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## **CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED**

**中國置業投資控股有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 736)**

### **ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2015**

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 2015 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 2015

	<i>Note</i>	<b>2015</b> <b>RMB'000</b>	2014 <i>RMB'000</i>
Turnover	4	<b>10,580</b>	4,596
Cost of sales		<u>(1,355)</u>	<u>(2,471)</u>
Gross profit		<b>9,225</b>	2,125
Valuation gain/(loss) on investment properties		<b>28,725</b>	(1,750)
Other revenue	4(a)	<b>11,858</b>	1,439
Other net income	4(b)	<b>18,254</b>	11
Selling expenses		<b>(150)</b>	(195)
Administrative expenses		<b>(47,818)</b>	(45,981)
Exploration and development expenses of mine		<b>(404)</b>	(244)
Other operating expenses	5(d)	<u>(26,947)</u>	<u>(82,793)</u>
<b>Loss from operations</b>		<b>(7,257)</b>	(127,388)
Finance costs	5(a)	<b>(8,607)</b>	(4,073)
Share of (loss)/profit of an associate		<u>(42)</u>	126
<b>Loss before taxation</b>	5	<b>(15,906)</b>	(131,335)
Income tax (expense)/credit	6	<u>(6,860)</u>	328
<b>Loss for the year</b>		<u><b>(22,766)</b></u>	<u>(131,007)</u>
<b>Attributable to:</b>			
Owners of the company		<b>(20,380)</b>	(123,403)
Non-controlling interests		<u>(2,386)</u>	<u>(7,604)</u>
<b>Loss for the year</b>		<u><b>(22,766)</b></u>	<u>(131,007)</u>
<b>Loss per share</b>			
– Basic	7(a)	<u><b>(RMB0.02)</b></u>	<u>(RMB0.24)</u>
– Diluted	7(b)	<u><b>(RMB0.03)</b></u>	<u>(RMB0.24)</u>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2015

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
<b>Loss for the year</b>	<b>(22,766)</b>	(131,007)
<b>Other comprehensive loss for the year</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
– financial statements of group entities outside the PRC	(2,616)	(2,418)
– financial statements of an associate	(18)	16
<b>Total other comprehensive loss for the year, net of nil tax</b>	<b>(2,634)</b>	(2,402)
<b>Total comprehensive loss for the year</b>	<b>(25,400)</b>	(133,409)
<b>Attributable to:</b>		
Owners of the company	(23,014)	(125,805)
Non-controlling interests	(2,386)	(7,604)
<b>Total comprehensive loss for the year</b>	<b>(25,400)</b>	(133,409)

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2015

	<i>Note</i>	<b>2015</b> <b>RMB'000</b>	2014 <b>RMB'000</b>
<b>Non-current assets</b>			
Plant and equipment		10,218	7,351
Investment properties		206,597	177,872
Intangible assets		99,491	100,000
Goodwill		16,846	–
Deposit for acquisition of subsidiaries		–	97,845
Interest in an associate		7,642	9,119
		<u>340,794</u>	<u>392,187</u>
<b>Current assets</b>			
Trade and other receivables	8	18,962	5,561
Trading securities		119	138
Promissory notes receivables		97,057	–
Tax recoverable		88	–
Fixed deposit		7,730	–
Cash and cash equivalents		27,204	30,645
		<u>151,160</u>	<u>36,344</u>
<b>Current liabilities</b>			
Other payables and accruals		12,940	20,753
Interest-bearing bank borrowings		11,500	5,000
Current taxation		135	44
		<u>24,575</u>	<u>25,797</u>
<b>Net current assets</b>		<u>126,585</u>	<u>10,547</u>
<b>Total assets less current liabilities</b>		<u>467,379</u>	<u>402,734</u>
<b>Non-current liabilities</b>			
Other payables and accruals		110	264
Interest-bearing bank borrowings		27,000	38,500
Deferred tax liabilities		16,153	6,025
Warrants		13,764	–
Unconvertible bonds		15,756	15,884
Promissory notes		–	7,862
Purchase consideration payable		916	–
		<u>73,699</u>	<u>68,535</u>
<b>NET ASSETS</b>		<u>393,680</u>	<u>334,199</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the company</b>			
Share capital		36,260	14,456
Reserves		349,053	310,743
		<u>385,313</u>	<u>325,199</u>
<b>Non-controlling interests</b>		<u>8,367</u>	<u>9,000</u>
<b>TOTAL EQUITY</b>		<u>393,680</u>	<u>334,199</u>

## 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”) and 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, as permitted by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32). 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. A summary of the significant accounting policies adopted by the group is set out below.

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 any changes in accounting policies resulting from 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 HKFRS 10, HKFRS 12 and HKAS 27 (2011)	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

The application of the new and revised HKFRSs and Interpretations 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 this announcement. The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 3. SEGMENT INFORMATION

Operating segments, 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 each service type 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.

**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.

**EDUCATIONAL SUPPORT SERVICES:** The educational support services reportable segment derives its revenue from the provision of students referral services to overseas schools, overseas education counselling and schools enrolling services of students, trading of educational software and hardware and provision of education, skill training and education consultation.

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 2015 and 2014 is set out below.

	2015			2014			
	Properties investment RMB'000	Investing in mining activities RMB'000	Educational support services RMB'000	Total RMB'000	Properties investment RMB'000	Investing in mining activities RMB'000	Total RMB'000
Revenue from external customers	9,017	-	1,563	10,580	4,596	-	4,596
Reportable segment revenue	<u>9,017</u>	<u>-</u>	<u>1,563</u>	<u>10,580</u>	<u>4,596</u>	<u>-</u>	<u>4,596</u>
Reportable segment profit/(loss) before taxation	27,660	(21,581)	(4,616)	1,463	(12,507)	(85,435)	(97,942)
Interest income of bank deposits	2	1	-	3	1	-	1
Exploration and development expenses of mine	-	(404)	-	(404)	-	(244)	(244)
Depreciation and amortisation							
– Plant and equipment	(498)	(1,402)	(66)	(1,966)	(627)	(3,252)	(3,879)
– Intangible asset	-	-	(3,316)	(3,316)	-	-	-
Valuation gain/(loss) on investment properties	28,725	-	-	28,725	(1,750)	-	(1,750)
Impairment loss of intangible assets	-	(18,006)	-	(18,006)	-	(80,000)	(80,000)
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 (expense)/credit	(7,181)	-	321	(6,860)	438	-	438
Finance costs	(2,956)	(19)	-	(2,975)	(3,352)	(4)	(3,356)
Reportable segment assets	<u>213,592</u>	<u>86,582</u>	<u>37,877</u>	<u>338,051</u>	<u>181,266</u>	<u>105,472</u>	<u>286,738</u>
Additions to non-current assets during the year	<u>30</u>	<u>6</u>	<u>38,386</u>	<u>38,422</u>	<u>5</u>	<u>2,397</u>	<u>2,402</u>
Reportable segment liabilities	43,115	4,667	773	48,555	53,459	5,874	59,333
Deferred tax liabilities	13,206	-	2,947	16,153	6,025	-	6,025
Total liabilities	<u>56,321</u>	<u>4,667</u>	<u>3,720</u>	<u>64,708</u>	<u>59,484</u>	<u>5,874</u>	<u>65,358</u>

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

	<b>2015</b>	2014
	<i>RMB'000</i>	<i>RMB'000</i>
<b>(i) Revenue</b>		
Total reportable segment revenue	<b>10,580</b>	4,596
Elimination of inter-segment revenue	<u>—</u>	<u>—</u>
Consolidated turnover	<b><u>10,580</u></b>	<b><u>4,596</u></b>
<b>(ii) Loss before taxation</b>		
Total reportable segments' profit/(loss)	<b>1,463</b>	(97,942)
Share of (loss)/profit of an associate	<b>(42)</b>	126
Impairment loss on interest in an associate	<b>(1,417)</b>	—
Unallocated corporate income	<b>22,113</b>	14
Depreciation	<b>(1,177)</b>	(788)
Interest income	<b>7,241</b>	1,068
Finance costs	<b>(5,632)</b>	(717)
Unallocated corporate expenses	<b><u>(38,455)</u></b>	<u>(33,096)</u>
Consolidated loss before taxation	<b><u>(15,906)</u></b>	<b><u>(131,335)</u></b>
<b>(iii) Assets</b>		
Total reportable segments' assets	<b>338,051</b>	286,738
Unallocated corporate assets	<b><u>153,903</u></b>	<u>141,793</u>
Consolidated total assets	<b><u>491,954</u></b>	<b><u>428,531</u></b>
<b>(iv) Liabilities</b>		
Total reportable segments' liabilities	<b>(64,708)</b>	(65,358)
Current taxation	<b>(135)</b>	(44)
Unallocated corporate liabilities	<b><u>(33,431)</u></b>	<u>(28,930)</u>
Consolidated total liabilities	<b><u>(98,274)</u></b>	<b><u>(94,332)</u></b>



(v) Other items

	2015				Total RMB'000
	Properties investments RMB'000	Investing in mining activities RMB'000	Educational support services RMB'000	Unallocated RMB'000	
Interest income					
– promissory notes	–	–	–	7,212	7,212
– bank deposits	2	1	–	29	32
Depreciation	(498)	(1,402)	(66)	(1,177)	(3,143)
Finance costs	(2,956)	(19)	–	(5,632)	(8,607)
Income tax (expense)/credit	(7,181)	–	321	–	(6,860)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	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	1,067
– bank deposits	1	–	1	2	2
Depreciation	(627)	(3,252)	(788)	(4,667)	(4,667)
Finance costs	(3,352)	(4)	(717)	(4,073)	(4,073)
Income tax credit/(expense)	438	–	(110)	(328)	(328)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

c) Revenue from major services

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

	2015 RMB'000	2014 RMB'000
Properties investment	9,017	4,596
Educational support services	1,563	–
	<u>10,580</u>	<u>4,596</u>

**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, goodwill, deposit for acquisition of subsidiaries 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 deposits for acquisition of subsidiaries and interest in an associate, it is the location of operations of the debtor and the associate.

	Revenues from external customers		Non-current assets	
	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Hong Kong (place of domicile)	<b>1,563</b>	–	<b>47,930</b>	109,024
PRC	<b>9,017</b>	4,596	<b>292,024</b>	283,163
Others	–	–	<b>840</b>	–
	<b>10,580</b>	4,596	<b>340,794</b>	392,187

**e) Information about major customers**

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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Customer A – revenue from properties investment – the PRC	<b>6,267</b>	–
Customer B – revenue from properties investment – the PRC	<b>2,750</b>	2,828
Customer C – revenue from properties investment – the PRC	–	1,768
	<b>9,017</b>	4,596

#### 4. TURNOVER AND OTHER REVENUE

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 year is as follows:

	<b>2015</b> <i>RMB'000</i>	2014 <i>RMB'000</i>
Rental income from investment properties	<b>9,017</b>	4,596
Commission income from educational support services	<b>1,563</b>	–
	<b>10,580</b>	4,596

	<b>2015</b> <i>RMB'000</i>	2014 <i>RMB'000</i>
<b>a) Other revenue</b>		
Interest income on promissory notes	<b>7,212</b>	–
Interest income on loan receivables	–	1,067
Interest income on bank deposits	<b>32</b>	2
Total interest income on financial assets not at fair value through profit or loss	<b>7,244</b>	1,069
Reversal of impairment of loan receivable ( <i>note 8(2)</i> )	<b>3,853</b>	–
Sundry income (i)	<b>761</b>	370
	<b>11,858</b>	1,439

(i) For the year ended 31 March 2015, no sundry income is derived from mining operation (2014: RMB296,000).

<b>b) Other net income</b>		
Exchange gain	<b>421</b>	–
Fair value gain on convertible bonds and warrants	<b>17,832</b>	–
Government subsidy *	<b>1</b>	11
	<b>18,254</b>	11

\* Government subsidy mainly relates to unconditional cash subsidies in respect of properties investment.

## 5. LOSS BEFORE TAXATION

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

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
<b>a) Finance costs</b>		
Interest expenses on bank borrowings not wholly repayable within five years	2,956	3,352
Interest expense on other borrowings	19	4
Interest expense on promissory notes	2,062	193
Interest expense on unconvertible bonds	793	524
Interest expense on convertible bonds	102	–
Placing commission on convertible bonds	2,675	–
	<u>8,607</u>	<u>4,073</u>
<b>b) Staff costs (including directors' remuneration)</b>		
Salaries, wages and other benefits	21,604	14,762
Contribution to defined contribution retirement plans	689	571
Equity-settled share-based payment expenses	4,191	–
	<u>26,484</u>	<u>15,333</u>
<b>c) Other items</b>		
Auditor's remuneration		
– audit services	967	871
– other services	538	666
Depreciation of plant and equipment	3,143	4,667
Foreign exchange gain	(421)	–
Gross rental income from investment properties less direct outgoings of RMB1,304,000 (2014: RMB2,471,000)	(7,713)	(2,125)
Operating lease charges: minimum lease payments (including directors' quarters)	5,479	5,585
Exploration and development expenses of mine	404	244
	<u>          </u>	<u>          </u>
<b>d) Other operating expenses</b>		
Amortisation of intangible assets	3,316	–
Fair value loss of trading securities	17	9
Impairment loss of intangible assets	18,006	80,000
Impairment loss of interest in an associate	1,417	–
Equity-settled share-based payment expenses	4,191	–
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
	<u>26,947</u>	<u>82,793</u>

- (i) For the year ended 31 March 2014, Shanghai Xiang Chen Hang Place The Industry Co. Ltd. (“Shanghai Xiang Chen Hang”) early terminated its tenancy agreement. On 18 November 2013, a mediation agreement was reached between the landlord and Shanghai Xiang Chen Hang. According to the mediation agreement, rental deposit of RMB277,000 was forfeited as compensation for the early termination.
- (ii) For the year ended 31 March 2014, a tenant moved out without notice. Rental receivables of RMB2,302,000 was fully impaired.

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

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

	<b>2015</b> <i>RMB'000</i>	2014 <i>RMB'000</i>
Current tax		
Hong Kong profits tax	<b>176</b>	110
Deferred tax		
Origination and reversal of temporary differences	<b>6,684</b>	(438)
	<hr/>	<hr/>
Tax charges/(credit)	<b>6,860</b>	(328)
	<hr/> <hr/>	<hr/> <hr/>

The provision for Hong Kong Profits Tax for 2015 is calculated at 16.5% (2014: 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 2014/15 subject to a ceiling of HK\$20,000 (equivalent to approximately RMB16,000).

The PRC enterprise income tax (the “EIT”) for the year ended 31 March 2015 is 25% (2014: 25%). EIT has not been provided for as the PRC subsidiaries 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 2015.

## 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 RMB20,380,000 (2014: loss of RMB123,403,000) and on the weighted average number of 1,219,668,000 ordinary shares (2014: 518,742,000 ordinary shares) in issue during the year.

Weighted average number of ordinary shares:

	<b>2015</b>	2014
	<b>'000</b>	<b>'000</b>
Issued ordinary shares at the beginning of the year	<b>589,915</b>	441,915
Effect of issuance of new shares in placement	–	76,827
Effect of issuance of new shares upon conversion of convertible bonds	<b>619,624</b>	–
Effect of issuance of new shares upon exercise of bonus warrants	<b>10,129</b>	–
	<u>1,219,668</u>	<u>–</u>
Weighted average number of ordinary shares at the end of the year	<b><u>1,219,668</u></b>	<b><u>518,742</u></b>

### b) Diluted loss per share

The calculation of diluted loss per share is based on the loss attributable to owners of the company of RMB38,110,000 (2014: RMB123,403,000) and on the weight average number of 1,303,206,000 ordinary shares (2014: 518,742,000 ordinary shares) calculated as follows:

Diluted loss per share:

	<b>2015</b>	2014
	<b>RMB'000</b>	<b>RMB'000</b>
Losses for the purpose of basic loss per share	<b>(20,380)</b>	(123,403)
Effect of dilutive potential ordinary shares:		
Interest expense on convertible bonds	<b>102</b>	–
Fair value gain on convertible bonds and warrants	<b>(17,832)</b>	–
	<u>(38,110)</u>	<u>–</u>
Losses for the purpose of diluted loss per share	<b><u>(38,110)</u></b>	<b><u>(123,403)</u></b>

Weighted average number of ordinary shares (diluted):

	<b>2015</b> <b>'000</b>	2014 <b>'000</b>
Weighted average number of ordinary shares for the purpose of basic loss per share	<b>1,219,668</b>	518,742
Effect of deemed issue of shares under the company's share option scheme for nil consideration	<b>18</b>	–
Effect of deemed issue of shares from the exercise of warrants	<b>404</b>	–
Effect of deemed issue of shares from the convertible bonds	<b>83,116</b>	–
	<hr/>	<hr/>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<b>1,303,206</b>	518,742
	<hr/> <hr/>	<hr/> <hr/>

## 8. TRADE AND OTHER RECEIVABLES

Trade receivables are due within 0-30 days from the date of billing. An aged analysis of the trade receivables as at the end of the reporting period, based on invoice date and net of allowance for doubtful debts, is as follows:

	<b>2015</b> <b>RMB'000</b>	2014 <b>RMB'000</b>
Trade receivables	<b>10,973</b>	6,785
Less: allowance for doubtful debts (b)(i)	<b>(5,140)</b>	(5,140)
Trade receivables (net)	<b>5,833</b>	1,645
	<hr/>	<hr/>
Loan and interest receivables (note 2)	<b>35,560</b>	39,710
Less: impairment (note 2)(b)(ii)	<b>(35,560)</b>	(39,710)
Loan and interest receivables (net)	<b>–</b>	–
	<hr/>	<hr/>
Other receivables	<b>10,104</b>	1,180
	<hr/>	<hr/>
Loans and receivables	<b>15,937</b>	2,825
Prepayments and deposits	<b>3,025</b>	2,736
	<hr/>	<hr/>
	<b>18,962</b>	5,561
	<hr/> <hr/>	<hr/> <hr/>

*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. During the year, the company received HK\$4,862,000 (equivalent to RMB3,853,000) from the disposal of the PN after the payment of other loan participant of Simsen, all cost and expenses in connection with the disposal.

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\$45,138,000 (equivalent to RMB35,560,000) (2014: HK\$50,000,000 equivalent to RMB39,710,000) was fully impaired.

**a) Ageing analysis**

Trade receivables are net of allowance for doubtful debts of RMB5,140,000 (2014: RMB5,140,000) with the following ageing analysis presented based on invoice date as of the end of the reporting period:

	<b>2015</b> <i>RMB'000</i>	2014 <i>RMB'000</i>
Within 3 months	<u>5,833</u>	<u>1,645</u>
	<u><b>5,833</b></u>	<u><b>1,645</b></u>



**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.

	<b>2015</b> <i>RMB'000</i>	2014 <i>RMB'000</i>
At 1 April	<b>5,140</b>	2,838
Impairment loss recognised ( <i>note</i> )	<u>–</u>	<u>2,302</u>
At 31 March	<b><u>5,140</u></b>	<b><u>5,140</u></b>

*Note:*

- 1) As at 31 March 2015, trade receivables of the group amounting to approximately RMB5,140,000 (2014: RMB5,140,000) were individually determined to be impaired. In last year, the tenant moved out without notice, rental receivables of RMB2,302,000 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 receivable*

	<b>2015</b> <i>RMB'000</i>	2014 <i>RMB'000</i>
At 1 April	<b>39,710</b>	40,356
Reversal of impairment loss	<b>(3,853)</b>	–
Exchange realignment	<u><b>(297)</b></u>	<u>(646)</u>
At 31 March	<b><u>35,560</u></b>	<b><u>39,710</u></b>

**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:

	<b>2015</b> <i>RMB'000</i>	2014 <i>RMB'000</i>
Neither past due nor impaired	<b>4,589</b>	–
Past due but not impaired		
– Less than 3 months past due	<u>1,244</u>	<u>1,645</u>
	<u><b>5,833</b></u>	<u>1,645</u>

Receivables that were neither part due nor impaired relate to a wide range of customers for whom there was no recent history of default.

**DIVIDEND**

The directors of the company do not recommend the payment of any dividend for the year ended 31 March 2015 (2014: Nil).

**MANAGEMENT DISCUSSION AND ANALYSIS**

**OPERATING RESULTS**

For the year under review, the group's turnover was approximately RMB10.58 million (2014: approximately RMB4.60 million), representing an increase of approximately 130% compared with last year. The increase in turnover was mainly due to the entering into certain operating leases during the year under review and the contribution from the educational support services.

The audited net loss for the year was approximately RMB22.77 million (2014: approximately RMB131.01 million) and the loss per share was RMB0.02 (2014: RMB0.24). The decrease in loss for the year was mainly attributable to (i) the decrease in impairment loss of the intangible assets of the group by approximately RMB61.99 million primarily due to steady decrease in the copper and molybdenum price; (ii) the valuation gain on the investment properties of the group in the amount of approximately RMB28.73 million (2014: valuation loss approximate RMB1.75 million); (iii) interest income on the promissory note receivable in the amount of approximately RMB7.21 million (2014: Nil); and (iv) fair value gain on convertible bonds and warrants issued by the company during the year in the amount of approximately RMB17.83 million.

The administrative and selling expenses of the group for the year amounted to approximately RMB47.97 million (2014: approximately RMB46.18 million), representing an increase of approximately 3.9% compared with last year. The finance cost of the group amounted to approximately RMB8.61 million (2014: approximately RMB4.07 million) which included interest on the bank loans under the security of investment properties in Shanghai, interest on the promissory note and unconvertible bonds, placing commission and interest on convertible bonds issued by the company during the year.

## **BUSINESS REVIEW**

During the year 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.

### **Properties investment business**

As at 31 March 2015, the aggregate gross floor area of the investment properties being held by the Group was approximately 7,004 square meters, of which approximately 100% was leased to third parties under operating leases with lease terms ranging from eight to twelve years. The rental income generated from the investment properties during the year amounted to approximately RMB9.02 million.

### **Mining Business**

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”) underwent the relevant approval formalities and works for the development of the Mine during the year 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 this year 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 September 2014, the Mining Company submitted the documents required for extension of the mining license 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. The approval for extension of the mining license was obtained in October of the same year and the validity period of the mining license has been extended to October 2017. In March 2015, the Mining Company obtained the reply document from the Water Resources Bureau of Chifeng City regarding the Report on the Soil and Water Conservation Plan for the Mining and Processing Project with Annual Capacity of 90,000 tonnages related to the Copper, Molybdenum, Lead, Zinc and Silver Mines in the Yongsheng Mines of the Keshi Ketengqi Great Land Mine Industries Company Limited\* (《關於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9萬噸/年采

\* *for identification purpose only*

選專案水土保持方案報告書》)。In April 2015, the Mining Company obtained the reply document from the Department of Land and Resources of Inner Mongolia Autonomous Region regarding the Extension of Land Use Pre-approval for the Mining and Processing Project with Annual Capacity of 90,000 tonnages related to the Copper, Molybdenum, Lead, Zinc and Silver Mines in the Yongsheng Mines of the Keshi Ketengqi Great Land Mine Industries Company Limited (《關於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9萬噸／年采選專案用地預審延期》) and the annual verification certificate for mining rights from the Land and Resources Bureau of Keshi Ketengqi.

According to the requirements for project initiation approval, the Mining Company has prepared or obtained the Opinion on Project Site Selection, the Preliminary Design and Safety Plan for the Tailing Reservoirs, the Water Resources Assessment, the Reply on Energy Conservation Assessment Report, the Land Use Pre-approval, the Reply on the Soil and Water Conservation Plan, and the Reply on the Proposal on the Phased Treatment and Land Reclamation of the Geological Environment. In recent years, China has imposed increasingly stringent requirements for environmental protection, such as revising the Environmental Protection Law and introducing the new Environmental Protection Law in 2015. As the revision to the new Environmental Protection Law has affected its normal review process, the Mining Company is currently communicating with report compilers qualified for environment evaluation, so that preparations for compiling relevant reports can be made in accordance with requirements and provisions under the new Environmental Protection Law of China, with a view to securing the approval on project initiation as soon as possible. After that, the Mining Company will handle the filing formalities including the pre-assessment of mine safety, design of mine exploration, geotechnical investigation report, and formalities for power supply and land use.

In order to ensure a smooth development of the Mine, reduce development risks, maximize economic benefits, and prepare for the commencement of constructions in the future, the Mining Company decided to focus on developing the infrastructures for plant construction and mining operations, while handling other related filing formalities after obtaining the approval on project initiation, so as to commence productions as early as practicable. During the construction, it will endeavour to carry out trial production. In view of the above, the Mining Company expects the Mine to be ready for formal production by the fourth quarter of 2016.

For the period ended 31 March 2015, the expenses incurred for mining development amounted to approximately RMB0.4 million, which was mainly used for the preparation of the soil and water conservation plan for site construction and road maintenance at the mine site. 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 period under review. As the Mine is still in the development stage and thus has not yet contributed any operational turnover of the group during the year.

As disclosed in Appendix V to the circular of company dated 17 September 2010, the resources of the Mine based on the JORC Code equivalent are as follows:

	<b>Resource Tonnage (t)</b>		<b>Grade (%)</b>		<b>Metal (t)</b>	
	<i>Note 1</i>				<i>Note 2</i>	
	<b>Molybdenum</b>	<b>Copper</b>	<b>Molybdenum</b>	<b>Copper</b>	<b>Molybdenum</b>	<b>Copper</b>
Measured	–	–	–	–	–	–
Indicated	4,635,000	962,000	0.12	1.27	5,400	12,200
Inferred	–	603,000	–	1.27	–	7,700

*Notes:*

1. Resource rounded to nearest thousand tonnes.
2. Metal content rounded to nearest one hundred tonnes.

In presenting the above information on the Mine, Polygonal Resource estimation method is used as the resource estimation method. The parameters used are as follows:

<b>Parameters</b>	<b>Unit</b>
Molybdenum Cutoff Grade	0.02%
Copper Cutoff Grade	0.5%
Molybdenum Industrial Grade	0.06%
Copper Industrial Grade	0.7%
Minimum Minable Thickness	1m
Waste Removal Thickness	2m
Bulk density	3.18 t/m <sup>3</sup>

There is no material change in the estimated mineral resources of the Mine for the year ended 31 March 2015 since the disclosure above.

### **Educational Support Services**

During the year under review, the company has acquired 90% of the equity interest in the Able Up Investment Limited, which in turn own 100% equity in Global Education Group Limited (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. For the year ended 31 March 2015, the revenue contribution from the Target Group amounted to approximately RMB1.6 million.

On 16 October 2014, the company entered into the sale and purchase agreement with Wan Cheng Investments Limited (the "Vendor") and Mr. Chu Hong Chuen Raymond, Mr. Chim Man Tung, Mr. Kam Wing Sau (together the "Guarantors"), pursuant to which the company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the entire issued share capital of Lique 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 note by the company.

Each of the Vendor and the Guarantors, on a joint and several basis, irrevocably warrants and guarantees to the company that the Kotech Educational Limited ("Kotech Education" a subsidiary of the Target Company) shall attain the following performance targets (the "Guaranteed Profit") for the periods as indicated in the following as shown in its financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the "Financial Statements"):-

- (i) a net profit after tax of not less than HK\$1,500,000 for the six months ending 30 September 2015;
- (ii) an audited net profit after tax of not less than HK\$3,000,000 for the financial year ending 31 March 2016;
- (iii) a net profit after tax of not less than HK\$9,000,000 for the six months ending 30 September 2016; and
- (iv) an audited net profit after tax of not less HK\$18,000,000 for the financial year ending 31 March 2017.

In the event that the aggregate of the audited net profit after tax of the Kotech Education for the two financial years ending 31 March 2017 as shown in the Financial Statements shall be less than the aggregate of the Guaranteed Profit for the same period, i.e. HK\$21,000,000, the Vendor shall pay to the company such sum in cash equivalent to the Consideration multiplying by the following fraction:

$$\frac{(F - E)}{F}$$

Where:

E = the aggregate of the audited net profit after tax of the Kotech Education for the two financial years ending 31 March 2017 as shown in the Financial Statements

F = the aggregate of the Guaranteed Profit for the two financial years ending 31 March 2017

Kotech Education is an e-Learning and educational service provider, headquartered in Hong Kong for more than 5 years for e-learning platform development. Kotech education comprises of a team of educational experts and experienced IT professionals. The core members have over 15 years' experience in education and IT industries. After the acquisition of Kotech Education by the company, Kotech education has been entered into a new horizon for developing educational business, IT education skills training and education consultation services. The new initiatives of Kotech education focus on two main areas, which is enhancing and consolidating the products development in one hand and expansion its business in the PRC market on the other hand.

Meanwhile, Kotech Education have started collaborations with various partners like IC master, DTSL and RICOH who is well known as 3D printer hardware suppliers, to provide professional 3D printing hardware and training services to local primary and secondary schools. Besides that, Kotech Education have been established collaboration with METAS HK limited to provide the METAS Bits courses and products to various local schools, and they have granted kotech Education a regional distribution license in Hong Kong, Macau and other Southern China cities. For the PRC market expansion, Kotech Education have already networked with a series of business partners and have successfully developed METAS courses to certain customers like 華語一家, 金鐘藝術 and A+教育.

With the main development in education field in Hong Kong and the PRC, Kotech Education is confident that they can have good contribution to the group through a series of collaboration with their innovative products and potential partners.

## **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 March 2015, the group's net current assets were approximately RMB126.59 million (2014: approximately RMB10.55 million), including cash and bank balances of approximately RMB34.93 million (2014: approximately RMB30.65 million).

The group had bank borrowings of RMB38.5 million as at 31 March 2015 (2014: RMB43.5 million), of which 29.9% were due within one year from balance sheet date, 46.8% were due more than one year but not exceeding two years and 23.3% 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 8.4% (2014: 11.1%).

## **INVESTMENT POSITION**

The group did not have any significant investment position in stocks, bonds and other financial derivatives as at 31 March 2015.

## **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.

## **FUND RAISINGS THROUGH ISSUE OF EQUITY/CONVERTIBLE SECURITIES AND SUBSCRIPTION RIGHTS**

On 19 June 2014, the company issued convertible bonds (the "Convertible Bonds") to not less than six places 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 ("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 year ended 31 March 2015, 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 of the company were issued. The net proceeds from the issue of Convertible Bonds and warrant shares were approximately HK\$130 million and HK\$4.2 million respectively. Set out below is the breakdown of the approximate application of such net proceeds up to 31 March 2015:

	<b>Approximate amount</b> <i>HK\$'million</i>
Loans and related interest repayment	30.50
Acquisition of Liqun Investments Limited	30.00
Professional fees	7.40
General operating expenses	19.00
	<hr/>
Total proceeds used	<u>86.90</u>

## **CAPITAL STRUCTURE**

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 the Mr. Wong Yat On as the consideration for the acquisition of 90% of the equity interest in Able Up Investment Limited.

On 21 November 2014, the company issued a promissory note in the principal amount of HK\$70,000,000 at the interest rate of 8% per annum to Wan Cheng Investments Limited as the consideration for the acquisition of the entire issued share capital of Liqun Investments Limited.

During the year ended 31 March 2015, the company has redeemed the promissory notes which were issued by the company on 11 December 2013 and 6 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 year ended 31 March 2015.

## **CHARGES ON GROUP'S ASSETS**

As at 31 March 2015, the group's investment properties with a value of approximately RMB141 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 2015, the group did not have any material contingent liability (2014: Nil).

## **ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

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 the Able Up Investment Limited (the “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 note by the company. The Able Up is incorporated under the laws of the British Virgin Islands with limited liability and it owns 100% equity interest in Global Education Group Limited (the “Global Education”). Upon completion of the Agreement on 16 April 2014, each of the Able Up and the Global Education was become a subsidiary of the company. Details of which are set out in the announcement of the company dated 4 April 2014.

On 16 October 2014, the company entered into the sale and purchase agreement with Wan Cheng Investments Limited (the “Wan Cheng”) and Mr. Chu Hong Chuen Raymond, Mr. Chim Man Tung, Mr. Kam Wing Sau (together the “Guarantors”), pursuant to which the company has conditionally agreed to acquire and the Wan Cheng has conditionally agreed to sell the entire issued share capital of Liqun Investments Limited (the “Liqun Investment”), 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 note by the company. The Liqun Investment is incorporated under the laws of the British Virgin Islands with limited liability and it owns 90% equity interest in Kotech Educational Limited (the “Kotech Education”). Upon completion of the Agreement on 21 November 2014, each of the Liqun Investment and Kotech Education was become a subsidiary of the company. Details of which are set out in the announcement of the company dated 16 October 2014.

Save as disclosed above, the company did not have other acquisition or disposal of subsidiaries or associated companies for the year ended 31 March 2015.

## **EMPLOYEES**

As at 31 March 2015, the group had 52 employees (2014: 37). 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 2015.

## **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 2015, 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 conducive with strong and consistent leadership, enabling the company to making and implementing decisions 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 was unable to attend the company's annual general meeting held on 29 August 2014 due to his 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 2015 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 2015 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 2015.

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

The company's annual report for the year ended 31 March 2015 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, 29 June 2015

*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.*