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 2014

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 2014, together with the comparative figures of the corresponding period last year as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

		Six months ended 30 September	
	Note	**2014**	2013
		(Unaudited)	(Unaudited)
		RMB'000	*RMB'000*
Turnover	*4*	**5,024**	3,272
Cost of sales		**(837)**	(1,091)
Gross profit		**4,187**	2,181
Valuation gain on investment properties		**8,129**	9,257
Other revenue		**3,730**	682
Other net income		**1,365**	1
Administrative expenses		**(23,904)**	(22,895)
Exploration and development expenses of mine		**(212)**	(241)
Other operating expenses	*5(d)*	**(398)**	(7,579)

	Note	**Six months ended 30 September 2014 (Unaudited)** *RMB'000*	2013 (Unaudited) *RMB'000*
Loss from operations		**(7,103)**	(18,594)
Finance costs	*5(a)*	**(5,486)**	(1,999)
Share of loss of an associate		**(272)**	–
Loss before taxation	*5*	**(12,861)**	(20,593)
Income tax	*6(a)*	**(1,969)**	(2,399)
Loss for the period		**(14,830)**	(22,992)
Attributable to:			
Owners of the company		**(14,652)**	(22,331)
Non-controlling interests		**(178)**	(661)
Loss for the period		**(14,830)**	(22,992)
		RMB	*RMB*
Loss per share			
– Basic	*7(a)*	**(0.02)**	(0.05)
– Diluted	*7(b)*	**(0.02)**	(0.05)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	Six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Loss for the period	**(14,830)**	(22,992)
Other comprehensive loss for the period		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
– financial statements of group entities outside the PRC	**(242)**	(2,694)
– financial statements of an associate	**(1)**	–
Total other comprehensive loss for the period, net of nil tax	**(243)**	(2,694)
Total comprehensive loss for the period	**(15,073)**	(25,686)
Attributable to:		
Owners of the company	**(14,895)**	(25,025)
Non-controlling interests	**(178)**	(661)
Total comprehensive loss for the period	**(15,073)**	(25,686)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

	Note	**30/9/2014 (Unaudited) *RMB'000***	31/3/2014 (Audited) *RMB'000*
Non-current assets			
Plant and equipment		**5,792**	7,351
Investment properties		**186,001**	177,872
Intangible assets		**104,599**	100,000
Goodwill		**3,793**	–
Deposit for acquisition of subsidiaries		**–**	97,845
Interest in an associate		**8,847**	9,119
		309,032	392,187
Current assets			
Trade and other receivables	*8*	**12,049**	5,561
Trading securities		**122**	138
Promissory notes receivables		**97,648**	–
Cash and cash equivalents		**88,480**	30,645
		198,299	36,344
Current liabilities			
Other payables and accruals		**12,474**	20,753
Interest-bearing bank borrowings		**5,000**	5,000
Current taxation		**122**	44
		17,596	25,797
Net current assets		**180,703**	10,547
Total assets less current liabilities		**489,735**	402,734
Non-current liabilities			
Other payables and accruals		**192**	264
Interest-bearing bank borrowings		**36,000**	38,500
Deferred tax liabilities		**8,817**	6,025
Convertible bonds and warrants		**23,103**	–
Unconvertible bonds		**15,852**	15,884
Promissory notes payables		**–**	7,862
		83,964	68,535
NET ASSETS		**405,771**	334,199
EQUITY			
Equity attributable to owners of the company			
Share capital		**36,260**	14,456
Reserves		**360,226**	310,743
		396,486	325,199
Non-controlling interests		**9,285**	9,000
TOTAL EQUITY		**405,771**	334,199

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	Attributable to owners of the company								
	Share capital	Share premium	Special reserve	Contribution 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*
At 1 April 2013	10,941	975,848	(56,225)	–	21,746	(516,049)	436,261	16,604	452,865
Placing and subscription of new shares	2,575	9,255	–	–	–	–	11,830	–	11,830
Share issues expenses	–	(289)	–	–	–	–	(289)	–	(289)
Total comprehensive loss for the period	–	–	–	–	(2,694)	(22,331)	(25,025)	(661)	(25,686)
At 30 September 2013 (Unaudited)	13,516	984,814	(56,225)	–	19,052	(538,380)	422,777	15,943	438,720
At 1 April 2014	**14,456**	**987,076**	**(56,225)**	**–**	**19,344**	**(639,452)**	**325,199**	**9,000**	**334,199**
Conversion of convertible bonds	**21,466**	**38,578**	**–**	**–**	**–**	**–**	**60,044**	**–**	**60,044**
Exercise of bonus warrants	**338**	**5,778**	**–**	**–**	**–**	**–**	**6,116**	**–**	**6,116**
Acquisition of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**463**	**463**
Deemed contribution arising from the fair value change of warrants	**–**	**–**	**–**	**20,022**	**–**	**–**	**20,022**	**–**	**20,022**
Total comprehensive loss for the period	**–**	**–**	**–**	**–**	**(243)**	**(14,652)**	**(14,895)**	**(178)**	**(15,073)**
At 30 September 2014 (Unaudited)	**36,260**	**1,031,432**	**(56,225)**	**20,022**	**19,101**	**(654,104)**	**396,486**	**9,285**	**405,771**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	Six months ended 30 September	
	2014	2013
	RMB'000	*RMB'000*
Net cash used in operating activities	**(33,288)**	(20,726)
Net cash (used in)/generated from investing activities	**(12,563)**	320
Net cash generated from financing activities	**103,866**	7,810
Net increase/(decrease) in cash and cash equivalents	**58,015**	(12,596)
Cash and cash equivalents at beginning of period	**30,645**	21,308
Effect of foreign exchange rate changes, net	**(180)**	(316)
Cash and cash equivalents at end of period	**88,480**	8,396

ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS

Cash and bank balances	**88,480**	8,396

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 2014 have been prepared in accordance with the applicable disclosure provision of the Rules Governing the Listing of Securities on the Stock Exchange, 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 unaudited 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 2014, except for the adoption of the new Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards 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 2014.

Items included in the condensed consolidated financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These condensed consolidated financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand except where otherwise indicated.

The measurement basis used in the preparation of the financial statement is the historical cost basis except that the following assets/liabilities are stated at their fair value:

– investment properties
– trading securities
– convertible bonds

This unaudited condensed consolidated interim financial information for the period ended 30 September 2014 comprise the company and its subsidiaries.

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

In the current interim period, the group has applied, for the first time, the following new and revised HKFRSs issued by the HKICPA:

HKFRS 10, HKFRS 12 and HKAS 27 (Amendments)	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) – Int 21	Levies

There have been no significant changes to the accounting policy applied in these financial statements for the periods as a result of the developments.

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 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 three reportable segments. These segments are managed separately. The properties investment segment, the investing in mining activities segment and the educational support services segment offer very different products and services.

i) Properties investment

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

ii) 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 a third party.

iii) Educational support services

The educational support services reportable segment derives its revenue from the provision of students referral services to overseas schools, overseas education counseling and schools enrolling services of students.

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 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 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 periods ended 30 September 2014 and 2013 is set out below.

	Six months ended 30 September 2014 (Unaudited)				Six months ended 30 September 2013 (Unaudited)		
	Properties investment	**Investing in mining activities**	**Educational support services**	**Total**	Properties investment	Investing in mining activities	Total
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	**4,369**	**–**	**655**	**5,024**	3,272	–	3,272
Reportable segment revenue	**4,369**	**–**	**655**	**5,024**	3,272	–	3,272
Reportable segment profit/(loss) before taxation	**6,690**	**(2,072)**	**181**	**4,799**	3,429	(7,944)	(4,515)
Interest income on bank deposits	**1**	**–**	**–**	**1**	1	–	1
Depreciation	**(315)**	**(889)**	**(10)**	**(1,214)**	(331)	(1,613)	(1,944)
Income tax (expenses)/credit	**(2,032)**	**–**	**63**	**(1,969)**	(2,314)	–	(2,314)
Finance costs	**(1,800)**	**(10)**	**–**	**(1,810)**	(1,800)	–	(1,800)
Exploration and development expenses of mine	**–**	**(212)**	**–**	**(212)**	–	(241)	(241)
Valuation gain on investment properties	**8,129**	**–**	**–**	**8,129**	9,257	–	9,257
Impairment loss of rental receivables	**–**	**–**	**–**	**–**	(2,302)	–	(2,302)
Amortisation of intangible assets	**–**	**–**	**(382)**	**(382)**	–	–	–
Impairment loss of intangible assets	**–**	**–**	**–**	**–**	–	(5,000)	(5,000)
Compensation for early termination of operating lease	**–**	**–**	**–**	**–**	(277)	–	(277)

	As at 30 September 2014 (Unaudited)				As at 31 March 2014 (Audited)		
	Properties investment	**Investing in mining activities**	**Educational support services**	**Total**	Properties investment	Investing in mining activities	Total
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Reportable segment assets	**191,393**	**112,634**	**5,715**	**309,742**	181,266	105,472	286,738
Additions to non-current segment assets during the period/year	**17**	**–**	**–**	**17**	5	2,397	2,402
Reportable segment liabilities	**46,981**	**4,137**	**6**	**51,124**	53,459	5,874	59,333
Current taxation	**–**	**–**	**78**	**78**	–	–	–
Deferred tax liabilities	**8,057**	**–**	**760**	**8,817**	6,025	–	6,025
Total liabilities	**55,038**	**4,137**	**844**	**60,019**	59,484	5,874	65,358

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

		Six months ended 30 September 2014 (Unaudited) *RMB'000*	2013 (Unaudited) *RMB'000*
(i)	**Revenue**		
	Total reportable segments' revenue	**5,024**	3,272
	Elimination of inter-segment revenue	**–**	–
	Consolidated turnover	**5,024**	3,272
(ii)	**Profit/(loss)**		
	Total reportable segments' profit/(loss)	**4,799**	(4,515)
	Share of loss of an associate	**(272)**	–
	Unallocated corporate income	**1,371**	12
	Depreciation	**(405)**	(395)
	Interest income	**3,308**	632
	Finance costs	**(3,676)**	(199)
	Unallocated corporate expenses	**(17,986)**	(16,128)
	Consolidated loss before taxation	**(12,861)**	(20,593)

		As at 30 September 2014 (Unaudited) *RMB'000*	As at 31 March 2014 (Audited) *RMB'000*
(iii)	**Assets**		
	Total reportable segments' assets	**309,742**	286,738
	Unallocated corporate assets	**197,589**	141,793
	Consolidated total assets	**507,331**	428,531
(iv)	**Liabilities**		
	Total reportable segments' liabilities	**(60,019)**	(65,358)
	Unallocated corporate liabilities	**(41,541)**	(28,974)
	Consolidated total liabilities	**(101,560)**	(94,332)

(v) **Other items**

	Six months ended 30 September 2014 (Unaudited)				
	Properties investment	**Investing in mining activities**	**Educational support services**	**Unallocated**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Interest income					
– promissory notes	**–**	**–**	**–**	**3,304**	**3,304**
– bank deposits	**1**	**–**	**–**	**4**	**5**
Depreciation	**(315)**	**(889)**	**(10)**	**(405)**	**(1,619)**
Finance costs	**(1,800)**	**(10)**	**–**	**(3,676)**	**(5,486)**
Income tax (expenses)/credit	**(2,032)**	**–**	**63**	**–**	**(1,969)**

	Six months ended 30 September 2013 (Unaudited)			
	Properties investment	Investing in mining activities	Unallocated	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Interest income				
– loan receivable	–	–	632	632
– bank deposits	1	–	–	1
Depreciation	(331)	(1,613)	(395)	(2,339)
Finance costs	(1,800)	–	(199)	(1,999)
Income tax expenses	(2,314)	–	(85)	(2,399)

c) **Revenue from major services**

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

	Six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Properties investment	**4,369**	3,272
Commission income from educational support services	**655**	–
	5,024	3,272

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, intangible assets, goodwill and interest in an associate. 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 and goodwill, it is based on the location of operation to which these intangibles are allocated. In the case of interest in associate, it is the location of operations of such associates.

	Revenue from external customers		**Non-current assets**	
	Six months ended 30 September 2014	Six months ended 30 September 2013	**As at 30 September 2014**	As at 31 March 2014
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Hong Kong (place of domicile)	**655**	–	**18,927**	109,024
PRC	**4,369**	3,272	**290,105**	283,163
	5,024	3,272	**309,032**	392,187

4. TURNOVER

The principal activities of the group are properties investment, investing in mining activities and provision of educational support services.

Turnover represents rental income from investment properties and commission income derived from educational support services. The amount of each significant category of revenue recognised in turnover during the period is as follows:

	Six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Rental income from investment properties	**4,369**	3,272
Commission income from educational support services	**655**	–
	5,024	3,272

5. LOSS BEFORE TAXATION

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

		Six months ended 30 September	
		2014	2013
		(Unaudited)	(Unaudited)
		RMB'000	*RMB'000*
a)	**Finance costs**		
	Interest expense on bank borrowings not wholly repayable within five years	**1,800**	1,800
	Interest expense on other borrowings	**10**	–
	Interest expense on promissory notes	**470**	–
	Interest expense on unconvertible bonds	**396**	199
	Total interest expense on financial liabilities not at fair value through profit or loss	**2,676**	1,999
	Placing commission on convertible bonds	**2,682**	–
	Interest expense on convertible bonds	**128**	–
		5,486	1,999
b)	**Staff costs (including directors' remuneration)**		
	Salaries, wages and other benefits	**10,131**	9,012
	Contribution to defined contribution retirement plans	**275**	328
		10,406	9,340
c)	**Other items**		
	Auditor's remuneration – other services	**46**	64
	Operating lease charges: minimum lease payments	**3,012**	2,565
	Depreciation	**1,619**	2,339
	Gross rental income from investment properties less direct outgoings of RMB837,000 (2013: RMB1,091,000)	**(3,532)**	(2,181)
	Exploration and development expenses of mine	**212**	241
d)	**Other operating expenses**		
	Amortisation of intangible assets	**382**	–
	Fair value loss of trading securities	**16**	–
	Impairment loss of intangible assets	**–**	5,000
	Compensation for early termination of operating lease	**–**	277
	Impairment loss of rental receivables	**–**	2,302*
		398	7,579

* During the period ended 30 September 2013, the tenant moved out without notice. Rental receivables of RMB2,302,000 was written off against trade receivables directly.

6. INCOME TAX

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

	Six months ended 30 September	
	2014	2013
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current tax		
Hong Kong Profits Tax	**–**	(85)
Overseas tax calculated at rates prevailing in relevant jurisdiction	**–**	–
	–	(85)
Deferred tax		
Origination and reversal of temporary differences	**(1,969)**	(2,314)
Tax charges	**(1,969)**	(2,399)

Note:

i) Hong Kong Profits Tax

Hong Kong Profits Tax has been provided at the rate of 16.5% (2013: 16.5%) of the estimated assessable profits arising in Hong Kong for the period ended 30 September 2014. For the period ended 30 September 2014, no Hong Kong Profits Tax has been provided in the financial statements as the group has no assessable profit for the period.

ii) The PRC enterprise income tax ("EIT") for the period ended 30 September 2014 is 25% (2013: 25%). The EIT has not been provided for as the group has incurred losses in PRC for the period.

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

	Revaluation of investment properties	**Intangible assets**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
Deferred tax liabilities arising from:			
At 1 April 2013	6,463	–	6,463
Deferred tax credited to the profit or loss	(438)	–	(438)
At 31 March 2014	6,025	–	6,025
At 1 April 2014	6,025	–	6,025
Arising from acquisition of a subsidiary	–	823	823
Deferred tax charged/(credited) to the profit or loss	2,032	(63)	1,969
At 30 September 2014	8,057	760	8,817

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 RMB14,652,000 (2013: RMB22,331,000) and on the weighted average number of 936,807,000 ordinary shares in issue during the period (2013: 453,424,000 ordinary shares).

Weighted average number of ordinary shares:

	2014 Weighted average number of ordinary shares ***'000***	2013 Weighted average number of ordinary shares *'000*
Issued ordinary shares at 1 April	**589,915**	441,915
Effect of placing and subscription of new shares I	**–**	9,290
Effect of placing and subscription of new shares II	**–**	2,219
Effect of issue of new shares upon conversion of convertible bonds	**340,780**	–
Effect of issue of new shares upon exercise of bonus warrants	**6,112**	–
Weighted average number of ordinary shares at the end of the period	**936,807**	453,424

b) Diluted loss per share

Diluted loss per share equals to basic loss per share because the outstanding warrants had an anti-dilutive effect on the basis loss per share for the period ended 30 September 2014.

There are no potential ordinary shares in issue during the period and at the end of 30 September 2013.

8. TRADE AND OTHER RECEIVABLE

Trade receivables are due after the date of invoice. An aged analysis of the rental receivables and commission 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 2014 (Unaudited) ***RMB'000***	At 31 March 2014 (Audited) *RMB'000*
Current	**–**	–
1 to 3 months overdue	**4,489**	1,645
Trade receivables	**4,489**	1,645
Loan and interest receivables *(note 1)*	**–**	–
Other receivables	**5,467**	1,180
Loan and receivables	**9,956**	2,825
Prepayment and deposits	**2,093**	2,736
	12,049	5,561

Note 1:

Loan and interest receivables

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$5.7 million 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 period ended 30 September 2014 and year ended 31 March 2014.

As at 31 March 2012, the company engaged an independent valuer to perform the 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 considered that the loan receivables of HK$50,000,000 equivalent to RMB39,630,000 as at 30 September 2014 (31 March 2014: equivalent to RMB39,710,000) was fully impaired.

DIVIDEND

The directors of the company do not recommend the payment of any interim dividend for the six months ended 30 September 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the period under review, the principal business activities of the group included the properties investment business, the exploitation of copper and molybdenum in a mine (“Mine”) located in the Inner Mongolia, the PRC and provision of educational support services.

As at 30 September 2014, the aggregate gross floor area of the investment properties being held by the group was approximately 7,004 square meters, among which approximately 100% were leased to third parties under operating leases with lease terms ranging up to twelve years.

Regarding the mining business, in order to ensure smooth development of the Mine, the Keshi Ketengqi Great Land Mine Industries Company Limited（克什克騰旗大地礦業有限責任公司）(the "Mining Company") gradually underwent the relevant approval formalities for the Mine during the period under review. The Mining Company entrusted Chifeng Guancheng Geological Exploration Co., Ltd.（赤峰市冠誠地質勘查有限責任公司）in the first quarter of 2014 to prepare the Proposal on the Phased Treatment and Land Reclamation of the Geological Environment of the Copper, Molybdenum, Lead, Zinc and Silver Mines in the Yongsheng Mines of the Keshi Ketengqi Great Land Mine Industries Company Limited（《克什克騰旗大地礦業有限責任公司永勝礦區銅、鉬、鉛、鋅、銀礦地質環境分期治理及土地複墾方案》）which was completed, and the proposal passed the assessment for filing with the Land and Resources Bureau of Chifeng City in May. In April of the same year, the Mining Company obtained the annual review certificate for mining rights from the Land and Resources Bureau of Keshi Ketengqi. In addition, in September the Mining Company submitted the documents required for extension of the mining licence to the Land and Resources Bureau of Chifeng City for approval and onward submission to the Department of Land and Resources of Inner Mongolia Autonomous Region in September. The approval for extension of the mining licence was obtained in October and the validity period of the mining licence has been extended to October 2017. In order to achieve better economic benefits, the Mining Company will carry out the construction by strictly adhering to the government approvals and mining design as well as the relevant rules and regulations during future mining and processing. Meanwhile, the Mining Company will continue to engage relevant experts and commission qualified geological exploration authorities to conduct geological exploration work over an extended area of the Mine and perform more preparation work for the Mine so as to ensure sustainable exploitation of the Mine.

For the period ended 30 September 2014, the expenses incurred on the mining development was approximately RMB0.2 million, which was mainly used for road maintenance in the Mine. Save for the above, there was no other capital expenditure incurred for the development of the Mine, and there was no exploitation, development or production activities in the Mine during the review period.

During the period under review, the company has acquired 90% of the equity interest in the Able Up Investment Limited ("Able up"), which in turn own 100% equity in Global Education Group Limited ("Global Education) (together referred as "Target Group"). The Target Group is principally engaged in the provision of student referral services, overseas education counselling services and services relating to enrolment on overseas tertiary education institutes.

After due consideration of the current market of the education sector, in particular, the services relating to the business of the Target Group, and the steady growth of the needs and demands of the provision of such services from both local students and students from the PRC, the directors consider that the prospects of the business of the Target group would be promising and believe that the acquisition of the Target Group provides a prime opportunity for the group to diversify its revenue stream which, in turn, would increase the shareholders' value and benefit the company and the shareholders as a whole.

Financial Review

For the period under review, the group's turnover was approximately RMB5 million (2013: approximately RMB3.3 million), representing an increase of approximately 51% compared with the same period last year. The increase in turnover was mainly due to rearrangement of certain operating lease and the contribution from the newly acquired educational services business during the period under review. The unaudited net loss for the period under review was approximately RMB14.8 million (2013: approximately RMB23 million) and the loss per share for was RMB0.02 (2013: RMB0.05).

The administrative expenses of the group for the period amounted to approximately RMB23.9 million, representing an increase of approximately 4% compared with the same period last year. The finance cost of the group amounted to approximately RMB5.5 million which was mainly incurred for the bank loan under the security of investment properties in Shanghai, the unconvertible bonds and the promissory notes issued by the company.

Liquidity and Financial Resources

As at 30 September 2014, the group's net current assets were approximately RMB180.7 million (at 31 March 2014: approximately RMB10.5 million), including cash and bank balance of approximately RMB88.5 million (at 31 March 2014: approximately RMB30.6 million).

The group had bank borrowings of RMB41 million as at 30 September 2014 (at 31 March 2014: RMB43.5 million) of which 12.2% were due within one year from balance sheet date, 43.9% were due more than one year but not exceeding two years and 43.9% 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 nil (at 31 March 2014: approximately 11.1%).

Investment Position

The group did not have any significant investment position in stocks, bonds and other financial derivatives as at 30 September 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 period under review, the group did not use any financial instruments for hedging purposes.

Shares Capital and Capital Structure

On 19 June 2014, the company issued convertible bonds (the "Convertible Bonds") in an aggregate principal amount of HK$135,000,000 with an interest rate at 1% per annum due in two years from the date of issue. The company is entitled to redeem the Convertible Bonds in whole or in part at 103% of the face value of the Convertible Bonds prior to the maturity date and at 100% of the face value of the Convertible Bonds on the maturity date. The holders of the Convertible Bonds (the "Bondholders") has option to convert the Convertible Bonds into fully paid 900,000,000 conversion shares of the company at the conversion price of HK$0.15 per share at any time prior to the maturity date. The conversion shares rank pari passu with all the existing shares of the company. In addition, 225,000,000 bonus warrants will be issued to the registered holders of the Convertible Bonds on the basis of one bonus warrant for every four conversion shares upon the exercise of the conversion rights attaching to the Convertible Bonds. The subscription price per warrant share is HK$0.3 at any time within 24 months commencing from the date of exercise of the conversion right attaching to the Convertible Bonds.

For the period ended 30 September 2014, the Convertible Bond in the principal amount of HK$135,000,000 was converted into 899,999,998 conversion shares of the company. In addition, 224,999,998 bonus warrants was issued to the registered holders of the Convertible Bonds, among which, 14,166,666 bonus warrants were exercised and 14,166,666 warrant shares were issued.

On 6 April 2014, the company issued a promissory note in the principal amount of HK$9,000,000 at the interest rate of 8% per annum to Mr. Wong Yat On as the consideration for the acquisition of 90% of the equity interest in Able Up Investment Limited.

During the period ended 30 September 2014, the company has redeemed the promissory notes which were issued by the company on 11 December 2013 and 16 April 2014 respectively, in the aggregate principal amount of HK$19,000,000.

Save as disclosed above, there was no other change in the share capital and capital structure of the company for the period ended 30 September 2014.

Charges on Group's Assets

As at 30 September 2014, the group's investment properties with a value of approximately RMB140 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 company.

Contingent Liabilities

As at 30 September 2014, the group did not have any material contingent liability (2013: Nil).

Acquisition and Disposal of Subsidiaries

On 4 April 2014 the company and Mr. Wong Yat On (the "Vendor") entered into a sale and purchase agreement (the "Agreement") pursuant to which the Vendor conditionally agreed to sell and the company conditionally agreed to acquire 90% of the equity interest in Able Up, for a consideration of HK$10,000,000, out of which HK$1,000,000 was settled by way of cash and HK$9,000,000 by way of the issue of promissory notes by the company. Able Up is incorporated under the laws of the British Virgin Islands with limited liability and it owns 100% equity interest in Global Education. Global Education is principally engaged in the provision of student referral services, overseas education counselling services and services relating to enrolment on overseas tertiary education institutes. Upon completion of the Agreement on 16 April 2014, each of Able Up and Global Education has become a subsidiary of the company, details of which are set out in the announcement of the company dated 4 April 2014.

Save as disclosed above, there was no other acquisition and disposal of subsidiaries of the group during the period ended 30 September 2014.

Employees

As at 30 September 2014, the group has 40 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

Whilst the group remains focused on developing its existing businesses, the directors consider that it is beneficial for the group to seek suitable investment opportunities from time to time to develop its existing business portfolio and engage in a new line of business with growth potential and broaden its source of income.

On 16 October 2014, the company entered into the sale and purchase agreement with Wan Cheng Investments Limited (the "Wan Cheng"), pursuant to which the company has conditionally agreed to acquire and Wan Cheng has conditionally agreed to sell the entire issued share capital of Liqun Investments Limited (the "Target Company"), at the consideration of HK$100,000,000, out of which HK$30,000,000 was settled by way of cash and HK$70,000,000 by way of the issue of promissory notes by the company.

The Target Company is incorporated under the laws of the British Virgin Islands with limited liability and it owns 90% equity interest in Kotech Educational Limited ("Kotech Educational"). Kotech Educational is principally engaged in the trading of educational software and provision of education, skills training and education consultation. By leveraging on (i) the support from Quality Education Fund (the "QEF"), which was established by the Government of Hong Kong in 1998 and with an allocation of HK$5 billion at the relevant time, to finance projects for the promotion of quality education in Hong Kong; (ii) the services of Kotech Educational which are under the priority themes of the QEF; and (iii) the extensive experiences of the management team of Kotech Educational in the education sector, the directors of the company are of the view that the acquisition of the Target Company provides a prime opportunity for the group to diversify the revenue stream of the group which is expected to increase the shareholders' value and benefit the company and its shareholders as a whole. Details of which are set out in the announcement of the company date 16 October 2014.

Going forward, the group will actively look for other investment opportunities in other streams so as to sustain the growth of the group in the long run.

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 period ended 30 September 2014.

CORPORATE GOVERNANCE

The company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2014, except for the deviation from the requirement of code provision A.2.1, A.6.7 and E.1.2 of the CG Code as follow.

The 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 conductive with strong and consistent leadership, enabling the company to respond promptly and efficiently.

The code provision A.6.7 stipulates that the independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Two independent non-executive directors, Mr. Tse Kwong Wah and Ms. Cao Jie Min, did not attend the company's special general meeting held on 2 April 2014 and 22 May 2014 respectively and also the company's annual general meeting held on 29 August 2014 due to their other work commitments.

The code provision E.1.2 stipulates that the chairman of the board should attend the annual general meeting. The chairman of the board was unable to attend the company's annual general meeting held on 29 August 2014 due to his other work commitments.

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 duties 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 2014 has been 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.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The company has adopted the Model Code as its own code of conduct regarding securities transactions by the directors. The company had also made specific enquiry of the directors and the company was not aware of any non-compliance with the required standard as set out in the Model Code.

PUBLICATION OF INTERIM REPORT ON THE STOCK EXCHANGE'S WEBSITE

The company's interim report for the six months ended 30 September 2014 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 November 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.

** For identification purposes only*