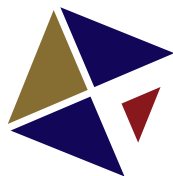


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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

中國置業投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 736)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

The board (the “board”) of directors (the “directors”) of China Properties Investment Holdings Limited (the “company”) hereby announces the unaudited condensed consolidated interim results of the company and its subsidiaries (together the “group”) for the six months ended 30 September 2009, together with the comparative figures as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

		Six months ended	
		30 September	
		2009	2008
		(Unaudited)	(Unaudited)
			(Restated)
	<i>Note</i>	RMB'000	RMB'000
Turnover	4	3,391	11,646
Direct outgoings		(1,173)	(1,038)
		2,218	10,608
Loss on disposal of investment property		(10,362)	—
Valuation gains/(deficit) on investment properties		8,146	(145,178)
Fair value adjustments for trading securities		—	(101)
Fair value deficit on convertible bonds		(13,395)	—

		Six months ended	
		30 September	
		2009	2008
		(Unaudited)	(Unaudited)
			(Restated)
	<i>Note</i>	RMB'000	RMB'000
Other revenue		21	256
Administrative expenses		<u>(11,136)</u>	<u>(6,708)</u>
Loss from operations		(24,508)	(141,123)
Finance costs		<u>(3,210)</u>	<u>(4,249)</u>
Loss before taxation		(27,718)	(145,372)
Income tax	5(a)	<u>(1,999)</u>	<u>38,314</u>
Loss for the period		<u>(29,717)</u>	<u>(107,058)</u>
Attributable to:			
Equity shareholders of the company		(29,717)	(107,058)
Non-controlling interests		<u>—</u>	<u>—</u>
Loss for the period		<u>(29,717)</u>	<u>(107,058)</u>
Loss per share	6		
– Basic		<u>(1.21) cents</u>	<u>(6.07) cents</u>
– Diluted		<u>(1.21) cents</u>	<u>(6.07) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

	Six months ended	
	30 September	
	2009	2008
	(Unaudited)	(Unaudited)
		(Restated)
	RMB'000	RMB'000
Loss for the period	(29,717)	(107,058)
Other comprehensive income for the period (after tax and reclassification adjustments)		
Exchange differences on translation of financial statements of the group	<u>2,317</u>	<u>4,213</u>
Total comprehensive income for the period	<u>(27,400)</u>	<u>(102,845)</u>
Attributable to:		
Equity shareholders of the company	(27,400)	(102,845)
Non-controlling interests	<u>—</u>	<u>—</u>
Total comprehensive income for the period	<u>(27,400)</u>	<u>(102,845)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2009

		At 30/9/2009 (Unaudited) RMB'000	At 31/3/2009 (Audited) (Restated) RMB'000
	Note		
Non-current assets			
Property, plant and equipment		2,858	997
Investment properties		161,765	201,678
Intangible asset		656,519	—
Goodwill		2,861	—
		<u>824,003</u>	<u>202,675</u>
Current assets			
Trade and other receivables	7	18,505	4,048
Trading securities		85	84
Cash and cash equivalents		4,914	5,631
		<u>23,504</u>	<u>9,763</u>
Current liabilities			
Other payables and accruals		23,495	4,402
Interest-bearing borrowings		3,000	12,000
		<u>26,495</u>	<u>16,402</u>
Net current liabilities		<u>(2,991)</u>	<u>(6,639)</u>
Total assets less current liabilities		<u>821,012</u>	<u>196,036</u>
Non-current liabilities			
Interest-bearing borrowings		57,000	78,500
Deferred tax liabilities	5(b)	164,729	—
Convertible bonds		64,262	—
		<u>285,991</u>	<u>78,500</u>
NET ASSETS		<u><u>535,021</u></u>	<u><u>117,536</u></u>
CAPITAL AND RESERVES			
Share capital		33,301	15,796
Reserves		258,874	101,740
Total equity attributable to equity shareholders of the company		<u>292,175</u>	<u>117,536</u>
Non-controlling interests		<u>242,846</u>	<u>—</u>
Total equity		<u><u>535,021</u></u>	<u><u>117,536</u></u>

1. BASIS OF PREPARATION OF FINANCIAL INFORMATION

The company's functional currency was Hong Kong dollar. Following the completion of acquisition of subsidiaries (details as set out in the circular dated 30 June 2009 and the announcement dated 3 August 2009), the directors re-examined its functional currency and presentation currency. As a result of this examination, the directors determined to change the functional currency from Hong Kong dollar to Renminbi with effect from 24 July 2009 as a substantial part of the group's business are now conducted in Renminbi. The effect of the change of the functional currency of the company has been accounted for prospectively since 24 July 2009. The comparative figures for the year ended 31 March 2009 and period ended 30 September 2008 have also been restated to change the presentation currency to Renminbi accordingly.

The condensed consolidated financial statements for the six months ended 30 September 2009 have been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The preparation of the condensed consolidated financial statements is in conformity with HKAS 34 requiring management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The preparation of the condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2009, except for the adoption of the new Hong Kong Financial Reporting Standards ("HKFRSs") and Hong Kong Accounting Standards ("HKASs") as disclosed in note 2 below. The condensed consolidated financial statements do not include all the information and disclosures required for an annual financial statements, and should be read in conjunction with the financial statements of the group for the year ended 31 March 2009.

2. IMPACT OF NEW AND AMENDED HKFRSs AND HKASs

The group has adopted, for the first time, the following new HKFRSs and HKASs which are effective for the group's financial year beginning on 1 April 2009.

HKFRS 8 Operating Segments (effective for annual periods beginning on or after 1 January 2009)

HKFRS 8 requires segment disclosure to be based on the way that the group's chief operating decision maker regards and manages the group, with the amounts reported for each reportable segment being the measures reported to the group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the group's financial statements into segments based on related product and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the group's most senior executive management, and has resulted in additional reportable segments being identified and presented. As this is the first period in which the group has presented segment information

in accordance with HKFRS 8, additional explanation has been included in the interim financial report which explains the basis of preparation of the information (see note 3). Corresponding amounts have also been provided on a basis consistent with the revised segment information.

HKAS 1 (Revised) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009)

As a result of the adoption of HKAS 1 (Revised), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted in this interim financial report and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

The adoption of the following new and revised standards, amendments and interpretations did not have any significant impact on the accounting policies, financial position or performance of the group.

HKFRSs (Amendments)	Improvements to HKFRSs #
HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligation Arising on Liquidation
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Reassessment of Embedded Derivatives
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation

The group has not early adopted any of the following new and revised standards, amendments or interpretations that have been issued but are not yet effective for the annual periods beginning on 1st April 2009.

HKFRSs (Amendments)	Improvements to HKFRSs 2009 ¹
HKAS 27 (Revised)	Consolidated and Separate Financial Statements ¹
HKAS 32 (Amendments)	Classification of Right Issues ²
HKAS 39 (Amendments)	Eligible Hedged Items ¹
HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards ¹
HKFRS 3 (Revised)	Business Combinations ¹
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) – Int 18	Transfers of Assets from Customers ³

¹ Effective for annual periods beginning on or after 1 July 2009

² Effective for annual periods beginning on or after 1 February 2010

³ Effective for transfers of assets from customers received on or after 1 July 2009

Effective for the financial year beginning on 1 April 2009 except the amendments to HKFRS 5, “Non-current assets held for sale and discontinued operations”, which is effective for the financial year beginning on or after 1 July 2009.

The adoption of HKFRS 3 (Revised) may affect the group’s accounting for business combinations for which the acquisition dates is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

HKAS 27 (Revised) will affect the accounting treatment for changes in the group’s ownership interest in a subsidiary that do not result in loss of control of the subsidiary. Changes in the group’s ownership interest that do not result in loss of control of the subsidiary will be accounted for as equity transaction.

The group is in the process of making an assessment of the impact of these new standards, amendments and interpretations upon initial application but is not yet in a position to state whether these new standards, amendments and interpretations would have a significant impact on the group’s results of operations and financial position.

3. SEGMENT REPORTING

The group manages its businesses by business lines. On first-time adoption of HKFRS 8, “Operating segments” and in a manner consistent with the way in which information is reported internally to the group’s most senior executive management for the purposes of resource allocation and performance assessment, the group has identified the following two reportable segments.

- i) Properties investment: Rental of investment properties and property management services.
- ii) Mining: Exploitation of the mine.

Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in this interim financial report has been prepared in a manner consistent with the information used by the group’s most senior executive management for the purposes of assessing segment performance and allocating resources among segments. In this regard, the group’s senior executive management monitors the results and assets attributable to each reportable segment on the following bases:

Segment assets include non-current assets and current assets with the exception of interest in associates and certain assets unallocated to an individual reportable segment.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments.

The reportable segment profit is measured from “adjusted profit from operation” (“adjusted EBITDA”) which excluded those items not specifically attributed to an individual reportable segment, such as corporate administrative expenses. To arrive at reportable segment profit, the management additionally provided the segment information concerning interest income, finance costs and major non-cash items such as depreciation, amortisation and impairment losses derived from reportable segments.

Inter-segment revenue are priced with reference to prices charged to external parties for similar orders.

Information regarding the group’s reportable segments as provided to the group’s most senior executive management for the purposes of resource allocation and assessment of segment performance for the period is set out below.

	Six months ended 30 September 2009 (Unaudited)			Six months ended 30 September 2008 (Unaudited) (Restated)		
	Properties investment RMB’000	Mining RMB’000	Total RMB’000	Properties investment RMB’000	Mining RMB’000	Total RMB’000
Revenue from external customers	3,391	–	3,391	11,646	–	11,646
Inter-segment revenue	–	–	–	–	–	–
Reportable segment revenue	<u>3,391</u>	<u>–</u>	<u>3,391</u>	<u>11,646</u>	<u>–</u>	<u>11,646</u>
Reportable segment loss (adjusted EBITDA)	<u>24,284</u>	<u>–</u>	<u>24,284</u>	<u>140,948</u>	<u>–</u>	<u>140,948</u>
Depreciation for the period	224	–	224	175	–	175

	As at 30 September 2009 (Unaudited)			As at 31 March 2009 (Audited) (Restated)		
	Properties investment RMB'000	Mining RMB'000	Total RMB'000	Properties investment RMB'000	Mining RMB'000	Total RMB'000
Reportable segment assets	<u>173,905</u>	<u>673,602</u>	<u>847,507</u>	<u>212,438</u>	<u>–</u>	<u>212,438</u>
Total assets	<u>173,905</u>	<u>673,602</u>	<u>847,507</u>	<u>212,438</u>	<u>–</u>	<u>212,438</u>
Reportable segment liabilities	<u>127,957</u>	<u>19,800</u>	<u>147,757</u>	<u>94,902</u>	<u>–</u>	<u>94,902</u>
Deferred tax liabilities	<u>1,999</u>	<u>162,730</u>	<u>164,729</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total liabilities	<u>129,956</u>	<u>182,530</u>	<u>312,486</u>	<u>94,902</u>	<u>–</u>	<u>94,902</u>

4. TURNOVER

Turnover represents gross rental income and property management services income after elimination of all intra-group transactions.

	Six months ended 30 September 2009 (Unaudited) RMB'000		2008 (Unaudited) (Restated) RMB'000
Turnover			
Gross rental income	<u>3,391</u>		<u>9,977</u>
Property management services income	<u>–</u>		<u>1,669</u>
	<u>3,391</u>		<u>11,646</u>

5. INCOME TAX

a) Income tax in the condensed consolidated income statement represents:

	Six months ended 30 September 2009 (Unaudited) RMB'000		2008 (Unaudited) (Restated) RMB'000
Deferred tax (Charge)/reversal for the period	<u>(1,999)</u>		<u>38,314</u>
Tax (expense)/credit	<u>(1,999)</u>		<u>38,314</u>

Note:

i) Hong Kong profits tax

Hong Kong profits tax is not provided for the period as the group has no estimated assessable profits for the period (2008: Nil).

ii) Deferred taxation

The amount represented deferred tax arising from the fair value adjustments of investment properties held by the subsidiary in mainland China during the period is approximately RMB1,999,000 (2008: approximately reversal of RMB38,314,000).

- b) Movements of deferred tax liabilities in the condensed consolidated statement of financial position are as follows:

	At 30 September 2009 (Unaudited) <i>RMB'000</i>	At 31 March 2009 (Audited) (Restated) <i>RMB'000</i>
Balance brought forward	–	54,487
Arising from acquisition of subsidiaries	162,730	–
Deferred tax charged/(credited) to the income statement	1,999	(54,487)
	<u>164,729</u>	<u>–</u>

6. LOSS PER SHARE

The calculation of basic loss per share is based on the following data:

	Six months ended 30 September 2009 (Unaudited) <i>RMB'000</i>	2008 (Unaudited) (Restated) <i>RMB'000</i>
Loss for the purpose of basic loss per shares attributable to equity shareholders of the company	<u>(29,717)</u>	<u>(107,058)</u>
	Number of ordinary shares	Number of ordinary shares
Weighted average number of ordinary shares for basic loss per share	<u>2,457,612,304</u>	<u>1,763,698,191</u>

Diluted loss per share for the period ended 30 September 2009 and 2008 have not been disclosed as the impact of the potential ordinary shares was anti-dilutive.

7. TRADE AND OTHER RECEIVABLES

Trade receivables are due after the date of invoice. An aged analysis of the rental receivables as at the balance sheet date, based on invoice date and net of allowance for doubtful debts, is as follows:

	At 30 September 2009 (Unaudited) <i>RMB'000</i>	At 31 March 2009 (Audited) (Restated) <i>RMB'000</i>
Within 3 months past due	917	2,571
More than 3 months but less than 6 months past due	–	373
More than 6 months past due	<u>1,386</u>	<u>–</u>
Trade receivables	2,303	2,944
Other receivables	13,884	–
Prepayment and deposits	<u>2,318</u>	<u>1,104</u>
	<u>18,505</u>	<u>4,048</u>

INTERIM DIVIDEND

The directors of the company do not recommend the payment of any interim dividend for the six months ended 30 September 2009 (2008: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the period under review, the group continued to engage in the properties investment business in the People's Republic of China ("PRC"). As at 30 September 2009, the aggregate gross floor area of the investment properties being held by the group was approximately 7,004 square meters, all of which were leased to third parties under operating leases with lease terms ranging from one year to ten years. During the period under review, the group disposed one of its investment properties located in the whole of basement level one and ground level of the commercial unit situated at Nos. 277 and 289 Lan Xi Road, Putuo District, Shanghai, the PRC. Such disposal provides a good opportunity for the company to realise part of the investment and to strengthen the cash position and provide immediate cash flow for the group. Details of the disposal were set out in the circular of the company dated 14 July 2009.

On 4 June 2009, the company (as the purchaser) entered into a sale and purchase agreement between Gold Trinity International Limited (as the vendor) to purchase the entire issued share capital of the Main Pacific Group Limited at the consideration of HK\$300 million for acquiring 51% indirect interest in a mining company in Inner Mongolia of the PRC (the “**Acquisition**”). The mining company holds a mining license under which the mining company has the right to conduct mining and exploitation works for copper and molybdenum in the mine located at Keshi Ketengqi Sanyixiang, Yongsheng Cun, Jingpeng Zhen, Chifeng City, Inner Mongolia, the PRC. The Acquisition was completed on 24 July 2009. Details of which are set out in the circular of the company dated 30 June 2009. The mining company has not yet contributed any operational revenues to the group for the period under review.

On 14 August 2009, the company (as the purchaser) entered into the memorandum of understanding for the proposed acquisition of the entire interest in World Petroleum Inc., a company which will in turn be indirectly interested in 90% of Morichal Sinoco S.A. (“MSSA”). MSSA is a company incorporated under the laws of Venezuela and has the rights to explore and produce hydrocarbons in the block VMM-17 (located at around 100 kilometers to the northwest of Bogota, Colombia), and to the benefits of the production of the hydrocarbons (“**Possible Acquisition**”). The company has appointed the necessary professional parties to conduct the preliminary due diligence review in relation to the Possible Acquisition. Up the date of this interim report, no sales and purchase agreement in relation to the Possible Acquisition is entered. Details of which are set out in the announcements of the company dated 18 August 2009 and 16 November 2009 respectively.

Financial Review

For the period under review, the group’s turnover was approximately RMB3.4 million (2008: approximately RMB11.6 million), representing an decrease of approximately 70.9% compared with the same period last year. The decrease in turnover was mainly due to the disposal of one of the investment properties in Shanghai and termination of certain property management service contracts during the period. The unaudited net loss for the period under review was approximately RMB29.7 million and the loss per share for was RMB1.21 cents (2008: RMB6.07cents). The loss for the period was mainly attributable to the loss on disposal of an investment property of the group and change of fair value on convertible bonds issued by the company.

The administrative expenses of the group for the period amounted to approximately RMB11.1 million, representing an increase of approximately 66% compared with the same period last year, of which such increase was mainly attributable to the professional fees in relation to the Acquisition. The finance costs of the group amounted to approximately RMB3.2 million which was incurred for the bank loans under the security of investment properties in Shanghai and the interest on convertible bonds.

Capital Structure

The company issued redeemable convertible bonds with a nominal value of HK\$260 million (equivalent to approximately RMB231.1 million) during the period ended 30 September 2009.

On 15 August 2009, the company entered into the placing agreement (the “**Placing Agreement**”) with Cheong Lee Securities Limited (the “**Placing Agent**”) pursuant to which the Placing Agent has conditionally agreed to procure, on a best effort basis, the independent placees to subscribe in cash for the 2-year zero coupon convertible redeemable bonds in the maximum principal amount of HK\$600 million (equivalent to approximately RMB533.4 million) (the “**Zero Coupon Convertible Bonds**”). The Placing Agreement was approved by the shareholders of the company by way of poll at the special general meeting on 21 September 2009. There was no Zero Coupon Convertible Bonds being issued under the Placing Agreement up to the period ended 30 September 2009.

Outlook

The recent turnaround of property market in the PRC helps to improve the market sentiment. The group will continue with its existing businesses in property investment in the PRC. On the other hand, we expected that demand for nonferrous metals will increase in the long run. It will be beneficial for the group to penetrate into the non-ferrous metals industry as an alternative investment opportunity to diversify the existing business portfolio of the group and to broaden the group’s income source.

Going forward, the group will continue to look for other investment opportunities in any other steam in the long run so as to broaden the source of income of the group and diversify the group’s business portfolio.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the company, nor any of its subsidiaries purchased, redeemed or sold any of the company’s listed securities during the six months ended 30 September 2009.

CORPORATE GOVERNANCE

The company has complied with the code provisions as set out in the Code of Corporate Governance Practice in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2009, except for the deviation from the requirement of code provision A.2.1 as follows.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The chairman of the company also acted as chief executive officer of the company during the period under review, which was deviated from the requirement of the code provision A.2.1. The board considered that this structure was conducive with strong and consistent leadership, enabling the company to respond promptly and efficiently.

AUDIT COMMITTEE

During the period under review, the audit committee of the company (the “Audit Committee”) comprises three independent non-executive directors, namely Mr. Lam Man Yui, Mr. Lai Wai Yin, Wilson and Ms. Cao Jie Min. The written terms of reference which describe the authority and duties of the Audit Committee were prepared and adopted with reference to “A Guide for The Formation of An Audit Committee” published by the HKICPA. The principal activities of the Audit Committee include the review and supervision of the group’s financial reporting process and internal controls.

The Audit Committee has regularly reviewed with the management the accounting principles and policies adopted by the group. The results of the group for the six months ended 30 September 2009 was reviewed by the Audit Committee who are of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

DIRECTORS’ SECURITIES TRANSACTION

The company has adopted the Model Code for Securities Transactions by directors (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry with the directors, all directors confirmed that they had complied with the required standards as set out in the Model Code throughout the period.

By order of the board
China Properties Investment Holdings Limited
Yu Wai Fong
Chairman

Hong Kong, 28 December 2009

As at the date of this announcement, the executive directors of the company are Ms. Yu Wai Fong and Mr. Au Tat On, and the independent non-executive directors of the company are Mr. Lam Man Yui, Mr. Lai Wai Yin, Wilson and Ms. Cao Jie Min.

This announcement will remain on the “Latest Company Announcements” page of the website of the Stock Exchange and the website of the company for at least 7 days from the date of its posting.

** For identification purposes only*