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 2021

FINANCIAL HIGHLIGHTS

(In HK$ million, except otherwise indicated)

	Year ended 31 March	
	2021	2020
Revenue		
Per consolidated statement of profit or loss	**369**	3,710
Share of revenue of associates and joint ventures	**1,666**	1,782
	2,035	5,492
Profit attributable to owners of the Company	**331**	1,156
Equity attributable to owners of the Company	**13,298**	12,884
Earnings per share – basic *(HK cents)*	**3.43**	11.77
Dividend per share proposed after the end of the reporting year – Final dividend *(HK cents)*	**0.42**	0.50

* *For identification purpose only*

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's profit attributable to owners of the Company for the year ended 31 March 2021, amounted to HK$330.8 million, compared to HK$1,155.6 million last year. Earnings per share was HK3.43 cents, compared to HK11.77 cents last year.

The Group's revenue for the year was HK$368.7 million, representing a decrease of HK$3,341.3 million, compared to HK$3,710.0 million last year. Consolidated profit for the year amounted to HK$418.5 million, compared to HK$1,243.7 million last year. The decrease in profit in comparison to last year was mainly attributable to the reduction in the recorded sales of the Group's properties under the continuing adverse market conditions caused by the COVID-19 pandemic.

Total revenue attributable to the Group from sales of properties for the year, including those contributed by joint ventures was HK$1,732.1 million (2020: HK$5,198.2 million).

The Group has remained profitable in this challenging year despite the effects from the COVID-19 pandemic. We have maintained a solid financial position through steady asset disposals, especially on the residential front, to strengthen our liquidity. With the strong cash and cash equivalent position, we are confident our strong balance sheet will ensure the Group to ride out from the current challenges affecting Hong Kong.

Commercial Properties

The Group has a number of strategic commercial projects that will be our key revenue drivers in the upcoming years. The URA project at Gage Street/Graham Street, Central is a joint venture commercial development project with Wing Tai Properties Limited. The project will deliver a Grade A office tower, super luxury hotel and retail shops with a combined gross floor area of approximately 432,000 square feet. It is currently undergoing the master planning process. Construction work is currently ongoing with the whole development expected to be completed by 2024. The Group and its partner, Wing Tai Properties Limited, have proven on multiple occasions the ability to curate unforgettable experiences and spaces. Therefore, we are confident that with its prime location and highly experienced team, the project will be a nexus in the area for offices, hospitality, retail, F&B and culture.

“48 Cochrane Street”, Central, is a commercial development project located at the heart of SOHO district, and is situated immediately across from the Central Police Station Revitalisation Project and now known as “Tai Kwun”. The SOHO district is world famous for its restaurants, bars, art galleries and comedy clubs and therefore is also highly frequented by tourists, expatriates and locals alike. The Group’s plan is to make the project a Ginza-style F&B destination that offers a New York meatpacking district inspired design theme. The project is progressing well according to schedule. Construction on the superstructure is nearly finished. Once completed in later part of 2021, the project will have a gross floor area of approximately 32,000 square feet. Pre-leasing of the respective floors is currently ongoing to attract the most optimal leases.

In Kowloon East, the Group, together with our joint venture partners, have successfully rebranded our prime office tower located at No. 8 Lam Chak Street in Kowloon Bay as the Harbourside HQ. The building had undergone substantial enhancement works to the main lobby, entrance hallway, lifts, washrooms and lift lobbies to unlock its full potential. Following the improvement works, the Group’s target is actively recruiting high paying tenants from the banking, insurance, and technology, media and telecommunications sectors in order to create further value by improving rental yield.

Hong Kong Health Check Tower (formerly known as “Everest Building”) is located at Nos. 241 and 243 Nathan Road in Jordan. The building is situated on the junction of Nathan Road and Jordan Road and directly opposite to Jordan MTR station. In addition, Hong Kong Health Check Tower is also a fifteen-minute walk from the high-speed railway station which provides fast and frequent access to Mainland China. The area is also well known to both the locals and mainland tourists for its high density of clinic and medical centres. Hong Kong Health Check Tower’s proximity to both the MTR and highspeed railway network, the “golden mile” (Jordan Road) and the area’s reputation for medical services create high consistent levels of organic foot traffic. The Group has strategically targeted to make the majority of Hong Kong Health Check Tower’s tenant mix towards the medical services industry. With this new strategy, the building had undergone substantial improvement works to its façade, signage, main lobby, lifts, lift lobbies and washrooms which were completed in the first quarter of 2021. With this upgrade, we have secured a leading Hong Kong medical service provider, the Hong Kong Health Check and Medical Diagnostic Centre Limited, to be the anchor tenant to occupy most of the commercial floors. The newly refurbished building has also been renamed as the “Hong Kong Health Check Tower” to reflect this successful transformation to a dedicated medical service-oriented commercial tower. We expect the remaining floors to be rented out to other medical service operators soon to complete the repositioning work for this primely located building.

On the Novotel Hong Kong Nathan Road Kowloon ("Novotel Hotel"), we will begin the redevelopment plan soon. Demolition of the existing hotel is expected to commence in later part of 2021. The current plan will be a joint commercial and residential tower at the site. Working with leading internationally renowned architectural firm, PDP London, the new tower is expected to complete construction in 2025. The gross floor area of the new tower, amounting to over 250,000 square feet, will be evenly split between commercial and residential use. The upper residential tower will offer future residents a prime address in the heart of Kowloon peninsula, with superb school zone and extreme convenience to all areas of Hong Kong. We fully expect this iconic new tower at prime Jordan will be one of the jewels on the crown for the Group upon its completion.

The Group's repositioning works to the In-Point shopping mall at No. 169 Wujiang Road in Shanghai have already been completed. The upgrades made to the primely located mall have created a parade of double-decker premium street-front stores to enhance the tenancy profile and rental yield. With the tenancy upgrade, the Group is achieving significant value creation with much improved rental of almost doubling previous level.

Despite the challenges from the COVID-19 since 2020 that battered the global and local economies, the commercial division has made great stride in driving the development and repositioning of our various commercial assets. We strongly believe that the great efforts and progress will set the scene for capitalising on these value creation works when the world and Hong Kong gradually returns to normalisation.

Couture Homes – Residential Property Development

The Group launched a number of landmark residential projects in the financial year, all of which stand to generate exceptional profitability in the forthcoming financial periods.

Dukes Place at No. 47 Perkins Road in Jardine's Lookout is our newly launched joint venture luxury residential apartment project. Nestled in the heart of this quiet ultra-high net-worth neighborhood, Dukes Place offers a unique combination of super luxury simplexes, duplexes, garden villas and a penthouse. This mix of different units creates a wide range of options in both layouts and size which range from approximately 2,850 square feet to over 6,800 square feet. To fully highlight the potential this project radiates, the Group hired renowned architecture firm, PDP London, to work on the façade along with world-class interior designers from UK, France, Japan and Hong Kong. Each of these interior designers were tasked to design a distinct unit and each of them have been able to fully capture the Group's high standards of perfection in their own unique way. Up to date, the Group has sold and delivered 8 units out of a total of 16 units at superior pricing. This is a true achievement in these challenging times as the COVID-19 have virtually closed the borders of Hong Kong and limited buying interests from mainland buyers. We are confident in selling the remaining special units at top prices when market normalises.

The “Infinity” at Nos. 8-12 Peak Road is a joint venture project, consisting of the refurbishment of ultra-high-end residential apartments. In addition, the Group wholly owned a detached house for redevelopment purpose at this prime Peak address. This project is blessed with full and virtually unobstructed 180-degree views of Victoria Harbour. With the final completion of the refurbishment work at end of 2020, it is amongst the most desired projects for connoisseurs looking for the best home that the prestigious Peak can offer. The interiors of these tailor-made units will be a combination of contemporary and classical. Local Hong Kong interior design icon Mr. Joseph Fung, who has won numerous international accolades, is responsible for two stunning units. We are confident that this immaculate ultra-luxury residential project will continue to solidify our renowned reputation for developing ultra-luxury residential projects.

Our residential project at No. 333 Fan Kam Road in Sheung Shui comprises of 6 luxurious villas with each premium villa providing a gross floor area of more than 6,000 square feet. Each villa also benefits from an exquisite private garden and swimming pool, setting the benchmark for the true dream country houses. The project sale will be commencing soon in later part of 2021 and will be unrivalled in this exclusive neighborhood which is situated under a three-minute drive from the acclaimed Hong Kong Golf Club at Fanling.

Our Yau Tong MTR residential project in joint venture with Sino Land Company Limited is progressing well according to schedule. Currently, the master planning process is completing with construction commencing soon. The Group is very excited to be working with Sino Land Company Limited on our first MTR residential project. We hope this will also serve as a stepping stone for the Group into the mass market residential sector.

Knightsbridge is located at Nos. 90 and 92 Jinbao Street, Beijing, and is the Group’s first luxury residential joint venture project in the country’s capital city. This project is very unique, its façade design is a classical European style which is not common to the locality. The renovation works including upgrading of the façade and common areas, and the fitting out of the interiors of the 2 floors of show units were completed. The Group strongly believes that the project’s new design, coupled with its superb location that borders the Wangfujiang in Beijing, will capture a significant price appreciation in the future. Sales of the units already commenced since beginning of 2021 with strong responses, and so far around 30 units have already been entered into sales agreements at premium pricing.

Queen’s Gate is a stunning residential development in Shanghai. The façade of the project is simplistically elegant with a contemporary British style. The Group and its joint venture partner are pleased to announce that we have completed the sale of all residential units at Queen’s Gate.

On the acquisition side, the Group joined with a consortium formed with New World Development Company Limited, Empire Development Hong Kong (BVI) Limited and Lai Sun Development Company Limited won the tender for the Wong Chuk Hang Station Package Five Property Development in January 2021. The prime property is located on top of the forthcoming Wong Chuk Hang MTR station mall podium and can be developed into a total gross floor area of around 636,000 square feet. The units to be built will have excellent unblocked views of the Ocean Park Hong Kong and Deep Water Bay, creating a prime haven for premium residential units at this convenient address with five-minute MTR access to prime Central. Construction work will commence soon for this project with target completion around year 2025. The Group is confident that the project will command excellent responses and profitability in the future, in light of the recent very successful presale of the peer Wong Chuk Hang MTR Station Phase I residential project which achieved superior prices.

The Group's senior management is pleased with the performance and progress of our residential projects made in this fiscal period, despite the challenging market from the effect of the COVID-19. We will strive hard to ensure a solid pipeline of residential projects in the future to continue the solid growth of the division.

Securities Investment

As at 31 March 2021, the Group held financial assets at fair value through profit or loss ("FVTPL") of approximately HK$1,700.9 million (31 March 2020: financial assets at FVTPL of approximately HK$2,343.3 million). The investment portfolio comprises of 78.5% listed debt securities (mostly issued by the PRC-based real estate companies), 5.4% listed equity securities and 16.1% unlisted funds and securities. They are denominated in different currencies with 93.3% in United States dollars and 6.7% in Hong Kong dollars.

During the year under review, a mark-to-market valuation net loss of HK$2.5 million, comprising HK$21.5 million of net fair value gain from debt securities, HK$42.6 million of net fair value loss from unlisted mutual funds, HK$13.7 million of net fair value gain from equity securities (listed in Hong Kong) and HK$4.9 million arising from net fair value gain of unlisted equity securities.

Interest income and dividend income from securities investment increased to approximately HK$229.2 million (31 March 2020: HK$172.0 million).

As at 31 March 2021, approximately HK$306.2 million (31 March 2020: HK$289.3 million) of these listed securities investments were pledged to banks as collateral for banking facilities granted to the Group.

Among such financial assets, there were notes ("GS Notes") issued by Golden Sunflower Limited ("Golden Sunflower") which are backed by collaterals which take the form of a total return swap referencing bonds issued by Guangzhou R&F Properties Co., Ltd. and/or its subsidiaries ("Guangzhou R&F") amounting to approximately RMB50.2 million (equivalent to approximately HK$59.6 million) as referred to in the announcements issued by the Company on 30 December 2020 and 8 January 2021. Golden Sunflower is merely established for the purpose of facilitating the issue of the GS Notes and its financial position would not have any impact on the Group as a holder of the GS Notes. If Golden Sunflower defaults under the GS Notes, the Group can claim against the swap counterparty, i.e. CMBI Global Markets Limited ("CMBI"), a subsidiary of China Merchants Bank Co., Ltd., pursuant to the total return swap arrangement between Golden Sunflower and CMBI. Therefore, the GS Notes are subject to the credit risk of the reference entity (i.e. Guangzhou R&F) and the swap counterparty (i.e. CMBI).

OUTLOOK

The COVID-19 global pandemic has caused major upheavals on the global economies, and has impacted the Group's business, especially on the commercial front. As such, we remain cautiously optimistic on the prospect of the commercial sector in the medium term, in particular in prime areas such as Central.

On the residential front in Hong Kong, strong first-hand sales figures in the mass market sector and good luxury market sector sales, despite the borders with Mainland China remaining closed, have been encouraging news for us. We believe the mass market sector will continue to outperform given the disparity in local residential supply and demand. For the luxury market sector, strong sales of units at our Dukes Place and Peak Road projects also indicate the resilience of this sector amidst both local and global events.

With the foreseeable recovery in global economies, the Group remains optimistic on future businesses. With a strong balance sheet, highly experienced senior management and project management team, the Group is well positioned to capture opportunities with the improving global economies in the future.

RESULTS

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 2021, together with comparative figures for the previous year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2021

	NOTES	**2021** *HK$'000*	2020 *HK$'000*
Revenue	*2*		
Sales of properties held for sale		**141,800**	3,498,030
Rental income		**226,912**	211,926
Total revenue		**368,712**	3,709,956
Cost of sales and services		**(132,444)**	(2,212,520)
Gross profit		**236,268**	1,497,436
Income from investments	*4*	**229,218**	172,029
Gains (losses) from investments	*4*	**19,591**	(294,847)
Other income	*5*	**197,646**	191,708
Other gains and losses	*6*	**30,751**	(13,321)
Administrative expenses		**(240,307)**	(312,579)
Finance costs	*7*	**(275,280)**	(333,897)
Share of results of joint ventures		**246,079**	402,036
Share of results of associates		**521**	432
Profit before taxation		**444,487**	1,308,997
Income tax expense	*8*	**(25,982)**	(65,269)
Profit for the year	*9*	**418,505**	1,243,728
Profit (loss) attributable to:			
Owners of the Company		**330,809**	1,155,643
Holders of perpetual capital securities		**89,700**	89,700
Non-controlling interests		**(2,004)**	(1,615)
		418,505	1,243,728
Earnings per share ***(HK cents)***	*11*		
Basic		**3.43**	11.77

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	2021	2020
	HK$'000	*HK$'000*
Profit for the year	**418,505**	1,243,728
Other comprehensive income (expense)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**42,618**	(22,910)
Share of exchange differences of joint ventures, net of related income tax	**170,221**	(118,304)
	212,839	(141,214)
Total comprehensive income for the year	**631,344**	1,102,514
Total comprehensive income (expense) attributable to:		
Owners of the Company	**540,163**	1,014,429
Holders of perpetual capital securities	**89,700**	89,700
Non-controlling interests	**1,481**	(1,615)
	631,344	1,102,514

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2021

	NOTES	**2021** **HK$'000**	2020 *HK$'000*
Non-Current Assets			
Property, plant and equipment		**262,165**	297,235
Financial assets at fair value through profit or loss ("FVTPL")	*13*	**180,350**	170,955
Club memberships		**11,915**	11,915
Interests in joint ventures		**4,743,982**	4,474,685
Amounts due from joint ventures		**5,983,637**	5,067,900
Interests in associates		**362,154**	193,052
Amounts due from associates		**1,422,774**	10,611
Loan receivables		**129,683**	203,248
		13,096,660	10,429,601
Current Assets			
Loan receivables		**104,902**	45,407
Trade and other receivables	*12*	**241,345**	274,058
Amount due from a non-controlling shareholder of a subsidiary		**–**	3,470
Properties held for sale		**12,179,207**	11,502,578
Financial assets at FVTPL	*13*	**1,520,555**	2,172,310
Taxation recoverable		**450**	9,889
Cash held by securities brokers		**37,899**	6,432
Bank balances and cash		**1,462,929**	2,668,787
		15,547,287	16,682,931
Current Liabilities			
Other payables and accruals	*14*	**578,080**	346,103
Taxation payable		**231,496**	265,415
Amounts due to joint ventures		**749,096**	556,195
Amounts due to non-controlling shareholders of subsidiaries		**165,210**	167,333
Bank borrowings – due within one year		**1,714,909**	1,811,884
Guaranteed notes – due within one year		**1,859,520**	–
		5,298,311	3,146,930
Net Current Assets		**10,248,976**	13,536,001
Total assets less current liabilities		**23,345,636**	23,965,602

	2021	2020
	HK$'000	*HK$'000*
Capital and Reserves		
Share capital	**76,117**	78,460
Treasury shares	**(6,572)**	–
Reserves	**13,228,358**	12,805,654
Equity attributable to owners of the Company	**13,297,903**	12,884,114
Holders of perpetual capital securities	**1,539,443**	1,539,443
Non-controlling interests	**33,879**	36,253
Total Equity	**14,871,225**	14,459,810
Non-Current Liabilities		
Bank borrowings – due after one year	**8,364,534**	7,516,079
Guaranteed notes – due after one year	**–**	1,924,260
Derivative financial instruments	**81,798**	45,868
Deferred tax liabilities	**28,079**	19,585
	8,474,411	9,505,792
	23,345,636	23,965,602

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the "Amendments to References to the Conceptual Framework in HKFRS Standards" and the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the "Amendments to References to the Conceptual Framework in HKFRS Standards" and the amendments to HKFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1a Impacts on application of Amendments to HKAS 1 and HKAS 8 Definition of Material

The Group has applied the Amendments to HKAS 1 and HKAS 8 for the first time in the current year. The amendments provide a new definition of material that states "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current year had no impact on the consolidated financial statements.

1b Impacts on application of Amendments to HKFRS 3 Definition of a Business

The Group has applied the amendments for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis.

The Group has elected to apply the optional concentration test on the acquisition of Venus Fortune Limited and concluded that such acquisition does not constitute a business.

2. REVENUE

(i) Disaggregation of revenue

	2021	2020
	HK$'000	*HK$'000*
Sales of properties held for sale – at a point in time	**141,800**	3,498,030
Rental income	**226,912**	211,926
	368,712	3,709,956

	Sales of properties held for sale	
	2021	2020
	HK$'000	*HK$'000*
Geographical market		
Hong Kong	**141,800**	3,498,030

(ii) Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

	2021	2020
	HK$'000	*HK$'000*
Sales of properties held for sale		
Commercial property holding	**141,800**	2,612,622
Residential property holding	**–**	885,408
Revenue from contracts with customers	**141,800**	3,498,030
Rental income	**226,912**	211,926
Interest income and dividend income	**229,218**	172,029
Revenue disclosed in segment information	**597,930**	3,881,985

(iii) Performance obligations for contracts with customers

Revenue from sales of properties held for sale is recognised at a point in time when the customer obtains the control of the properties, which is the property stated in the sale and purchase agreement being delivered and its title being passed to the customer. The Group receives at least 5% of the contract value as deposits from customers when they sign the preliminary sale and purchase agreements and the balance of purchase price shall be paid upon completion of the sale and purchase of the properties.

All contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

(iv) Leases

	2021	2020
	HK$'000	*HK$'000*
For operating leases:		
Lease payments that are fixed	**226,912**	211,926

During the year ended 31 March 2021, the Group granted one-off rent reduction for those lessees suffering loss during COVID-19 period amounting to HK$6,348,000 (2020: HK$800,000).

3. 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 executive 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.

There are four reportable and operating segments in current year as follows:

(a) commercial property holding segment, which engages in the investment and trading of commercial properties, properties under development and also the strategic alliances with the joint venture partners of the joint ventures and associates in Hong Kong and the People's Republic of China (the "PRC") excluding Macau;

(b) residential property holding segment, which engages in the investment and trading of residential properties, properties under development and also the strategic alliances with the joint venture partners of the joint ventures and associates in Hong Kong and the PRC excluding Macau;

(c) Macau property holding segment, which engages in the investment and trading of properties located in Macau; and

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

The CODM also considered the share of revenue of associates and joint ventures for the purpose of allocating resources and assessing performance of each segment.

Segment revenue 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*	Macau property holding *HK$'000*	Securities investment *HK$'000*	Consolidated *HK$'000*
For the year ended 31 March 2021					
EXTERNAL REVENUE					
Rental income	**219,676**	**4,175**	**3,061**	**–**	**226,912**
Sales of properties held for sale	**141,800**	**–**	**–**	**–**	**141,800**
Revenue of the Group	**361,476**	**4,175**	**3,061**	**–**	**368,712**
Interest income and dividend income	**–**	**–**	**–**	**229,218**	**229,218**
	361,476	**4,175**	**3,061**	**229,218**	**597,930**
SHARE OF REVENUE OF ASSOCIATES AND JOINT VENTURES					
Rental income	**75,565**	**265**	**–**	**–**	**75,830**
Sales of properties held for sale	**13,994**	**1,576,287**	**–**	**–**	**1,590,281**
	89,559	**1,576,552**	**–**	**–**	**1,666,111**
Segment revenue	**451,035**	**1,580,727**	**3,061**	**229,218**	**2,264,041**
RESULTS					
Share of results of joint ventures *(Note)*	**(121,122)**	**367,201**	**–**	**–**	**246,079**
Share of results of associates *(Note)*	**576**	**(55)**	**–**	**–**	**521**
Segment profit (loss) excluding share of results of joint ventures and associates	**322,735**	**(1,305)**	**609**	**206,664**	**528,703**
Segment profit	**202,189**	**365,841**	**609**	**206,664**	**775,303**
Unallocated other income					**39,197**
Unallocated other gains and losses					**19,125**
Central administration costs					**(113,858)**
Finance costs					**(275,280)**
Profit before taxation					**444,487**

	Commercial property holding HK$'000	Residential property holding HK$'000	Macau property holding HK$'000	Securities investment HK$'000	Consolidated HK$'000
For the year ended 31 March 2020					
EXTERNAL REVENUE					
Rental income	203,198	5,776	2,952	–	211,926
Sales of properties held for sale	2,612,622	885,408	–	–	3,498,030
Revenue of the Group	2,815,820	891,184	2,952	–	3,709,956
Interest income and dividend income	–	–	–	172,029	172,029
	2,815,820	891,184	2,952	172,029	3,881,985
SHARE OF REVENUE OF ASSOCIATES AND JOINT VENTURES					
Rental income	81,471	231	–	–	81,702
Sales of properties held for sale	1,380,834	319,352	–	–	1,700,186
	1,462,305	319,583	–	–	1,781,888
Segment revenue	4,278,125	1,210,767	2,952	172,029	5,663,873
RESULTS					
Share of results of joint ventures *(Note)*	523,912	(121,876)	–	–	402,036
Share of results of associates *(Note)*	558	(126)	–	–	432
Segment profit (loss) excluding share of results of joint ventures and associates	1,225,476	212,281	(12,283)	(139,951)	1,285,523
Segment profit (loss)	1,749,946	90,279	(12,283)	(139,951)	1,687,991
Unallocated other income					70,698
Unallocated other gains and losses					16,815
Central administration costs					(132,610)
Finance costs					(333,897)
Profit before taxation					1,308,997

Note: Share of results of associates and joint ventures mainly represent share of the operating profit or loss of these entities from their businesses of property investment and development.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit (loss) includes the profit earned (loss incurred) by each segment, income and gains (losses) from investments, assets management income, interest income from amounts due from joint ventures, consultancy fee income, gain on disposal of investment in an associate, reversal of impairment loss on amount due from an associate, share of results of joint ventures and associates, without allocation of certain items of other income (primarily bank interest income, loan interest income, amortisation of financial guarantee contracts and forfeited deposits) and of other gains and losses (primarily gain on disposal of property, plant and equipment, net exchange gain and gain on disposal of a subsidiary), central administrative costs and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

4. INCOME AND GAINS (LOSSES) FROM INVESTMENTS

	2021	2020
	HK$'000	*HK$'000*
Income from investments includes the following:		
Interest income from financial assets at FVTPL	**169,456**	150,905
Dividend income from financial assets at FVTPL	**59,762**	21,124
	229,218	172,029
Gains (losses) from investments includes the following:		
Net change in fair value of financial assets at FVTPL		
– net realised gain (loss)	**84,114**	(36,825)
– net unrealised loss	**(2,459)**	(221,141)
Net change in fair value of derivative financial instruments		
– net realised (loss) gain	**(26,133)**	8,987
– net unrealised loss	**(35,931)**	(45,868)
	19,591	(294,847)

Note:

Realised gain or loss represent amount realised when investments have been disposed. Unrealised gain or loss represent changes in fair value of the investments held at the end of the reporting period.

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

	2021	2020
	HK$'000	*HK$'000*
Derivative financial instruments	**(62,064)**	(36,881)
Financial assets at FVTPL	**310,873**	(85,937)
	248,809	(122,818)

5. OTHER INCOME

	2021	2020
	HK$'000	*HK$'000*
Bank interest income	**12,357**	29,970
Interest income from loan receivables	**8,668**	13,733
Interest income from amounts due from joint ventures	**149,956**	118,610
Interest income from promissory note	**–**	963
Amortisation of financial guarantee contracts	**7,367**	7,501
Assets management income	**2,400**	2,400
Consultancy fee income	**6,093**	24
Forfeited deposits	**256**	8,756
Others	**10,549**	9,751
	197,646	191,708

Total interest income of financial assets measured at amortised cost amounts to HK$170,981,000 (2020: HK$163,276,000) for the year ended 31 March 2021.

6. OTHER GAINS AND LOSSES

	2021	2020
	HK$'000	*HK$'000*
Write-off of deposit for properties held for sale	**–**	(30,560)
Gain on disposal of property, plant and equipment	**–**	839
Reversal of impairment loss on amount due from an associate	**–**	424
Gain on disposal of a subsidiary *(Note i)*	**18,289**	–
Gain on disposal of investment in an associate *(Note ii)*	**11,626**	–
Net exchange gain	**836**	15,976
	30,751	(13,321)

Notes:

i. During the year ended 31 March 2021, the Group disposed its entire equity interest in a wholly-owned subsidiary, which holds a vessel, to a third party for a consideration of HK$23,250,000. The carrying amount of the net assets of this subsidiary was HK$4,870,000, with HK$91,000 transaction cost and hence a gain arising on this disposal amounted to HK$18,289,000 was recognised in the profit or loss in current year.

ii. During the year ended 31 March 2021, the Group disposed its entire 16.58% equity interest in an associate, which principally engaged in the operation of clubs, entertainment and restaurant business in Hong Kong, to a third party, for a consideration of HK$12,734,000. The carrying amount of the Group's interest in this associate was HK$1,108,000, and hence a gain arising on this disposal amounted to HK$11,626,000 was recognised in the profit or loss in current year.

7. FINANCE COSTS

	2021	2020
	HK$'000	*HK$'000*
Interests on:		
Bank borrowings	**198,532**	264,486
Loan from a joint venture partner	**1,918**	–
Guaranteed notes	**90,638**	94,947
Total borrowing costs	**291,088**	359,433
Less: Amounts capitalised in the cost of qualifying assets	**(15,808)**	(25,536)
	275,280	333,897

Borrowing costs capitalised are interest expenses incurred for financing the development of properties under development. Capitalisation rate of borrowing costs to expenditure on qualifying assets ranged from 1.30% to 3.73% (2020: 2.62% to 4.51%) per annum for the year ended 31 March 2021.

8. INCOME TAX EXPENSE

	2021	2020
	HK$'000	*HK$'000*
The charge (credit) comprises:		
Hong Kong Profits Tax		
– Current year	**17,166**	71,016
– Under (over) provision in prior years	**322**	(13,350)
Macau Complementary Tax		
– Current year	**–**	10
	17,488	57,676
Deferred taxation	**8,494**	7,593
	25,982	65,269

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits 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.

According to the budget for the financial year 2021 approved by the Macau Legislative Assembly, the tax-free income threshold for complementary tax has been increased from MOP32,000 to MOP600,000 for income derived in the tax year of 2020.

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million.

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

9. PROFIT FOR THE YEAR

	2021	2020
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging (crediting):		
Directors' remuneration	**33,445**	56,371
Other staff costs:		
Salaries and other benefits	**55,774**	71,779
Performance-related incentive bonus	**9,435**	15,472
Contributions to retirement benefits schemes	**5,266**	4,371
	70,475	91,622
Total staff costs	**103,920**	147,993
Auditor's remuneration – audit services	**3,760**	3,792
Cost of properties held for sale recognised as an expense	**122,909**	1,764,879
Depreciation of property, plant and equipment	**35,271**	33,696
(Net reversal of write-down) write-down of properties held for sale (included in cost of sales)	**(32,458)**	345,853

10. DIVIDEND

	2021	2020
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year		
– Final dividend of HK0.50 cents per share in respect of financial year ended 31 March 2020 (2020: Final dividend of HK0.72 cents per share in respect of financial year ended 31 March 2019)	**48,071**	70,615
Dividends proposed after the end of the reporting period		
– Final dividend of HK0.42 cents per share (2020: Final dividend of HK0.50 cents per share)	**39,853**	48,988

11. EARNINGS PER SHARE

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

	2021	2020
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic earnings per share: (profit for the year attributable to owners of the Company)	**330,809**	1,155,643
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share (in thousands)	**9,649,087**	9,814,897

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

12. TRADE AND OTHER RECEIVABLES

Trade receivables mainly comprise of rental receivables. Rental receivables are billed and receivable based on the terms of tenancy agreement. The Group allows credit period of 0 – 60 days (2020: 0 – 60 days) to its tenants. The ageing analysis of the trade receivables, presented based on the debit note date for rental receivables which approximated the revenue recognition date, at the end of the reporting period is as follows:

	2021	2020
	HK$'000	*HK$'000*
Trade receivables:		
0 – 30 days	**7,339**	11,256
31 – 90 days	**670**	5,763
	8,009	17,019
Prepayments and deposits	**37,504**	44,278
Other receivables *(Note)*	**195,832**	212,761
	241,345	274,058

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

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

Note: As at 31 March 2021, other receivables mainly comprised of refundable stamp duty for redevelopment of commercial properties amounting to HK$113,060,000 (2020: HK$46,608,000) and sale proceed the Group's properties held for sale amounting to HK$nil (2020: HK$148,836,000) under the custody of the independent lawyers on behalf of the Group.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The financial assets at FVTPL comprise:

	2021	2020
	HK$'000	*HK$'000*
Listed equity securities	**91,628**	45,622
Unlisted equity securities/limited partnership	**185,334**	173,984
Unlisted mutual funds	**10,361**	52,924
Listed debt securities	**1,334,953**	2,070,735
Unlisted debt securities	**78,629**	–
	1,700,905	2,343,265
Total and reported as:		
Listed		
Hong Kong	**457,782**	518,941
Singapore	**525,007**	703,859
Elsewhere	**443,792**	893,557
Unlisted	**274,324**	226,908
	1,700,905	2,343,265
Analysed for reporting purposes as:		
Non-current assets	**180,350**	170,955
Current assets	**1,520,555**	2,172,310
	1,700,905	2,343,265

14. OTHER PAYABLES AND ACCRUALS

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

	2021	2020
	HK$'000	*HK$'000*
Rental and related deposits received	**130,479**	83,782
Other tax payables	**2,149**	2,283
Deferred income of financial guarantee contracts to joint ventures	**11,205**	18,728
Interest payables	**24,339**	30,261
Accrued construction costs	**261,641**	116,484
Accrued consultancy fee	**–**	2,657
Accruals and other payables	**148,267**	91,908
	578,080	346,103

DIVIDEND

The Board has recommended the payment of a final dividend of HK0.42 cents per share (2020: HK0.50 cents) or an aggregate amount of approximately HK$39.9 million (2020: HK$48.1 million) for the year ended 31 March 2021, subject to the approval of shareholders of the Company at the 2021 Annual General Meeting, to shareholders whose names appear on the register of members of the Company on 10 September 2021, payable on or around 16 September 2021.

EMPLOYEE

As at 31 March 2021, the total number of employees of the Group was 105, excluding the employees of Novotel Hotel (2020: 104, excluding the employees of Novotel Hotel). 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.

FINANCIAL GUARANTEE CONTRACTS

	2021	2020
	HK$'000	*HK$'000*
Guarantees given by the Group for banking facilities granted to:		
Joint ventures	**8,010,859**	8,736,144
An associate	**282,854**	282,854
	8,293,713	9,018,998
and utilised by:		
Joint ventures	**6,716,533**	7,273,690
An associate	**192,280**	183,066
	6,908,813	7,456,756

The directors of the Company have performed impairment assessment of the joint ventures and an associate at the end of the reporting period as well as assessing that expected credit loss allowance in relation to the guarantees is not material. Included in other payables and accruals represent deferred income in respect of financial guarantee contracts given to joint ventures amounted to HK$11,205,000 (2020: HK$18,728,000).

PLEDGE OF ASSETS

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

	2021	2020
	HK$'000	*HK$'000*
Property, plant and equipment	**208,249**	224,819
Properties held for sale	**11,928,292**	10,966,083
Financial assets at FVTPL	**306,188**	289,328
	12,442,729	11,480,230

For certain properties, the Group has assigned to the banks all its right, title and benefit as lessor of relevant properties for certain banking facilities granted to the Group.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed for the following periods:

(a) for the purpose of determining shareholders who are entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 26 August 2021 to Tuesday, 31 August 2021 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 25 August 2021; and

(b) for the purpose of determining the shareholders' entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 6 September 2021 to Friday, 10 September 2021 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 3 September 2021.

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 has applied the principles and complied with all the applicable code provisions of the Corporate Governance 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 318,850,000 shares on the Stock Exchange at an aggregate consideration (before expenses) of HK$77,916,950. 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 ordinary shares repurchased	Purchase price Highest *HK$*	Lowest *HK$*	Aggregate consideration paid (before expenses) *HK$*
April, 2020	9,940,000	0.270	0.265	2,656,600
June, 2020	14,000,000	0.244	0.237	3,398,870
July, 2020	168,490,000	0.250	0.237	41,491,030
August, 2020	1,000,000	0.238	0.238	238,000
December, 2020	24,940,000	0.240	0.228	5,843,250
January, 2021	72,720,000	0.241	0.236	17,320,330
February, 2021	1,800,000	0.230	0.230	414,000
March, 2021	25,960,000	0.255	0.246	6,554,870
Total	318,850,000			77,916,950

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management and financial reporting matters including review of the financial statements for the year ended 31 March 2021.

ANNUAL GENERAL MEETING

The 2021 Annual General Meeting of the Company will be held on 31 August 2021.

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, 28 June, 2021

As at the date of this announcement, the executive directors of the Company are Mr. Chung Cho Yee, Mico (Chairman), Mr. Kan Sze Man, Mr. Chow Hou Man, Mr. Fong Man Bun, Jimmy, Mr. Ho Lok Fai and Mr. Leung King Yin, Kevin; and the independent non-executive directors of the Company are Dr. Lam Lee G., Mr. Cheng Yuk Wo, Hon. Shek Lai Him, Abraham, GBS, JP and Dr. Lo Wing Yan, William, JP.