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 2016

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 2016, together with comparative figures for the previous year.

DIVIDEND

The Board has recommended the payment of a final dividend of 1.973 Hong Kong cents per share (2015: 0.378 Hong Kong cent) and has not recommended the payment of a special dividend (2015: 0.252 Hong Kong cent) or an aggregate amount of approximately HK$198.0 million (2015: HK$66.1 million) for the year ended 31 March 2016, subject to the approval of shareholders of the Company at the 2016 Annual General Meeting, to shareholders whose names appear on the register of members of the Company on 26 August 2016, payable on or around 1 September 2016.

BUSINESS REVIEW AND OUTLOOK

For the year ended 31 March 2016, the Group reported a consolidated profit attributable to the equity shareholders of the Company of HK$1,645.0 million, compared with HK$262.9 million reported in 2015.

Total revenue for the Group was HK$2,201.5 million, compared with HK$745.6 million for the year ended 31 March 2015.

* *For identification purpose only*

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

Overview

The period under review has been challenging due to the slowdown in retail and tourism activities in Hong Kong and the uncertainty on mass residential properties resulting from a rising interest rate outlook. The slowdown in the Macau gaming industry revenue is also affecting the liquidity in the Macau market. While in China, the slowdown in macro economy and the volatility in the renminbi exchange rate are also affecting the overall sentiment on both the commercial and residential property fronts.

Despite these challenging operating environments, the Group has successfully made several significant disposals on both the commercial and residential fronts to help achieve extremely respectable sales and profits for the fiscal year, while continuing 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 several 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 Platinum Office Building in Shanghai for RMB2.88 billion. In addition, the strata sale of all the 13 floors of the Henan Building was completed for a total consideration of approximately HK$510 million. Furthermore, the remaining high floors of the AXA Centre, namely the 17th to 21st floors, were also sold in two separate transactions with total consideration of approximately HK$1.23 billion. These successful sales have enabled the Group to achieve our sales target for the fiscal year.

On the acquisition side, the Group acquired an office land site in Kowloon Bay through the government tender in a consortium bid with Billion Development and Sino Land, with CSI having a 30% interest. The plan will be the development of a new Grade-A office building in this Kowloon office hub area for sale. Given the reasonable land price and effective cost control, we expect this project to generate good income for us over the next few years.

In addition, we have also acquired two sites in the prime area of Central and Wanchai respectively with the intention to redevelop into new commercial buildings. The first is at 48 Cochrane Street in Central adjacent to the old Hollywood Road Police Station redevelopment project. The plan is to redevelop into a new iconic commercial building with GFA of over 30,000 square feet at this prime commercial/entertainment area in Central for sale in future.

The second site is at 232 Wanchai Road in Wanchai and was acquired in conjunction with a real estate fund. It is strategically located in the heart of Wanchai bordering Times Square in Causeway Bay. The plan is to redevelop into a new commercial building of nearly 90,000 square feet at this prime commercial/retail hub for sale in the future.

The J-Plus by yoo hotel has been able to maintain decent occupancy and room rates despite the recent slowdown in mainland tourism due to the diversified international customer base of our occupants. On our Ashley Road redevelopment plan, we are consolidating ownership of the adjacent site and the current plan is to commence redevelopment in within the next 12 to 18 months. The redevelopment work at Shelley Street is well on track and we expect the new commercial building will be erected within the next 18 months.

With a strong pipeline of these forthcoming exciting commercial development projects, we are optimistic on the prospective profitability from the commercial division in the coming years.

Couture Homes – Residential Property Development

Our life-style oriented project in Causeway Bay, yoo Residence, has been a great success for our residential division with majority of the units sold and delivered. The premium pricing achieved for these units help to cement the reputation of Couture Homes as a leading lifestyle property developer in Greater China.

The other residential development projects for Couture Homes, including the villa projects at Kau To Shan in the New Territories, namely the Kau To Highland, and in Daihongqiao area in Shanghai, namely the Queen's Gate, have both been launched in this fiscal year. The Shanghai villas have particularly good responses with over 140 villas pre-sold already and handover is expected in August 2016. The Kau To Shan villa project also has positive momentum with completed sales of three luxurious lifestyle houses in this prime location.

The super luxury lifestyle development project at Jardine's Lookout has already commenced foundation work 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 projects in Asia Pacific upon its completion.

The Group made a number of key acquisitions during this period. Firstly, the Group acquired a residential land site from government land tender in Fanling. The plan is to develop the site into super luxury houses targeting the super affluent users at this prime site next to the Fanling golf course. In addition, the Group also completed the purchase of a majority stake in an existing residential development at Peak Road. Neighbouring the iconic Opus residential tower and overlooking the Victoria Harbour, the plan for this project will be to refurbish the existing development with modern and stylish design to extract the full value as comparable to the Opus project at this prime address.

Couture Homes has also won a number of awards for our projects including the Kau To Highland and the Queen's Gate. These accolades strongly reflect the brand recognition and uniqueness of Couture Homes as a leading developer providing unique luxury lifestyle residences with strong design element.

With these exciting 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 syndicated loan via a consortium of banks to raise approximately HK$1.2 billion in February 2016. The new funding helps to further strengthen the balance sheet of the Group and provides resources for new acquisition of commercial and residential properties, in addition to being a new funding avenue for the Group in the future.

Outlook

The global economy is undergoing a challenging time despite all the monetary easing policies in Europe, Japan and China. The rising interest rate environment in the US is also putting uncertainty in the rate sensitive Hong Kong real estate business. There are also growing concerns about the outlook for the Hong Kong economy with inbound tourism as well as retail sales and exports showing signs of weakness. Despite all the uncertainties and risk concerns, we believe Hong Kong's economic fundamentals are still sound with interest rates and unemployment rate hovering at low levels. We remain optimistic that the pent-up demand will continue to support prices for quality residences in the longer run.

For our commercial division, we believe new supply of prime office and commercial units in prime districts like Central and Causeway Bay, etc. in Hong Kong will remain to be low. The continuing expansion of Chinese corporations into Hong Kong will underpin our strategy in capitalising on our prime location portfolio in the future in driving sales.

Furthermore, our high-end lifestyle residential products will continue to be dictated by limited supply, and our prospective buyers generally have better financial resources and are less sensitive to pricing. Thus we will continue to be cautious and disciplined in our residential property sales to maximize value and profits for our shareholders.

Key Risks and Uncertainties

The Group's business, financial conditions or results of operations are affected by a number of key risks and uncertainties as outlined below. There may be other risks or uncertainties, including those which are not known to the Group or which the Group currently deems to be immaterial but may affect the Group in future.

Property development

A majority of the Group's assets are located in, and a majority of the Group's revenue is derived from Hong Kong. As a result, the general state of Hong Kong and the property market, the interest rate changes and the political and legal situation in Hong Kong may have a significant impact on the Group's operating results and financial condition. The Group's activities on its development properties are also subject to various laws and regulations of Hong Kong. Developing properties, refurbishment and other re-development projects require government permits. The government may introduce property cooling measures from time to time which may have a significant impact on the property market and adversely affect the Group's property sales performance and financial condition.

Property Trading

Financial performance may be materially and adversely affected in the event of a decline in the turnover and liquidity of our commercial property trading businesses. The Group's activities on its trading properties undergoing development, refurbishment and redevelopment are also subject to various laws and regulations and relevant permit grants from the government of Hong Kong.

Hospitality

Revenue and profitability may be materially and adversely affected in the event of a decline in occupancy and room rates in the hotel assets of the Group.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 March 2016

	NOTES	**2016**	2015
		HK$'000	*HK$'000*
Revenue		**2,201,494**	745,611
Cost of sales and services		**(1,029,524)**	(385,167)
Gross profit		**1,171,970**	360,444
Income and gains (losses) from investments	*3*	**112,278**	47,581
Other income	*4*	**71,883**	72,217
Other gains and losses	*5*	**19,125**	1,147
Administrative expenses		**(214,268)**	(152,307)
Finance costs	*6*	**(138,609)**	(122,089)
Share of results of joint ventures		**687,752**	16,631
Share of results of associates		**1,085**	57,737
Profit before taxation		**1,711,216**	281,361
Income tax expense	*8*	**(53,948)**	(16,308)
Profit for the year	*7*	**1,657,268**	265,053
Attributable to:			
Owners of the Company		**1,645,022**	262,936
Non-controlling interests		**12,246**	2,117
		1,657,268	265,053
Earnings per share (HK cents)	*10*		
Basic		**15.83**	2.65

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2016

	2016	2015
	HK$'000	*HK$'000*
Profit for the year	**1,657,268**	265,053
Other comprehensive (expense) income		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(22,027)**	521
Share of exchange differences of joint ventures	**(25,527)**	(3,545)
Change in fair value of available-for-sale investments	**(376)**	(409)
Reclassification of translation reserve upon disposal of joint ventures	**(13,690)**	–
Reclassification of investment revaluation reserve upon derecognition of available-for-sale investments	**–**	(11,677)
	(61,620)	(15,110)
Total comprehensive income for the year	**1,595,648**	249,943
Total comprehensive income attributable to:		
Owners of the Company	**1,583,402**	247,826
Non-controlling interests	**12,246**	2,117
	1,595,648	249,943

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2016

	NOTES	**2016**	2015
		HK$'000	*HK$'000*
Non-Current Assets			
Property, plant and equipment		**623,307**	664,818
Available-for-sale investments		**59,630**	64,579
Club memberships		**11,385**	11,385
Interests in joint ventures		**1,308,350**	1,653,996
Amounts due from joint ventures		**1,743,320**	1,937,397
Interests in associates		**137,855**	17,567
Amounts due from associates		**4,152**	18,947
		3,887,999	4,368,689
Current Assets			
Trade and other receivables	*11*	**140,273**	117,595
Properties held for sale		**8,850,223**	5,556,593
Investments held for trading		**1,813,664**	1,231,378
Taxation recoverable		**20,141**	7,703
Cash held by securities brokers		**3,983**	5,340
Bank balances and cash		**3,525,228**	1,274,443
		14,353,512	8,193,052
Current Liabilities			
Other payables and accruals	*12*	**236,598**	120,089
Taxation payable		**185,864**	138,854
Amounts due to joint ventures		**20,130**	169
Amounts due to associates		**–**	10,218
Amounts due to non-controlling shareholders of subsidiaries		**100,832**	91,178
Bank borrowings – due within one year		**561,101**	710,204
		1,104,525	1,070,712
Net Current Assets		**13,248,987**	7,122,340
		17,136,986	11,491,029

	2016	2015
	HK$'000	*HK$'000*
Capital and Reserves		
Share capital	**80,296**	83,896
Reserves	**9,586,815**	8,180,824
Equity attributable to owners of the Company	**9,667,111**	8,264,720
Non-controlling interests	**14,241**	2,066
Total Equity	**9,681,352**	8,266,786
Non-Current Liabilities		
Guaranteed notes	**1,040,130**	1,170,000
Bank borrowings – due after one year	**6,410,008**	2,045,713
Deferred tax liabilities	**5,496**	8,530
	7,455,634	3,224,243
	17,136,986	11,491,029

NOTES:

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

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle

The application of the amendments to HKFRSs 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 issued 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[1]
HKFRS 16	Leases[4]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[2]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from contracts with customers[1]
Amendments to HKAS 1	Disclosure initiative[2]
Amendments to HKAS 7	Disclosure initiative[5]
Amendments to HKAS 12	Recognition of deferred tax assets for unrealized losses[5]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 – 2014 cycle[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[2]
Amendments to HKAS 27	Equity method in separate financial statements[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[2]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for annual periods beginning on or after 1 January 2016
[3] Effective for annual periods beginning on or after a date to be determined
[4] Effective for annual periods beginning on or after 1 January 2019
[5] Effective for annual periods beginning on or after 1 January 2017

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 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 required to be 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 have contractual cash flows 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 that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally 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 attributable to a financial liability's 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 is 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 mechanisms currently available in HKAS 39. Under HKFRS 9, 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 retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company will assess the impact of the application of HKFRS 9. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 "Revenue from contracts with customers"

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 will assess the impact of the application of HKFRS 15. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

HKFRS 16 "Leases"

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. It distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Subject to limited exceptions for short-term leases and low value assets, distinctions of operating and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees. However, the standard does not significantly change the accounting of lessors.

Application of HKFRS 16 will result in the Group's recognition of right-of-use assets and corresponding liabilities in respect of many of the Group's lease arrangements. These assets and liabilities are currently not required to be recognised but certain relevant information is disclosed as commitments to these consolidated financial statements. The directors of the Company anticipate that the application of HKFRS 16 in the future will have a material impact on the Group's consolidated financial statements; however, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

Amendments to HKFRS 10 and HKAS 28 "Sale or contribution of assets between an investor and its associate or joint venture"

The amendments to HKFRS 10 "Consolidated financial statements" and HKAS 28 "Investments in associates and joint ventures" deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The amendments should be applied prospectively to transactions occurring in annual periods beginning on or after a date to be determined. The directors of the Company anticipate that the application of these amendments to HKFRS 10 and HKAS 28 may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Other than as described above, the directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

2. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segment, based on information provided to the chief operating decision maker ("CODM") representing the board of directors of the Company, for the purpose of allocating resources to segments and assessing their performance. This is also the basis upon which the Group is arranged and organised.

In prior years, there were three reportable and operating segments, namely (i) property holding segment, (ii) strategic investment segment, and (iii) securities investment segment.

During the current year, in view of the continuing significance of the operation of the property holding segment, the CODM revised the organisation of segments that are used to allocate resources and assess performance, and considered to change its analysis based on nature of the property holding, being (i) commercial property holding and (ii) residential property holding, which is currently the basis used for the purpose of allocating resources and assessing their performance, and also the basis of organisation of the Group for managing the business operations. Other than the commercial property holding and residential property holding segments, the CODM continues to review the performance of securities investment segment as similar basis as prior years. Investment and trading of commercial properties and hotels operation and strategic alliances with the joint venture partners of the joint ventures and associates, and investment and trading of residential properties and strategic alliances with the joint venture partners of the joint ventures and associates are aggregated into single reportable segments, respectively, as the CODM considered that they have similar economic characteristics.

Therefore, there are three reporting and operating segments in current year as follows:

(a) commercial property holding segment, which engages in the investment and trading of commercial properties and hotels operation, and also the strategic alliances with the joint venture partners of the joint ventures and associates;

(b) residential property holding segment, which engages in the investment and trading of residential properties, and also the 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.

Consequently, the comparative segment information for the year ended 31 March 2015 have been re-presented in order to conform with the presentation adopted in current year. The changes in the segment information do not have any impact on the Group's consolidated financial statements.

Segment revenues and results

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

	Commercial property holding *HK$'000*	Residential property holding *HK$'000*	Securities investment *HK$'000*	Consolidated *HK$'000*
For the year ended 31 March 2016				
EXTERNAL REVENUE				
Rental income and hotels operation	220,307	–	–	220,307
Rental income	–	5,971	–	5,971
Sales of properties held for sale	1,752,973	222,243	–	1,975,216
Revenue of the Group	1,973,280	228,214	–	2,201,494
Interest income and dividend income	–	–	102,605	102,605
Gain on disposal of joint ventures	14,706	–	–	14,706
Share of results of joint ventures *(Note ii)*	531,992	155,760	–	687,752
Share of results of associates *(Note ii)*	1,212	(127)	–	1,085
Segment revenue/income	2,521,190	383,847	102,605	3,007,642
RESULTS				
Segment profit	1,594,606	236,776	98,771	1,930,153
Unallocated other income				60,008
Other gains and losses				7,919
Central administration costs				(148,255)
Finance costs				(138,609)
Profit before taxation				1,711,216

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.

	Commercial property holding	Residential property holding	Securities investment	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 March 2015 (Restated)				
EXTERNAL REVENUE				
Rental income and hotels operation	197,228	–	–	197,228
Rental income	–	5,413	–	5,413
Sales of properties held for sale	542,970	–	–	542,970
Revenue of the Group	740,198	5,413	–	745,611
Interest income and dividend income	–	–	132,426	132,426
Share of results of joint ventures *(Note ii)*	61,610	(44,979)	–	16,631
Share of results of associates *(Note ii)*	57,738	(1)	–	57,737
Segment revenue/income	859,546	(39,567)	132,426	952,405
RESULTS				
Segment profit (loss)	431,854	(44,902)	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.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit earned (loss incurred) 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

	2016	2015
	HK$'000	*HK$'000*
Interest income from		
– investments held for trading	**101,620**	128,556
– available-for-sale investments	**–**	983
Dividend income from investments held for trading	**985**	2,887
Increase (decrease) in fair values of investments held for trading	**12,581**	(86,420)
Gain on derecognition of convertible notes in available-for-sale investments	**–**	1,575
Impairment loss on available-for-sale investments	**(2,908)**	–
	112,278	47,581

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

	2016	2015
	HK$'000	*HK$'000*
Investments held for trading	**115,186**	45,023
Available-for-sale investments	**(2,908)**	2,558
	112,278	47,581

4. OTHER INCOME

	2016	2015
	HK$'000	*HK$'000*
Bank interest income	**8,975**	11,075
Loan interest income	**1,504**	6,011
Interest income from amount due from joint ventures	**35,603**	33,202
Amortisation of financial guarantee contracts	**2,597**	1,328
Asset management income	**11,875**	6,711
Others	**11,329**	13,890
	71,883	72,217

5. OTHER GAINS AND LOSSES

	2016	2015
Other gains and losses comprise:	***HK$'000***	*HK$'000*
Gain on disposal of property, plant and equipment	**579**	285
Net exchange gain	**7,340**	1,031
Gain on disposal of a joint venture *(Note)*	**14,706**	–
Impairment loss of amounts due from joint ventures	**(3,500)**	–
Other sundry losses	**–**	(169)
	19,125	1,147

Note: During the year ended 31 March 2016, the Group disposed its entire 50% equity interest in a joint venture, which principally engaged in properties holding, for a consideration of HK$9,868,000. The negative carrying amount of the Group's interest in this joint venture was HK$4,838,000, and hence a gain arising on this disposal resulted in HK$14,706,000 and recognised in the profit or loss in current year.

6. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Interests on:		
Bank borrowings	**98,462**	62,371
Guaranteed notes	**73,404**	76,050
Total borrowing costs	**171,866**	138,421
Less: Amounts capitalised in the cost of qualifying assets	**(33,257)**	(16,332)
	138,609	122,089

7. PROFIT FOR THE YEAR

	2016	2015
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Directors' remuneration:		
Fees	**558**	600
Salaries and other benefits	**21,584**	20,218
Performance-related incentive bonus	**41,530**	11,271
Contributions to retirement benefits schemes	**910**	661
	64,582	32,750
Other staff costs:		
Salaries and other benefits	**41,935**	24,077
Performance-related incentive bonus	**10,211**	8,194
Contributions to retirement benefits schemes	**2,672**	2,673
	54,818	34,944
Total staff costs	**119,400**	67,694
Auditor's remuneration	**1,800**	1,438
Cost of properties held for sale recognised as an expense	**798,202**	307,331
Depreciation of property, plant and equipment	**45,595**	35,876
Gain on disposal of property, plant and equipment	**(579)**	(285)
Impairment loss on properties held for sale (included in cost of sales)	**125,729**	36,341

8. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
The charge (credit) comprises:		
Hong Kong Profits Tax		
– Current year	**52,330**	10,170
– Underprovision in prior years	**2,015**	4,398
Macau Complementary Tax		
– Current year	**2,637**	953
	56,982	15,521
Deferred taxation	**(3,034)**	787
	53,948	16,308

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 MOP300,000. Taxable profits below MOP32,000 are exempt from tax.

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

9. DIVIDENDS

	2016	2015
	HK$'000	*HK$'000*
Dividend recognised as distribution during the year		
– Final dividend of HK0.378 cent per share in respect of financial year ended 31 March 2015 (2015: Final dividend of HK1.14 cent per share in respect of financial year ended 31 March 2014)	**39,641**	104,732
– Special dividend of HK0.252 cent per share in respect of financial year ended 31 March 2015	**26,427**	–
Dividend proposed after the end of the reporting period		
– Final dividend of HK1.973 cents per share (2015: Final dividend of HK0.378 cent per share)	**198,032**	39,641
– Special dividend: nil (2015: Special dividend of HK0.252 cent per share)	**–**	26,427

10. EARNINGS PER SHARE

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

	2016	2015
	HK$'000	*HK$'000*
Earnings		
Earnings for the purposes of basic earnings per share:		
(profit for the year attributable to owners of the Company)	**1,645,022**	262,936
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share (in thousands)	**10,391,797**	9,908,854

No diluted earnings per share is presented as there is no potential ordinary shares outstanding during both reporting periods.

11. TRADE AND OTHER RECEIVABLES

Trade receivables mainly comprise of rental receivables and receivables for sales of properties. Rental receivables are billed and payable in advance by tenants. In respect of sales of properties, the amounts are to be settled based on the terms of sales and purchase agreements of property. The aged analysis of the trade receivables, presented based on the debit note date for rental receivables and agreement date for receivables for sales of properties, both which approximated the revenue recognition date, at the end of the reporting period is as follows:

	2016	2015
	HK$'000	*HK$'000*
Trade receivables:		
0 – 30 days	**6,713**	910
31 – 90 days	**2,281**	5,095
	8,994	6,005
Prepayments and deposits	**48,339**	22,879
Other receivables	**82,940**	88,711
	140,273	117,595

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:

	2016	2015
	HK$'000	*HK$'000*
Rental and related deposits received	**97,233**	52,433
Receipt in advance for sales of properties	**–**	11,137
Other tax payables	**3,610**	2,050
Other payables	**7,087**	6,761
Accrued construction costs	**65,907**	19,619
Accruals	**62,761**	28,089
	236,598	120,089

REVIEW OF THE RESULTS

The Group reported a total revenue of approximately HK$2,201.5 million for the year ended 31 March 2016, which was mainly generated from sale of properties, representing an increase of 195.3% from approximately HK$745.6 million recorded last year.

The Group reported a consolidated profit attributable to the equity shareholders of the Company of HK$1,645.0 million for the year ended 31 March 2016, represented an increase of 525.7% compared with HK$262.9 million reported in 2015.

The increase in profit was mainly attributable to increase 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$3,529.2 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$710.2 million as at 31 March 2015 to approximately HK$561.1 million as at 31 March 2016, and long-term bank borrowing increased from approximately HK$2,045.7 million as at 31 March 2015 to approximately HK$6,410.0 million as at 31 March 2016. 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$2,755.9 million as at 31 March 2015 to approximately HK$6,971.1 million as at 31 March 2016, and the Group's ratio of total debt (bank and other borrowings) to total assets was 43.9% (At 31 March 2015: 31.3%). 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$561.1 million repayable within one year, HK$5,214.0 million repayable between one to five years, and HK$1,196.0 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

	2016	2015
	HK$'000	*HK$'000*
Guarantees given by the Group for banking facilities granted to:		
Joint ventures	**3,628,959**	2,503,188
An associate	**262,919**	–
	3,891,878	2,503,188
and utilised by:		
Joint ventures	**2,638,712**	1,929,676
An associate	**126,298**	–
	2,765,010	1,929,676

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. The banking facilities utilised by the relevant joint venture amounted to approximately HK$482 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. During the year ended 31 March 2016, the corresponding bank borrowings were fully repaid by the relevant joint venture, and hence both the corporate guarantees and banking facilities were released during the year.

The directors assessed the risk of default of the joint ventures and the associates at the end of each the 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$7,010,000 (2015: HK$6,689,000).

PLEDGE OF ASSETS

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

	2016	2015
	HK$'000	*HK$'000*
Property, plant and equipment	**584,375**	606,966
Properties held for sale	**8,414,618**	5,172,481
Investments held for trading	**74,326**	37,870
	9,073,319	5,817,317

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 23 August 2016 to Friday, 26 August 2016, 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, 22 August 2016.

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 has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules during the year 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 449,950,000 shares on the Stock Exchange at an aggregate consideration (before expenses) of HK$114,152,010. 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$*	*HK$*
December, 2015	266,880,000	0.265	0.236	67,029,000
January, 2016	183,070,000	0.265	0.249	47,123,010
	449,950,000			114,152,010

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 2016.

ANNUAL GENERAL MEETING

The 2016 Annual General Meeting of the Company will be held on 16 August 2016.

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, 29 June 2016

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 the executive directors of the Company, and Dr. Lam Lee G., Mr. Cheng Yuk Wo and Dr. Lo Wing Yan, William are the independent non-executive directors of the Company.