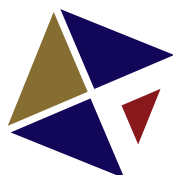


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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED

中國置業投資控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 736)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

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 2015, 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 2015

		Six months ended	
		30 September	
	<i>Note</i>	2015	2014
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
Revenue	4	13,486	5,024
Cost of sales		(5,315)	(837)
Gross profit		8,171	4,187
Valuation (loss)/gains on investment properties		(4,907)	8,129
Other revenue		698	3,730
Other net income		20,237	1,365
Administrative expenses		(23,913)	(23,904)
Exploration and development expenses of mine		(100)	(212)
Other operating expenses	5(d)	(45,399)	(398)

* *For identification purposes only*

		Six months ended	
		30 September	
	<i>Note</i>	2015	2014
		(Unaudited)	(Unaudited)
		RMB'000	RMB'000
Loss from operations		(45,213)	(7,103)
Finance costs	5(a)	(5,016)	(5,486)
Share of profit/(loss) of an associate		346	(272)
		<hr/>	<hr/>
Loss before taxation	5	(49,883)	(12,861)
Income tax	6(a)	1,664	(1,969)
		<hr/>	<hr/>
Loss for the period		(48,219)	(14,830)
		<hr/> <hr/>	<hr/> <hr/>
Attributable to:			
Owners of the company		(46,463)	(14,652)
Non-controlling interests		(1,756)	(178)
		<hr/>	<hr/>
Loss for the period		(48,219)	(14,830)
		<hr/> <hr/>	<hr/> <hr/>
		RMB	RMB
Loss per share	7		
– Basic		(0.01)	(0.02)
		<hr/>	<hr/>
– Diluted		(0.01)	(0.02)
		<hr/>	<hr/>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Six months ended	
	30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Loss for the period	(48,219)	(14,830)
Other comprehensive income/(loss) for the period		
Available-for-sale investments		
– net gain on revaluation of available-for-sale investments	20,547	–
Exchange differences on translation of:		
– financial statements of group entities outside the PRC	(8,464)	(242)
– financial statements of an associate	–	(1)
	<hr/>	<hr/>
Total other comprehensive income/(loss) for the period, net of nil tax	12,083	(243)
	<hr/>	<hr/>
Total comprehensive loss for the period	(36,136)	(15,073)
	<hr/> <hr/>	<hr/> <hr/>
Attributable to:		
Owners of the company	(34,380)	(14,895)
Non-controlling interests	(1,756)	(178)
	<hr/>	<hr/>
Total comprehensive loss for the period	(36,136)	(15,073)
	<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015

	<i>Note</i>	30/9/2015 (Unaudited) RMB'000	31/3/2015 (Audited) RMB'000
Non-current assets			
Property, plant and equipment		23,168	10,218
Investment properties		201,690	206,597
Intangible assets		78,842	99,491
Goodwill		16,846	16,846
Interest in associate		7,389	7,642
Available-for-sale investments		307,162	–
		<u>635,097</u>	<u>340,794</u>
Current assets			
Trade and other receivables	8	18,293	18,962
Trading securities		90	119
Promissory notes receivables		–	97,057
Tax recoverable		91	88
Fixed Deposit		–	7,730
Cash and cash equivalents		32,854	27,204
		<u>51,328</u>	<u>151,160</u>
Current liabilities			
Other payables and accruals		19,431	12,940
Interest-bearing bank borrowings		18,000	11,500
Current taxation		135	135
		<u>37,566</u>	<u>24,575</u>
Net current assets		<u>13,762</u>	<u>126,585</u>
Total assets less current liabilities		<u>648,859</u>	<u>467,379</u>
Non-current liabilities			
Other payables and accruals		37	110
Interest-bearing bank borrowings		18,000	27,000
Deferred tax liabilities		14,492	16,153
Warrants		2,798	13,764
Unconvertible bonds		16,378	15,756
Purchase consideration payable		2,775	916
		<u>54,480</u>	<u>73,699</u>
NET ASSETS		<u>594,379</u>	<u>393,680</u>
Equity			
Equity attributable to owners of the company			
Share capital		96,215	36,260
Reserves		491,553	349,053
		<u>587,768</u>	<u>385,313</u>
Non-controlling interests		6,611	8,367
TOTAL EQUITY		<u>594,379</u>	<u>393,680</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Attributable to owners of the company										
	Share Capital <i>RMB'000</i>	Share Premium <i>RMB'000</i>	Special reserve <i>RMB'000</i>	Employee	Contribution reserve <i>RMB'000</i>	Exchange	Investment	Accumulated losses <i>RMB'000</i>	Total <i>RMB'000</i>	Non- controlling interests <i>RMB'000</i>	Total equity <i>RMB'000</i>
				share-based compensation reserve <i>RMB'000</i>		fluctuation reserve <i>RMB'000</i>	revaluation reserve <i>RMB'000</i>				
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 warrant	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)	<u>36,260</u>	<u>1,031,432</u>	<u>(56,225)</u>	<u>-</u>	<u>20,022</u>	<u>19,101</u>	<u>-</u>	<u>(654,104)</u>	<u>396,486</u>	<u>9,285</u>	<u>405,771</u>
At 1 April 2015	36,260	1,044,209	(56,225)	4,191	-	30,926	-	(674,048)	385,313	8,367	393,680
Placing and subscription of new shares	58,905	137,445	-	-	-	-	-	-	196,350	-	196,350
Exercise of share option	578	8,257	-	(4,191)	-	-	-	-	4,644	-	4,644
Exercise of bonus warrant	472	37,333	-	-	-	-	-	-	37,805	-	37,805
Share issues expenses	-	(1,964)	-	-	-	-	-	-	(1,964)	-	(1,964)
Total comprehensive loss for the period	-	-	-	-	-	(8,464)	20,547	(46,463)	(34,380)	(1,756)	(36,136)
At 30 September 2015 (Unaudited)	<u>96,215</u>	<u>1,225,280</u>	<u>(56,225)</u>	<u>-</u>	<u>-</u>	<u>22,462</u>	<u>20,547</u>	<u>(720,511)</u>	<u>587,768</u>	<u>6,611</u>	<u>594,379</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015

	Six months ended	
	30 September	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Net cash used in operating activities	(3,411)	(33,288)
Net cash generated used in investing activities	(285,165)	(12,563)
Net cash generated from financing activities	<u>293,216</u>	<u>103,866</u>
Net increase in cash and cash equivalents	4,640	58,015
Cash and cash equivalents at beginning of period	27,204	30,645
Effect of foreign exchange rate changes, net	<u>1,010</u>	<u>(180)</u>
Cash and cash equivalents at end of period	<u><u>32,854</u></u>	<u><u>88,480</u></u>
 ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u><u>32,854</u></u>	<u><u>88,480</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF FINANCIAL INFORMATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2015 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 2015, 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 2015.

Items included in the unaudited 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 are stated at their fair value:

- investment properties
- trading securities
- convertible bonds and warrants

The unaudited condensed consolidated interim financial information for the period ended 30 September 2015 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:

Amendments to HKAS 19	Defined benefit plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

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

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT INFORMATION

Operating segments are identified on the basis of internal 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.

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, 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 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 period ended 30 September 2015 and 2014 is set out below.

	Six months ended 30 September 2015 (Unaudited)				Six months ended 30 September 2014 (Unaudited)			
	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	Educational support services RMB'000	Total RMB'000
Revenue from external customers	<u>4,458</u>	<u>-</u>	<u>9,028</u>	<u>13,486</u>	<u>4,369</u>	<u>-</u>	<u>655</u>	<u>5,024</u>
Reportable segment revenue	<u>4,458</u>	<u>-</u>	<u>9,028</u>	<u>13,486</u>	<u>4,369</u>	<u>-</u>	<u>655</u>	<u>5,024</u>
Reportable segment (loss)/profit before taxation	(4,913)	(19,229)	(966)	(25,108)	6,690	(2,072)	181	4,799
Interest income on bank deposits	1	-	-	1	1	-	-	1
Depreciation	(352)	(295)	(87)	(734)	(315)	(889)	(10)	(1,214)
Income tax credit/(expense)	1,227	-	437	1,664	(2,032)	-	63	(1,969)
Finance costs	(1,250)	(11)	-	(1,261)	(1,800)	(10)	-	(1,810)
Exploration and development expenses of mine	-	(100)	-	(100)	-	(212)	-	(212)
Valuation (loss)/gain on investment properties	(4,907)	-	-	(4,907)	8,129	-	-	8,129
Amortisation of intangible assets	-	(2,650)	-	(2,650)	-	-	(382)	(382)
Impairment loss of intangible assets	-	(18,000)	-	(18,000)	-	-	-	-

	As at 30 September 2015 (Unaudited)				As at 31 March 2015 (Audited)			
	Properties investment <i>RMB'000</i>	Investing in mining activities <i>RMB'000</i>	Educational support services <i>RMB'000</i>	Total <i>RMB'000</i>	Properties investment <i>RMB'000</i>	Investing in mining activities <i>RMB'000</i>	Educational support services <i>RMB'000</i>	Total <i>RMB'000</i>
Reportable segment assets	<u>210,296</u>	<u>70,902</u>	<u>39,915</u>	<u>321,113</u>	<u>213,592</u>	<u>86,582</u>	<u>37,877</u>	<u>338,051</u>
Additions to non-current assets during the period/year	<u>4</u>	<u>-</u>	<u>287</u>	<u>291</u>	<u>30</u>	<u>6</u>	<u>38,386</u>	<u>38,422</u>
Reportable segment liabilities	<u>41,242</u>	<u>7,239</u>	<u>682</u>	<u>49,163</u>	<u>43,115</u>	<u>4,667</u>	<u>773</u>	<u>48,555</u>
Current taxation	-	-	-	-	-	-	-	-
Deferred tax liabilities	<u>11,980</u>	<u>-</u>	<u>2,512</u>	<u>14,492</u>	<u>13,206</u>	<u>-</u>	<u>2,947</u>	<u>16,153</u>
Total liabilities	<u>53,222</u>	<u>7,239</u>	<u>3,194</u>	<u>63,655</u>	<u>56,321</u>	<u>4,667</u>	<u>3,720</u>	<u>64,708</u>

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

	Six months ended 30 September	
	2015 (Unaudited) <i>RMB'000</i>	2014 (Unaudited) <i>RMB'000</i>
(i) Revenue		
Total reportable segment revenue	13,486	5,024
Elimination of inter-segment revenue	<u>-</u>	<u>-</u>
Consolidated turnover	<u>13,486</u>	<u>5,024</u>
(ii) Loss before taxation		
Total reportable segment (loss)/profit	(25,108)	4,799
Share of profit/(loss) of an associate	346	(272)
Unallocated corporate income	20,237	1,371
Depreciation	(743)	(405)
Interest income	648	3,308
Finance costs	(3,755)	(3,676)
Unallocated corporate expenses	(41,508)	(17,986)
Consolidated loss before taxation	<u>(49,883)</u>	<u>(12,861)</u>

	As at 30 September 2015 (Unaudited) RMB'000	As at 31 March 2015 (Audited) RMB'000
(iii) Assets		
Total reportable segment assets	321,113	338,051
Unallocated corporate assets	<u>365,312</u>	<u>153,903</u>
Consolidated total assets	<u><u>686,425</u></u>	<u><u>491,954</u></u>
(iv) Liabilities		
Total reportable segment liabilities	(63,655)	(64,708)
Current taxation	(135)	(135)
Unallocated corporate liabilities	<u>(28,256)</u>	<u>(33,431)</u>
Consolidated total liabilities	<u><u>(92,046)</u></u>	<u><u>(98,274)</u></u>
(v) Other items		

Six months ended 30 September 2015 (Unaudited)

	Properties investment RMB'000	Investing in mining activities RMB'000	Educational support services RMB'000	Unallocated RMB'000	Total RMB'000
Interest income					
– promissory notes	–	–	–	602	602
– bank deposits	1	–	–	46	47
Depreciation	(352)	(295)	(87)	(743)	(1,477)
Finance costs	(1,250)	(11)	–	(3,755)	(5,016)
Income tax credit	<u>1,227</u>	<u>–</u>	<u>437</u>	<u>–</u>	<u>1,664</u>

Six months ended 30 September 2014 (Unaudited)

	Properties investment RMB'000	Investing in mining activities RMB'000	Educational support services RMB'000	Unallocated RMB'000	Total 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	<u>(2,032)</u>	<u>–</u>	<u>63</u>	<u>–</u>	<u>(1,969)</u>

c) **Revenue from major services**

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

	Six months ended	
	30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Properties investment	4,458	4,369
Educational support services	9,028	655
	13,486	5,024

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 property, plant and equipment, investment properties, intangible assets, goodwill, and interest in an associate. The geographic location of property, 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 intangible are allocated. In the case of interest in an associate, it is the location of operations of such associates.

	Revenue from external		Non-current assets	
	customers			
	Six months	Six months	As at	As at
	ended	ended	30 September	31 March
	30 September	30 September	2015	2015
	2015	2014	(Unaudited)	(Audited)
	(Unaudited)	(Unaudited)	RMB'000	RMB'000
	RMB'000	RMB'000	RMB'000	RMB'000
Hong Kong				
(place of domicile)	9,028	655	351,955	47,930
PRC	4,458	4,369	268,472	292,024
Others	-	-	14,670	840
	13,486	5,024	635,097	340,794

4. REVENUE

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

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

	Six months ended	
	30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Rental income from investment properties	4,458	4,369
Commission income from educational support services	9,028	655
	<hr/>	<hr/>
	13,486	5,024
	<hr/> <hr/>	<hr/> <hr/>

5. LOSS BEFORE TAXATION

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

	Six months ended	
	30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
a) Finance costs		
Interest expenses on bank borrowings not wholly repayable within five years	1,250	1,800
Interest expense on other borrowings	11	10
Interest on promissory notes	3,356	470
Interest on unconvertible bonds	399	396
Placing commission on convertible bonds	–	2,682
Interest expense on convertible bonds	–	128
	<hr/>	<hr/>
	5,016	5,486
	<hr/> <hr/>	<hr/> <hr/>
b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	8,364	10,131
Contribution to defined contribution retirement plans	374	275
	<hr/>	<hr/>
	8,738	10,406
	<hr/> <hr/>	<hr/> <hr/>

	Six months ended	
	30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
c) Other items		
Auditor's remuneration – other services	893	46
Operating lease charges: minimum lease payments	2,744	3,012
Depreciation	1,477	1,619
Gross rental income from investment properties less direct outgoings of RMB580,000 (2014: RMB837,000)	(3,878)	(3,532)
Exploration and development expenses of mine	100	212
	<u> </u>	<u> </u>
d) Other operating expenses		
Amortisation of intangible assets	2,650	382
Fair value loss of trading securities	33	16
Fair value change for contingent consideration receivable	1,774	–
Fair value loss on warrants	22,312	–
Impairment loss of intangible assets	18,000	–
Impairment loss on interest in associate	630	–
	<u> </u>	<u> </u>
	<u>45,399</u>	<u>398</u>

6. INCOME TAX

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

	Six months ended	
	30 September	
	2015	2014
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current tax		
Hong Kong profits tax	–	–
Overseas tax calculated at rates prevailing in relevant jurisdiction	–	–
	<u> </u>	<u> </u>
	–	–
Deferred tax		
Origination and reversal of temporary differences	(1,664)	1,969
	<u> </u>	<u> </u>
Income tax (credit)/expense	<u>(1,664)</u>	<u>1,969</u>

Note:

- i) For the period ended 30 September 2015 and 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 2015 is 25% (2014: 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	Depreciation allowances in excess of related depreciation	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Deferred tax liabilities arising from:				
At 1 April 2014	6,025	–	–	6,025
Deferred tax arising from acquisition of subsidiaries	–	3,434	11	3,445
Deferred tax charged/(credited) to the profit or loss	7,181	(547)	49	6,683
	<u>13,206</u>	<u>2,887</u>	<u>60</u>	<u>16,153</u>
At 31 March 2015	<u>13,206</u>	<u>2,887</u>	<u>60</u>	<u>16,153</u>
At 1 April 2015	13,206	2,887	60	16,153
Deferred tax credited to the profit or loss	(1,227)	(437)	–	(1,664)
Exchange realignment	–	–	3	3
	<u>11,979</u>	<u>2,450</u>	<u>63</u>	<u>14,492</u>
At 30 September 2015	<u>11,979</u>	<u>2,450</u>	<u>63</u>	<u>14,492</u>

7. LOSS PER SHARE

a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the company of RMB46,463,000 (2014: RMB14,652,000) and on the weighted average number of 3,252,951,000 ordinary shares in issue during the period (2014: 936,807,000 ordinary shares).

Weighted average number of ordinary shares:

	2015	2014
	Weighted	Weighted
	average	average
	number of	number of
	ordinary shares	ordinary shares
	'000	'000
Issued ordinary shares at 1 April	1,504,082	589,915
Effect on issuance of new shares in placement	1,721,312	–
Effect of issue of new shares upon conversion of convertible bonds	–	340,780
Effect of issue of new shares upon exercise of share options	15,426	–
Effect of issue of new shares upon exercise of bonus warrants	12,131	6,112
	<hr/>	<hr/>
Weighted average number of ordinary shares at the end of the period	<u>3,252,951</u>	<u>936,807</u>

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 periods ended 30 September 2015 and 2014.

8. TRADE AND OTHER RECEIVABLE

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 2015 (Unaudited) RMB'000	At 31 March 2015 (Audited) RMB'000
Within 3 months	<u>11,675</u>	<u>5,833</u>
Trade receivables	11,675	5,833
Loan and interest receivables (<i>note 2</i>)	–	–
Other receivables	<u>4,646</u>	<u>10,104</u>
Loan and receivables	16,321	15,937
Prepayment and deposits	<u>1,972</u>	<u>3,025</u>
	<u><u>18,293</u></u>	<u><u>18,962</u></u>

- 1) Trade receivables are due within 0-30 days from the date of billing.
- 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 I”) and a convertible note of HK\$90,000,000 (the “CN”) as security to Simsen under the Loan Agreement. The PN I 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 I on 10 February 2012 for an amount of HK\$10,000,000 with the consent of the company. During the year ended 31 March 2015, the company received HK\$4,862,000 (equivalent to RMB3,853,000) from the disposal of the PN I 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 RMB36,964,000) (31 March 2015: 45,138,000 equivalent to RMB35,560,000) 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 2015 (2014: 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 (the “Mine”) located in the Inner Mongolia, the People’s Republic of China (“PRC”) and provision of educational support services.

Properties Investment

As at 30 September 2015, the aggregate gross floor area of the investment properties being held by the group was approximately 7,004 square meters, approximately 100% of which was leased to third parties under operating leases with lease terms ranging up to twelve years.

Mining Business

Regarding the mining business, 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 period under review. The Mining Company obtained the approval document from 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 Mine, and published the related corporate information on the website of Administrative Bureau of Industry and Commerce in Inner Mongolia Autonomous Region. Moreover, the Mining Company obtained the approval document from the Department of Land and Resources of Inner Mongolia Autonomous Region regarding the extension of pre-approval for land use for the Mine and the annual review for mining rights from the Land and Resources Bureau of Keshi Ketengqi. The Mining Company also repaired the roads to the Mine and conducted maintenance on the original mining tunnels in the Mine.

Currently, the Mining Company is communicating with the qualified environmental assessment institution, in order to carry out fundamental works before preparation according to the requirements of Environment Protection Law. Recently, the Mining Company entered into a contract on environmental impact assessment report with the qualified environmental assessment design institution, deployed staffs concerned to prepare environmental impact assessment report and underwent approval formalities on environmental impact assessment. Subject to obtaining the reply regarding environmental impact assessment, the Mining Company should report the same to Development and Reform Commission in the Autonomous Region in order to go through for approval formalities on project establishment.

* *For identification purposes only*

Educational Support Services

In the educational support services segment, the group recorded a revenue of approximately RMB9.03 million for the six months ended 30 September 2015, which is mainly attributable to the services provided by the group in the areas of METAS, 3D printing, English learning and student referral and overseas education counselling.

During the period under review, a subsidiary of the company, Kotech Educational Limited (“Kotech Education”) started collaboration with certain local schools in providing training courses and related materials in METAS and 3D printing. Starting from September 2015 there were 15 courses on different subjects in IT training launched by Kotech Education with 11 local schools. Moreover, Kotech Education has also confirmed the intention of formation of a strategic partnership with 廣州市睿佳文化發展有限公司 in the area of selling of materials and operating courses in respect of METAS. We expect Kotech Education to have positive contribution both in terms of revenue and profit to the group for the second half of the financial year.

Pursuant to the sale and purchase agreement (“SPA”) dated 16 October 2014 among Wan Cheng Investments Limited as the vendor, the company as the purchaser and three individuals as guarantors, for the sale and purchase of interest in Kotech Education, each of the vendor and the guarantors, on a joint and several basis, irrevocably warrants and guarantees to the company that Kotech Education shall attain the prescribed performance targets (the “Guaranteed Profit”) for the periods as indicated in SPA, and the Guaranteed Profit for the six months ending 30 September 2015 is a net profit after tax of not less than HK\$1,500,000. According to the management accounts of Kotech Education, the net profit after tax for the six months ended 30 September 2015 was approximately HK\$2.3 million which exceeded the Guaranteed Profit. As such, the Company has redeemed part of the outstanding promissory notes, which have been issued to satisfy the consideration of the acquisition, in the principal amount of HK\$10,000,000 in November 2015 pursuant to the terms and conditions of the SPA and the promissory notes.

Termination of Subscription Agreement

On 4 June 2015, CSR (Hong Kong) Co. Limited (the “Subscriber”) and the company entered into a subscription agreement (the “Subscription Agreement”) pursuant to which the Subscriber conditionally agreed to subscribe for and the company conditionally agreed to allot and issue 6,500,000,000 new shares of the company at the Subscription Price of HK\$0.10 (the “Subscription”). Completion of the Subscription is conditional upon the satisfaction (if applicable, waiver) of certain conditions, one of which being the notification by the Subscriber in writing to the company that the Subscriber is satisfied with the results of its due diligence exercise conducted on each Group member.

The company has been informed by the Subscriber in August 2015 that the aforesaid condition precedent to completion of the Subscription relating to due diligence exercise conducted on each Group member to the satisfaction of the Subscriber, has not been satisfied. As a result, the Subscriber decided not to proceed with the completion of Subscription pursuant to the Subscription Agreement and the relevant terms of the Subscription Agreement will be of no further effect. Accordingly, there will not be any issue of new shares under Subscription Agreement.

Financial Review

For the period under review, the group's turnover was approximately RMB13.49 million (2014: approximately RMB5.02 million), representing an increase of approximately 168% compared with the same period last year. The increase in turnover was mainly due to the contribution from the educational support services segment. The unaudited net loss for the period under review was approximately RMB48.22 million (2014: approximately RMB14.83 million) and the loss per share for was RMB0.01 (2014: RMB0.02). The increase in net loss is mainly attributable to (a) the impair loss of the intangible assets of the mining rights of the group resulted primarily from a drop of copper and Molybdenum prices; (b) the loss on the decreased fair value of the investment property of the group in the PRC; and (c) decrease in interest income amounted approximately RMB3.3 million, which was due to settlement of the promissory note in April 2015 and the related interest income was not available for the period ended 30 September 2015.

The administrative expenses of the group for the period amounted to approximately RMB23.91 million (2014: approximately RMB23.90 million). The finance cost of the group amounted to approximately RMB5.02 million which was mainly incurred for the bank loan under the security of investment properties in Shanghai, unconvertible bonds and promissory notes issued by the company.

Liquidity and Financial Resources

As at 30 September 2015, the group's net current assets were approximately RMB13.76 million (at 31 March 2015: approximately RMB126.59 million), including cash and bank balance of approximately RMB32.85 million (at 31 March 2015: approximately RMB34.93 million).

The group had bank borrowings of RMB36 million as at 30 September 2015 (at 31 March 2015: RMB38.5 million) of which 50% were due within one year from balance sheet date and 50% were due more than one year but not exceeding two years. The gearing ratio, defined as the percentage of net debts to the total equity of the company, was 3.8% (at 31 March 2015: approximately 8.4%).

Investment Position

For the six month ended 30 September 2015, the company has the following significant investments.

Avant Capital Dragon Fund SP

On 8 July 2015, the company subscribed for an aggregate amount of HK\$200 million of the class S participating segregated portfolio redeemable shares of US\$0.01 par value each of Avant Capital Dragon Fund SP (the “AC Fund”), a segregated portfolio of Avant Capital SPC, an exempted segregated portfolio company incorporated on 27 April 2015 under the laws of the Cayman Islands.

The investment strategy of the AC Fund is to generate return via capturing inefficiencies in the financial markets with flexibility in its approach to investing and taking calculated risks when appropriate opportunities arise. The investment manager of the AC Fund will generally invest in global equities and equity-based securities (including OTC CFDs, convertible bonds, equity options and stock index options and futures types if investment), foreign exchange, commodities, fixed income, futures or derivatives on any asset classes, any securities or derivatives issued by publicly listed companies and secondary market activities including share lending and monetization of the AC Fund, as part of the AC Fund’s risk management process to minimize downside risk and generate additional income for the AC Fund. The investment manager of the AC Fund may also invest in non-listed assets including but not limited to pre-IPO companies.

As at 30 September 2015, the market value of the AC fund was approximately USD25.51 million (equivalent to approximately HK\$198.95 million).

Tiger High Yield Fund

On 31 July 2015, the company subscribed for an aggregate amount of HK\$150 million of the non-voting participating redeemable preference shares of US\$0.01 par value each of Tiger High Yield Fund Segregated Portfolio (the “Tiger Fund”), a segregated portfolio of Tiger Super Fund SPC, an exempted segregated portfolio company incorporated under the laws of the Cayman Islands.

Investment strategy of the Tiger Fund is to invest in both short and long term Hong Kong listed securities, including IPO securities. In general, the fund will invest in high yield but medium to high risk securities.

As at 30 September 2015, the market value of the Tiger Fund was approximately USD22.89 million (equivalent to approximately HK\$178.56 million).

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

Shares Capital and Capital Structure

On 10 March 2015, the Company entered into the placing agreement with Tanrich Securities Company Limited (the “Placing Agent”), pursuant to which the company has conditionally agreed to place, through the Placing Agent, on a best effort basis, up to 2,500,000,000 new shares (“Placing Shares”) of the company to not less than six places at the placing price of HK\$0.1 per Placing Share under the specific mandate to be sought from the shareholders of the company at the special general meeting of the company held on 30 April 2015. The placing price of HK\$0.1 represented a discount of approximately 15.25% to the closing price of HK\$0.118 per share as quoted on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 10 March 2015, being the date of the Placing Agreement. The placing was completed on 28 May 2015 and the company issued 2,500,000,000 Placing Shares to not less than six places.

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 2015.

Charges on the Group’s Assets

As at 30 September 2015, the group’s investment properties with a value of approximately RMB138 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 2015, the group did not have any material contingent liability (2015: Nil).

Acquisition and Disposal of Subsidiaries

There was no acquisition and disposal of subsidiaries of the group during the period ended 30 September 2015.

Employees

As at 30 September 2015, the group has 48 employees. The remuneration was determined with reference to statutory minimum wages, market terms as well as the performance, qualification and experience of individual employees. The group provides contributory provident fund and insurance scheme to the employees. Share option schemes 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 new lines of business with growth potential and broaden its source of income.

On 20 November 2015, a wholly-owned subsidiary (as the purchaser) of the company entered into an sales and purchase agreement with independent third parties in relation to the acquisition of a company licensed under the Securities and Futures Ordinance to carry on business in the type 1 regulated activity of dealing in securities and is an exchange participant of the Stock Exchange. By investing in the target company, it is expected that the group can enter into securities brokerage industry, being a new business segment to the group, and the group is expected to benefit from diversifying its revenue stream which is expected to increase its shareholders' value and benefit the Company and its shareholders as a whole.

Going forward, the group will continue to 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

There was no purchase, redemption or sale of any of the company's listed securities by the company or any of the company's subsidiaries during the six months ended 30 September 2015.

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 2015, except for the deviation from the requirement of code provision A.2.1, A.6.7 and E.1.2 of the CG Code explained as follows.

Provision A.2.1 of the CG Code 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, deviating from the requirement of the code provision A.2.1. The board considered that this structure was conducive with strong and consistent leadership, enabling the company to respond promptly and efficiently to business opportunities and issues.

Provision A.6.7 of the CG Code 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 30 April 2015. Mr. Lai Wai Yin Wilson and Ms. Cao Jie Min did not attend the company's annual general meeting held on 26 August 2015 due to their other work commitments.

Provision E.1.2 of the CG Code stipulates that the chairman of the board should attend annual general meetings. The chairman was unable to attend the company's annual general meeting held on 26 August 2015 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 Hong Kong Institute of Certified Public Accountants. 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 2015 was reviewed by the Audit Committee which is 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 2015 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 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.