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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 2011

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 2011, together with the comparative figures of the corresponding period last year as follows:

* For identification purposes only

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

		Six months ended 30 September 2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
	<i>Notes</i>		
Turnover	4	1,334	1,646
Cost of sales		<u>(1,190)</u>	<u>(1,262)</u>
		144	384
Valuation gains on investment properties		11,947	8,515
Fair value (loss)/gain on convertible bonds		(3,578)	1,325
Other revenue		1,097	83
Administrative expenses		(18,951)	(12,884)
Other operating expenses		<u>(49)</u>	<u>—</u>
Loss from operations		(9,390)	(2,577)
Finance costs	5(a)	<u>(2,067)</u>	<u>(1,930)</u>
Loss before taxation	5	(11,457)	(4,507)
Income tax	6	<u>(2,987)</u>	<u>(2,129)</u>
Loss for the period		<u><u>(14,444)</u></u>	<u><u>(6,636)</u></u>
Attributable to:			
Owners of the company		(14,157)	(6,580)
Non-controlling interests		<u>(287)</u>	<u>(56)</u>
Loss for the period		<u><u>(14,444)</u></u>	<u><u>(6,636)</u></u>
			(restated)
Loss per share	7	RMB	RMB
– Basic		<u><u>(0.09)</u></u>	<u><u>(1.41)</u></u>
– Diluted		<u><u>(0.09)</u></u>	<u><u>(1.41)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	Six months ended 30 September 2011 (Unaudited) RMB'000	2010 (Unaudited) RMB'000
Loss for the period	(14,444)	(6,636)
Other comprehensive loss for the period (after tax and reclassification adjustments)		
Exchange differences on translation of financial statements of the overseas subsidiaries	<u>(7,360)</u>	<u>(2,355)</u>
Total comprehensive loss for the period	<u><u>(21,804)</u></u>	<u><u>(8,991)</u></u>
Attributable to:		
Owners of the company	(21,517)	(8,935)
Non-controlling interests	<u>(287)</u>	<u>(56)</u>
Total comprehensive loss for the period	<u><u>(21,804)</u></u>	<u><u>(8,991)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

	<i>Notes</i>	30/9/2011 (Unaudited) RMB'000	31/3/2011 (Audited) RMB'000
Non-current assets			
Plant and equipment		13,276	14,859
Investment properties		210,261	198,314
Intangible assets		499,398	499,398
Deposit for acquisition of subsidiaries		124,799	124,799
		847,734	837,370
Current assets			
Trade and other receivables	8	42,626	1,765
Trading securities		101	150
Cash and cash equivalents		118,991	5,943
		161,718	7,858
Current liabilities			
Other payables		32,659	26,592
Interest-bearing bank borrowings		4,000	3,500
		36,659	30,092
Net current assets/(liabilities)		125,059	(22,234)
Total assets less current liabilities		972,793	815,136
Non-current liabilities			
Interest-bearing bank borrowings		50,000	52,000
Deferred tax liabilities		14,123	11,136
Convertible bonds		32,459	147,680
		96,582	210,816
NET ASSETS		876,211	604,320
EQUITY			
Equity attributable to owners of the company			
Share capital		7,853	2,833
Reserves		822,025	554,867
		829,878	557,700
Non-controlling interests		46,333	46,620
Total equity		876,211	604,320

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	Share capital	Share premium	Special reserve	Contributed surplus reserve	Employee share-based compensation reserve	Exchange fluctuation reserve	Accumulated losses	Total	Non- controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 April 2011	2,833	671,776	(56,225)	–	16,632	28,328	(105,644)	557,700	46,620	604,320
Right issue	4,176	279,841	–	–	–	–	–	284,017	–	284,017
Placing and subscription of new shares	844	17,713	–	–	–	–	–	18,557	–	18,557
Share issues expenses	–	(8,879)	–	–	–	–	–	(8,879)	–	(8,879)
Total comprehensive loss for the period	–	–	–	–	–	(7,360)	(14,157)	(21,517)	(287)	(21,804)
At 30 September 2011 (Unaudited)	<u>7,853</u>	<u>960,451</u>	<u>(56,225)</u>	<u>–</u>	<u>16,632</u>	<u>20,968</u>	<u>(119,801)</u>	<u>829,878</u>	<u>46,333</u>	<u>876,211</u>
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>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	Six months ended	
	30 September	
	2011	2010
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash used in operating activities	(63,907)	(163,455)
Net cash used in investing activities	(19)	(2,072)
Net cash generated from financing activities	176,974	108,787
Net increase/(decrease) in cash and cash equivalents	113,048	(56,740)
Cash and cash equivalents at beginning of period	5,943	73,784
Cash and cash equivalents at end of period	118,991	17,044
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	118,991	17,044

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Basis of Preparation of Financial Information

i) Basis of Measurement

The unaudited condensed consolidated financial statements for the six months ended 30 September 2011 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 2011, 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 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 2011.

2. Adoption of new and Revised Hong Kong Financial Reporting Standards

The HKICPA has issued a number of amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the group and the company. Of these, the following developments are relevant to the group’s financial statements:

- HKAS 24 (revised 2009), Related party disclosures
- HKFRSs (Amendments), Improvements to HKFRSs (2010)

The development related primarily to clarification of certain disclosure requirements applicable to the group’s financial statements have had no material impact on the contents of this interim financial result. The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Segment Information

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

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

Properties Investment

The properties investment reportable operating segment derives its revenue primarily from rental of investment properties.

Investing in Mining Activities

The investing in mining activities reportable segment derive its revenue from investment income for the activities of 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, assets and 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 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 2011 (Unaudited)			Six months ended 30 September 2010 (Unaudited)		
	Properties investment <i>RMB'000</i>	Investing in mining activities <i>RMB'000</i>	Total <i>RMB'000</i>	Properties investment <i>RMB'000</i>	Investing in mining activities <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from external customers	1,334	–	1,334	1,646	–	1,646
Reportable segment revenue	<u>1,334</u>	<u>–</u>	<u>1,334</u>	<u>1,646</u>	<u>–</u>	<u>1,646</u>
Reportable segment profit/ (loss) before taxation	7,418	(2,699)	4,719	4,723	(356)	4,367
Interest revenue	3	–	3	2	1	3
Depreciation	(380)	(819)	(1,199)	(287)	–	(287)
Income tax expense	(2,987)	–	(2,987)	(2,129)	–	(2,129)
Interest expenses	<u>(2,067)</u>	<u>–</u>	<u>(2,067)</u>	<u>(1,930)</u>	<u>–</u>	<u>(1,930)</u>
Reportable segment assets	<u>213,073</u>	<u>505,694</u>	<u>718,767</u>	<u>201,293</u>	<u>506,137</u>	<u>707,430</u>
Additions to non-current assets (other than financial instruments and deferred tax assets)	<u>15</u>	<u>572</u>	<u>587</u>	<u>899</u>	<u>6,707</u>	<u>7,606</u>
Reportable segment liabilities	62,739	13,873	76,612	58,676	14,043	72,719
Deferred tax liabilities	<u>14,123</u>	<u>–</u>	<u>14,123</u>	<u>11,136</u>	<u>–</u>	<u>11,136</u>
Total liabilities	<u>76,862</u>	<u>13,873</u>	<u>90,735</u>	<u>69,812</u>	<u>14,043</u>	<u>83,855</u>

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

	Six months ended	
	30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue		
Total reportable segments' revenues	1,334	1,646
Elimination of inter-segment revenue	<u>—</u>	<u>—</u>
Consolidated turnover	<u>1,334</u>	<u>1,646</u>
Profit/(loss)		
Total reportable segments' profit	4,719	4,367
Unallocated corporate income	530	4
Depreciation	(943)	(68)
Interest revenue	564	4
Finance costs	—	—
Unallocated corporate expenses	<u>(16,327)</u>	<u>(8,814)</u>
Consolidated loss before taxation	<u>(11,457)</u>	<u>(4,507)</u>
	As at	As at
	30 September	31 March
	2011	2011
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Assets		
Total reportable segments' assets	718,767	707,430
Unallocated		
– corporate assets	<u>290,685</u>	<u>137,798</u>
Consolidated total assets	<u>1,009,452</u>	<u>845,228</u>
Liabilities		
Total reportable segments' liabilities	(90,735)	(83,855)
Unallocated		
– corporate liabilities	<u>(42,506)</u>	<u>(157,053)</u>
Consolidated total liabilities	<u>(133,241)</u>	<u>(240,908)</u>

c) *Revenue from major services*

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

	Six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Properties investment	<u>1,334</u>	<u>1,646</u>
	<u>1,334</u>	<u>1,646</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 refers to the location at which the services were provided or the goods delivered. The group's non-current assets include plant and equipment, investment properties and intangible assets and deposit for acquisition of subsidiaries. The geographical location of plant and equipment and investment properties are based on the physical location of the asset. In the case of intangible assets, 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	30 September	30 September	31 March
	2011	2010	2011	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	RMB'000	RMB'000	RMB'000	RMB'000
Hong Kong (place of domicile)	–	–	128,967	126,086
PRC	<u>1,334</u>	<u>1,646</u>	<u>718,767</u>	<u>711,284</u>
	<u>1,334</u>	<u>1,646</u>	<u>847,734</u>	<u>837,370</u>

4. Turnover

The principal activities of the group are properties investment and investing in mining activities.

Turnover represents gross rental income from operating leases. The amount of each significant category of revenue recognised in turnover during the period is as follows:

	Six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Rental income from operating lease	<u>1,334</u>	<u>1,646</u>

5. Loss Before Taxation

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

	Six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
a) Finance cost		
Interest on bank borrowings, overdrafts and other loan wholly repayable within five years	–	–
Interest on bank borrowings overdrafts wholly repayable after five years	<u>2,067</u>	<u>1,930</u>
Total interest expense on financial liabilities not at fair value through profit or loss	<u>2,067</u>	<u>1,930</u>
b) Staff costs		
Salaries, wages and other benefits (including directors' emoluments)	4,226	3,327
Contribution to defined contribution retirement plans (including directors' emoluments)	<u>310</u>	<u>249</u>
	<u>4,536</u>	<u>3,576</u>
c) Other items		
Minimum lease payments under operating leases	1,440	1,058
Depreciation	2,142	355
Gross rental income from investment properties less direct outgoings of RMB1,190,000 (2010: RMB1,262,000)	<u>144</u>	<u>384</u>

6. Income Tax

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

	Six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Deferred tax		
Origination and reversal of temporary difference	<u>(2,987)</u>	<u>(2,129)</u>
Tax charge	<u><u>(2,987)</u></u>	<u><u>(2,129)</u></u>

Note:

i) *Hong Kong profits tax*

No provision for Hong Kong profits tax has been provided for the period as the group has no estimated assessable profits for the period (2010: RMBNil).

ii) *PRC enterprise income tax ("EIT") for the period ended 30 September 2011 is 25% (2010: 25%). The EIT has not been provided for as the group has incurred losses in PRC for the period.*

iii) *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 RMB2,987,000 (2010: approximately RMB2,129,000).

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

	At 30 September 2011 (Unaudited) RMB'000	At 31 March 2011 (Audited) RMB'000
Deferred tax charged to the income statement (<i>note 6 (a)</i>)	<u><u>2,987</u></u>	<u><u>2,129</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 RMB14,157,000 (2010: RMB6,580,000) and on the weighted average number of 161,834,000 ordinary shares in issue during the period (2010: 4,659,000 ordinary shares).

Weighted average number of ordinary shares:

	2011	2010
	Weighted	Weighted
	average	average
	number of	number of
	ordinary shares	ordinary shares
	'000	'000
		(restated)
Issued ordinary shares at 1 April*	96,700	4,546,652
Effect of issue of new shares in placement	207,849	1,225,738
Effect of issue of new shares upon conversion of convertible bonds	4,550,438	184,008
Effect of five-for-one share consolidation	–	(4,577,410)
Effect of fifty-for-one share consolidation	–	(1,347,741)
Effect of thirty-for-one share consolidation	<u>(4,693,153)</u>	<u>(26,588)</u>
Weighted average number of ordinary shares at the end of the period	<u>161,834</u>	<u>4,659</u>

* The number of ordinary shares has been adjusted to take into account the retrospective adjustment to the number of shares outstanding before the rights issue which completed on 21 April 2011 to reflect the bonus element inherent in the rights issue.

b) *Diluted loss per share*

Diluted loss per share equals to basic loss per share because the outstanding convertible bonds and share option had an anti-dilutive effect on the basic loss per share for both periods presented.

8. Trade and Other Receivables

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 2011 (Unaudited) RMB'000	At 31 March 2011 (Audited) RMB'000
Current 3 months overdue	–	118
More than 3 months but less than 12 months overdue	–	–
Trade receivables	–	118
Other receivables (<i>Note 1</i>)	41,270	565
Loan and receivables	41,270	683
Prepayment and deposits	1,233	1,082
Amount due from a related party (<i>Note 2</i>)	123	–
	<u>42,626</u>	<u>1,765</u>

Note 1 Pursuant to the loan agreement between Simsen Capital Finance Limited (“Simsen Capital”), who is a licensed money lender and the borrower, who is an independent third party, Simsen Capital agreed to make the loan of HK\$76,000,000 (“Loan”) available to the borrower. The amount of HK\$48,000,000 has been provided by the Simsen Capital to the borrower directly accordance with the loan agreement and the remaining amount of HK\$28,000,000 has already been lent to the borrower through Power Alliance International Limited (“Power Alliance”), a participant of the Loan under the participation agreement signed between Simsen Capital and Power Alliance.

Under the loan agreement, the borrower had granted the convertible notes and promissory note in favour of Simsen Capital to secure the Loan.

The repayment date of the Loan is the date falling three months from the date of drawdown which may be extended for further three months if so agreed by the parties thereto. The Loan had been draw down by the borrower on 7 June 2011, and the repayment date of the Loan was 6 September 2011. On 7 September 2011, both parties agreed to extend the Loan for further three months to 5 December 2011.

On 27 July 2011, based on the above Loan agreement, the company entered into the participation deed with the Simsen Capital, and the sub-participation agreement with Power Alliance respectively in relation to the participation on the advancement of the first participation amount of HK\$42,000,000 (approximately RMB34,440,000) and second participation amount of HK\$8,000,000 (approximately RMB6,560,000).

Note 2 The amount due from a related party is unsecured, interest free and no fixed repayment term.

DIVIDEND

The directors of the company do not recommend the payment of any interim dividend for the six months ended 30 September 2011 (2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the period under review, the group continued to engage in its principal business activities, including the properties investment business and the investment activities for the exploitation of copper and molybdenum in a mine (“Mine”) located in the Inner Mongolia, the PRC.

As at 30 September 2011, 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.

For the mining business, The mining company (“Mining Company”), being the subsidiary of the company entered into a co-operation agreement (“Cooperation Agreement”) with an independent contractor (“Contractor”) in June 2011 for development of the Mine. The Mining Company agreed to provide the Contractor with the mineral resources of the Mine and all required information related to the procedures of mine construction and processing. The Contractor is responsible for the construction of mining and processing equipment, infrastructure and other ancillary facilities. After completion of the construction, the Contractor will further account for the operation of the Mine. The term of the Cooperation Agreement is 15 years and it can be renewed with the mutual agreement between the Mining Company and the Contractor. Details of which are set out in the announcement of the company dated 22 June 2011. The Mine is still in the development stage and thus has not yet contributed any operational turnover to the group during the period under review. The expenditure incurred on the mining development for the period ended 30 September 2011 was approximately RMB1.9 million (2010: approximately RMB0.4 million).

Financial Review

For the period under review, the group’s turnover was approximately RMB1.3 million (2010: approximately RMB1.6 million), representing an decrease of approximately 18.9% 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 RMB14.4 million (2010: approximately RMB6.6 million) and the loss per share for was RMB0.09 (2010: RMB1.41). The increase in loss for the period was mainly attributable to change in fair value of the convertible bonds and increase in administration and operating expenses of the group.

The administrative and operating expenses of the group for the period amounted to approximately RMB19 million, representing an increase of approximately 47% compared with the same period last year, of which such increase was mainly attributable to the development cost and administrative expenses in the mining business amounted to approximately RMB2.7 million (2010: RMB0.4 million) and other administrative expenses amounted to approximately RMB16.3 million (2010: approximately RMB12.5 million). The finance cost of the group amounted to approximately RMB2.1 million which was incurred for the bank loans under the security of investment properties in Shanghai and the interest on convertible bonds.

Liquidity and Financial Resources

As at 30 September 2011, the group's net current assets were approximately RMB125 million (at 31 March 2011: net current liabilities approximately RMB22.2 million), including cash and bank balance of approximately RMB119 million (at 31 March 2011: approximately RMB5.9 million).

The group had bank borrowings of RMB54 million as at 30 September 2011 (at 31 March 2011: RMB55.5 million). The borrowings were bank loans under security, of which 3.7% were due within one year from balance sheet date, 7.4% were due more than one year but not exceeding two years, 38.9% were due more than two years but not exceeding five years and 50% were due more than five years. The gearing ratio, defined as the percentage of total debts to the total equity of the company, was approximately 9.9% (at 31 March 2011: 33.6%).

Investment Position

The group did not have any significant investment position in stocks, bonds and other financial derivatives as at 30 September 2011.

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

On 13 October 2010, the company issued redeemable convertible bonds ("**Convertible Bonds**") in the principal amount of HK\$210 million at the interest rate of 3% per annum. During the period under review, the company early redeemed part of the Convertible Bonds in the aggregate amount of HK\$140 million and there was no convertible shares being issued under the Convertible Bonds. As at 30 September 2011, the principal amount of the outstanding Convertible Bonds was HK\$40 million.

On 4 May 2011, the company issued 4,974,493,440 new shares under the right issue exercise on the basis of thirty right shares for every one existing issued share at the subscription price of HK\$0.068 per rights share.

On 30 August 2011, the company issued 1,028,000,000 new shares at HK\$0.022 per share under the placing agreement dated 15 August 2011 and supplement agreement to placing agreement dated 23 August 2011.

Save as disclosed above, there was no change in the capital structure of the company for the period ended 30 September 2011.

Charges on group's Assets

As at 30 September 2011, the group's investment properties with a value of approximately RMB210.3 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 2011, the group did not have any material contingent liability (2010: Nil).

Acquisition and Disposal of Subsidiaries

There was no acquisition and disposal of subsidiaries of the group during the period ended 30 September 2011.

Employees

As at 30 September 2011, the group had 41 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

Going forward, the group will continue to focus on the principal activities of properties investment and mining business. In the meantime, we will look for other investment opportunities in any other steam in the long run, including but not limit to petroleum business.

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 2011.

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 2011, 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. Lai Wai Yin Wilson, Ms. Cao Jie Min and Mr. Tse Kwong Wah. 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 2011 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 2011

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. Lai Wai Yin, Wilson, Ms. Cao Jie Min and Mr. Tse Kwong Wah.

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.