中國置業投資控股有限公司*
CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 736)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

The board ("board") of directors ("director") of China Properties Investment Holdings Limited ("company") is pleased to announce the audited results of the company and its subsidiaries ("group") for the year ended 31 March 2014 together with the audited comparative figures for the previous year as follows:

* *For identification purposes only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2014

	Note	**2014** **RMB'000**	2013 RMB'000
Turnover	*4*	**4,596**	9,416
Cost of sales		**(2,471)**	(5,575)
Gross Profit		**2,125**	3,841
Valuation loss on investment properties		**(1,750)**	(18,034)
Other revenue	*4(a)*	**1,439**	1,677
Other net income	*4(b)*	**11**	8,207
Selling expenses		**(195)**	(224)
Administrative expenses		**(45,981)**	(43,937)
Exploration and development expenses of mine		**(244)**	(1,251)
Other operating expenses	*5(d)*	**(82,793)**	(79,000)
Loss from operations		**(127,388)**	(128,721)
Finance costs	*5(a)*	**(4,073)**	(3,825)
Share of profit of an assoicate		**126**	–
Loss before taxation	*5*	**(131,335)**	(132,546)
Income tax	*6*	**328**	4,508
Loss for the year		**(131,007)**	(128,038)
Attributable to:			
Owners of the company		**(123,403)**	(120,430)
Non-controlling interests		**(7,604)**	(7,608)
Loss for the year		**(131,007)**	(128,038)
Loss per share			
– Basic	*7(a)*	**(RMB0.24)**	(RMB0.29)
– Diluted	*7(b)*	**(RMB0.24)**	(RMB0.29)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	RMB'000	*RMB'000*
Loss for the year	**(131,007)**	(128,038)
Other comprehensive income/(loss) for the year		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
– financial statements of group entities outside the PRC	**(2,418)**	(785)
– financial statements of an associate	**16**	–
Total other comprehensive loss for the year, net of nil tax	**(2,402)**	(785)
Total comprehensive loss for the year	**(133,409)**	(128,823)
Attributable to:		
Owners of the company	**(125,805)**	(121,215)
Non-controlling interests	**(7,604)**	(7,608)
Total comprehensive loss for the year	**(133,409)**	(128,823)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014

	Note	2014 RMB'000	2013 RMB'000
Non-current assets			
Plant and equipment		**7,351**	10,097
Investment properties		**177,872**	179,622
Intangible assets		**100,000**	180,000
Deposit for acquisition of subsidiaries	8	**97,845**	119,615
Interest in an associate		**9,119**	–
		392,187	489,334
Current assets			
Trade and other receivables	9	**5,561**	15,480
Trading securities		**138**	149
Cash and cash equivalents		**30,645**	21,308
		36,344	36,937
Current liabilities			
Other payables and accruals		**20,753**	10,872
Interest-bearing bank borrowings		**5,000**	4,500
Current taxation		**44**	–
		25,797	15,372
Net current assets		**10,547**	21,565
Total assets less current liabilities		**402,734**	510,899
Non-current liabilities			
Other payables and accruals		**264**	–
Interest-bearing bank borrowings		**38,500**	43,500
Deferred tax liabilities		**6,025**	6,463
Unconvertible bonds		**15,884**	8,071
Promissory notes		**7,862**	–
		68,535	58,034
NET ASSETS		**334,199**	452,865
EQUITY			
Equity attributable to owners of the company			
Share capital		**14,456**	10,941
Reserves		**310,743**	425,320
		325,199	436,261
Non-controlling interests		**9,000**	16,604
TOTAL EQUITY		**334,199**	452,865

NOTES TO THE FINANCIAL STATEMENTS:

1. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for current accounting period of the group and the company. Note 2 provides information on initial application of these developments to the extent that they are relevant to the group for the current and prior accounting periods reflected in these consolidated financial statements.

The consolidated financial statements are presented in Renminbi ("RMB"), and it is also the functional currency of the company and the group's presentation currency. All amounts are rounded to the nearest thousand except where otherwise indicated.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the group has applied the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

The application of the new and revised HKFRSs in the current year has had no material impact on the group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

3. SEGMENT INFORMATION

Operating segments, and the amounts of each segment item reported in financial statements, 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 board of directors, chief operating decision maker ("CODM"), for the purposes of resource allocation and performance assessment.

The CODM considers the business from both geographic and product perspectives. 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 property investment segment and the investing in mining activities segment offer very different products and services.

PROPERTIES INVESTMENT: The properties investment reportable operating segment derives its revenue primarily from leasing of investment properties.

INVESTING IN MINING ACTIVITIES: The investing in mining activities reportable segment derives its revenue from the cooperation of the exploitation of copper and molybdenum mines with third party.

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 liabilities attributable to each reportable segment on the following bases:

The accounting policies of the reportable segments are the same as the group's accounting policies. 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.

Revenue and expenses are allocated to the reportable segments with reference to sale 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 statement of profit or loss.

All assets are allocated to reportable segments other than trading securities and corporate assets. All liabilities are allocated to reportable segments other than current tax liabilities and corporate liabilities.

Information regarding the group's reportable segments as provided to the group's CODM for the purposes of resources allocation and assessment of segment performance for the year ended 31 March 2014 and 2013 is set out below.

	2014			2013		
	Properties investment *RMB'000*	**Investing in mining activities** *RMB'000*	**Total** *RMB'000*	Properties investment *RMB'000*	Investing in mining activities *RMB'000*	Total *RMB'000*
Revenue from external customers	**4,596**	**–**	**4,596**	9,416	–	9,416
Reportable segment revenue	**4,596**	**–**	**4,596**	9,416	–	9,416
Reportable segment loss before taxation	**(12,507)**	**(85,435)**	**(97,942)**	(16,129)	(85,617)	(101,746)
Interest income of bank deposits	**1**	**–**	**1**	2	1	3
Exploration and development expenses of mine	**–**	**(244)**	**(244)**	–	(1,251)	(1,251)
Depreciation	**(627)**	**(3,252)**	**(3,879)**	(661)	(3,232)	(3,893)
Reversal of impairment loss of prepayment	**–**	**–**	**–**	8,140	–	8,140
Valuation loss on investment properties	**(1,750)**	**–**	**(1,750)**	(18,034)	–	(18,034)
Impairment loss of intangible assets	**–**	**(80,000)**	**(80,000)**	–	(79,000)	(79,000)
Impairment loss of rental receivable	**(2,302)**	**–**	**(2,302)**	–	–	–
Compensation for early termination of operating lease	**(277)**	**–**	**(277)**	–	–	–
Loss on disposal of plant and equipment	**–**	**(205)**	**(205)**	–	–	–
Income tax credit	**438**	**–**	**438**	4,508	–	4,508
Finance costs	**(3,352)**	**(4)**	**(3,356)**	(3,763)	–	(3,763)
Reportable segment assets	**181,266**	**105,472**	**286,738**	186,253	186,564	372,817
Additions to non-current assets during the year	**5**	**2,397**	**2,402**	259	4	263
Reportable segment liabilities	**53,459**	**5,874**	**59,333**	54,504	3,245	57,749
Deferred tax liabilities	**6,025**	**–**	**6,025**	6,463	–	6,463
Total liabilities	**59,484**	**5,874**	**65,358**	60,967	3,245	64,212

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

		2014 *RMB'000*	2013 *RMB'000*
(i)	**Revenue**		
	Total reportable segment revenue	**4,596**	9,416
	Elimination of inter-segment revenue	**–**	–
	Consolidated turnover	**4,596**	9,416
(ii)	**Profit/(loss)**		
	Total reportable segments' loss	**(97,942)**	(101,746)
	Share of profit of an associate	**126**	–
	Unallocated corporate income	**14**	164
	Depreciation	**(788)**	(803)
	Interest income	**1,068**	796
	Finance costs	**(717)**	(62)
	Unallocated corporate expenses	**(33,096)**	(30,895)
	Consolidated loss before taxation	**(131,335)**	(132,546)
(iii)	**Assets**		
	Total reportable segments' assets	**286,738**	372,817
	Unallocated corporate assets	**141,793**	153,454
	Consolidated total assets	**428,531**	526,271
(iv)	**Liabilities**		
	Total reportable segments' liabilities	**(65,358)**	(64,212)
	Current taxation	**(44)**	–
	Unallocated corporate liabilities	**(28,930)**	(9,194)
	Consolidated total liabilities	**(94,332)**	(73,406)

(v) Other items

	2014			
	Properties investment *RMB'000*	**Investing in mining activities** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Interest income				
– loan receivable	**–**	**–**	**1,067**	**1,067**
– bank deposits	**1**	**–**	**1**	**2**
Depreciation	**(627)**	**(3,252)**	**(788)**	**(4,667)**
Finance cost	**(3,352)**	**(4)**	**(717)**	**(4,073)**
Income tax credit/(expense)	**438**	**–**	**(110)**	**(328)**

	2013			
	Properties investment *RMB'000*	Investing in mining activities *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Interest income				
– loan receivable	–	–	762	762
– bank deposits	2	1	34	37
Depreciation	(661)	(3,232)	(803)	(4,696)
Finance cost	(3,763)	–	(62)	(3,825)
Income tax credit	4,508	–	–	4,508

c) Revenue from major services

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

	2014 *RMB'000*	2013 *RMB'000*
Properties investment	**4,596**	9,416

d) Geographical 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, 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**	
	2014	2013	**2014**	2013
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Hong Kong (place of domicile)	**–**	–	**109,024**	122,386
PRC	**4,596**	9,416	**283,163**	366,948
	4,596	9,416	**392,187**	489,334

e) Information about major customers

Revenues from customers contributed 10% or more of the total revenue of the group are as follows:

	2014	2013
	RMB'000	*RMB'000*
Customer A – revenue from properties investment – the PRC	**1,768**	6,704
Customer B – revenue from properties investment – the PRC	**2,828**	2,712
	4,596	9,416

4. TURNOVER AND OTHER REVENUE

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

Turnover represents rental income from investment properties. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2014	2013
	RMB'000	*RMB'000*
Rental income from investment properties	**4,596**	9,416

	2014	2013
	RMB'000	*RMB'000*
a) Other revenue		
Interest income on loan receivables	**1,067**	762
Interest income on bank deposits	**2**	37
Total interest income on financial assets not at fair value through profit or loss	**1,069**	799
Agency income	**–**	128
Sundry income *	**370**	750
	1,439	1,677

* The amount of RMB296,000 included in sundry income from mining operation.

	2014	2013
b) Other net income		
Reversal of impairment loss of prepayment #	**–**	8,140
Fair value gain on trading securities	**–**	29
Gain on disposal of plant and equipment	**–**	38
Government subsidy *	**11**	–
	11	8,207
	1,450	9,884

* Subsidy income from government mainly relates to cash subsidies in respect of property investment industry which is unconditional grants.

\# The amount represents the deposits of amount approximately RMB15,000,000 paid for acquisition of investment properties during the year 2008 and was fully written off during the year 2009 as the amount is long outstanding and the recoverability of the amount is low. Part of the deposits was recovered in the year 2013, therefore the impairment loss was reversed.

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting) the following:

		2014 *RMB'000*	2013 *RMB'000*
a)	**Finance costs**		
	Interest expenses on bank borrowings not wholly repayable within five years	**3,352**	3,766
	Total interest expenses on financial liabilities not at fair value through profit or loss	**3,352**	3,766
	Interest on other borrowings	**4**	–
	Interest on promissory notes	**193**	–
	Interest on unconvertible bonds	**524**	59
	Total interest expense	**4,073**	3,825
b)	**Staff costs (including directors' emoluments)**		
	Salaries, wages and other benefits	**14,762**	14,622
	Contribution to defined contribution retirement plans	**571**	644
		15,333	15,266
c)	**Other items**		
	Auditor's remuneration		
	– audit services	**871**	804
	– other services	**666**	582
	Depreciation	**4,667**	4,696
	Gross rental income from investment properties less direct outgoings of RMB2,471,000 (2013: RMB5,575,000)	**(2,125)**	(3,841)
	Operating lease charges: minimum lease payments (including directors' quarters)	**5,585**	3,829
	Gain on disposal of plant and equipment	**–**	(38)
	Exploration and development expenses of mine	**244**	1,251
d)	**Other operating expenses**		
	Fair value loss of trading securities	**9**	–
	Impairment loss of intangible assets	**80,000**	79,000
	Compensation for early termination of operating lease (i)	**277**	–
	Impairment loss of rental receivables (ii)	**2,302**	–
	Loss on disposal of plant and equipment	**205**	–
		82,793	79,000

(i) Shanghai Xiang Chen Hang Place The Industry Co. Ltd. ("Shanghai Xiang Chen Hang") early terminated a tenancy agreement located in Shanghai, the PRC. On 18 November 2013, the mediation agreement was reached between the landlord and Shanghai Xiang Chen Hang. According to the agreement, rental deposit of RMB277,000 was forfeited as compensation for the early termination.

(ii) During the period, a tenant moved out without notice. Rental receivables of RMB2,302,000 (2013: Nil) was fully impaired.

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

a) Income tax in the consolidated statement of profit or loss represents:

	2014	2013
	RMB'000	*RMB'000*
Current tax		
Hong Kong profits tax	**110**	–
Overseas tax calculated at rates prevailing in relevant jurisdiction	**–**	–
	110	–
Deferred tax		
Reversal of temporary differences	**(438)**	(4,508)
Tax credit	**(328)**	(4,508)

The provision for Hong Kong Profits Tax for 2014 is calculated at 16.5% (2013: 16.5%) of estimated assessable profits for the year, taking into account a one-off reduction of 75% of the tax payable for the year of assessment 2013/14 subject to a ceiling of HK$10,000 (equivalent to approximately RMB8,000) allowed by the Hong Kong SAR Government for each business.

The PRC enterprise income tax (the "EIT") for the year ended 31 March 2014 is 25% (2013: 25%). EIT has not been provided for as the group has incurred loss for the year.

No deferred tax liabilities have been recognised on the retained profits of subsidiaries as the company controls the dividend policy of these subsidiaries and it has been determined that it is probable that certain profits earned by the group's PRC subsidiaries will not be distributed in the foreseeable future. Particularly, the group's PRC subsidiaries incurred a loss for the year ended 31 March 2014.

b) Reconciliation between tax credit and accounting loss at applicable tax rate:

	2014 *RMB'000*	2013 *RMB'000*
Loss before taxation	**(131,335)**	(132,546)
Notional tax on loss before taxation, calculated at the tax rate applicable to loss in the jurisdictions concerned	**(30,090)**	(30,559)
Tax effect of non-taxable income	**(23)**	(2,117)
Tax effect of non-deductible expenses	**25,652**	25,710
Tax effect of deductible temporary differences not recognised	**(445)**	(4,729)
Tax effect of unused tax losses not recognised	**4,586**	7,187
One-off tax reduction	**(8)**	–
Tax credit	**(328)**	(4,508)

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 RMB123,403,000 (2013: loss of RMB120,430,000) and the weighted average number of 518,742,000 ordinary shares (2013: 420,626,000 ordinary shares) in issue during the year.

Weighted average number of ordinary shares:

	2014 *'000*	2013 *'000*
Issued ordinary shares at the beginning of the year*	**441,915**	344,350
Effect of rights issue	**–**	76,276
Effect of issuance of new shares in placement	**76,827**	–
Weighted average number of ordinary shares at the end of the year	**518,742**	420,626

* *The number of ordinary shares for the year ended 31 March 2013 has been adjusted to take into account the retrospective adjustment to the number of shares outstanding before the rights issue which was completed on 24 September 2012 to reflect the bonus element inherent in the rights issue.*

b) Diluted loss per share

There are no potential ordinary shares in issue during the year and at the end of the reporting period.

Diluted loss per share equals to basic loss per share because the outstanding share options had an anti-dilutive effect on the basic loss per share for the year ended 31 March 2013.

8. DEPOSIT FOR ACQUISITION OF SUBSIDIARIES

	2014	2013
	RMB'000	*RMB'000*
At 1 April	**119,615**	120,479
Refund of prepayment	**(19,803)**	–
Exchange realignment	**(1,967)**	(864)
At 31 March	**97,845**	119,615

a) Background

On 21 June 2010, the company entered into the Memorandum of Understanding ("MOU of Pure Power") with certain independent third parties in relation to the possible acquisition of the 100% equity interest in Pure Power Holdings Limited ("Pure Power") which owns a 100% equity interest in Bright Sky Energy & Minerals, INC ("Bright Sky"), a company incorporated in Nevada, USA. Bright Sky is the holder of three leases with exploration and exploitation rights for oil and gas assets in Nevada, USA. The interest of possible acquisition of Pure Power was amended to 71.76% under the letter of confirmation signed on 20 September 2011.

According to the Supplemental Memorandum of Understanding (the "SMOU") signed on 20 September 2010, the total deposit of the transaction is US$150 million (equivalent to approximately RMB944 million). According to the letter of confirmation signed on 24 December 2012, the group has to settle the balance of the deposit of US$131 million (equivalent to approximately RMB824 million) before 20 March 2013.

In accordance with the terms of the MOU of Pure Power, the MOU of Pure Power shall have a term of three months. The company has requested and the vendors have agreed to extend the term of the MOU of Pure Power for another one month to until 20 October 2010 by entering into the SMOU. Pursuant to the SMOU, the company shall have the rights to extend the period. The exclusivity period has also been extended for one month to 20 October 2010. On 20 October 2010, the company entered into a letter of confirmation with the sellers whereby, inter alia, the term of the MOU as amended by the SMOU was further extended to 20 December 2010. The letter of confirmation was extended several times to 20 March 2013.

According to the 2nd Supplemental Memorandum of Understanding (the "2nd SMOU") signed on 20 June 2013, the group and the vendors agreed that the balance of the deposit of US$131 million shall not be paid until the formal agreement for the sale and purchase is entered between the group and the vendors and it shall be paid in accordance with the terms of the formal agreement for the sale and purchase. In addition the exclusivity period has been extended for a further six months to 20 September 2013 (the "New Exclusivity Period"). The group shall have the right to extend the New Exclusivity Period for a further three months (or any period as agreed by the group and the vendors) by notifying the vendors in writing no later than two days prior to the expiration of the New Exclusivity Period. On 16 October 2013, the company entered into a letter of confirmation with the vendors whereby, inter alia, the term of the MOU as amended by the SMOU and the 2nd SMOU was further extended for three months to 20 December 2013. The date of the exclusivity period has also been extended to 20 December 2013.

b) Reason for termination of possible acquisition

On 31 May 2013, the company announced that it has sought confirmation from The Stock Exchange of Hong Kong Limited ("HKEX") regarding whether the possible acquisition would be classified for the purposes of the Listing Rules as a very substantial acquisition only but not a back door listing or a reverse takeover. The HKEX replied that they considered the possible acquisition is an extreme case and therefore, they would classify it as a reverse takeover under the relevant Listing Rule (the "Ruling").

On 20 August 2013, notwithstanding further information provided for the HKEX's re-consideration of the Ruling, the HKEX replied that they upheld their decision that the possible acquisition is a reverse takeover. On 28 August 2013, the company filed an application to HKEX to seek a review of the Ruling. After a review hearing held on 22 October 2013, the company received a letter from the Listing Committee of the HKEX on 25 October 2013 stating that it decided to uphold the decision of the Listing Division that the possible acquisition would constitute a reserve takeover ("Review Decision").

On 18 December 2013, due to the Review Decision, the company intended not to extend the term of the MOU and intends to request the Vendors to return deposit in the sum of US$19,000,000 (equivalent to approximately HK$148,200,000) paid by the company to the vendors in accordance with the MOU (the "Said Deposit").

c) Repayment of the deposit for acquisition of subsidiaries

On 30 January 2014, the company signed a Deed of Termination (the "Deed") with the vendors to unconditionally and irrevocably terminate the MOU and its supplementary documents signed subsequently ("Amended MOU"). Upon the fulfillment of conditions precedent (the "Effective Date"), the company and the vendors shall be released and discharged from all their rights and obligations under the Amended MOU. Under the Deed, the Said Deposit shall be returned by the vendors to the company in cash of HK$25,000,000 (equivalents to approximately RMB19,803,000) and in promissory notes ("PN") of HK$123,200,000 (equivalents to approximately RMB97,845,000) satisfied by the vendors procuring China Environmental Energy Investment Limited (the "Issuer"), a company incorporated in Bermuda and the shares of which are listed in the Hong Kong Stock Exchange.

Before signing of the Deed, on 16 January 2014, the vendors repaid in cash amounting to HK$25,000,000 (equivalents to RMB19,803,000). On 29 April 2014, the Issuer issued PN in an aggregate principal amount of HK$123,200,000 (equivalents to approximately RMB97,845,000) to the company as the vendors nominate the company to accept the PN. The PN bear interest at 8% per annum. The interest shall be repaid together with principal in one lump sum upon maturity on 29 April 2015 by the Issuer. The PN may be assigned or transferred (in integral multiple of HK$500,000) to any third party (other than a connected person as defined in the Listing Rules) subject to the Listing Rules and the applicable laws. The Issuer may redeem all or part of the principal amount and interest at any time three business days prior to the maturity date (i.e. 29 April 2015) at 100% of their face value together with all interest accrued on the principal amount of the PN thereby redeemed but unpaid, by giving the company not less than seven days' prior written notice specifying the amount and date of prepayment without any penalty, prepayment or other fees. Otherwise, the settlement of the principal and interest payment of PN shall be made in full upon the maturity date (i.e. 29 April 2015).

The shareholder of the vendors acted as a guarantor for the PN if the issuer of PN defaults for the payment of principal and interest of PN. ("Default Event")

The company obtained the indemnity letter from the guarantor, who guarantees to the company if the Default Event occurs. The directors considered the guarantor has adequate financial resources to repay the principal and interest of PN.

In the opinion of management of the company, although the Issuer:

i) had a net current liabilities and net liabilities position as at 30 September 2013;

ii) was loss making for the year ended 31 March 2013 and during the six months ended 30 September 2013;

iii) was heavily leveraged with gearing ratio of 1.01 at 30 September 2013; and

iv) has records of extending the repayment date of other promissory note.

The management believes that no impairment allowance is necessary in respect of the Issuer obtained a loan facilities of HK$200,000,000 from an independent third party not connected with the Issuer and the shareholder of the vendors acted as a guarantor. The deposit are considered fully recoverable.

9. TRADE AND OTHER RECEIVABLES

	2014	2013
	RMB'000	*RMB'000*
Trade receivables	**6,785**	6,731
Less: allowance for doubtful debts (b)(i)	**(5,140)**	(2,838)
Trade receivables (net)	**1,645**	3,893
Loan and interest receivables *(note 2)*	**39,710**	47,128
Less: impairment *(note 2) (b)(ii)*	**(39,710)**	(40,356)
Loan and interest receivables (net)	**–**	6,772
Other receivables	**1,180**	905
Loans and receivables	**2,825**	11,570
Prepayments and deposits	**2,736**	3,910
	5,561	15,480

Note:

1) All of the trade and other receivables are expected to be recovered within one year.

2) On 27 July 2011, the company entered into a participation deed with the Simsen Capital Finance Limited ("Simsen") and the sub-participation agreement with Power Alliance International Limited respectively in relation to the participation of the advancement of the first participation amount of HK$42,000,000 and second participation amount of HK$8,000,000 (together the "Participation Loans"). The interest rate for Participation Loans was 18% per annum. The Participation Loans are in association with a loan agreement (the "Loan Agreement") between Simsen and Make Success Limited ("Borrower"). The Borrower has assigned a promissory note of HK$300,000,000 (the "PN") and a convertible note of HK$90,000,000 (the "CN") as security to Simsen under the Loan Agreement. The PN and CN were issued by Mayer Holdings Limited ("Mayer") to the Borrower.

   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 drawn 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. The Borrower had defaulted the first and second payments during the year ended 31 March 2012.

   Following a litigation between Mayer and the Borrower, Simsen disposed of the PN on 10 February 2012 for an amount of HK$10,000,000 with the consent of the company. The company anticipates that after the payment of all costs and expenses incurred in connection with the disposal, the portion that will be repaid to the company by Simsen is approximately HK$5,700,000 which will be applied to settle part of the accrued interest. Due to the uncertain outcome of the litigation, Simsen had not yet confirmed and repaid the disposal amount to the company. Therefore, the company had not yet recognised the amount as income for the year ended 31 March 2014 and 31 March 2013.

   As at 31 March 2012, the company engaged an independent valuer to perform a valuation on the loan receivables. The valuation performed by Castores Magi Asia Limited, an independent professional valuer, who has a recognised and relevant professional qualification and recent experience in this area. Taking into consideration the legal advice on the recoverability and the assessment of the market value of the loan receivables, the directors of the company considered that the loan receivables of HK$50,000,000 (equivalent to 2014: RMB39,710,000, 2013: RMB40,356,000) was fully impaired.

a) **Ageing analysis**

Trade receivables are net of allowance for doubtful debts of RMB5,140,000 (2013: RMB2,838,000) with the following ageing analysis presented based on invoice date as of the end of the reporting period:

	2014	2013
	RMB'000	*RMB'000*
Current	**–**	–
1 to 3 months overdue	**1,645**	3,893
	1,645	3,893

Trade receivables are due after the date of billing.

b) **Impairment of trade receivables**

i) ***The movements in the allowance for doubtful debts***

Impairment losses in respect of trade receivables are recorded using an allowance account unless the group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

	2014	2013
	RMB'000	*RMB'000*
At 1 April	**2,838**	2,838
Impairment loss recognised *(note)*	**2,302**	–
At 31 March	**5,140**	2,838

Note: As at 31 March 2014, trade receivables of the group amounting to approximately RMB5,140,000 (2013: RMB2,838,000) were individually determined to be impaired. During the period, the tenant moved out without notice. Rental receivables of RMB2,302,000 (2013: Nil) was individually determined to be impaired. These individually impaired receivables were outstanding for over 180 days as at the end of the reporting period and the management considered the recoverability of the amount is low. The group does not hold any collateral over these balances.

ii) The movements of impairment loss of loan and interest receivables

	2014	2013
	RMB'000	*RMB'000*
At 1 April	**40,356**	41,054
Impairment loss recognised	**–**	–
Exchange realignment	**(646)**	(698)
A 31 March	**39,710**	40,356

c) Trade receivables that are not impaired

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	2014	2013
	RMB'000	*RMB'000*
Neither past due nor impaired	**–**	–
Past due but not impaired		
– Less than 3 months past due	**1,645**	3,893

Receivables that were past due but not impaired relate to a tenant that have a good track record with the group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The group hold rental deposits of RMB565,000 (2013: RMB1,765,000) as collateral over these balances.

EXTRACT OF INDEPENDENT AUDITORS' REPORT

BASIS FOR QUALIFIED OPINION

Scope limitation on recoverability of deposit for acquisition of subsidiaries

As set out in note 20 to the consolidated financial statements, the company intended not to continue the possible acquisition of 71.76% equity interest in Pure Power Holdings Limited and requested the vendors to return the deposit paid by the company. The deposit for acquisition of subsidiaries of RMB97,845,000 (the "Deposit") was settled by the vendors, through the promissory notes issued by a listed company (the "Issuer") in Hong Kong on 29 April 2014. The promissory notes carry an interest of 8% per annum and repayable in 1 year from its issue date. However, we were unable to obtain sufficient information to evaluate the ability of the Issuer of the promissory notes to make payment on maturity date. We were therefore unable to satisfy ourselves as to whether the Deposit could be recovered in full or to determine the amount of impairment, if any. There were no other alternative audit procedures that we could carry out to satisfy ourselves as to any impairment loss would had been made for the Deposit. Any adjustments that might have found to be necessary in respect of the above would have had a consequential effect on the net asset of the group as at 31 March 2014, and of its loss for the year, and the related disclosures made in the consolidated financial statements.

QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph, the consolidated financial statements give a true and fair view of the state of affairs of the company and of the group as at 31 March 2014, and of the group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

DIVIDEND

The directors of the company do not recommend the payment of any dividend for the year ended 31 March 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

For the year under review, the Group's turnover was approximately RMB4.59 million (2013: approximately RMB9.42 million), representing an decrease of approximately 51.2% compared with last year. The decrease in turnover was mainly due to termination of certain operating leases during the year under review.

The audited net loss for the year was approximately RMB131.01 million (2013: approximately RMB128.04 million) and the loss per share was RMB0.24 (2013: RMB0.29). The loss for the year included the impairment loss of the mining rights for the copper and molybdenum in Inner Mongolia which was caused by the decline in both the copper and molybdenum price resulting from the slowdown in global economic growth.

The administrative and selling expenses of the Group for the year amounted to approximately RMB46.18 million (2013: approximately RMB44.16 million), representing an increase of approximately 4.6% compared with last year. The finance cost of the Group amounted to approximately RMB4.07 million (2013: approximately 3.83 million) which was incurred for the bank loans under the security of investment properties in Shanghai, promissory notes and the unconvertible bonds issued by the Company during the year.

Business Review

During the year under review, the Group continued to engage in its principal business activities, including the properties investment business and the exploitation of the Mine located in the Inner Mongolia, the PRC.

Properties investment business

As at 31 March 2014, the aggregate gross floor area of the investment properties being held by the Group was approximately 7,004 square meters, of which approximately 27% was leased to third parties under operating leases with lease terms ranging up to eight years.

Mining Business

Regarding the mining business, with an aim to ensure smooth development of the Mine and to provide a basis for the mine construction so as to reduce the risk of development, the Keshi Ketengqi Great Land Mine Industries Company Limited* (克什克騰旗大地礦業有限公司) (the "Mining Company") gradually underwent the relevant approval formalities for the Mine during the year, and had obtained replies on the energy-conservation assessment, water resources assessment and pre-assessment of the land from the local government and the annual verification certificate of the mining rights. Meanwhile, the Mining Company entrusted Chifeng Jinyue Mine Engineering Design Co., Ltd.* (赤峰市金嶽礦山工程設計公司) to develop the preliminary design of the tailing reservoirs of the processing plant and prepare the safety special chapter, and entered into the Staged Treatment Proposal on Geological Environment and Land Rehabilitation on the Mine with Chifeng Guancheng Geological Exploration Co., Ltd.* (赤峰市冠誠地質勘查有限責任公司). The report had been completed and was approved by the Department of Land and Resources of Inner Mongolio Autonomous Region and the Land and Resources Bureau of Chifeng City.

As many regions and cities of Inner Mongolia Autonomous Region were hit by major flooding disasters last year, and the road to the mine was severely destroyed. For the upcoming construction commencement on the Mine, the Mining Company repaired and restored the road to the Mine. In order to achieve a win-win situation in social and economic benefit as soon as possible, the Mining Company will carry out the construction by strictly following the government approved advice and mining design as well as each rule and regulation during future mining and processing. The Mining Company was striving to speed up the preliminary approval process, with an aim to obtain reply on the project from the government as soon as possible so as to commence construction and production of the Mine.

The expenditure incurred on the mining development for the year ended 31 March 2014 was approximately RMB0.3 million. There is no material change in the estimated mineral resources of the Mine for the year ended 31 March 2014.

Money Lending Business

The Group has provided loans in an aggregate principal amount of HK$8 million with the interest rates of 20% per annum during the year and the interest income was approximately HK$1.35 million. There was no outstanding loan at the year ended 31 March 2014.

Termination of the Possible Acquisition of Pure Power Holdings Limited

On 21 June 2010, the Company entered into the memorandum of understanding ("MOU") with the then shareholders of the Pure Power Holdings Limited ("Target Company") in relation to the acquisition of the entire interest in the Target Company ("Possible Acquisition"). Subsequently on 20 September 2010, the Company entered into the supplemental memorandum of understanding ("SMOU") with the then shareholders ("BVI Cos") of the Target Company and their respective ultimate beneficial owners pursuant to which a refundable cash deposit of up to US$150,000,000 (equivalent to HK$1,170,000,000) shall be paid by the Company to each of the then shareholders of the Target Company or their nominees on such date to be agreed by the parties to the SMOU. On or about 22 September 2010, 30 November 2010 and 21 December 2010, the Company paid the then shareholders of the Target Company deposits in the amount of US$10,000,000 (equivalent to HK$78,000,000), US$3,000,000 (equivalent to HK$23,400,000) and US$6,000,000 (equivalent to HK$46,800,000) respectively (collectively "Deposits"). Later, pursuant to a letter of confirmation dated 9 September 2011, one of the then shareholders of the Target Company, namely Bloom Trade Limited, was no longer a party to the Possible Acquisition and accordingly, all of its obligations under the MOU as amended by the SMOU and the previous letters of confirmation shall be released, hence the Possible Acquisition then became a possible acquisition by the Company of approximately 71.76% of the issued share capital of the Target Company. Pursuant to the second supplemental memorandum of understanding ("2nd SMOU") entered into between the Company and the BVI Cos on 20 June 2013, the remaining deposit shall not be paid by the Company unless and until the Company and the BVI Cos entered into a formal sale and purchase agreement. As at the date of the 2nd SMOU, an aggregate amount of US$19,000,000 (equivalent to HK$148,200,000) has been paid by the Company as refundable deposit. As a continuing security for the due and punctual performance and observance by each of the BVI Cos of all the obligations of the Target Company and the Project Company contained in the MOU (as amended by the SMOU, the 2nd SMOU and the Letters of Confirmations), each of the BVI Cos has charged its respective shareholdings in the share capital of the Target Company to the Company pursuant to the Share Mortgages.

As set out in the announcements in respect of the Possible Acquisition, the Company has sought confirmation from the Stock Exchange regarding whether the Possible Acquisition would be classified for the purposes of the Listing Rules as a very substantial acquisition only but not a backdoor listing or a reverse takeover pursuant to Rule 14.06(6) of the Listing Rules. The Stock Exchange replied that they considered the Possible Acquisition is an extreme case and therefore, they would classify it as a reverse takeover under Rule 14.06(6) of the Listing Rules and the Company would be treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules if it proceeds with the Possible Acquisition. Such decision was upheld by the Listing Committee of the Stock Exchange. As such, after due consideration, the Board decided not to proceed with the Possible Acquisition.

On 30 January 2014, the Company, the BVI Cos and Xiong Wei ("Guarantor ") entered into the deed of termination ("Deed of Termination") for termination of the MOU, SMOU and 2nd SMOU (collectively "Amended MOU"). Pursuant to the Deed of Termination, the Company and each of the BVI Cos unconditionally and irrevocably agreed to terminate the Amended MOU. Upon the date when all the conditions precedent of the Deed of Termination are fulfilled ("Effective Date"), the Company and the BVI Cos shall be released and discharged from all their rights and obligations under the Amended MOU, save and except for any antecedent breach. The Guarantor has agreed inter alia to guarantee the performance of the obligations of the BVI Cos under the Deed of Termination and the performance of the obligations of the ListCo under the Promissory Note. The Deposit in the aggregate amount of HK$148,200,000 shall be returned by the BVI Cos to the Company in the following manner:

(a). a sum of HK$25,000,000 payable in cash by the BVI Cos to the Company on or before the execution of the Deed of Termination; and

(b). within 14 business days from the Effective Date (or any other days as mutually agreed by the Company and the BVI Cos in writing), a sum of HK$123,200,000 to be satisfied by the BVI Cos procuring the company ("Listco"), the shares of which are listed on the Stock Exchange, to issue the promissory note ("Promissory Note") in the aggregate principal amount of HK$123,200,000 due 12 months with an interest rate of 8% per annum in favour of the Company or its nominee.

As at the date of this announcement, the BVI Cos have paid the sum of HK$25,000,000 in cash to the Company and the Company has also received the Promissory Note in accordance with the terms of the Deed of Termination.

As disclosed in the announcement of the Company dated 18 December 2013, the BVI Cos were of the view that the term of the MOU has been extended for over 2 years and during that period, the BVI Cos have turned down many potential purchasers who were interested in acquiring the Target Company, resulting in its loss on time and potential gains. Despite the Company requested the BVI Cos to return the full amount of the Deposit in cash to Company, the BVI Cos refused to make such payment and offered to repay part of the Deposit by way of promissory note. Although the Company is of the view that it has no liability for any matters in relation to or arising from the Possible Acquisition, the Company has considered:–

1. that if the Company insists on immediate payment of the Deposit from the BVI Cos, the Company has to proceed to litigation, which is costly and time consuming and the time required for getting back the Deposit is uncertain and could be over a year;

2. that the BVI Cos are investment holding companies incorporated in the BVI. The principal assets in the BVI Cos are the shares of the Target Company. If the Company proceeds to the litigation, the Company may get back the shares of the Target Company and it will have to seek an interested purchaser in the market in order to realize those shares. There is no guarantee that the terms offered by the interested purchaser would be better than those of the Promissory Note; and

3. the following terms of the Promissory Notes:–

    (a). the Promissory Note will be issued by a listed company in Hong Kong;

    (b). the interest rate of the Promissory Note is much higher than the prevailing interest rate of the banks;

    (c). the terms of the Promissory Note is no more than a year; and

    (d). other than the share mortgage entered into by Fortune Glow and the Company on 22 September 2010, the remaining share mortgages entered into by the Company and each of the BVI Cos on 22 September 2010 ("Shares Mortgage") will only be released and discharged upon the settlement of the entire principal amount of the Promissory Note together with all interest accrued in full.

In light of the above, the Company decided to accept the Promissory Note instead of requesting immediate payment of the Deposit by the BVI Cos, and considered that the Promissory Note as a more promising way to get back the money.

In assessing the credit risks of the Promissory Note, although the Company noted that the Listco:–

(1) had a net current liabilities and net liabilities position as at 30 September 2013;

(2) was loss making for the year ended 31 March 2013 and during the six months ended 30 September 2013;

(3) was heavily leveraged with gearing ratio of 1.01 as at 30 September 2013; and

(4) has records of extending the repayment date of other promissory notes.

The Board has also considered that the Guarantor agreed to guarantee the performance of obligations of the Listco under the Promissory Note and the remaining Share Mortgages will only be released and discharged upon the full settlement of the Promissory Note.

Since proceeding to litigation may be costly and time consuming and the possible remedy the Company may be granted after the proceedings are the shares in the Target Company, the Board considers that the position of the Company will not be better off if the Company insists on immediate repayment of the Deposit from the BVI Cos by commencing legal action against them than accepting the repayment by way of the Promissory Note. The number of shares secured by the remaining Share Mortgage represents approximately 43.52% issued share capital of the Target Company. In the event that the Promissory Note is defaulted, instead of taking possession of the Target Company, which may constitute a reverse takeover, the Company may sell or dispose of the secured assets, subject to market conditions and the advice from its professional advisors (including but not limited to, accounting, financial, legal and tax advisors).

Accordingly, the Directors are in the opinion that the terms of the Deed of Termination (including the terms for the return of the Deposit) are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Details of the Deed of Termination are set out in the circular of the Company dated 13 March 2014.

On 2 April 2014, a resolution was passed in a special general meeting to approve, confirm and ratify the Deed of Termination and the transactions contemplated thereunder.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2014, the Group's net current assets were approximately RMB10.5 million (2013: approximately RMB21.6 million), including cash and bank balances of approximately RMB30.6 million (2013: approximately RMB21.3 million).

The Group had bank borrowings of approximately RMB43.5 million as at 31 March 2014 (2013: approximately RMB48 million), of which 11.5% were due within one year from the end of reporting period, 26.4% were due more than one year but not exceeding two years and 62.1% were due more than two years but not exceeding five years. The gearing ratio, defined as the percentage of net debts to the total equity of the Company, was approximately 11.1% (2013: 7.7%).

INVESTMENT POSITION

The Group did not have any significant investment position in stocks, bonds and other financial derivatives as at 31 March 2014.

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 year under review, the Group did not use any financial instruments for hedging purposes.

SHARES CAPITAL AND CAPITAL STRUCTURE

On 27 August 2013, the Company issued 50,000,000 new Shares at HK$0.136 per share under the placing agreement dated 16 August 2013. The net proceeds from the placing was approximately HK$6.65 million which was wholly used for the general working of the Group as at the date of this annual report as intended.

On 23 September 2013, the Company issued 58,000,000 new Shares at HK$0.14 per share under the placing agreement dated 12 September 2013. The net proceeds from the placing was approximately HK$7.8 million of which HK$1.5 million was used as consideration for acquisition of EdKnowledge Group Limited and the remaining balance used as general working capital of the Group as intended.

On 25 October 2013, the Company issued 40,000,000 new Shares at HK$0.104 per share under the placing agreement dated 2 October 2013. The net proceeds from the placing was approximately HK$4.02 million of which approximately HK$2.2 million was used for the general working of the Group as intended and the remaining balance was held as bank deposit as at the date of this annual report.

On 4 December 2013, the Company issued a 7-year unconvertible bond in the principal amount of HK$10,000,000 to an independent third party at the interest rate of 5% per annum under the bond placing agreement dated 9 May 2013 and supplementary bond placing agreement dated 29 November 2013. The net proceeds from the placing was approximately HK$9.9 million which was held as bank deposit as at the date of this annual report.

On 11 December 2013, the Company issued a fixed coupon note in the principal amount of HK$10,000,000 at the interest rate of 8% per annum to the Global Success Business Inc. as the consideration for the acquisition of 3,382 ordinary shares in Edknowledge Group Limited.

CHARGES ON GROUP'S ASSETS

As at 31 March 2014, the Group's investment properties with a value of approximately RMB134 million were pledged to secure general banking facilities granted to Shanghai Xiang Chen Hang Place The Industry Co. Limited, a wholly-owned subsidiary of the Group.

CONTINGENT LIABILITIES

As at 31 March 2014, the Group did not have any material contingent liability (2013: Nil).

ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 27 November 2013, the Company, Global Success Business Inc ("Vendor") and Edknowledge Group Limited ("Target Company") entered into the agreement pursuant to which (i) the Vendor conditionally agreed to sell and the Company conditionally agreed to acquire the 2,941 ordinary shares of the Target Company at HK$10,000,000 ("Consideration"); and (ii) the Target Company conditionally agreed to allot and issue and the Company conditionally agreed to subscribe for the 441 new ordinary shares of the Target Company to be allotted and issued by the Target Company at HK$1,500,000 ("Subscription Price"). The Consideration was settled by way of the issue of the promissory note by the Company while the Subscription Price was settled by cash. Upon completion on 11 December 2013, the Company was interested in a total of 3,382 ordinary shares of the Target Company, representing approximately 32.39% of the issued share capital of the Target Company. The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of blended learning educational services for corporations, institutions, schools, non-governmental organisations and individuals in Hong Kong and abroad, details of which are set out in the announcement of the Company dated 27 November 2013.

Save as disclosed above, the Company did not have other acquisition or disposal of subsidiaries or associated companies for the year ended 31 March 2014.

EMPLOYEES

As at 31 March 2014, the Group had 37 employees (2013: 41). The remuneration of employees was determined with reference to statutory minimum wages, market terms and the performance, qualification and experience of individual employees. The Group provides mandatory provident fund and insurance scheme to the employees. Share option scheme and incentive schemes are adopted to encourage personal commitment of employees.

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 year ended 31 March 2014

CORPORATE GOVERNANCE

In view of the corporate governance practices, the company has adopted a set of clear guidelines to explain its policies, practices and procedures which aim at meeting our shareholders' expectations. The company has committed to maintain a high standard of corporate governance based on the principles of the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix 14 to the Listing Rules. The company recognizes the maintenance of good corporate governance practices is essential to the growth of the company. In the opinion of the directors, the company had complied with the CG Code throughout the year ended 31 March 2014, except for the code provisions A.2.1, A.6.7 and E.1.2.

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 year, which was deviated from the requirement of the code provision A.2.1. The board considered that this structure was conductive with strong and consistent leadership, enabling the company to making and implementing decisions promptly and efficiently.

According to the code provision A.6.7 of the CG Code, the independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. According to the code provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company.

The chairman and an independent non-executive director were unable to attend the annual general meeting of the company held on 28 August 2013 due to their other work commitments.

AUDIT COMMITTEE

The company has established an audit committee ("Audit Committee") with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the group. The Audit Committee comprises a total of three independent non-executive directors of the company. The annual results of the group for the year ended 31 March 2014 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.

REVIEW OF FINANCIAL INFORMATION

The figures in respect of the preliminary announcement of the group's results for the year ended 31 March 2014 have been agreed by the group's auditors, Crowe Horwath (HK) CPA Limited to the amounts set out in the group's audited consolidated financial statements for the year. The work performed by Crowe Horwath (HK) CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Crowe Horwath (HK) CPA Limited on the preliminary announcement.

DIRECTORS' SECURITIES TRANSACTION

The company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (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 of the directors, all directors confirmed that they had complied with the required standards as set out in the Model Code throughout the year ended 31 March 2014.

PUBLICATION OF DETAILED ANNUAL RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The company's annual report for the year ended 31 March 2014 containing all applicable information required by Appendix 16 to the Listing Rules will be despatched to the shareholders of the company and published on the Stock Exchange's website and on the company's website in due course.

By order of the board
China Properties Investment Holdings Limited
Xu Dong
Chairman

Hong Kong, 27 June 2014

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.