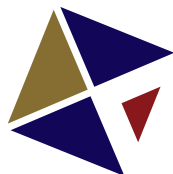


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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

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 2010

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 2010, together with the comparative figures of the corresponding period last year as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

		Six months ended	
		30 September	
		2010	2009
		(Unaudited)	(Unaudited)
	<i>Notes</i>	RMB'000	RMB'000
Turnover	4	1,646	3,391
Cost of sales		<u>(1,262)</u>	<u>(1,173)</u>
		384	2,218
Loss on disposal of investment properties		–	(10,362)
Valuation gains on investment properties		8,515	8,146
Fair value gains/(losses) on convertible bonds		1,325	(13,395)
Other revenue		83	21
Administrative expenses		<u>(12,884)</u>	<u>(11,365)</u>
Loss from operations		(2,577)	(24,737)
Finance costs		<u>(1,930)</u>	<u>(3,210)</u>
Loss before taxation	5	(4,507)	(27,947)
Income tax	6	<u>(2,129)</u>	<u>(1,999)</u>
Loss for the period		<u>(6,636)</u>	<u>(29,946)</u>

	<i>Notes</i>	Six months ended	
		30 September	2009
		2010	2009
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
Attributable to:			
Owners of the company		(6,580)	(29,946)
Minority interest		<u>(56)</u>	<u>—</u>
Loss for the period		<u>(6,636)</u>	<u>(29,946)</u>
Loss per share	7		
– Basic		<u>(0.24) cents</u>	<u>(1.21) cents</u>
– Diluted		<u>(0.24) cents</u>	<u>(1.21) cents</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

		Six months ended	
		30 September	2009
		2010	2009
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
Loss for the period		(6,636)	(29,946)
Other comprehensive (losses)/income for the period (after tax and reclassification adjustments)			
Exchange differences on translation of financial statements of the overseas subsidiaries		<u>(2,355)</u>	<u>2,546</u>
Total comprehensive loss for the period		<u>(8,991)</u>	<u>(27,400)</u>
Attributable to:			
Owners of the company		(8,935)	(27,400)
Minority interest		<u>(56)</u>	<u>—</u>
Total comprehensive loss for the period		<u>(8,991)</u>	<u>(27,400)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2010

		30/9/2010 (Unaudited) RMB'000	31/3/2010 (Audited) RMB'000
	Notes		
Non-current assets			
Property, plant and equipment		5,361	3,711
Investment properties		194,633	186,117
Intangible assets		499,398	499,398
		<u>699,392</u>	<u>689,226</u>
Current assets			
Trade and other receivables	8	148,947	3,434
Trading securities		110	112
Cash and cash equivalents		17,044	73,784
		<u>166,101</u>	<u>77,330</u>
Current liabilities			
Other payables		13,126	15,322
Interest-bearing borrowings		3,000	3,000
		<u>16,126</u>	<u>18,322</u>
Net current assets		<u>149,975</u>	<u>59,008</u>
Total assets less current liabilities		<u>849,367</u>	<u>748,234</u>
Non-current liabilities			
Interest-bearing borrowings		54,000	55,500
Deferred tax liabilities	6(b)	10,216	8,087
Convertible bonds		22,560	66,428
		<u>86,776</u>	<u>130,015</u>
NET ASSETS		<u><u>762,591</u></u>	<u><u>618,219</u></u>
EQUITY			
Equity attributable to owners of the company			
Share capital		96,517	40,406
Reserves		420,657	332,340
		<u>517,174</u>	<u>372,746</u>
Minority interest		<u>245,417</u>	<u>245,473</u>
Total equity		<u><u>762,591</u></u>	<u><u>618,219</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

	Share capital RMB'000	Share premium RMB'000	Special reserve RMB'000	Contributed surplus reserve RMB'000	Employee share-based compensation reserve RMB'000	Exchange fluctuation reserve RMB'000	(Accumulated losses)/ retained profits RMB'000	Total RMB'000	Minority interest RMB'000	Total equity RMB'000
At 1 April 2010	40,406	454,940	(9,988)	18,689	16,632	31,669	(179,602)	372,746	245,473	618,219
Placing and subscription of new shares	41,492	74,360	–	–	–	–	–	115,852	–	115,852
Share issues expenses	–	(4,249)	–	–	–	–	–	(4,249)	–	(4,249)
Conversion of convertible bonds	14,619	27,141	–	–	–	–	–	41,760	–	41,760
Total comprehensive loss for the period	–	–	–	–	–	(2,355)	(6,580)	(8,935)	(56)	(8,991)
At 30 September 2010 (Unaudited)	<u>96,517</u>	<u>552,192</u>	<u>(9,988)</u>	<u>18,689</u>	<u>16,632</u>	<u>29,314</u>	<u>(186,182)</u>	<u>517,174</u>	<u>245,417</u>	<u>762,591</u>
At 1 April 2009	15,796	206,307	(9,988)	18,689	33,264	30,524	(177,055)	117,537	–	117,537
Acquisition of subsidiary	–	–	–	–	–	–	–	–	242,846	242,846
Placing and subscription of new shares	6,779	67,599	–	–	–	–	–	74,378	–	74,378
Share issues expenses	–	(2,128)	–	–	–	–	–	(2,128)	–	(2,128)
Conversion of convertible bonds	10,726	119,063	–	–	–	–	–	129,789	–	129,789
Total comprehensive income/(loss) for the period	–	–	–	–	–	2,546	(29,946)	(27,400)	–	(27,400)
At 30 September 2009 (Unaudited)	<u>33,301</u>	<u>390,841</u>	<u>(9,988)</u>	<u>18,689</u>	<u>33,264</u>	<u>33,070</u>	<u>(207,001)</u>	<u>292,176</u>	<u>242,846</u>	<u>535,022</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2010

	Six months ended	
	30 September	
	2010	2009
	RMB'000	RMB'000
Net cash used in operating activities	(163,455)	(8,369)
Net cash (used in)/generated from investing activities	(2,072)	394
Net cash generated from financing activities	108,787	7,208
Net decrease in cash and cash equivalents	(56,740)	(767)
Cash and cash equivalents at beginning of period	73,784	5,631
Effect of foreign exchange rate changes, net	—	50
Cash and cash equivalents at end of period	17,044	4,914

ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS

Cash and bank balances	17,044	4,914
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NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of preparation of financial information

The unaudited condensed consolidated financial statements for the six months ended 30 September 2010 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 unaudited 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 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 2010, except for the adoption of the new Hong Kong Financial Reporting Standards (“HKFRSs”) and Hong Kong Accounting Standards (“HKASs”) as disclosed in note 3 below. The unaudited 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 2010.

2. Adoption of new and revised Hong Kong financial reporting standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the group’s annual financial statements for the year ended 31 March 2010, except for the adoption of the new standards and interpretations as noted below.

HKFRS 1 (Revised)	First-time Adoption of Hong Kong Financial Reporting Standards
HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters
HKFRS 2 Amendments	Amendments to HKFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions
HKFRS 3 (Revised)	Business Combinations
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 32 Amendments	Amendments to HKAS 32 Financial Instruments: Presentation – Classification of Rights Issues
Amendments to HKFRS 5 included in improvements to HKFRSs issued in October 2008	Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary
HKAS 39 Amendment	Amendments to HKAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items
Annual Improvements Project	Improvements to HKFRSs 2009
HK Interpretation 4	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HK(IFRIC) – Int 17	Distributions of Non-cash Assets to Owners

The adoption of the above new standards and interpretations has had no material effect on the accounting policies of the group and the methods of computation in the interim condensed consolidated financial statements.

3. Segment information

Operating segments are identified on the basis of internal reports which provides information about components of the group. These information are reported to and reviewed by the chief operating decision-makers (“CODM”) for the purposes of resource allocation and performance assessment.

The CODM considers the business from both geographic and product perspective. Geographically, the CODM considers the performance of the segments in Hong Kong and PRC. The group has presented the following two reportable segments. These segments are managed separately. The property investment segment and the mining segment offers very different products and services.

i) Properties investment

The properties investment reportable operating segment derives its revenue primarily from rental of investment properties and property management services.

ii) Mining

The mining reportable segment derives its revenue from exploitation of copper and molybdenum.

No reportable operating segment has been aggregated.

a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the group’s CODM monitors the results and assets attributable to each reportable segment on the following bases:

Segment profit/(loss) represents the profit earned by/loss from each segment without allocation of central administration costs such as directors’ salaries, investment income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment. Taxation charge/(credit) is not allocated to reportable segment.

Revenue and expenses are allocated to the reportable segments with reference to the sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the income statement.

All assets are allocated to reportable segments other than trading securities and corporate assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

All liabilities are allocated to reportable segments other than current tax liabilities and corporate liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment liabilities.

Information regarding the group's reportable segments as provided to the group's CODM for the purposes of resource allocation and assessment of segment performance for the year is set out below.

	Six months ended 30 September 2010 (Unaudited)			Six months ended 30 September 2009 (Unaudited)		
	Properties investment RMB'000	Mining RMB'000	Total RMB'000	Properties investment RMB'000	Mining RMB'000	Total RMB'000
Revenue from external customers	<u>1,646</u>	<u>–</u>	<u>1,646</u>	<u>3,391</u>	<u>–</u>	<u>3,391</u>
Reportable segment revenue	<u><u>1,646</u></u>	<u><u>–</u></u>	<u><u>1,646</u></u>	<u><u>3,391</u></u>	<u><u>–</u></u>	<u><u>3,391</u></u>
Reportable segment profit/(loss)	<u>4,723</u>	<u>(356)</u>	<u>4,367</u>	<u>(5,280)</u>	<u>–</u>	<u>(5,280)</u>
Interest revenue	<u>2</u>	<u>1</u>	<u>3</u>	<u>10</u>	<u>–</u>	<u>10</u>
Depreciation	<u>(287)</u>	<u>–</u>	<u>(287)</u>	<u>(124)</u>	<u>–</u>	<u>(124)</u>
Loss on disposal of investment properties	<u>–</u>	<u>–</u>	<u>–</u>	<u>(10,362)</u>	<u>–</u>	<u>(10,362)</u>
Income tax expense	<u>(2,129)</u>	<u>–</u>	<u>(2,129)</u>	<u>(1,999)</u>	<u>–</u>	<u>(1,999)</u>
Interest expenses	<u><u>(1,930)</u></u>	<u><u>–</u></u>	<u><u>(1,930)</u></u>	<u><u>(2,523)</u></u>	<u><u>–</u></u>	<u><u>(2,523)</u></u>
Reportable segment assets	<u><u>198,701</u></u>	<u><u>502,014</u></u>	<u><u>700,715</u></u>	<u><u>190,336</u></u>	<u><u>500,744</u></u>	<u><u>691,080</u></u>
Additions to non-current segment assets during the year	<u><u>19</u></u>	<u><u>2,040</u></u>	<u><u>2,059</u></u>	<u><u>83</u></u>	<u><u>–</u></u>	<u><u>83</u></u>
Reportable segment liabilities	<u>58,868</u>	<u>8,797</u>	<u>67,665</u>	<u>61,090</u>	<u>7,243</u>	<u>68,333</u>
Deferred tax liabilities	<u>10,216</u>	<u>–</u>	<u>10,216</u>	<u>8,087</u>	<u>–</u>	<u>8,087</u>
Total liabilities	<u><u>69,084</u></u>	<u><u>8,797</u></u>	<u><u>77,881</u></u>	<u><u>69,177</u></u>	<u><u>7,243</u></u>	<u><u>76,420</u></u>

b) *Reconciliations of reportable segment revenues, profit or loss, assets and liabilities*

	Six months ended	
	30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue		
Total reportable segments' revenues	<u>1,646</u>	<u>3,391</u>
Consolidated turnover		
Profit		
Reportable segments' profit/(loss)	4,367	(5,280)
Unallocated corporate income	4	2
Depreciation	(68)	(100)
Interest income	4	1
Finance costs	–	(10)
Unallocated corporate expenses	<u>(8,814)</u>	<u>(22,560)</u>
Consolidated loss before taxation	<u>(4,507)</u>	<u>(27,947)</u>
	As at	As at
	30 September	31 March
	2010	2010
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Assets		
Reportable segments' assets	700,715	691,080
Unallocated		
– corporate assets	<u>164,778</u>	<u>75,476</u>
Consolidated total assets	<u>865,493</u>	<u>766,556</u>
Liabilities		
Reportable segments' liabilities	(77,881)	(76,420)
Unallocated		
– corporate liabilities	<u>(25,021)</u>	<u>(71,917)</u>
Consolidated total liabilities	<u>(102,902)</u>	<u>(148,337)</u>

c) *Revenue from major product and services*

The following is an analysis of the group's revenue from its major products and services:

	Six months ended 30 September 2010		2009
	(Unaudited)		(Unaudited)
	RMB'000		RMB'000
Properties investment	<u>1,646</u>		<u>3,391</u>
	<u>1,646</u>		<u>3,391</u>

d) *Geographic Information*

The following is an analysis of geographical location of (i) the group's revenue from external customers and (ii) the group's non-current assets. The geographical location of customers is refers to the location at which the services were provided or the goods delivered. The group's non-current assets include property, plant and equipment, investment property and intangible assets. The geographical location of property, plant and equipment are based on the physical location of the asset. In the case of intangible assets and investment properties, it is based on the location of operation to which these intangibles are allocated.

	Revenues from external customers		Non-current assets	
	Six months ended	Six months ended	As at	As at
	30 September 2010	30 September 2009	30 September 2010	31 March 2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Hong Kong (place of domicile)	–	–	1,678	1,780
PRC	<u>1,646</u>	<u>3,391</u>	<u>697,714</u>	<u>687,446</u>
	<u>1,646</u>	<u>3,391</u>	<u>699,392</u>	<u>689,226</u>

4. Turnover

The principal activities of the group are property investment and mining.

Turnover represents gross rental income and property management services income. The amount of each significant category of revenue recognised in turnover during the period is as follows:

	Six months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Rental income from operating leases	<u>1,646</u>	<u>3,391</u>

5. Loss before taxation

The group's loss before taxation is arrived at after charging/(crediting):

	Six months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
a) Finance cost		
Interest on bank loans wholly repayable over five years	1,930	2,523
Interest on bank overdrafts wholly repayable within five years	–	10
Interest on convertible bonds	–	677
	<u>1,930</u>	<u>3,210</u>
b) Staff costs		
Wages, salaries and other benefits	3,327	2,200
Contribution to defined contribution retirement plans	249	38
	<u>3,576</u>	<u>2,238</u>
c) Other items		
Depreciation	355	224
Minimum lease payments under operating leases	1,058	1,172
Gross rental income from investment properties less direct outgoings of RMB1,262,000 (2009: RMB1,173,000)	<u>384</u>	<u>2,218</u>

6. Income tax

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

	Six months ended	
	30 September	
	2010	2009
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Deferred tax		
Origination and reversal of temporary difference	<u>(2,129)</u>	<u>(1,999)</u>
Tax charge	<u><u>(2,129)</u></u>	<u><u>(1,999)</u></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 (2009: RMBNil).

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 RMB2,129,000 (2009: approximately RMB1,999,000).

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

	At 30	At 31
	30 September	31 March
	2010	2010
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Deferred tax charged to the income statement	<u><u>2,129</u></u>	<u><u>1,999</u></u>

7. Loss per share

a) *Basic loss per share*

The calculation of basic loss per share is based on the loss attributable to owners of the company of RMB6,580,000 (2009: RMB29,946,000) and on the weighted average number of 27,505,000 ordinary shares in issue during the year (2009: 9,830,000 ordinary shares).

Weighted average number of ordinary shares:

	2010	2009
	Weighted	Weighted
	average	average
	number of	number of
	ordinary shares	ordinary shares
	'000	'000
Issued ordinary shares at 1 April	4,542,910	1,763,698
Effect of issue of new shares in placement	1,225,738	452,438
Effect of issue of new shares upon conversion of convertible bonds	184,008	241,476
Effect of five-for-one share consolidation *	(4,577,410)	(1,966,090)
Effect of fifty-for-one share consolidation **	(1,347,741)	(481,692)
	<u>27,505</u>	<u>9,830</u>
Weighted average number of ordinary shares at 30 September	<u>27,505</u>	<u>9,830</u>

* The weighted average number of ordinary shares used in 2010 and 2009, for the purpose of calculating basic and diluted loss per share, has been retrospectively adjusted for the five-for-one share consolidation which took place on 12 July 2010.

** The weighted average number of ordinary shares used in 2010 and 2009, for the purpose of calculating basic and diluted loss per share, has been retrospectively adjusted for the fifty-for-one share consolidation which took place on 11 Oct 2010.

b) *Diluted loss per share*

Diluted loss per share is equal to the basic loss per share for the years ended 30 September 2010 and 2009 because the outstanding convertible bonds and share option had an anti-dilutive effect on the basis loss per share for the year ended 30 September 2010 and 2009.

8. Trade and other receivable

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

	At 30 September 2010 (Unaudited) RMB'000	At 31 March 2010 (Audited) RMB'000
Current 3 months overdue	874	1,396
More than 3 months but less than 12 months overdue	<u>—</u>	<u>—</u>
Trade receivables	874	1,396
Other receivables	89	1,060
Prepayment and deposits *	<u>147,984</u>	<u>978</u>
	<u>148,947</u>	<u>3,434</u>

- * The deposit included the deposit of RMB78,000,000 (equivalent to approximately HK\$90,000,000) for the company in relation to a acquisition of the 100% interest in Sinowood Holdings Limited (the “Target Group”). The Target Group had a 40% effective interest in the Mining Company in PRC. The transaction was completed on 13 October 2010.

The deposit also included the refundable cash deposit of RMB68,000,000 (equivalent to approximately HK\$78,000,000) for the company having the first right of refusal to cooperate with the independence third party pursuant to the endeavours contemplated under the supplemental memorandum of understanding in relation to a acquisition of the 100% interest in Pure Power Holdings Limited.

DIVIDEND

The directors of the company do not recommend the payment of any interim dividend for the six months ended 30 September 2010 (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the period under review, the group continued to engage in the properties investment business in the PRC. As at 31 March 2010, the aggregate gross floor area of the investment properties being held by the group was approximately 7,004 square meters, of which approximately 73% of the properties were leased to third parties under operating leases with lease terms ranging up to nine years.

Regarding the mining business of the group, the copper and molybdenum mine (the “Mine”) located at Keshi Ketengqi Sanyixiang, Yongsheng Cun, Jingpeng Zhen, Chifeng City, Inner Mongolia, PRC is still in the development stage and thus has not yet contributed any operational turnover to the group.

On 18 August 2010, the company (as a purchaser) entered into the sales and purchase agreement with Star Lucky Group Limited (as a vendor) for the acquisition (the “Acquisition”) of the remaining 40% interest in the Mine at the consideration of HK\$300 million. The Acquisition was completed on 13 October 2010. Upon Completion, the company will effectively hold 91% of the indirect interest in the Mine. Details of which are set out in the announcements and circular of the company dated 27 August 2010 and 17 September 2010 respectively.

The company (as the purchaser) entered into the memorandum of understanding and the supplemental memorandum of understanding with the independent third parties (as the Vendors) on 21 June 2010 and 20 September 2010 respectively for the possible acquisition of the entire interest in a target company which upon completion of the restructuring (the “Possible Acquisition”), shall be the ultimate owner of 100% effective interest in the oil & gas rights in parcels of lands in Nevada under three oil & gas leases. The company is still in the process of conducting due diligence on the target company of the Possible Acquisition and negotiating with the vendors thereof on the terms of the Possible Acquisition.

Financial Review

For the period under review, the group’s turnover was approximately RMB1.65 million (2009: approximately RMB3.39 million), representing an decrease of approximately 51% compared with the same period last year. The decrease in turnover was mainly due to termination and rearrangement of certain operating leases during the period. The unaudited net loss for the period under review was approximately RMB6.64 million (2009: RMB29.95 million) and the loss per share for was RMB0.24 cents (2009: RMB1.21 cents). The decrease in loss was mainly attributable to change of fair value of convertible bonds and the one time loss on disposal of investment properties last year.

The administrative expenses of the group for the period amounted to approximately RMB12.88 million, representing an increase of approximately 13.28% compared with the same period last year, of which such increase was mainly attributable to the professional fees in relation to the Acquisition and Possible Acquisition. The finance cost of the group amounted to approximately RMB1.93 million which was incurred for the bank loans under the security of investment properties in Shanghai.

Liquidity and Financial Resources

As at 30 September 2010, the group’s net current assets were approximately RMB149.98 million (at 31 March 2010: net current assets approximately RMB59.01 million), including cash and bank balance of approximately RMB17.04 million (at 31 March 2010: approximately RMB73.78 million).

The group had bank borrowings of RMB57 million as at 30 September 2010 (at 31 March 2010: RMB58.5 million). The borrowings were bank loans under security, of which 5.3% were due within one year from balance sheet date, 6.1% were due more than one year but not exceeding two years, 23.7% were due more than two years but not exceeding five years and 64.9% were due more than five years. The gearing ratio, defined as the percentage of net debts to the total equity of the company, was approximately 13% (at 31 March 2010: 24%).

Investment Position

The group did not have any significant investment position in stocks, bonds and other financial derivatives as at 30 September 2010.

Foreign Exchange Exposure

As most of the group's assets and liabilities are denominated in Renminbi and the liabilities of the group are well covered by its assets, the group does not have any significant exposure to foreign exchange fluctuation. During the period under review, the group did not use any financial instruments for hedging purposes.

Shares Capital and Capital Structure

During the period under review, the company implemented the share consolidation on the basis that every 5 issued and unissued Shares of HK\$0.01 each be consolidated into one Consolidated Share of HK\$0.05 each. Upon the share consolidation becoming effective, the authorized share capital of the Company became HK\$300,000,000 divided into 6,000,000,000 consolidated shares of HK\$0.05 each, of which 1,230,581,952 Consolidated Shares be in issue.

During the period under review, an aggregate principal of HK\$51 million redeemable convertible bonds (the "Convertible Bonds" which were issued by the company on 27 July 2009 in a total principal amount of HK\$260 million) were converted into 413,207,547 new ordinary shares of the company. The outstanding principal amounts of the Convertible Bonds as at 30 September 2010 were HK\$27 million.

Save as disclosed above, there was no change in the capital structure of the company for the period ended 30 September 2010.

Charges on group's Assets

As at 30 September 2010, the group's investment properties with a value of approximately RMB181.2 million were pledged to secure general banking facilities granted to Shanghai Xiang Chen Hang Place The Industry Co. Limited, the wholly-owned subsidiary of the group.

Contingent Liabilities

As at 30 September 2010, the group does not have any material contingent liability (2008: Nil).

Acquisition and Disposal of Subsidiaries

There was no acquisition and disposal of subsidiaries of the group during the period ended 30 September 2010.

Employees

As at 30 September 2010, the group had 44 employees. The remuneration was determined with reference to statutory minimum wages, market terms and the performance, qualification and experience of individual employees. The group provides contributory provident fund and insurance scheme to the employees. Share option scheme and incentive schemes are adopted to encourage personal commitment of employees.

Outlook

Upon completion of the acquisition of further 40% interest of the Mine, the company will effectively hold 91% of the indirect interest in the Mine. In view of the continual economic growth in the PRC, it is expected that demand for non-ferrous metals (such as copper and molybdenum) will be sustainably high in long run. We hence consider that it is beneficial for the Group to penetrate further into the non-ferrous metals industry in order to strengthen the Group's income source. In the meantime, the group will continue with its existing properties investment business which provide steady income source for the group.

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 2010.

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 2010, except for the deviation from the requirement of code provision A.2.1 as follow.

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 2010 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
Xu Dong
Chairman

Hong Kong, 29 November 2010

As at the date of this announcement, the executive Directors are Mr. Xu Dong and Mr. Au Tat On, the non-executive Director is Ms. Yu Wai Fong, and the independent non-executive Directors 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*