



資本策略地產有限公司
CSI PROPERTIES LIMITED

Stock Code 股份代號 : 497



Investor Presentation
Interim Results FY 2020/ 2021
Nov 2020

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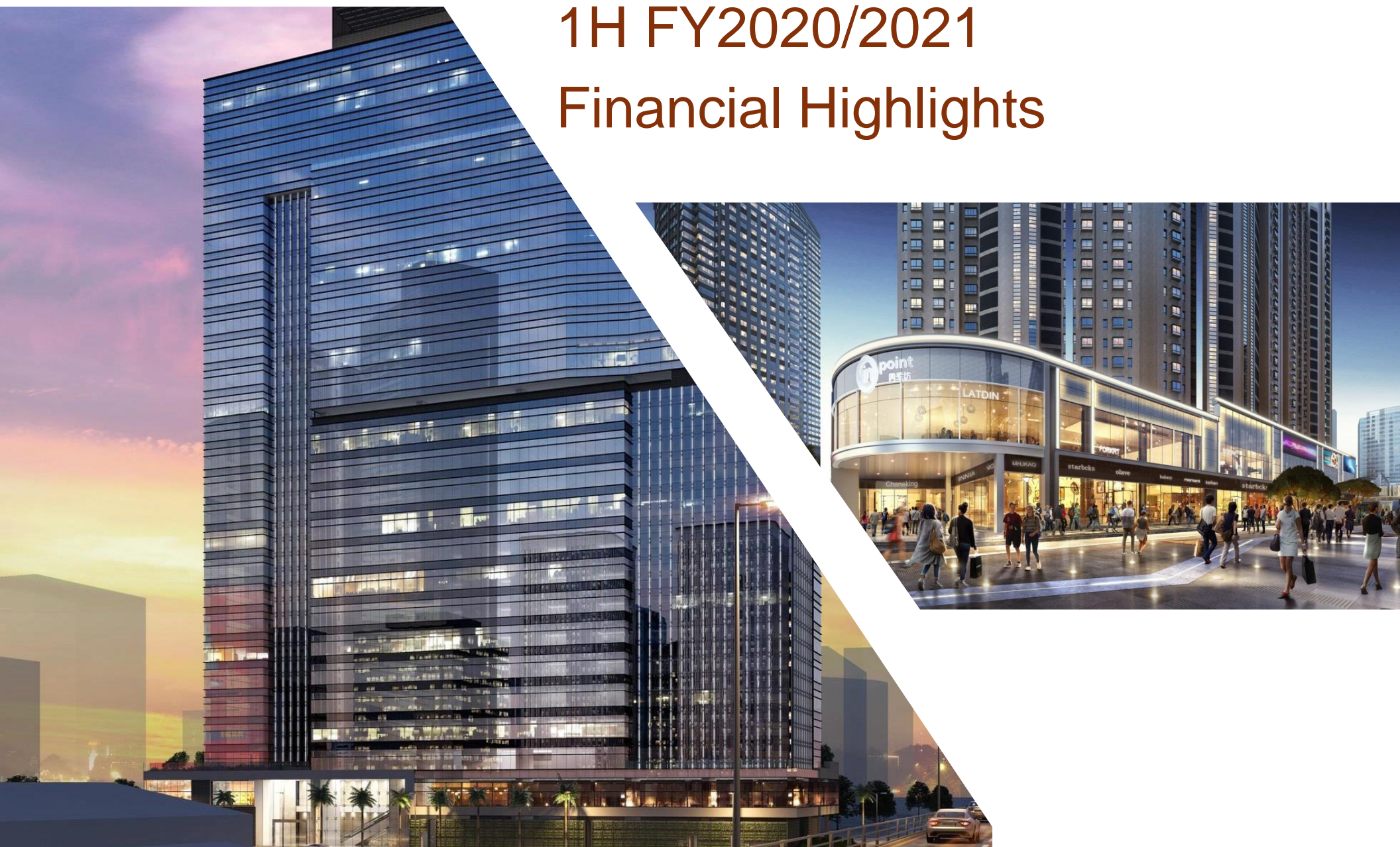
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Section 1

1H FY2020/2021 Financial Highlights



1H FY 2020/2021 Sales Highlights

CSI recorded around HK\$1 billion of sales (incl. JV/ Associates) this past interim period

	%	For the interim period ended 30 Sep 2020 HK\$'000
Group level		
Hong Kong residential properties		N/A
Hong Kong commercial properties		141,800
Sub-total		141,800
Joint Ventures and Associates		
PRC residential properties	50%	170,297
Hong Kong commercial properties		N/A
Hong Kong residential properties	60%	720,441
Sub-total		890,738
Total		1,032,538
Less: Non-controlling interests		—
Total revenue attributable to the Group from Sales of Properties (incl. JV)		1,032,538






1H FY 2020/2021 key disposals

CSI has recognized a few key disposals within this interim period to ensure profitability

Date completed	Projects sold and booked 1H FY2021	Location
Apr 2020 – Sep 2020	6 units of Dukes Place at 47 Perkin's Road (CSI-60%)	Jardine's Lookout
Apr 2020 – Sep 2020	10 villas and 27 apartments for Queen's Gate project in DaiHongQiao in Shanghai (CSI – 50%)	Shanghai
Aug 2020	Remaining two ground floor shops at Oriental Crystal Building	Central

Date presold	Projects presold for future bookings	Location
Apr 2020 – current	2 units of Dukes Place at 47 Perkin's Road (CSI-60%)	Jardine's Lookout
Apr 2020 – current	8 villas and 5 apartments for Queen's Gate project in DaiHongQiao in Shanghai (CSI – 50%)	Shanghai

1H FY 2020/ 2021 interim results highlights

(Period ended 30 September) (HK\$m)	1H FY2020/21 (A)	1H FY2019/20 (B)	% change (A/B-1)
Gross revenue from property business	247	2,722	91% 
Property sale	142	2,610	
Rental income	105	113	
Gross profit	83	1,387	94% 
Profit from property JV/associates	292	415	30% 
Profit attributable to equity holders	277	1,474	81% 
EPS (basic)	2.84 cents	14.98 cents	81% 

1H FY 2020/2021 interim results highlights (contd.)

Strong balance sheet and liquidity to ensure financial stability

(HK\$m)	1H FY 2020/ 2021 30 th Sep 2020	FY 2020 31 st Mar 2020
Properties & related assets	22,688	21,546
Cash & bank balances (including cash held by securities brokers)	2,367	2,675
Investments	2,235	2,343
Other assets	376	548
Total assets	27,666	27,112
Bank loans	9,348	9,328
Guaranteed notes	1,881	1,924
Other liabilities	1,700	1,401
Total liabilities	12,930	12,653
Common stock equity	13,164	12,884
Non-controlling interests	33	36
Perpetual capital securities	1,539	1,539
Total equity	14,736	14,459

Notes:

(1) Properties & related assets = Properties held for sale + Property, plant and equipment + Interests in joint venture + Amounts due from joint ventures + Interests in associates + Amount due from associates + Contract costs

Pro-forma Balance Sheet adjusted for market valuation as at 30 Sep 2020

Properties valued at historical cost basis on book with no revaluation surplus. Even after revaluation adjustment, it still represents significant value in terms of a significant discount to pro forma adjusted NAV of HK\$2.05 per share when compared to current share price

	Net asset value (unaudited) (HK\$m)
Net assets attributable to shareholders (as at 30 Sep 2020)	13,164
Add	
• Attributable revaluation surplus relating to the group's properties held for sale as per independent valuations ¹	5,229
• Attributable revaluation surplus relating to the group's properties held for sale by jointly controlled entities as per independent valuations ¹	1,265
Net assets attributable to shareholders as if properties held for sale by jointly controlled entities and interests in jointly controlled entities were stated at open market value²	19,658
Pro-forma adjusted NAV per share³	HK\$2.05

Notes:

- (1) Based on latest open market valuations at most applicable dates of 31 Mar 2020 and/or 30 Sep 2020 as carried out by independent firms of qualified professional valuers not connected to the Group (value adjusted slightly due to RMB – HK\$ exchange rate changes) or latest transactions and prices
- (2) Deferred tax liabilities have not been provided for the attributable revaluation surplus of properties held for sale
- (3) NAV per share calculated based on 9,614 million shares in issue as at 30 Sep 2020 after share repurchase to boost value

1H FY 2020/2021 key credit metrics

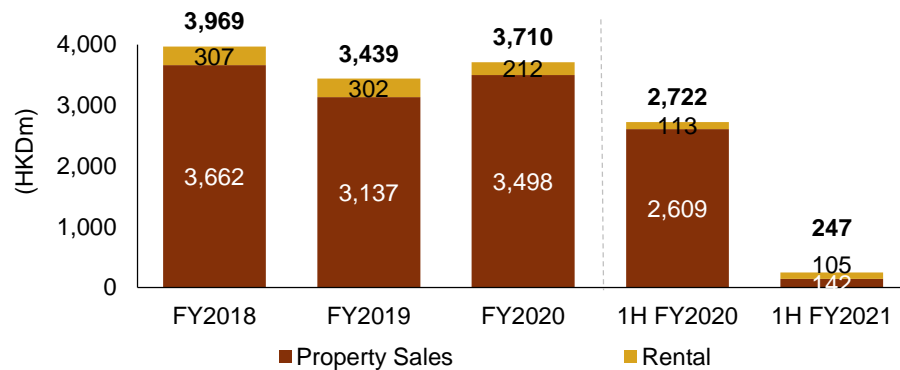
Key credit metrics	1H FY 2020/2021 (HK\$m)	FY 2020 (HK\$m)	FY 2019 (HK\$m)
EBITDA ¹ / interest expenses ²	2.9x	6.3x	2.9x
Net debt / total assets (net gearing ratio)	32.0%	31.6%	34.1%
Net debt / adjusted total assets ³	26.0%	25.5%	25.6%
Net debt plus commitment to JVs /adjusted total assets plus JV assets ⁴	36.9%	36.9%	38.3%

Notes:

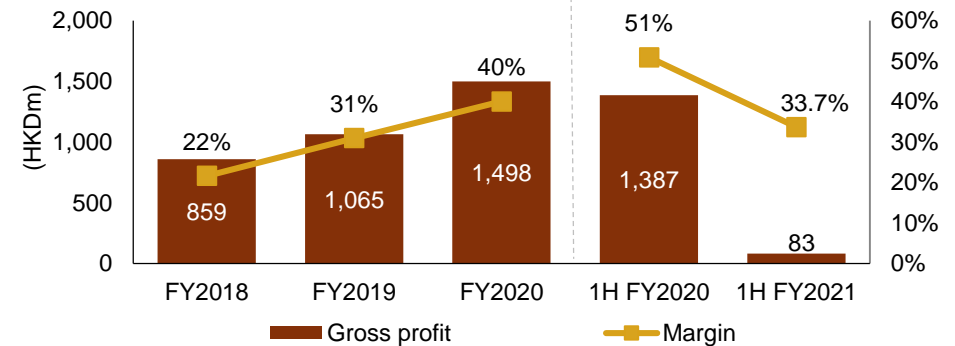
- (1) EBITDA is calculated as profit before taxation adjusted for fair value changes, impairment loss on available-for-sale investments, impairment loss on properties held for sale, gain on disposal of property, plant and equipment, gains on de-recognition of investments in convertible notes, interest income, finance cost, income from amortisation of financial guaranteed contracts and depreciation of property, plant and equipment
- (2) Including capitalised interest
- (3) Adjusted total assets equals total assets plus revaluation surplus
- (4) Adjusted total assets plus JV assets equals total assets plus revaluation surplus and JVs attributable assets

Consistent profitability and growth

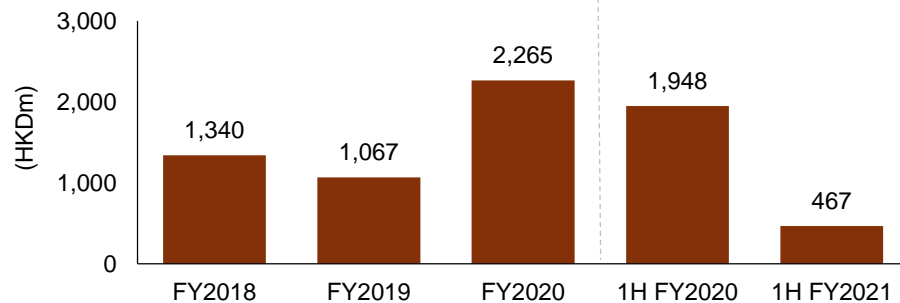
Revenue



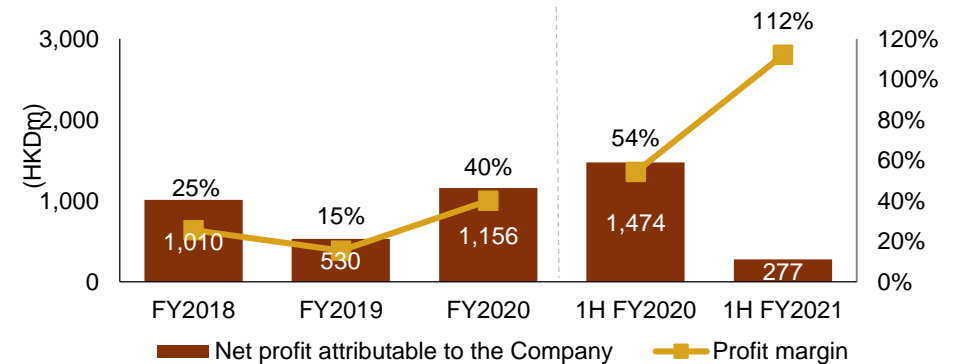
Gross profit and gross profit margin



EBITDA¹



Reported net profit²



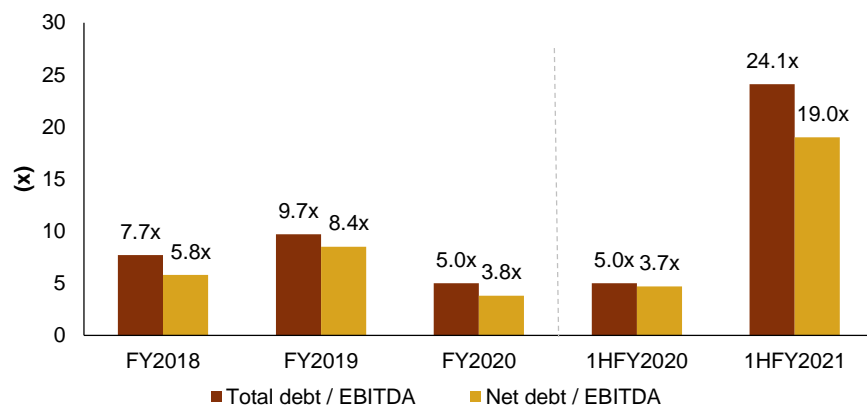
Notes:

(1) EBITDA is calculated as profit before taxation adjusted for fair value changes, impairment loss on available-for-sale investments, impairment loss on properties held for sale, gain on disposal of property, plant and equipment, gains on de-recognition of investments in convertible notes, interest income, finance cost, income from amortisation of financial guaranteed contracts and depreciation of property, plant and equipment

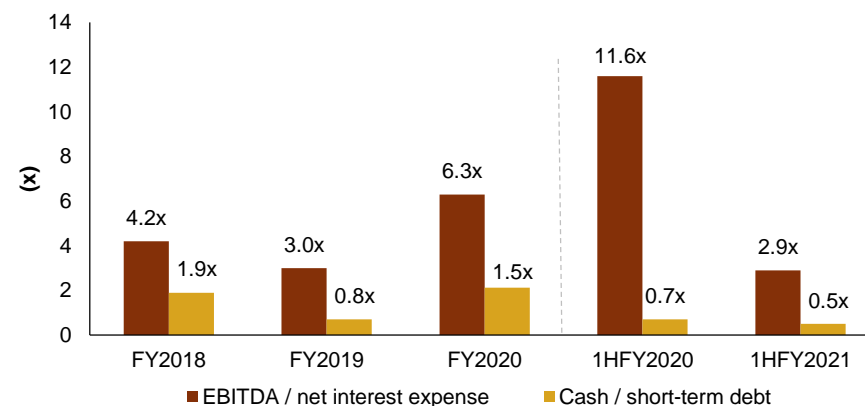
(2) Attributable to owners of the Company

1H FY 2021 credit highlights

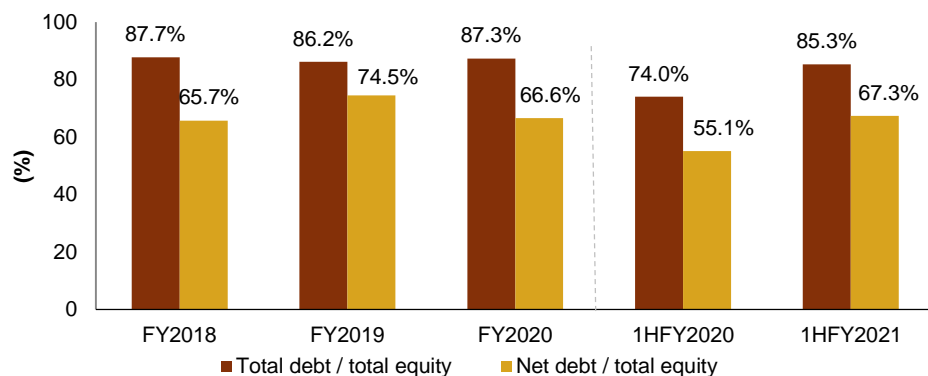
Debt / EBITDA¹



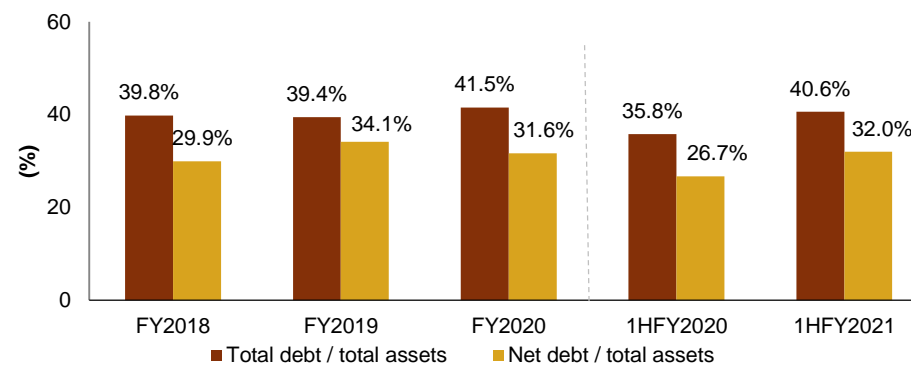
EBITDA¹ / net interest expense² and cash³ / short-term debt



Debt / total equity



Debt / total assets



Notes:

- (1) EBITDA is calculated as profit before taxation adjusted for fair value changes, impairment loss on available-for-sale investments, impairment loss on properties held for sale, gain on disposal of property, plant and equipment, gains on de-recognition of investments in convertible notes, interest income, finance cost, income from amortization of financial guaranteed contracts and depreciation of property, plant and equipment
- (2) Net interest expense equals total interest paid net of interest income
- (3) Cash includes bank balances and cash

Resourceful pipeline to ensure profitability and liquidity

Disciplined and conservative capital recycling policy to replenish new landbank ONLY after disposal

FY 2021

50% of 16 residential units at Dukes Place, No. 47 Perkins Road (60% stake) (8 units sold already)

Capital Centre (formerly AXA Centre) - Ground Floor shop and 51 car parks (in market)

20% of 17 residential units at 8-12 Peak Road (65% stake) (project launched)

No.38 Wai Yip Street Office Tower in Kowloon Bay (30% stake) – remaining 46% (in market)

No.2-4 Shelley Street (Redevelopment) – remaining 5 lower floors F&B/ 2 office floors (in market)

20% of Beijing Legendale Residential units (65% stake)(Total 114 apartments) (project launched)



FY 2022

50% of residential units at Dukes Place, 47 Perkins Road (60% stake)

Nos.46-48 Cochrane Street Commercial Tower in Central (Redevelopment)

55% of 18 residential units at 8-12 Peak Road (65% stake), except House B

50% of 6 houses near Fanling Golf Course (92% stake)

No. 45 Barker Road House

30% of Beijing Legendale Residential units (65% stake) (Total 114 apartments)

Diversified funding sources and well managed bank borrowing

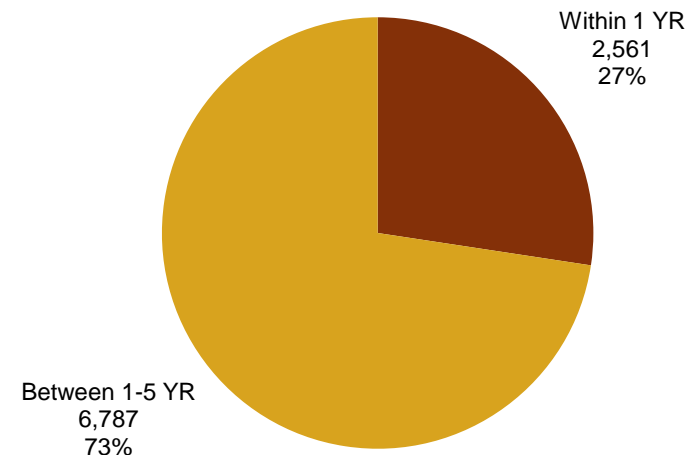
- The Group maintained a conservative approach to its bank borrowings with well balanced and staggered maturities
- Bank loans are mostly project loans (land plus construction loans) tied to the real estate investment and development projects
- Since October 2019, we have refinanced two corporate clean loans with a new five year syndicated loan of HK\$2bn in addition to several project loans at attractive terms to lengthen our debt profile and increase liquidity
- **In August 2020, we have committed a syndicated loan of HK\$1.6bn from various HK and Chinese banks at attractive rate to secure the funding for refinancing our existing 5-year note due Aug 2021**

Diversified funding sources ¹

- **Equity**
 - 16 Sep 2014—Share placement of 1.3 billion shares with gross proceeds of approximately HK\$455 million
 - 13 Sep 2017 - 5.75% senior perpetual securities with gross proceeds of US\$200m
- **Debt**
 - Bonds—Issued US\$250m 4.875% 5-year Notes in August 2016
 - In October 2019, the Company also entered into a syndicated loan agreement for a total loan amount of HK\$2.0 billion

Bank Borrowing Profile as at Sep 30, 2020

Total Bank Borrowings at HK\$ 9,348 million and
Its Breakdown (HK\$ 'million)



Note:
(1) As of Sep 30, 2020

Conservative capital structure backed by prudent financial policies

Prudent funding and treasury policy	<ul style="list-style-type: none"> • Prudent funding and treasury policy with regard to overall business operations • Majority HIBOR-based and effective interest rate ranges from 0.6% to 5.9% for the Group's bank borrowings as at 30 Sep 2020
Dividends	<ul style="list-style-type: none"> • Prudent dividend policy while taking account into cash requirements, investment and growth plans, future prospects, general economic and business conditions and also peer group norms
Leverage	<ul style="list-style-type: none"> • Total debt (bank and other borrowings) to assets ratio of c.40.6% (* at book cost) as at 30 Sep 2020 • Net debt / total assets incl. JV assets (mark-to-market) at c. 36.9% as at 30 Sep 2020
Liquidity	<ul style="list-style-type: none"> • Maintain a prudent amount of cash and bank balances at all times, and steady credit facilities • Current cash balance³: c. HK\$2,367 million • Marketable securities held for sale which can be easily liquidated: c.HK\$2,235 million • Cash³ plus marketable securities/ short-term debt: c. 1.04 x as at 30 Sep 2020 • Cash³ plus marketable securities/ total assets (* at book cost) of c. 16.6% as at 30 Sep 2020

**Prudent leverage policy coupled with rich cash resources
puts CSI in a favourable position to capitalise on viable and strategic acquisition opportunities**

Notes:

- (1) EBITDA is calculated as profit before taxation adjusted for fair value changes, impairment loss on available-for-sale investments, impairment loss on properties held for sale, gain on disposal of property, plant and equipment, gains on de-recognition of investments in convertible notes, interest income, finance cost, income from amortization of financial guaranteed contracts and depreciation of property, plant and equipment
- (2) Total interest expense includes finance costs plus capitalised interest
- (3) Cash includes bank balances, cash and cash held by securities brokers as at 30 Sep 2020

Portfolio of prime properties in premier locations (as at 30 Sep 2020)

Commercial properties

		Gross area sq.ft. ¹ (000s) (approx)	Market value ^{1,2} (HK\$m)	Book value ¹ (HK\$m)
G/F, 51 carpark of Capital Centre (formerly known as AXA Centre)	Wan Chai	17	743	150
Novotel Hotel, No. 348 Nathan Road	Jordan	220	3,880	2,727
Nos. 2-4 Shelley Street (G/F to 3/F shops and office floors: 22/F & 23/F)	Central	9	608	258
In Point, No. 169 Wujiang Road & No. 1 Lane 333 Shimen Road	Jing'an District, Shanghai	122	1,985	655
2 Floors of Broadway Center (CSI-60%)	Macau	9	174	174
No. 38 Wai Yip Street (from government tender) (CSI-30%)	Kowloon Bay	259	4,840	2,049
Nos. 46 & 48 Cochrane Street (Redevelopment)	Central	32	510	510
Level 1, level 2 and basement level 1, No. 1-6, Richgate Plaza Lane 222, Madang Road	Huangpu District, Shanghai	122	2,138	1,590
Lai Sun Yuen Long Centre (CSI-50%)	Yuen Long	388	1,650	1,037
Gage Street Commercial site in Central (CSI - 50%)	Central	434	11,294	11,294
Everest Building, Nos. 241 and 243 Nathan Road	Jordan	62	1,657	1,657
Harbourside HQ, No.8 Lam Chak Street (CSI - 25%, formerly known as OCTA Tower)	Kowloon Bay	680	7,700	7,639
Nos. 92-96 Wellington Street 9shops (Shops, CPs and Signages)	Central	43	980	666
Retail spaces at COO Residence, No. 8 Kai Fat Path	Tuen Mun	11 ⁽³⁾	757 ⁽⁴⁾	274
Sub-total		2,418	38,916	30,680

Residential properties

		Gross area sq.ft. ¹ (000s) (approx)	Market value ^{1,2} (HK\$m)	Book value ¹ (HK\$m)
No. 45 Barker Road	The Peak	4	1,050	496
Queen's Gate, No.228 Zhu Guang Road (CSI-50%)	Qingpu District, Shanghai	47	356	166
Dukes Place, No. 47 Perkins Road (CSI-60%)	Jardine's Lookout	41 ⁽³⁾	3,165	1,727
Land Lot No. 1909 in D.D. 100, Fan Kam Road (from government tender) (CSI-92%)	Sheung Shui	33	980	710
18 residential units and 1 house at 8-12 Peak Road (for refurbishment) (CSI-65%)	The Peak	44 ⁽³⁾	3,682	2,362
Maryknoll House site, No. 44 Stanley Village Road (CSI - 50%)	Stanley	34 ⁽³⁾	1,450	964
Knightsbridge (formerly known as "Beijing Legendale"), Dongcheng District (CSI - 65%), 114 Apartments +124 Carparks	Beijing	396	4,028	2,430
Construction site at New Kowloon Inland Lot No. 6602 (CSI - 20%)	Yau Tong	325	3,018	2,751
92 Repluse Bay Road (CSI 50%)	Island South	11	650	557
Sub-total		935	18,379	12,163

Notes: Based on 100% ownership interest

(1) Gross area, market value, and book value, on 100 per cent. interest basis

(2) Market value was based on valuation reports conducted by independent qualified valuers subsequent to year ended 31 Mar 2020, 30 Sep 2020 or transaction price

(3) Saleable area applied.

Section 2

Key Strategies Highlights





Management Strategy Highlights

1

Build Strong Recurring Income to Anchor EBITDA

2

Construct High Quality Real Estate Portfolio

3

Manage Disposal Pipeline to Recycle Capital & Crystallise Profit

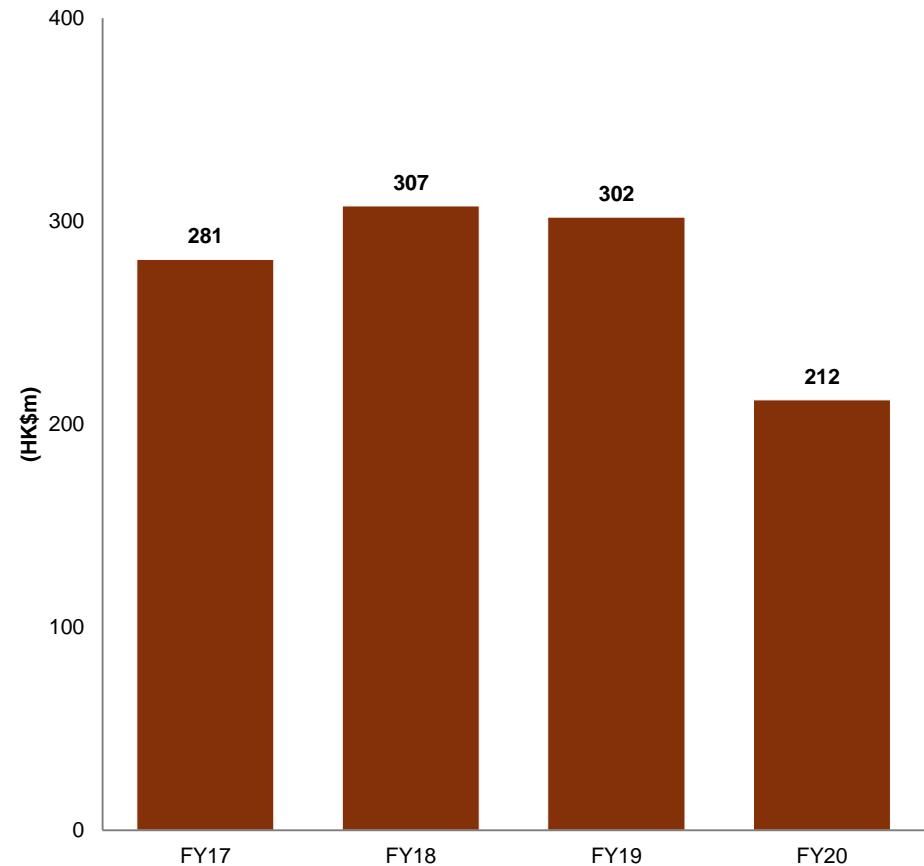
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Maintain Prudent Financing for Strong Asset Coverage & Liquidity

1. Recurring Income to Anchor EBITDA

- 1 • Current Hong Kong & PRC investment portfolio has generated steady recurring income stream to anchor EBITDA
- 2 • Commercial rental will further benefit from repositioning of 2 office buildings in Hong Kong (Harbourside HQ and Everest Building) and a high-street retail podium (In-Point mall) in Shanghai
- 3 • Commercial rental income will be materially enhanced with the completion of Graham Street's 400,000 sqft Grade A office-hotel development (CSI:50%) in Central by 2023/24
- 4 • Recurring commercial rental forms baseline over which managed disposition of commercial & residential value-add/development projects can further drive aggregate EBITDA

Rental Income



2 High Quality Commercial Portfolio

Core Central



Graham St/Gage St
 c.434k sqft GFA
 Comm'l Development
 (CSI: 50%)

92-96 Wellington St
 c.43k sqft GFA
 Comm'l Development

46-48 Cochrane St
 c.32k sqft GFA
 Comm'l Development



2-4 Shelley St

Remaining c.9.4k sqft GFA
 Completed Comm't Bldg.



2 High Quality Commercial Portfolio

- Continued focus on originating & executing value-added & development opportunities in prime locations in top cities
 - Hong Kong** — Core Central; Core Kowloon (TST/Jordan) and Kowloon East

46-48 Cochrane Street, Central
 c. 32K sqft
 Commercial
 Redevelopment



Harbourside HQ
 Kowloon East
 c.680K sqft Office
 Under renovation
 (CSI: 25%)



Everest Building
 241-243 Nathan Rd, Jordan
 c. 62k sqft Comm'l Bldg.

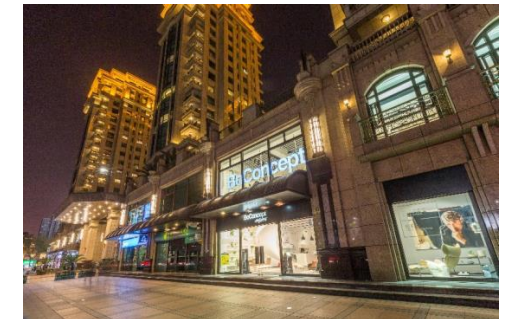


- China** — c. 244K sq.ft. fully-renovated, re-tenanted high-street retail podiums in prime Shanghai Puxi

In-Point 四季汇
 Wujiang Rd. Pedestrian Walk
 c.122k sqft Street-front Retail



Richgate Plaza 华府天地
 Xintiandi
 c.122k sqft Street-front Retail



2 High Quality Residential Portfolio

- Build brands & market recognition with goal to do more mass market residential projects over time
 - Hong Kong — High-end Luxury; Designer Mass-market

Dukes Place in Jardine Lookout “Infinity Collection” - Luxury units on Peak Road



Single House on Barker Road



Villa collections on Fan Kam Road - neighboring Hong Kong Golf Club



- China — High-end Luxury

Queen’s Gate
 Luxury villas & low-rise apartments in DaiHongqiao, Shanghai



Knightsbridge (formerly Beijing Legendale)
 Luxury apartments in The Peninsula Beijing neighborhood



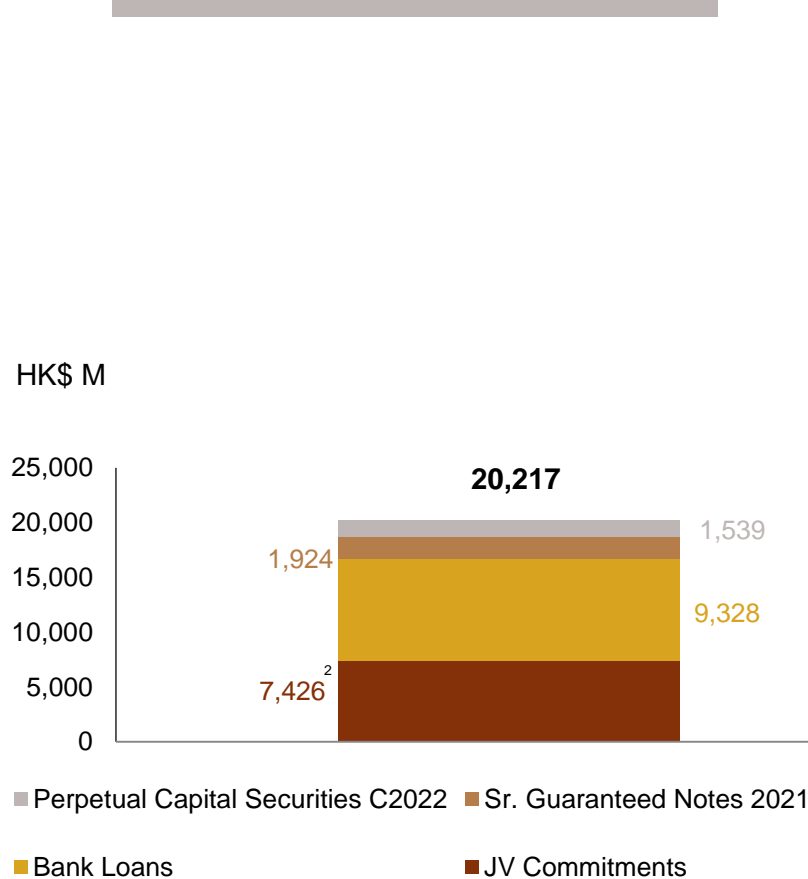
3 Disposition Pipeline to Recycle Capital & Crystallize Profit

- Management prioritizes annual asset sales to recycle capital & crystallize profit
- Strict and prudent principle of selling assets first before making new acquisitions to ride out the current storm
- We have made no major acquisitions since FY2020 to preserve more cash
- **Good Cash Recycling with realized sales in FY 2020:**
 - *2-4 Shelley Street*, office-commercial development in Soho, Central – thirteen upper office floors sold
 - *38 Wai Yip Street*, new office tower in Kowloon Bay (CSI 30%) – c. 51% strata units sold
 - *21-27 Ashley Road*, commercial redevelopment site in Tsimshatsui
 - *COO Residence*, mass-market residential in Tuen Mun – all 204 residential units sold
- **Good Cash Recycling with realized sales in 1H FY 2021:**
 - Dukes Place, ultra high-end residential development at Jardine's Lookout (CSI-60%) – 6 units sold (and 2 more signed contracts to complete in 2H FY 2021)

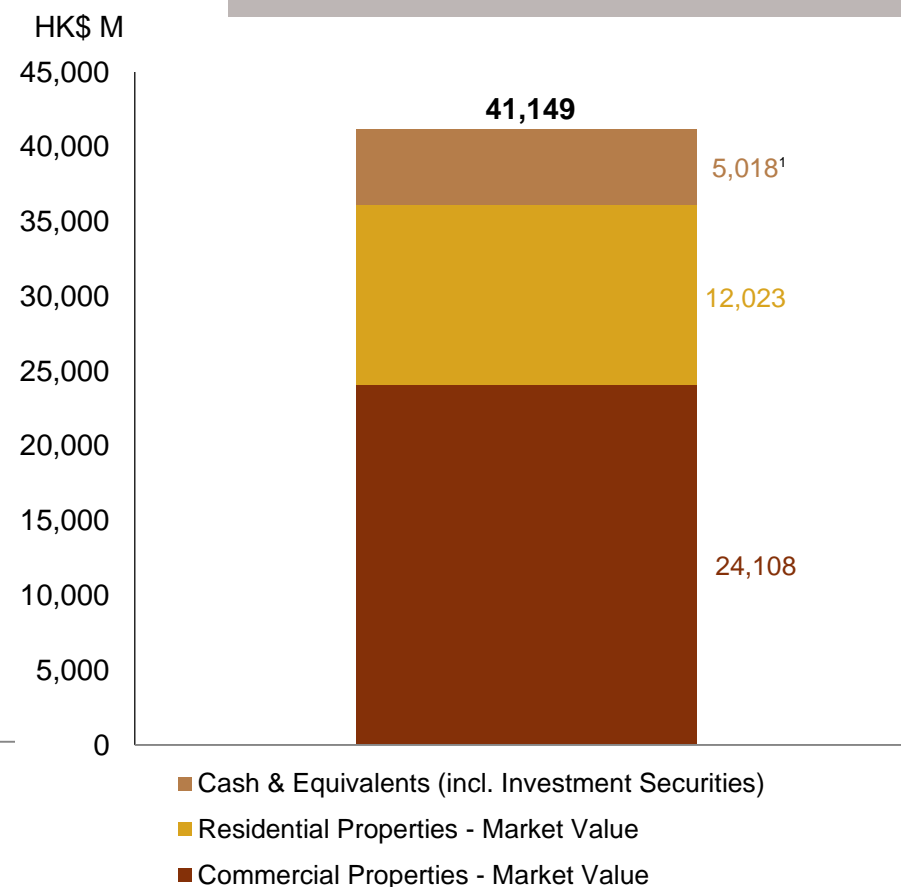
4 Prudent Financing with Strong Asset Coverage & Liquidity

As of 31 March 2020

Total Debt + Perpetual Notes



Cash + Real Estate Assets at Market Value



Source: Company information

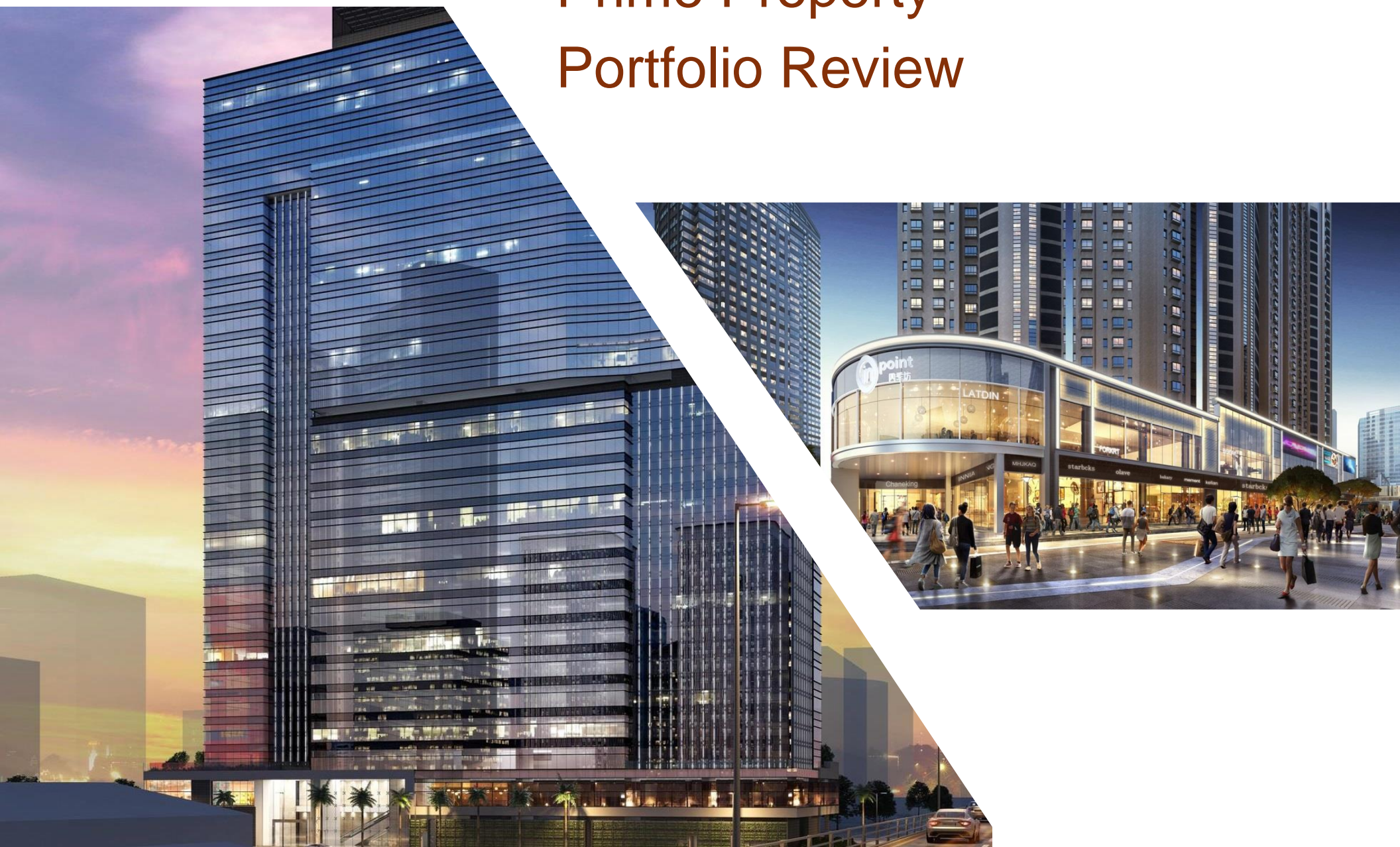
Notes:

(1) Cash and Equivalents (incl. Investment Securities) = Bank Balances and cash + Cash held by Securities brokers + Current and Non Current Financial assets at fair value through profit or loss

(2) JV Commitments is detailed as per Note 28 in FY 2020 annual report

Appendix 1

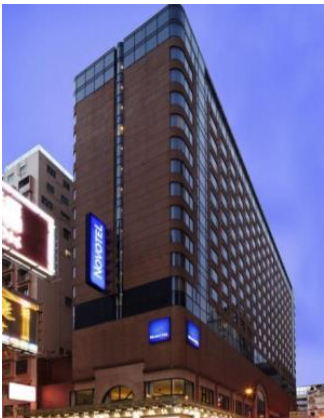
Prime Property Portfolio Review



Commercial properties highlights

Key prime commercial assets in Hong Kong and Shanghai helps to anchor the Group's rental income annually

Novotel Hotel – Jordan



Everest Building – Jordan



Richgate Plaza – Shanghai



**The Harbourside HQ
(previously OCTA Tower) – Kowloon Bay**



In Point – Shanghai



Central properties highlights

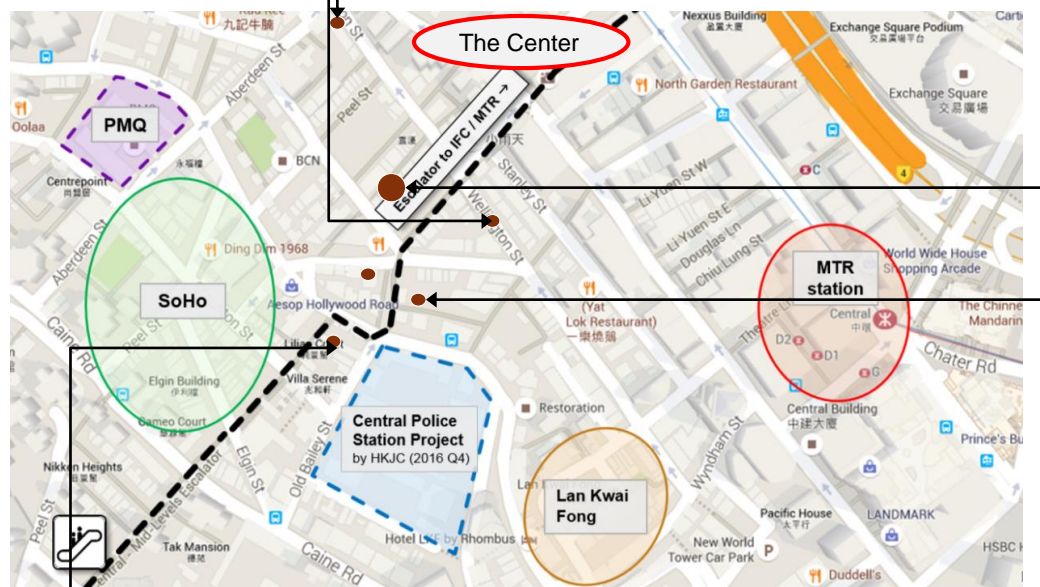
Prime commercial assets under management in Central at GFA of 400,000+ sq.ft., anchoring Group's future profit pipeline

92-96 Wellington St.

Commercial redevelopment site with GFA of c.43K sq.ft.

Gage St./ Graham St.

- Commercial redevelopment site from URA tender with GFA of c. 434k sq.ft. to be developed into office and hotel towers



2-4 Shelley Street

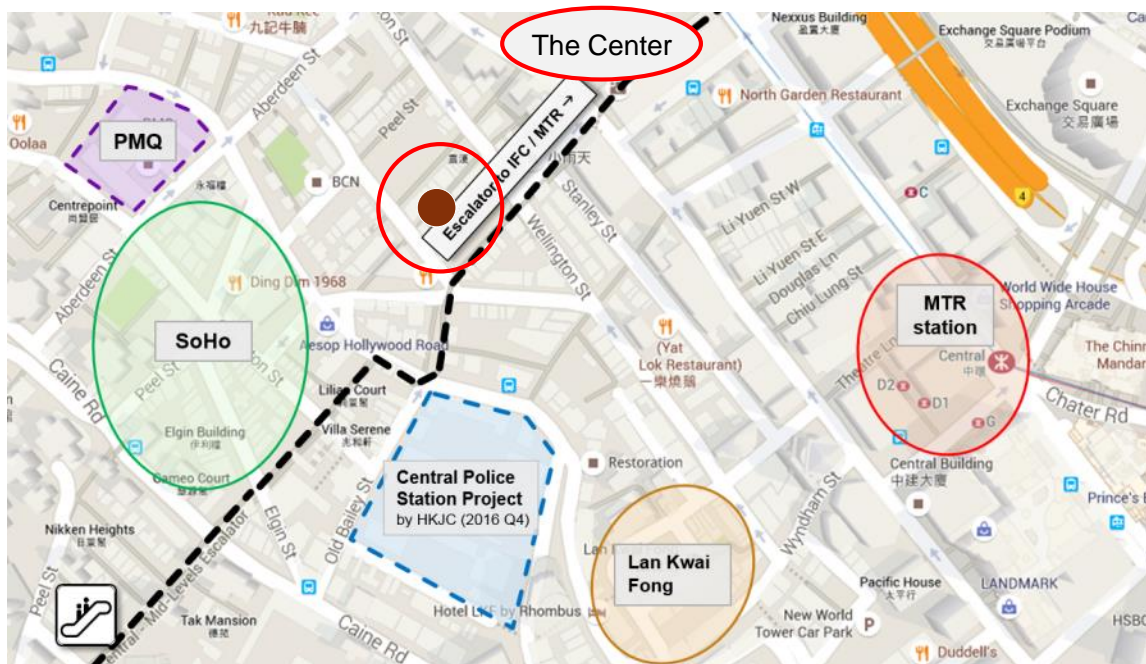
- Commercial redevelopment with 13 upper office floors all sold with two office floors and lower F&B floors remaining to be sold soon (c. 9.4K GFA)

46-48 Cochrane Street, Central

- Commercial redevelopment site with GFA of approx. 32K sq.ft. under construction

Central properties highlights – Gage St./ Graham St. (50% JV)

URA Tender won for Gage Street and Graham Street site marks a new landmark for the Group



- The Group won the tender for Site C of the Peel Street/Graham Street project from the Urban Renewal Authority (“URA”), and our first URA tender project
- This is in (50:50JV) with Wing Tai Properties Limited (0369.hk), a solid real estate company in Hong Kong
- The project is well located in the heart of the bustling Central financial hub
- Working with world-renowned architectural firm Foster+ Partners, we have initiated the master planning process for this grand project which comprises of a c. 300,000 sq.ft. Grade A office tower and a c.100,000 sq.ft. super luxury hotel tower. The architectural design will combine vernacular architecture and materiality together with high-tech futurism to create a new iconic landmark in this area rich with history yet undergoing transformation in Central/SOHO
- We envisage the project to become the new Centre of Gravity in the vicinity to attract a mixed programme of business, retail, education, local flavor and high-end hospitality, attracting occupants from leading new and old economy companies in addition to high-end travelers
- Master planning for site initiated with final completion anticipated in 2023



Central properties highlights – Oriental Crystal Commercial Building



No. 46 Lynhurst Terrace

- The Group was originally acquired with 18 office floors, 2 ground floor shops and rooftop of this office building in Central/SOHO for a consideration of c. HK\$700 million for GFA of around 43,000 sq.ft.
- Renovation of the lobby and entrance to modern classic style to capture the value appreciation for this prime address nearing completion
- Up to date, have sold all 18 office floors (at average of over HK\$20K+ psf.) to buyers including end users/ investors
- We sold in Apr 2020 the remaining two ground floor shops (GFA c.3k sq.ft.) in the near future at this prime central/ SOHO address to complete the disposal

Central properties highlights

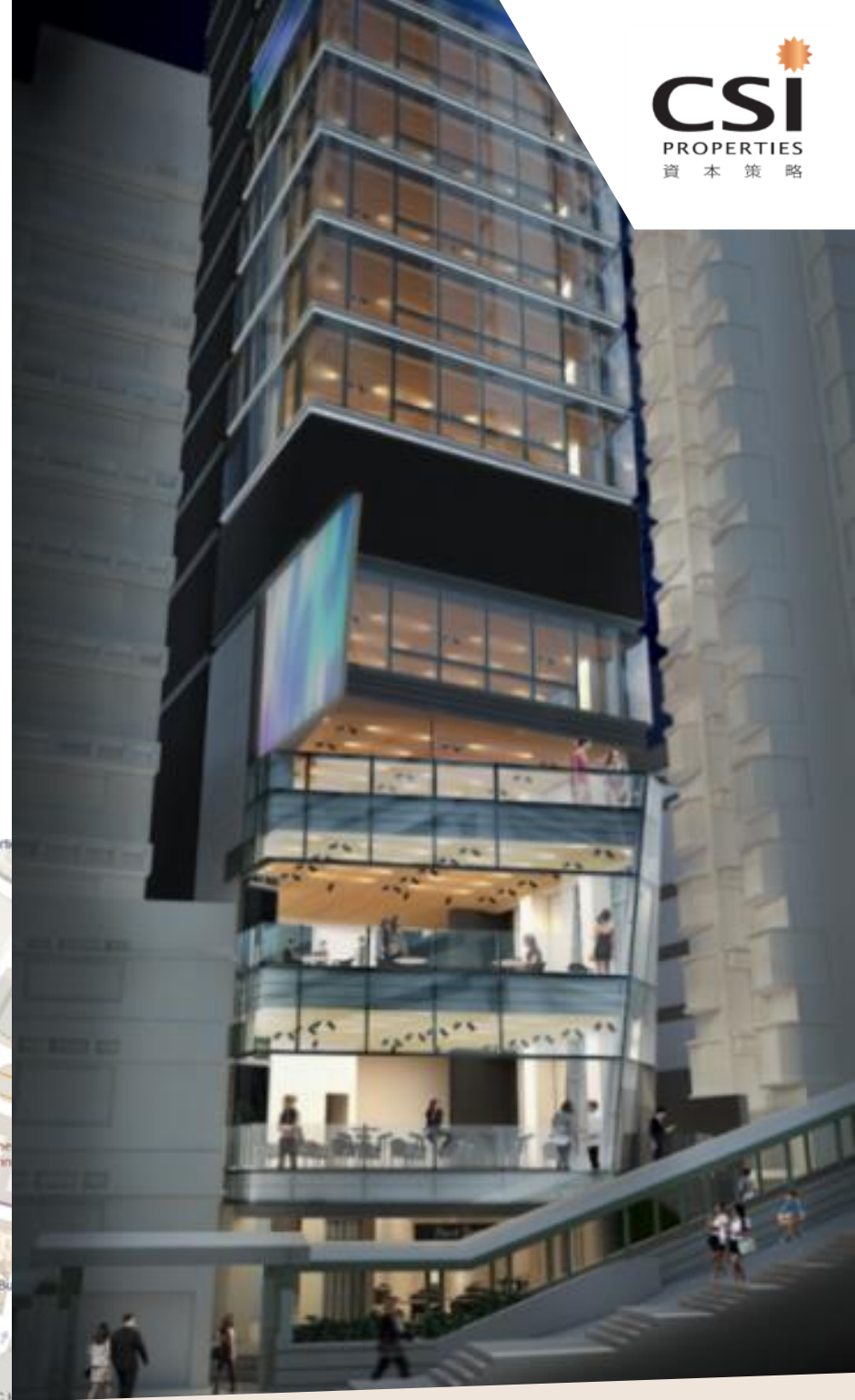
– SOHO Central

2-4 Shelley Street, Central (Sale in Progress)

- Situated in Central's Soho area, this chic yet contemporary commercial tower has total GFA of over 40,000 sq.ft. (CSI - 100%)
- Nestled in the heart of a bustling commercial zone along the famous Mid-Levels escalator, and still within minutes of the Central CBD
- Construction completed with 13 floors of upper office floors sold and completed
- Remaining two office floors and lower F&B floors (all occupied by branded F&B tenants) to be sold in near future (remaining GFA c. 9K sq.ft.)

46-48 Cochrane Street, Central

- Situated in the core of Central district, adjacent to the Central-Mid Levels Escalators and right next to Hollywood Road, within 5 minutes walking distance of Central MTR Station (CSI - 100%)
- The commercial tower with total GFA of c. 32,000 sq.ft. is expected to be completed in 2022
- Potential heavy passerby traffic, especially with opening of the TAI KWUN (ex-Central Police Station Revitalization Project by HK Jockey Club) next door
- Superstructure work in progress



Novotel Hotel Kowloon

Novotel Hotel Jordan

- 4-star international branded hotel with commercial podium in prime Nathan Road
- 5-min travelling distance from future Express Rail Link terminus
- 389 hotel rooms and prime shopping space in prime Jordan
- Consolidated 100% interest of hotel after acquisition of other 50% stake for HK\$1.56 billion in 2015
- Section 16 plan to convert into mix-use commercial/residential project of GFA of c.250,000 sq.ft. approved



CSI's Major Commercial Property Pipeline – Kowloon East

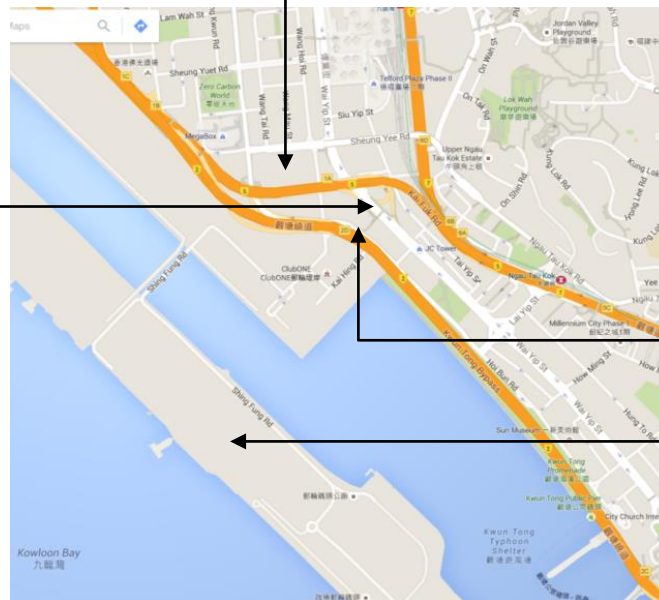
38 Wai Yip Street Office Tower

- JV with Sino Land and Billion Development, the two big landlords in Kowloon Bay CBD2 (CSI - 30%) at Wai Yip Street
- Site area of 40,849 sf with maximum GFA at 490,193 sq.ft.
- New office building in this prime office area in East Kowloon
- Spectacular view, overlooking Kai Tak Cruise Terminal
- Have sold c. 51% in total with remaining balance to sell when sentiment improves



The Harbourside HQ (previously OCTA Tower)

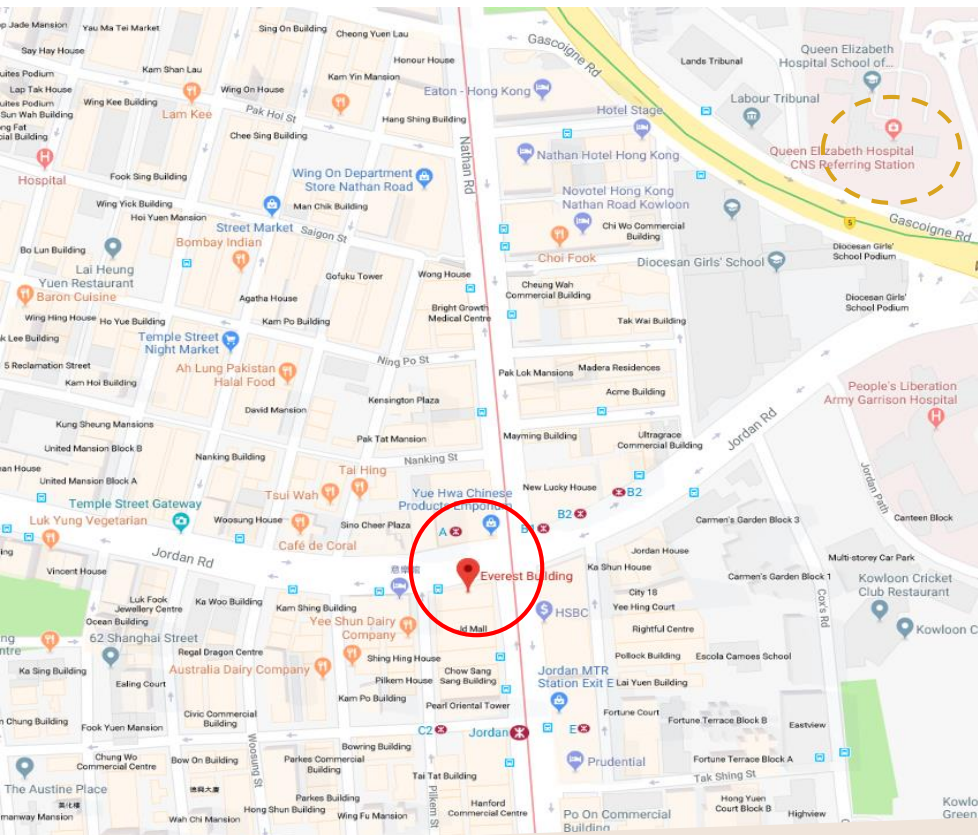
- Bought the whole office tower with 3 other JV partners via a consortium arrangement (CSI -25%) in Aug 2018
- Total GFA at approximately 680,000 sq. ft.
- Location is good given its proximity to the new LINK REIT/ Nan Fung office tower and also future transportation link as per town planning
- Completing renovation works include upgrading the main lobby, glass curtain wall, external façade and office floors while keeping the existing tenants
- Plan is to improve building profile and enhance tenant mix and rental yield to maximise value for potential future disposal
- We are repositioning the property to become a mecca for high paying tenants including banking, insurance middle office, TMT hubs after the renovation to improve rental yields



Everest Building Prime commercial/retail building at the heart of Jordan

Everest Building (Grade B office/retail repositioning)

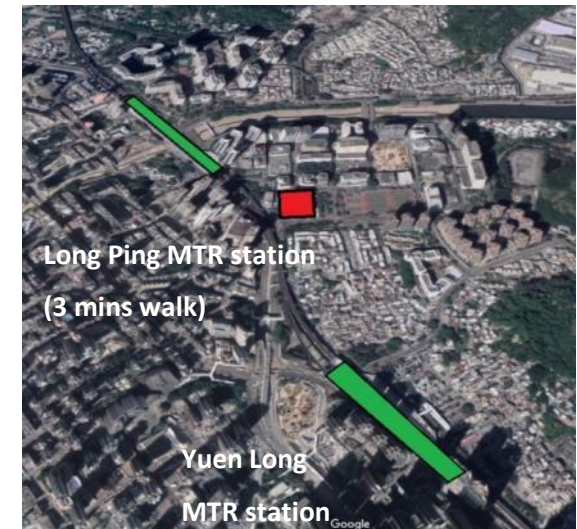
- The Group purchased a prime commercial./ retail building at the heart of Jordan at a total cost of c. HK\$1.9bn in May 2018
- The property is located at No. 241 and 243 Nathan Road, one of the busiest business spots in Kowloon. Total GFA is approximately 62,000 sq.ft.
- Current tenants include private banks and jewelry outlets at ground floor and also mid-tier office/ commercial tenants on higher floors
- Refurbishment near completion and successful repositioning of the building to a new beauty and medical-themed building with the new anchor medical services provider anchor tenant
- We believe the prime location of this building will drive significant value creation once fully occupied



Yuen Long Industrial Building Revitalization

Yuen Long Industrial Building (Mixed Commercial Use Conversion)

- CSI, together with another 50% JV partner, spent HK\$1,037 million in late 2017 to acquire this industrial building with GFA of 388K sq. ft. for revitalization
- Existing rent well below market with great upward rental reversion potential
- With active leasing management and the approved revitalization plan with conversion option, new lease rental reversion is expected to be much higher per sq. ft.
- To maximize value, we are also looking into applying for lease modification for possible redevelopment



Dated industrial building



Preliminary conversion rendering

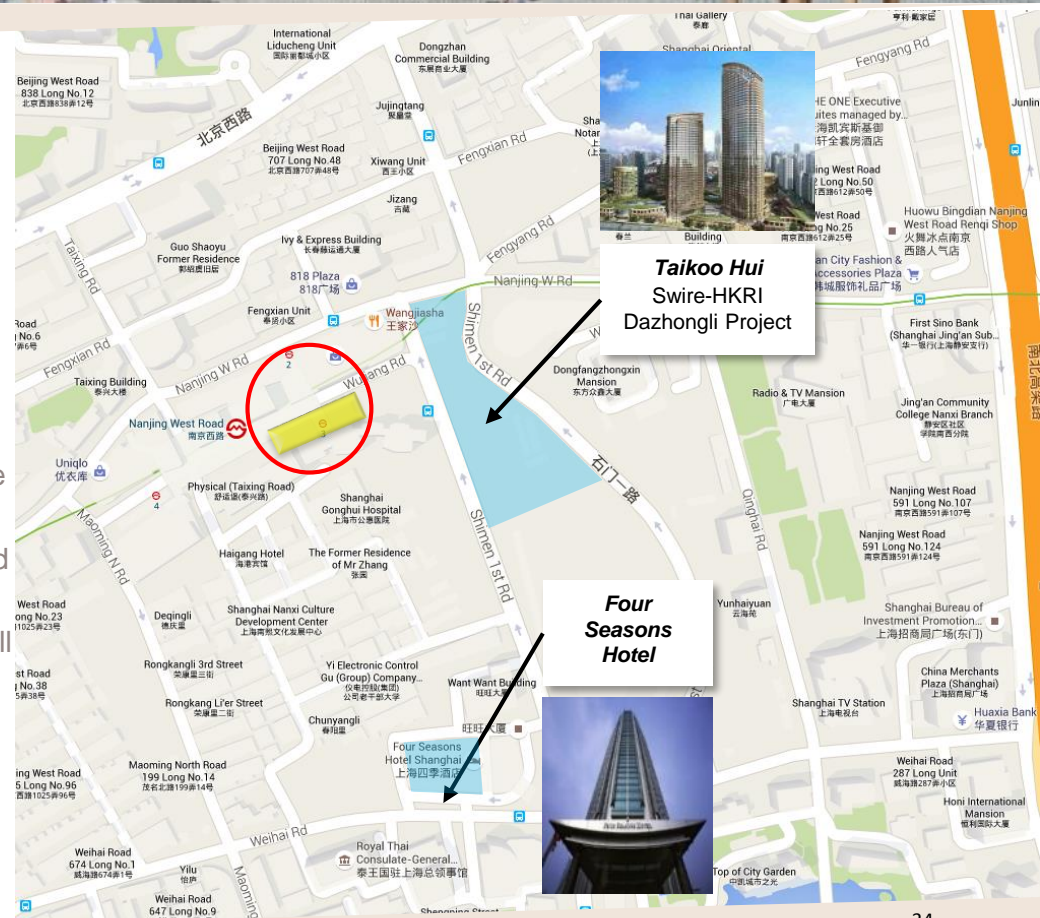




In-Point Shopping Mall – Premium Retail Project in Jing'an, Shanghai

In-Point Shopping Mall

- Popular shopping mall located in the heart of Shanghai
- GFA of **122,000 sq.ft.** now after refurbishment with current market value at approximately HK\$1,952 million
- Next to the Taikoo Hui Project of Swire Properties which recently opened and attracting strong rental
- Repositioning plan to enhance yield commenced recently to turn this mall into double-decker premium street front stores to attract top brand retail tenants within this heavy retail area
- Conversion work completed and tenancy upgrading nearing completion with rental yield significantly improved



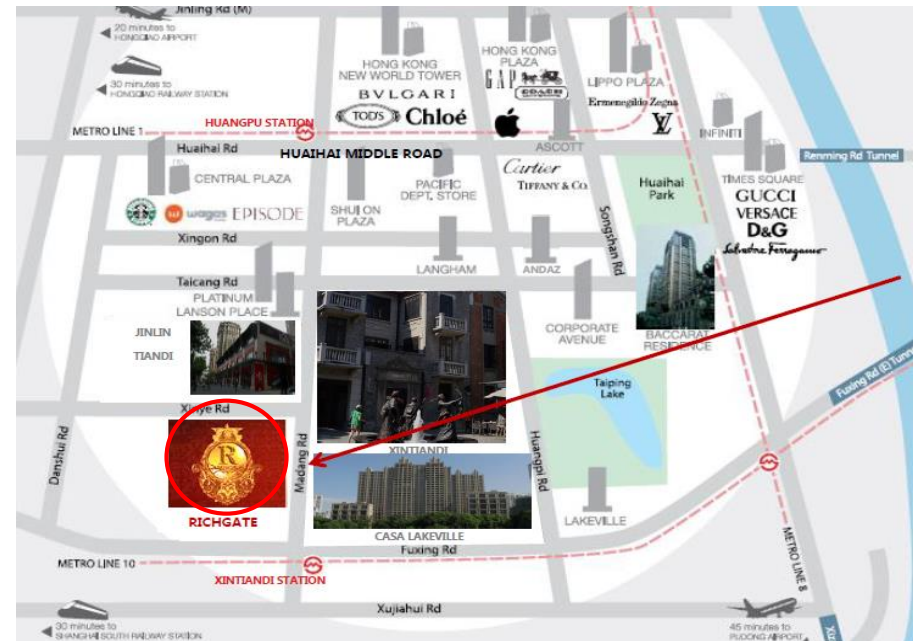


Richgate Plaza –

Premium Retail Project in XinTianDi, Shanghai

Richgate Plaza

- The Group purchased a retail shopping mall named Richgate Plaza in prime Xintiandi area for a original total consideration of RMB 1.37 billion with total GFA of 122k sqft in 2017
- Currently with mid-end tenants including banks, F&B outlets and showrooms
- Following future refurbishment and repositioning of the mall by bringing in premium brand tenants, we believe the prime location of this retail mall will drive significant value creation





Dukes Place

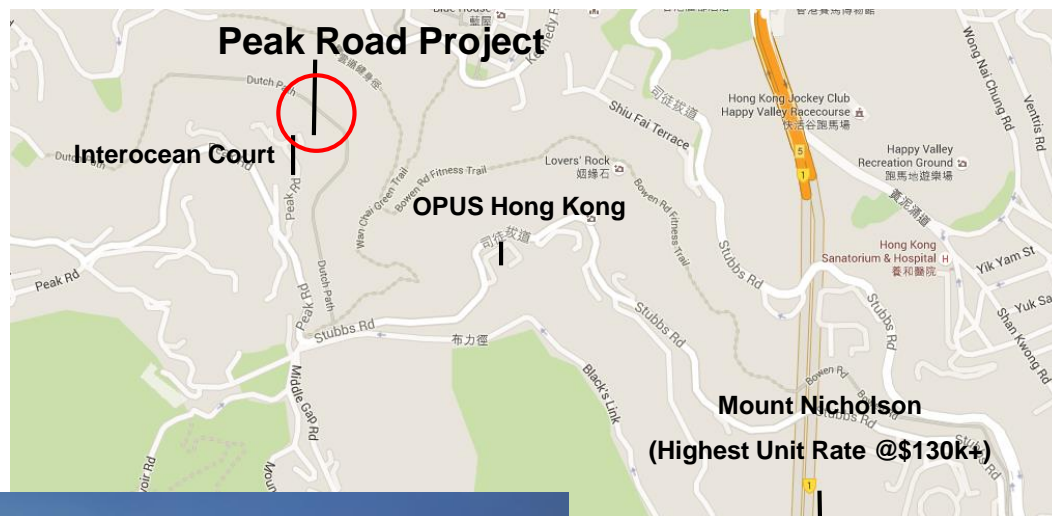
WORLD CLASS LUXURY APARTMENTS IN JARDINE'S LOOKOUT

- **Dukes Place** is our world-class trophy landmark apartment project at the Jardine's Lookout - a quiet ultra high net-worth neighborhood
- Dukes Place offers **16 spacious apartments** with multiple layouts, with saleable area ranging from approx. **2,800** sq.ft. to over **6,800** sq.ft.
- Through collaboration with **leading interior designers from the U.K., France, Japan and Hong Kong**, units will capture the heritage of Jardine's Lookout, while incorporating unique lifestyles and elements from these master-class designers
- We have entered into contracts to sell 8 apartments so far in 2020 with superior pricing



Nos. 8-12 Peak Road Project

Precious Residential Development with Victoria Harbour seaview



- 18 apartments and one house with total saleable area of approximately 44K sq.ft.
- Completion of renovation at end of 2020 with sales to follow

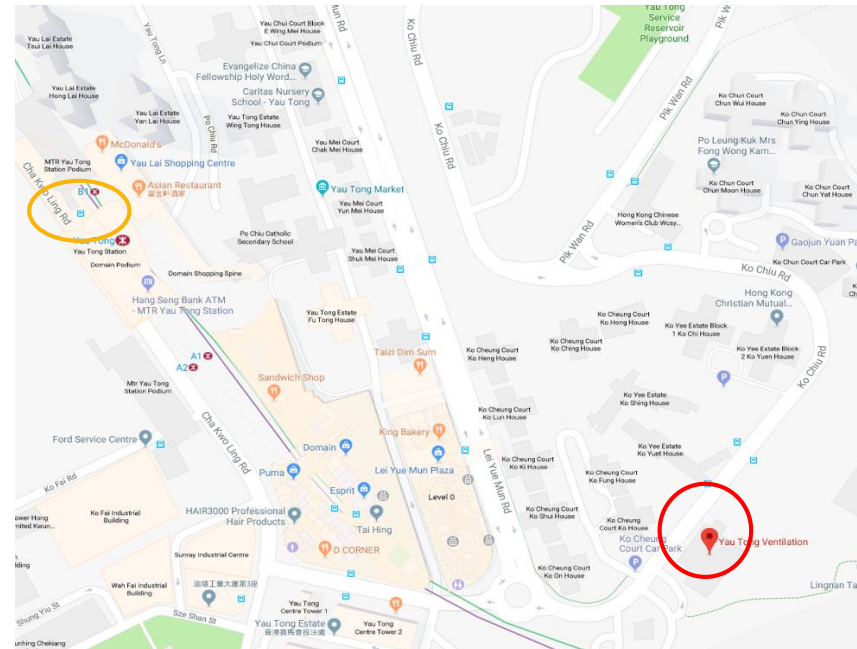




COO Residence –

(All residential units sold) Luxurious High-Rise in Tuen Mun

- Located at Tuen Mun Yan Ching Street, adjacent to V city and the Traditional Tuen Mun Town Centre being the very heart of the city.
- Presale started in early Sep 2017 and all of the 204 units presold for a total of approximately HK\$885mn and delivered in Mar 2020
- **Street level podium of commercial units will be sold in future after tenants occupation**



Residential site at Yau Tong

- The Group acquired with its JV partner Sino Land (80% partner) through MTR tender in May 2018 a residential site at Yau Tong at the total consideration of approximately HK\$2.6bn. +
- The property is located near the Yau Tong MTR station and can be developed into a saleable GFA of around 325K Sq.ft..
- Currently construction work has commenced with the foundation work well in progress



Queen's Gate –

The Finest Expression of British Elegance

- A luxurious villa district in **Dahongqiao area, Shanghai** named as Queen's Gate and only 15 minutes driving distance from the new Hong Qiao International Airport
- Developed into 224 luxurious villas with additional 96 apartment units
- **Majority sold in earlier sales batches.**
- **Remaining units finishing sales in 2020**



Knightsbridge (formerly Beijing Legendale) – Luxurious Residential Renovation project in Beijing

- The Group purchased in 2016 with a joint venture partner
- 114 units and 124 car parking spaces totalling around 396k sqft. at Beijing Legendale, a luxury residential project at JinBao Street.
- Surrounding area is one of the most prime locations in Beijing
- Refurbishment on façade, lobby areas and the interior of residential units to modern designs completed
- Sales of units have commenced with good feedback



Barker Road Project – Precious Single Lot House Site on the Peak

- Acquired the heritage site at **45 Barker Road** in 2011
- A rare address at Barker Road - the ultra premier residential area at the Peak
- The newly build house will blend in with its historical façade when completed
- Estimated market value of at least HK\$1 billion

Fan Kam Road Project

– Luxurious Manor Site in Kwu Tung South

- The site at Lot No. 1909 Fan Kam Road was acquired by CSI Properties in 2015 and is a very rare manor site next to the Hong Kong Golf Club and Beas River Country Club of The Hong Kong Jockey Club.
- Other than being adjacent to renowned clubs, it is also extremely convenient to travel from the site to business districts. The Group intends to build 6 superb luxurious manors with 6,000 square feet with enormous garden and private swimming pools
- Expected completion of the villas is anticipated end of 2020 and sales to follow



Maryknoll Missionary House – Project in Stanley

- The Group acquired via a 50-50 JV the Maryknoll House in Stanley for a consideration of c. HK\$780 million for the site of around 82,300 sq.ft.
- The site is located adjacent to Stanley Knoll, a high end residential area in Stanley with stunning seaview of Stanley Bay
- The Group is working closely with the relevant government authorities on the preservation plan for this site for which the rezoning plan has been approved pending gazette



Appendix 2

Investment Highlights



Why invest in CSI properties

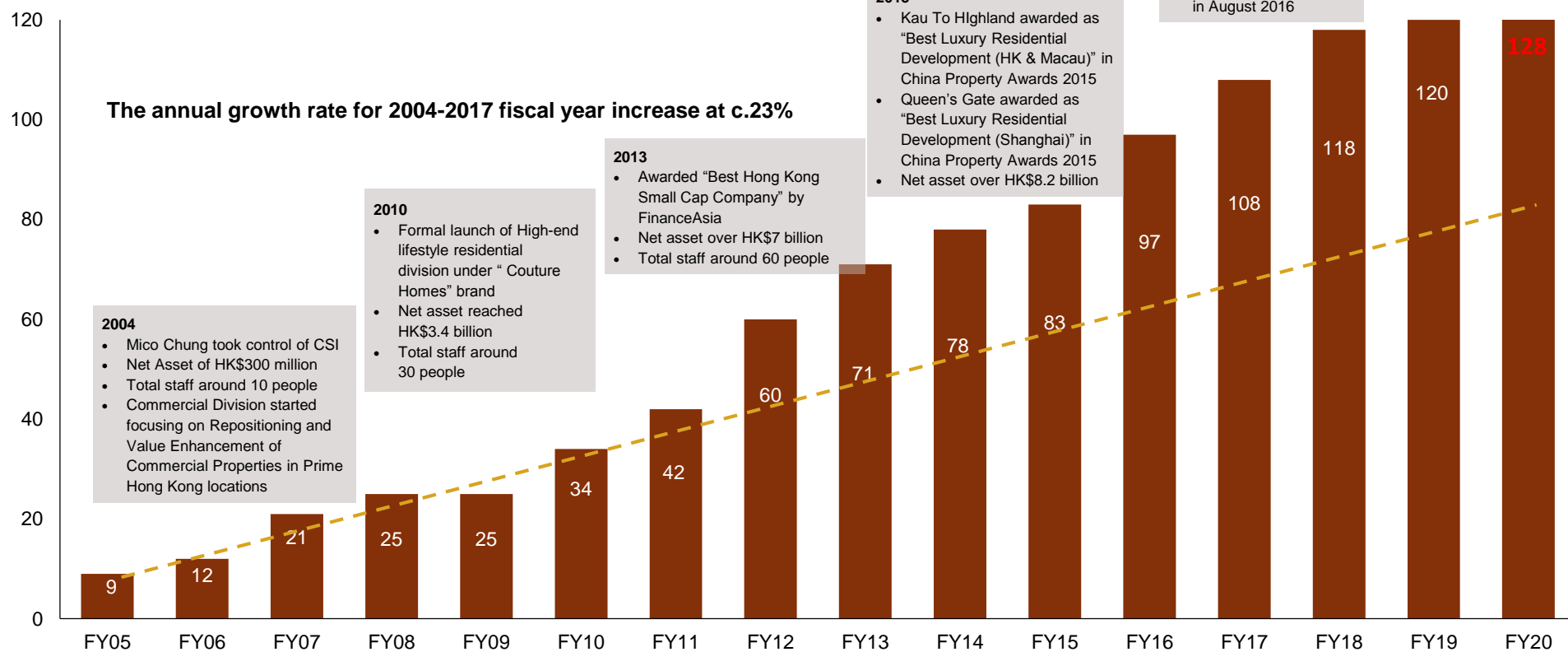


"Best Hong Kong Mid-Cap Company"

FinanceAsia (2018)

Corporate history and key milestone

Net Assets
(100 million HKD)



2020
Over 20 prime commercial and residential projects in Hong Kong and Shanghai

- Total staff of over 220 people
- Net asset over HK\$12.0 billion

2016

- The group has successfully issued 250 million USD new bond in August 2016

2015

- Kau To Highland awarded as "Best Luxury Residential Development (HK & Macau)" in China Property Awards 2015
- Queen's Gate awarded as "Best Luxury Residential Development (Shanghai)" in China Property Awards 2015
- Net asset over HK\$8.2 billion

2013

- Awarded "Best Hong Kong Small Cap Company" by FinanceAsia
- Net asset over HK\$7 billion
- Total staff around 60 people

2010

- Formal launch of High-end lifestyle residential division under "Couture Homes" brand
- Net asset reached HK\$3.4 billion
- Total staff around 30 people

2004

- Mico Chung took control of CSI
- Net Asset of HK\$300 million
- Total staff around 10 people
- Commercial Division started focusing on Repositioning and Value Enhancement of Commercial Properties in Prime Hong Kong locations

2006

- Started Shanghai Office
- First Project in Shanghai with repositioning of International Capital Plaza in Prime Shanghai
- First time corporate dividend payment since Mico Chung's takeover

2012

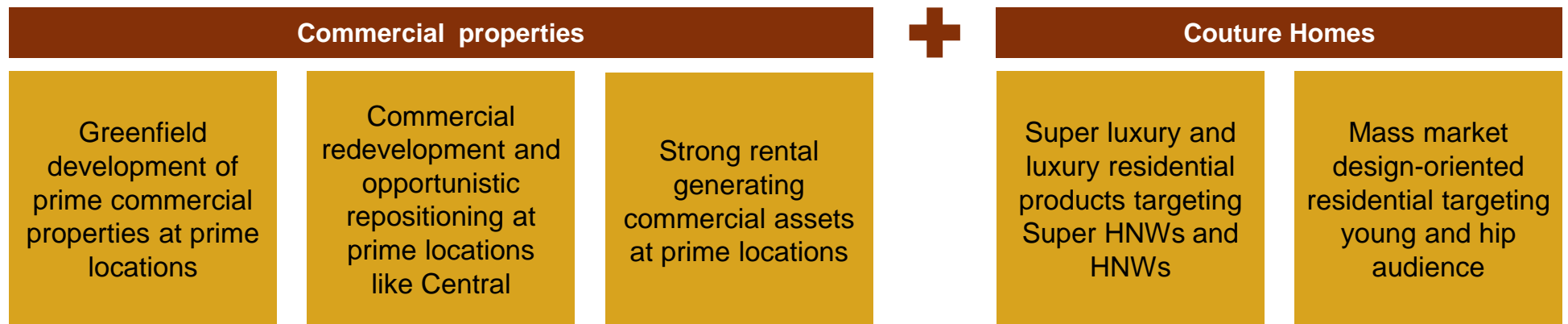
- First official residential project launch for the Hampton in Happy Valley
- Net asset over HK\$5.9 billion
- Net profit reached HK\$1.75 billion

2014

- Awarded "Best Hong Kong Small Cap Company" by FinanceAsia second year in a row
- Couture Homes awarded as "Best Developer" in China Property Awards 2014
- Yoo Residence awarded as "Best Residential Development (HK)" in China Property Awards 2014
- The Hampton awarded as "Highly Commended" in China Property Awards 2014
- Net asset over HK\$7.7 billion

Our business model

Since the inception at 2004, CSI has evolved from an asset trading focused property company to becoming a solid, mid-cap full service real estate investor / developer with 5 major lines of business



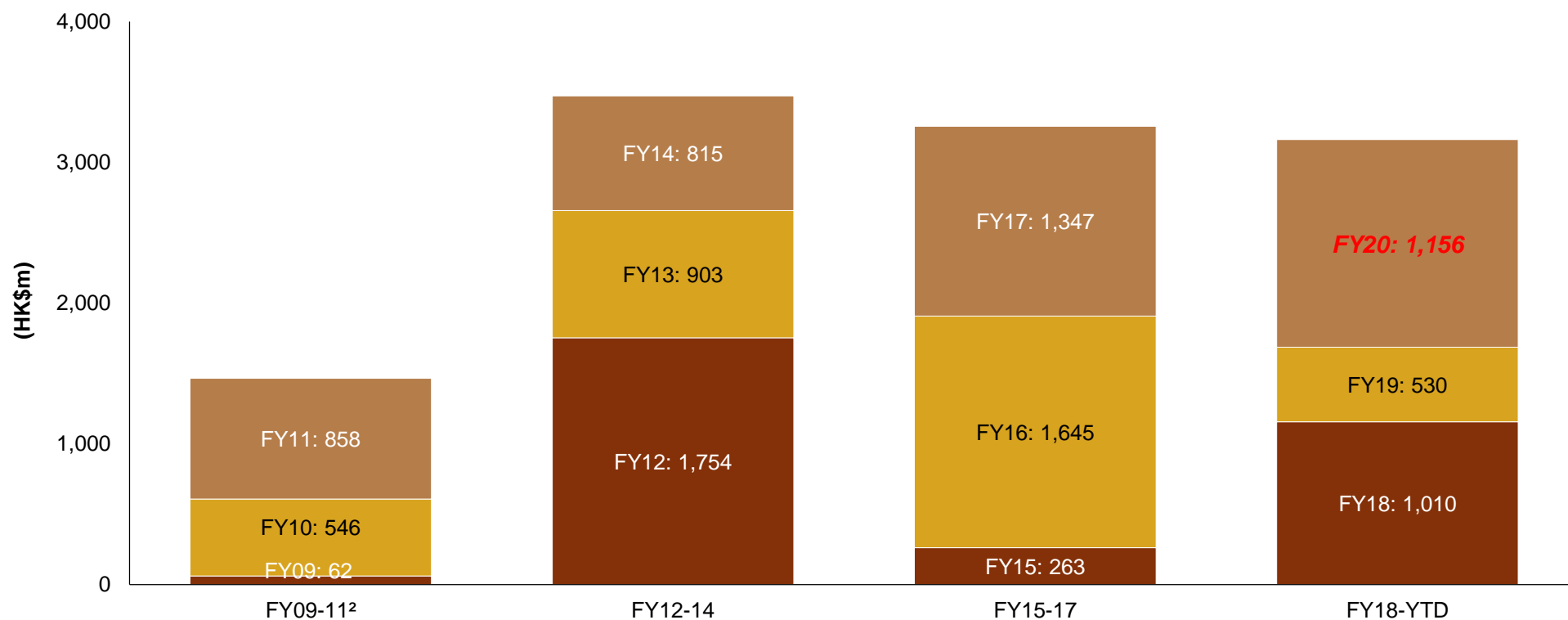
Become the leading mid-cap HK real estate company with steady profitability and dividend policy

Solid company with passionate and experienced management team

Proven track record in profit

Proven profitability for our properties with all cash profit only and no revaluation gain with stable profitability

Net profit¹



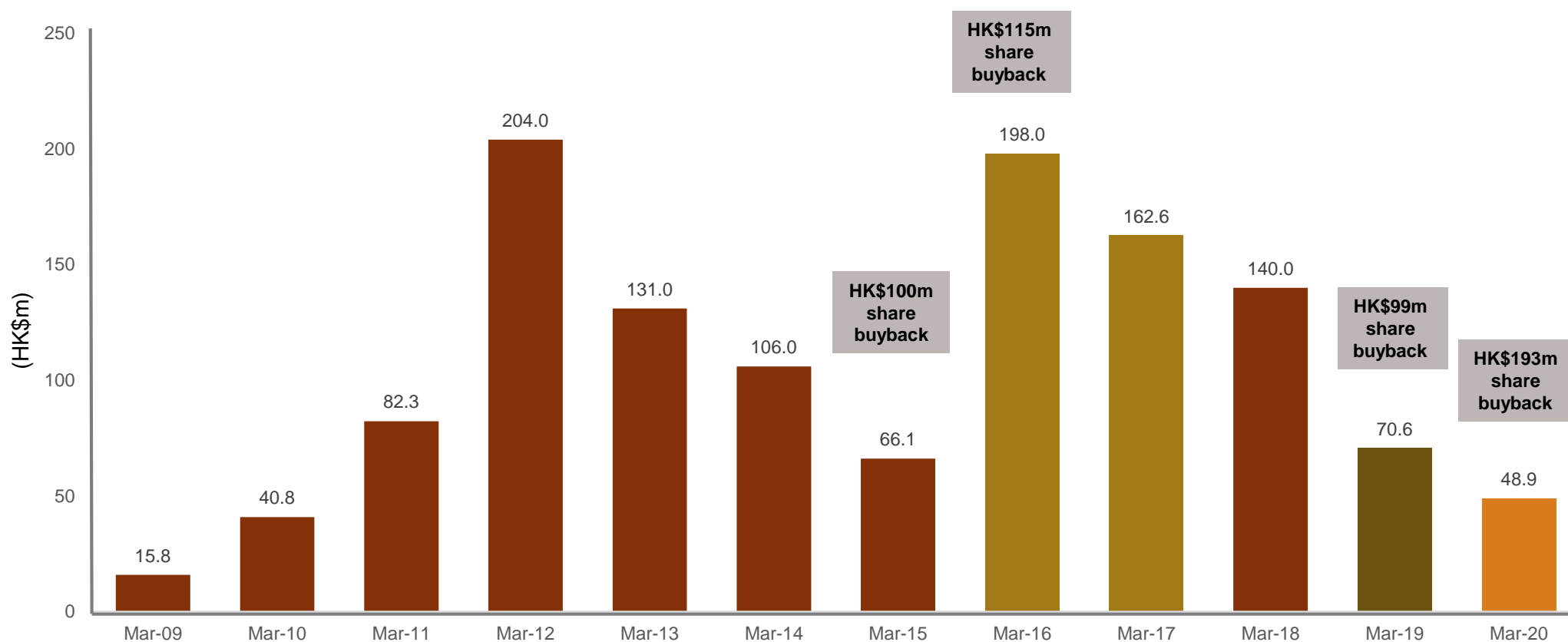
Notes:

- (1) Attributable to owners of the Company
- (2) Profit for FY 09 was lower due to financial crisis
- (3) Profit for FY 15 was lower due to Occupy Central Movement
- (4) Profit for FY 19 was lower as Shelley Street office floor booking changed to Apr/ May 2019

Proven track record in dividend

Steady dividend policy at c. 12-15% of net profit

Dividend payout

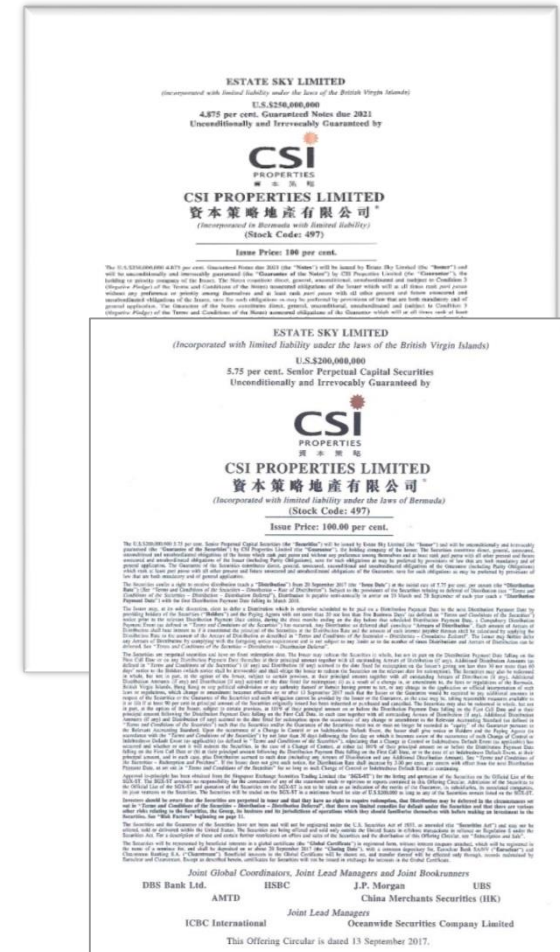


Notes:

- (1) CSI spent c. HK\$99m for share repurchases in April 2019
- (2) Mico Chung also bought shares in open market to increase his stake to 47.9% in Feb 2017 and to 49.9% in April 2018








Successful new perpetual capital securities issue in 2017 reaffirms debt market as a solid financing avenue

- The Group successfully completed the inaugural perpetual capital securities issue arranged by DBS, HSBC, JP Morgan and UBS etc. to raise US\$200 million in September 2017 at an attractive coupon rate of 5.75%
- This is one of the first unrated perpetual bond issues in market by mid/small cap Hong Kong real estate company, marking investors' confidence in the credit and financial strength for the Group
- The issue follows the successful US\$250 million 5-year 4.875% bond issue in 2016, which also gathered strong interest from both institutional and private bank investors, to help raise capital for the Group
- The issue reinforces the debt and quasi-equity instruments as new financing options for the Group and allows more flexibility in financing our future growth, while also giving us access to a broader investor base of global fixed income investors



Proven investment and capital recycling track record of delivering attractive IRR's

Selected projects and returns

Projects	Months of holding	Cost (HK\$m)	Selling price (HK\$m)	IRR (%)
 B/F Ginza Plaza, Macau	3	234	288	171
 11/F – 23/F Henan Building, Wanchai	13	338	496	70
 Nos. 703-705 Nathan Road, Mongkok	7	821	1,029	47
 CUBUS, Causeway Bay	64	499	1,530	43
 Golden Center, Sham Shui Po	20	523	665	26
 H8, Tsim Sha Tsui	85	328	668	25
 The Platinum, Shanghai	65	2,150	3,456	19

Highly experienced and disciplined management team

Group senior management

Mico Chung

*Chairman,
Founder and Executive Director*

- Acquired control in CSI in 2004 as a platform to expand his property investment business
- Currently a non-executive director of HKT Limited, HKT Management Limited and HKC (Holdings) Limited and was previously a non-executive director of PCCW Limited
- Previously worked for the investment banking arm of Standard Chartered Bank, Bond Corporation International, China Strategic Holdings Limited and PCCW Limited
- Led several landmark deals including
 - HK\$1.72 billion acquisition of World Trade Centre from Hongkong Land (1990)
 - Spin-off of Pacific Century Premium Development from PCCW
 - Acquisition by PCCW of HKT
 - Inception of the Cyberport project
- Graduated from University College, University of London in the UK with a law degree in 1983 and qualified as a solicitor in Hong Kong in 1986

Simon Kan

*Chief Operating Officer and
Executive Director*

- Joined CSI in 2001
- Over 18 years of legal and compliance experience, previously with Freshfields and Mayer Brown JSM and also as legal counsel for China Oil and Gas Group
- Graduated from Wadham College, Oxford University in 1993 and qualified as solicitor in Hong Kong in 1997

Louis Chow

*Chief Financial Officer and
Executive Director*

- Joined CSI in 2001
- Over 18 years of financial experience in various listed companies in Hong Kong and overseas and previously worked in an international audit firm
- Member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants
- Graduated from Baptist University in Hong Kong and holds a Master of Business from the Hong Kong Polytechnic University

Highly experienced and disciplined management team

Commercial Property

Bernard Lau	<i>Managing Director</i>	<ul style="list-style-type: none"> • Joined CSI in 2019 as Managing Director for its commercial property division. • Over 25 years of experience in finance and real estate investments in Asia and the U.S., including leadership roles in Lehman Brothers and Nomura International's principal real estate investment in Greater China and also as regional director of acquisitions for Greater China at LaSalle Investment Management • Received a Bachelor's degree in Economics from University of California, Los Angeles and a Master's degree in Management from Yale University
Barry Ho	<i>Deputy Managing Director</i>	<ul style="list-style-type: none"> • Joined CSI in 2005, prior to which he worked at various property agency companies with extensive experience in analyzing market data and trends • Responsible for sales and leasing of commercial properties of the Group
Ethan Wong	<i>Senior Director, Acquisition & Investment</i>	<ul style="list-style-type: none"> • Joined CSI in 2017, prior to which he worked at GAW Capital and BEI Capital, with experience in China, Hong Kong, Vietnam, Singapore, and United States • Over 10 years of real estate planning and acquisition experience in the United States and Asia-Pacific • Responsible for sourcing, screening, and executing real estate investment opportunities • Received a Bachelor and a Master of Science in Civil and Environmental Engineering from the University of California, Berkeley, a MBA degree from Carnegie Mellon University, and a Master of Laws from the Open University of Hong Kong
Wong Chung Kwong	<i>Consultant</i>	<ul style="list-style-type: none"> • Joined CSI in 2004 and was previously General Manager of Commercial Division and Executive Director of Group • Over 40 years of experience in the Hong Kong and PRC real estate markets • Has solid experience in properties related projects such as sales and marketing, acquisitions, repositioning and asset management • Previously worked in property development and management companies in Hong Kong and the PRC
Paul Ogden	<i>Managing Director</i>	<ul style="list-style-type: none"> • Joined CSI in 2019 as Managing Director for its commercial property division • Over 15 years of commercial real estate and project marketing & leasing experience in the UK, Australia and Hong Kong, including more recently leadership roles in WeWork • Received a Bachelor of Science degree in Property Development from Sheffield Hallam University • Professional Accreditation to The Royal Institute of Chartered Surveyors (RICS), Hong Kong Institute of Surveyors (HKIS) and holds an Estate Agency Authority (EAA) Salesperson license

Highly experienced and disciplined management team

Couture Homes ("CH")

Jimmy Fong	<i>Execution Director of CSI and Managing Director of Sales and Marketing of CH</i>	<ul style="list-style-type: none"> • Joined CSI in 2011, prior to which he worked as the Director of Savills Hong Kong Limited • Over 20 years of experience in luxury residential property development and investment as well as in-depth knowledge of the property market
Anthony Fok	<i>Head of Design</i>	<ul style="list-style-type: none"> • Joined CSI in 2008, prior to which he worked at Aedas Limited in design • Experienced and renowned designer with over 10 year experience in luxury residential and commercial developments
Victor Chiu	<i>Senior Project Director</i>	<ul style="list-style-type: none"> • Joined CSI in 2008, prior to which he worked at Aedas Limited and Simon Kwan & Associates • Registered architect and member of Royal Institute of British Architects with over 20 years of experience in residential and commercial property developments in Hong Kong, Macau and Shanghai • He also manages regular property management projects for the Group
Barry Chan	<i>Senior Project Director</i>	<ul style="list-style-type: none"> • Joined CSI in 2015, prior to which he worked at New World Development in properties development and project management • Authorized Person and Registered Architect with over 16 years of experience in luxury residential property development

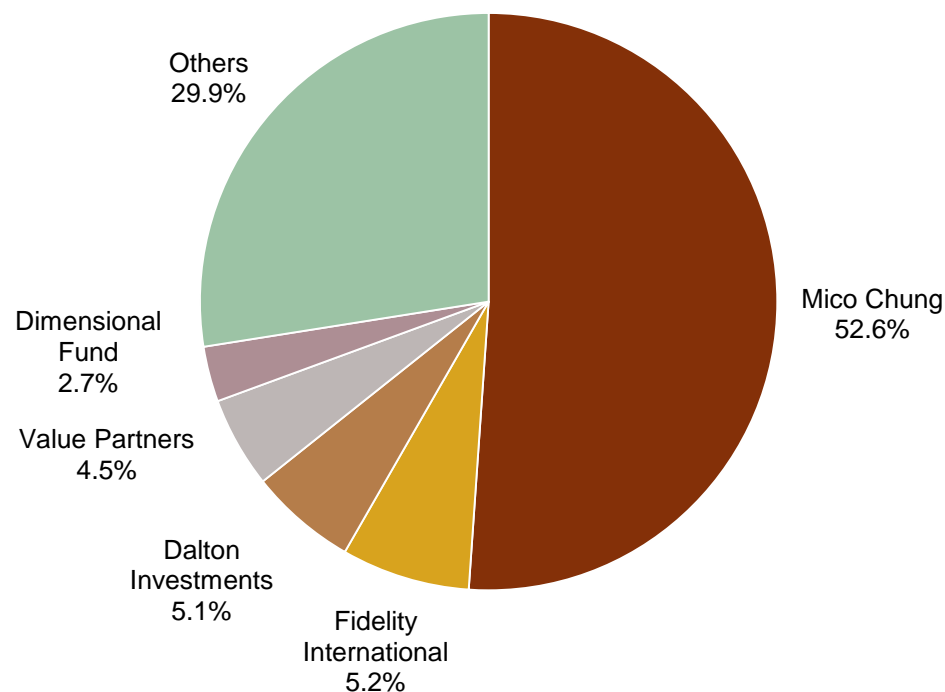
Strong management team with accolades

- Chairman Chung was nominated as one of the “Asia’s Business Leaders” by CNBC Asia in 2014
- The Group was also awarded the “Best Mid-cap Company in Hong Kong” for 2018 and “Best Small-cap Company in Hong Kong” for 2013 and 2014 in Asia’s Best Managed Companies annual poll conducted by FinanceAsia, the leading financial journal in the Asia Pacific region
- This award reflects the wide recognition and trust by the investment community in the Group's business strategy and track record during the past decade
- Our quality commercial and residential development projects also received numerous awards and wide industry recognition, a true reflection of the strength of our management's leadership and deliveries



Long term sponsorship from the Chairman and an institutional investor focused equity register

Current shareholding overview¹



- Strong commitment of Chairman and controlling shareholder indicating confidence in the future growth prospect of CSI
- Mr. Mico Chung's ownership interest in Company increased to over 52.6% from 51.1% as a result of open market share purchase by CSI in Apr/May 2020
- Significant institutional ownership from various global fund managers also helps to drive valuation and growth

Source: Company information, Bloomberg as 23 Nov 2020

Notes:

- (1) Based on 9,614 million shares currently outstanding after company share repurchase
- (2) Others key funds include Blackrock/Janus Henderson/Schroders/Mass Mutual/State Street



Q&A



FinanceAsia
ASIA'S BEST COMPANIES
2018
Best HK Mid-Cap Company
CSI Properties
Hong Kong
Jonathan Hirst Publisher
Jame DiBiasio Editorial Director

