scale ranging from 3% to 9% for taxable profits below or equal to Macau Pataca ("MOP") 300,000 and 12% for taxable profits over MOP 300,000. Taxable profits below MOP 32,000 are exempt from tax.

Taxation arising in other jurisdiction is calculated at the rate prevailing in the relevant jurisdictions.

9. DIVIDENDS

	2015 *HK$'000*	2014 *HK$'000*
Dividend recognised as distribution during the year		
– Final dividend of HK1.14 cents per share in respect of financial year ended 31 March 2014 (2014: Final dividend of HK1.38 cents per share in respect of financial year ended 31 March 2013)	**104,732**	131,350
Dividend proposed after the end of the reporting period		
– Final dividend of HK0.378 cents per share (2014: Final dividend of HK1.14 cents per share)	**39,641**	104,732
– Special dividend of HK0.252 cents per share (2014: Special dividend of nil per share)	**26,427**	–

10. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2015	2014
	HK$'000	*HK$'000*
Earnings		
Earnings for the purposes of basic and diluted earnings per share: (profit for the year attributable to owners of the Company)	**262,936**	815,489

	2015	2014
	Number of shares	*Number of shares*
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share (in thousands)	**9,908,854**	9,518,120

There were no potential ordinary shares outstanding as at end of both reporting periods.

11. TRADE AND OTHER RECEIVABLES

The Group allows its trade customers with a credit period normally ranging from 30 days to 90 days. The aged analysis of the trade receivables, presented based on the invoice date, which approximated the revenue recognition date, at the end of the reporting period is as follows:

	2015	2014
	HK$'000	*HK$'000*
Trade receivables:		
0 – 30 days	**910**	1,620
31 – 90 days	**5,095**	5,072
	6,005	6,692
Loan receivables – due within one year	**–**	72,667
Prepayments and deposits	**22,879**	14,603
Other receivables	**88,711**	49,730
	117,595	143,692

Before accepting new customers, the Group will assess and understand the potential customer's credit quality.

The entire trade receivable balance was neither past due nor impaired and had no default record based on historical information.

12. OTHER PAYABLES AND ACCRUALS

The following is the breakdown of other payables and accruals at the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
Rental and related deposits received	**52,433**	47,085
Receipt in advance for sales of properties held for sale	**11,137**	–
Other tax payables	**2,050**	5,404
Other payables	**6,761**	5,838
Accruals	**47,708**	42,486
	120,089	100,813

REVIEW OF THE RESULTS

The Group reported a total revenue of approximately HK$745.6 million for the year ended 31 March 2015, which was mainly generated from sale of properties, representing a decrease of 71.1% from approximately HK$2,578.1 million recorded last year.

The Group reported a consolidated profit attributable to the equity shareholders of the Company of HK$262.9 million for the year ended 31 March, 2015, represented a decrease of 67.8% compared with HK$815.5 million reported in 2014.

The decrease in profit was mainly attributable to decrease in contribution of profits from sale of properties (including joint ventures) during the year.

LIQUIDITY AND FINANCIAL RESOURCES

The Group maintained a healthy liquid position which included bank balance and cash of approximately HK$1,279.8 million. The Group generally financed its operations through its internal resources and bank facilities provided by its principal bankers.

The Group's short-term bank borrowing decreased from approximately HK$802.4 million as at 31 March 2014 to approximately HK$710.2 million as at 31 March 2015, and long-term bank borrowing increased from approximately HK$1,788.2 million as at 31 March 2014 to approximately HK$2,045.7 million as at 31 March 2015. All the bank borrowings were utilized in financing the Group's properties investments in generating recurring rental income. As a result, the Group's total bank borrowing increased from approximately HK$2,590.6 million as at 31 March 2014 to approximately HK$2,755.9 million as at 31 March 2015, and the Group's ratio of total debt (bank and other borrowings) to total assets was 31.3% (At 31 March 2014: 31.7%). All bank borrowings were denominated in Hong Kong dollars and Renminbi and were on a floating rate basis at either bank prime rate lending rates or short-term inter-bank offer rates. The maturity profile which with approximately HK$710.2 million repayable within one year, HK$1,433.6 million repayable between one to five years, and HK$612.1 million over five years.

The majority of the Group's assets and liabilities were denominated in Hong Kong dollars, Renminbi and US dollars. As such, the fluctuation of foreign currencies did not have a significant impact on the performance, result and operation of the Group. However, the Group will closely monitor the risk exposure.

EMPLOYEE

The Group's employees are remunerated in line with the prevailing market terms and individual performance, with the remuneration package and policies reviewed on a regular basis. In addition to salaries, discretionary bonuses may be rewarded to employees after assessment of the performance of the Group and the individual employee.

CONTINGENT LIABILITIES

	2015 HK$'000	2014 HK$'000
Guarantees given by the Group for banking facilities granted to:		
Joint ventures	**2,503,188**	1,723,709
An associate	**–**	96,000
	2,503,188	1,819,709
and utilised by:		
Joint ventures	**1,929,676**	1,173,308
An associate	**–**	88,800
	1,929,676	1,262,108

In addition, as at 31 March 2015, the other joint venture partner of a joint venture of which the Group held as to 50% of the issued share capital, provided corporate guarantees to the full amount for loan facilities granted by a bank to the relevant joint venture amounting to approximately HK$625 million (2014: HK$625 million). The banking facilities utilised by the relevant joint venture amounted to approximately HK$482 million (2014: HK$419 million) at the end of the reporting period. A counter-indemnity in favour of the other joint venture partner is executed pursuant to which the Group undertakes to indemnify the other joint venture partner 50% of the liabilities arising from the above loan facilities.

The directors assessed the risk of default of the joint ventures and the associates at the end of each reporting period and consider the risk to be insignificant and it is less likely that any guaranteed amount will be claimed by the counterparties. Included in other payables and accruals represents deferred income in respect of financial guarantee contracts given to joint ventures amounted to HK$6,689,000 (2014: HK$5,772,000).

PLEDGE OF ASSETS

At the end of the reporting period, the following assets were pledged to secure banking facilities granted to the Group:

	2015 HK$'000	2014 HK$'000
Property, plant and equipment	**606,966**	593,739
Properties held for sale	**5,172,481**	3,708,517
Investments held for trading	**37,870**	300,517
	5,817,317	4,602,773

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 1 September 2015 to Friday, 4 September 2015, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend which, if approved, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Monday, 31 August 2015.

THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

During the year, the Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its own code of conduct regarding directors' securities transactions. Based on specific enquiry of all the directors of the Company, the directors complied throughout the year in review with the required standards as set out in the Model Code.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Group is obliged to comply with the requirements for continue listing on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and is committed to practice high standard of corporate governance in its daily management and operations. The Group follows and applies the principles of the Code on Corporate Governance Practices (the "Corporate Governance Code") in Appendix 14 to the Listing Rules in the year under review, except that (i) the Company does not have the position of chief executive officer, and (ii) the non-executive directors have not been appointed for a specific term, but subject to re-election only.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company repurchased a total of 331,080,000 shares on the Stock Exchange at an aggregate consideration (before expenses) of HK$94,332,500. All the repurchased shares were subsequently cancelled. The repurchases were made for the benefit of the Company and its shareholders as a whole with a view to enhancing the earnings per share of the Company. Details of the repurchases are as follows:

Month, Year	Number of share repurchased	Purchase price Highest	Purchase price Lowest	Aggregate consideration paid (before expenses)
		HK$	*HK$*	*HK$*
April, 2014	42,000,000	0.280	0.270	11,577,000
May, 2014	207,050,000	0.280	0.275	57,018,750
July, 2014	46,390,000	0.315	0.290	14,164,650
August, 2014	35,640,000	0.330	0.320	11,572,100
	331,080,000			94,332,500

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the financial statements for the year ended 31 March 2015.

ANNUAL GENERAL MEETING

The 2015 Annual General Meeting of the Company will be held on 25 August 2015.

PUBLICATION OF RESULT ANNOUNCEMENT AND ANNUAL REPORT

A results announcement and annual report containing the information required by the Listing Rules will be published on the websites, of the Stock Exchange (www.hkexnews.hk) and the Company (www.csigroup.hk) in due course.

By order of the Board
Chung Cho Yee, Mico
Chairman

Hong Kong, 26 June 2015

As at the date of this announcement, Mr. Chung Cho Yee, Mico (Chairman), Mr. Kan Sze Man, Mr. Chow Hou Man, Mr. Wong Chung Kwong and Mr. Fong Man Bun, Jimmy are executive directors, Dato' Wong Sin Just, Dr. Lam Lee G., Mr. Cheng Yuk Wo and Dr. Lo Wing Yan, William are the independent non-executive directors of the Company.