

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2017

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 2017 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 2017

	<i>Note</i>	2017 <i>HK\$000</i>	2016 <i>HK\$000</i> (Restated)
Continuing operations:			
Revenue	<i>3(a)</i>	63,345	15,094
Cost of sales and services rendered		<u>(2,715)</u>	<u>(974)</u>
Gross profit		60,630	14,120
Valuation gain/(loss) on investment properties		20,015	(20,089)
Other income	<i>3(b)</i>	1,326	866
Other gains and losses		(922)	(28,433)
Selling expenses		(179)	(188)
Administrative expenses		(73,338)	(56,950)
Other expenses	<i>4</i>	<u>(35,487)</u>	<u>(24)</u>
Loss from operations		(27,955)	(90,698)
Finance costs		(5,999)	(10,740)
Share of loss of an associate		<u>(8)</u>	<u>(128)</u>
Loss before taxation		(33,962)	(101,566)
Income tax (expenses)/credit	<i>5</i>	<u>(5,772)</u>	<u>5,021</u>
Loss for the year from continuing operations		(39,734)	(96,545)
Discontinued operation:			
Gain/(loss) for the year from discontinued operation		<u>23,150</u>	<u>(15,092)</u>
Loss for the year		<u>(16,584)</u>	<u>(111,637)</u>
Attributable to:			
Owners of the company		(16,530)	(109,071)
Non-controlling interests		<u>(54)</u>	<u>(2,566)</u>
Loss for the year		<u>(16,584)</u>	<u>(111,637)</u>

	<i>Note</i>	2017 <i>HK\$000</i>	2016 <i>HK\$000</i> (Restated)
Loss attributable to owners of the company arises from:			
Continuing operations		(39,734)	(96,545)
Discontinued operation		23,204	(12,526)
		<u>(16,530)</u>	<u>(109,071)</u>
 LOSS PER SHARE			
	6		
From continuing and discontinued operations			
Basic		<u>(HK\$0.45 cents)</u>	<u>(HK\$12.10 cents)</u>
Diluted		<u>(HK\$0.45 cents)</u>	<u>(HK\$12.10 cents)</u>
From continuing operations			
Basic		<u>(HK\$1.09 cents)</u>	<u>(HK\$10.71 cents)</u>
Diluted		<u>(HK\$1.09 cents)</u>	<u>(HK\$10.71 cents)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2017

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i> (Restated)
Loss for the year	(16,584)	(111,637)
Other comprehensive income/(loss) for the year		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of:		
– financial statements of group entities	(13,801)	(15,814)
	(13,801)	(15,814)
Release of exchange fluctuation reserve upon disposal of subsidiaries	–	(22,970)
Available-for-sale investments:		
Changes in fair value	54,138	27,459
Total other comprehensive income/(loss) for the year	40,337	(11,325)
Total comprehensive income/(loss) for the year	23,753	(122,962)
Attributable to:		
Owners of the company	23,807	(120,396)
Non-controlling interests	(54)	(2,566)
Total comprehensive income/(loss) for the year	23,753	(122,962)
Total comprehensive loss attributable to owners of the company arises from		
Continuing operations	603	(84,900)
Discontinued operation	23,204	(35,496)
	23,807	(120,396)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

		As at 31 March		As at 1 April
		2017	2016	2015
	Note	HK\$000	HK\$000	HK\$000
			(Restated)	(Restated)
Non-current assets				
Plant and equipment		12,865	8,495	12,950
Investment properties		234,015	228,635	261,262
Intangible assets		9,330	14,695	126,435
Goodwill		4,748	21,260	21,260
Deposit for acquisition of subsidiaries		–	1,560	–
Interest in an associate		–	9,575	9,703
Available-for-sale investments		501,597	377,459	–
Contingent consideration receivable		–	3,186	–
		762,555	664,865	431,610
Current assets				
Property under development		18,576	18,053	–
Trade and other receivables	7	82,886	26,267	24,025
Loan receivables	8	275,000	120,000	–
Trading securities		153,152	127	151
Promissory notes receivables		–	–	123,200
Tax recoverable		–	178	112
Consideration receivable		–	21,600	–
Fixed deposits		11,658	16,742	9,767
Cash and bank balances – trust accounts		6,822	–	–
Cash and bank balances – general accounts		136,775	46,323	34,523
		684,869	249,290	191,778
Current liabilities				
Trade and other payables	9	19,958	25,236	16,384
Interest-bearing bank borrowings		10,148	21,638	14,543
Tax payable		1,067	1	171
Warrants		–	73	–
		31,173	46,948	31,098
Net current assets		653,696	202,342	160,680
Total assets less current liabilities		1,416,251	867,207	592,290

	As at 31 March		As at 1 April
	2017	2016	2015
<i>Note</i>	HK\$000	HK\$000	HK\$000
		(Restated)	(Restated)
Non-current liabilities			
Other payable	–	–	139
Interest-bearing bank borrowings	–	10,819	34,144
Deferred tax liabilities	16,699	13,467	20,530
Warrants	–	–	17,472
Unconvertible bonds	20,000	20,000	20,000
Purchase consideration payable	–	–	1,162
	36,699	44,286	93,447
NET ASSETS	1,379,552	822,921	498,843
EQUITY			
Equity attributable to owners of the company			
Share capital	48,576	9,715	45,122
Reserves	1,330,976	811,793	443,088
	1,379,552	821,508	488,210
Non-controlling interests	–	1,413	10,633
TOTAL EQUITY	1,379,552	822,921	498,843

NOTES TO THE FINANCIAL STATEMENTS:

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for current accounting period of the group. 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 financial statements.

Change in presentation and functional currency

Having considered over 85% of the group’s revenue and business activities are conducted in Hong Kong and the functional currency of those subsidiaries in Hong Kong is Hong Kong Dollars (“HKD”), the group has decided to adopt and use HKD as the functional and presentation currency in presenting the financial performance and the financial position of the group effective from 1 April 2016, so as to better reflect the underlying performance of the group and for better alignment with the underlying business operations of the group. As a result, the group changed its functional and presentation currency from Renminbi (“RMB”) to HKD for the preparation of its financial statements.

The change in presentation currency has been applied retrospectively. The comparative figures in this consolidated financial statements were then translated from RMB to HKD using the applicable closing rates for assets and liabilities in the consolidated balance sheet and applicable average rates that approximated to actual rates for items in the consolidated income statement. Share capital, share premium and reserves were translated at the exchange rate at the date when the respective amounts were determined (i.e. historical exchange rates).

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

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 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle

None of these developments have had a material effect on how the group's results and financial position for the current or prior periods have been prepared or presented.

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

3. REVENUE AND OTHER INCOME

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i> (Restated)
a) Revenue		
Continuing operations:		
Rental income from investment properties	9,354	10,845
Loan interest income	48,491	4,249
Investment management fee income	159	–
Commission and fees income on dealing in securities	2,251	–
Placing and underwriting commission	2,360	–
Interest income from margin and initial public offer financing	730	–
	<u>63,345</u>	<u>15,094</u>
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
b) Other income		
Continuing operations:		
Interest income on promissory notes	–	756
Interest income on bank deposits	156	89
	<u>156</u>	<u>845</u>
Dividend income	16	–
Gain on disposal of plant and equipment	73	–
Sundry income	1,081	21
	<u>1,326</u>	<u>866</u>

4. OTHER EXPENSES

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i> (Restated)
Fair value loss of trading securities	31,282	24
Write off of other receivables	39	–
Loss on disposal of interest in an associate	67	–
Realised loss on dealing of trading securities	3,378	–
Impairment loss of goodwill	721	–
	<u>35,487</u>	<u>24</u>

5. INCOME TAX EXPENSES/(CREDIT)

a) Income tax relating to continuing operations recognised in profit or loss represents:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i> (Restated)
Current tax		
Hong Kong Profits Tax	1,067	1
Deferred tax		
Origination and reversal of temporary differences	4,705	(5,022)
Income tax expenses/(credit)	<u>5,772</u>	<u>(5,021)</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) of estimated assessable profits for the year.

The provision for PRC Enterprise Income Tax (“EIT”) is calculated at 25% (2016: 25%) of the estimated assessable profits for the year. No provision for EIT was provided for as the company’s subsidiaries operating in the People’s Republic of China incurred losses for the years ended 31 March 2017 and 2016.

6. LOSS PER SHARE

From continuing and discontinued operations

The calculation of basic loss per share is based on the loss attributable to owners of the company of HK\$16,530,000 (2016: HK\$109,071,000) and on the weighted average number of 3,649,175,000 ordinary shares is issue during the year (2016: 901,573,000 ordinary shares).

Weighted average number of ordinary shares:

	2017 '000	2016 '000 (Restated)
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share (<i>note a</i>)	<u>3,649,175</u>	<u>901,573</u>

Note a: The number of ordinary shares for the year ended 31 March 2017 has been adjusted to take into account the retrospective adjustment to the number of shares outstanding before the rights issue which was completed during the year 2017 to reflect the bonus element inherent in the rights issue.

The number of ordinary shares for the year ended 31 March 2016 has been adjusted to take into account the retrospective adjustment to the number of shares outstanding before the rights issue which was completed during the year 2017 to reflect the bonus element inherent in the rights issue.

From continuing operations

The calculation of basic loss per share for continuing operations is based on the loss attributable to owners of the company of HK\$39,734,000 (2016: HK\$96,545,000) and on the weighted average number of 3,649,175,000 ordinary shares is issue during the year (2016: 901,573,000 ordinary shares).

From discontinued operation

Basic profit (2016: loss) per share from the discontinued operation is HK\$0.64 cents per share (2016: HK\$1.39 cents per share) and diluted profit (2016: loss) per share from the discontinued operation is HK\$0.64 cents per share (2016: HK\$1.39 cents per share), based on the profit for the year from the discontinued operation attributable to owners of the company of approximately HK\$23.2 million (2016: loss of approximately HK\$12.5 million) and the denominators detailed above for both basic and diluted profit (2016: loss) per share from discontinued operation.

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 basic loss per share for the year ended 31 March 2016 and 2017.

7. TRADE AND OTHER RECEIVABLES

a) Ageing analysis

(i) Trade receivable

Trade receivables are net of allowance for doubtful debts of HK\$5,795,000 (2016: HK\$6,179,000) with the following ageing analysis presented based on invoice dates:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i> (Restated)
Within 1 month	32	2,456
1 to 3 months	23	4,065
3 to 6 months	–	2,315
Over 6 months	<u>5,744</u>	<u>5,537</u>
	<u><u>5,799</u></u>	<u><u>14,373</u></u>

(ii) Interest receivables

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i> (Restated)
Within 1 month	<u>6,680</u>	<u>1,692</u>
	<u><u>6,680</u></u>	<u><u>1,692</u></u>

8. LOAN RECEIVABLES

At 31 March 2017, none of the loan receivables was overdue.

9. TRADE AND OTHER PAYABLES

The following is an ageing analysis of trade payables presented based on the invoice dates at the end of the reporting period:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i> (Restated)
Within 1 month	–	865
1 to 3 months	–	592
Over 3 months but less than 6 months	<u>–</u>	<u>486</u>
	<u><u>–</u></u>	<u><u>1,943</u></u>

DIVIDEND

The directors of the company do not recommend the payment of any dividend for the year ended 31 March 2017 (2016: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

For the year under review, the group's turnover for the continuing operation was approximately HK\$63.35 million (2016: approximately HK\$15.09 million), representing an increase of approximately 320% compared with last year. The increase in turnover was mainly due to the contribution from the financial services business and interest income from the money lending business.

The audited net loss for the continuing operation for the year was approximately HK\$39.73 million (2016: approximately HK\$96.55 million) and the basic loss per share was HK\$1.09 cents (2016: HK\$10.71 cents). The decrease in loss for the year was mainly attributable to (a) the gain on the increase in fair value of the investment property of the group in the People's Republic of China; (b) the increase in the revenue of the group which was contributed by the money lending business of the group and (c) the revenues generated from the financial services business which was acquired by the group during the financial period.

The administrative and selling expenses for the continuing operation of the Group for the year amounted to approximately HK\$73.52 million (2016: approximately HK\$57.14 million). The increase in the administrative expenses for the year was mainly attributable to the new business operation of financial services. The finance cost of the Group amounted to approximately HK\$6 million (2016: approximately HK\$10.74 million) which was incurred for the bank loans under the security of investment properties in Shanghai and the unconvertible bonds and promissory note issued by the Company.

The discontinued operation was representing the investment in educational support services which was disposed during the year. The gain from discontinued operation for the year ended was approximately HK\$23.15 million, representing the loss from operation of approximately HK\$0.54 million and the gain from disposal of subsidiaries of approximately HK\$23.69 million.

Business Review

During the year under review, the principal business activities of the group included the properties investment, money lending and financial services and provision of educational support services.

Properties Investment

As at 31 March 2017, 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.

Securities Brokerage and asset management

During the year under review, the group has acquired the entire issued share capital of C.P. Securities International Limited (formerly known as J.A.F. Brokerage Limited), which is a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (“SFO”) and is principally engaged in the business of securities brokerage, and such acquisition was completed in April 2016. The group has also acquired the entire issued share capital of C.P. Financial Management Limited (formerly known as Hong Kong Financial Management Limited) which is licensed under the SFO to carry on Type 9 (asset management) regulated activity and such acquisition was completed in September 2016.

The above acquisitions enable the group to enter into securities brokerage business and assets management business. The group is expected to be benefited from the synergy arising from these new business segments. The company has invested HK\$99 million to develop the financial services business for the year ended 31 March 2017, including the provision of securities trading, margin financing, underwriting and assets management which will help diversifying the businesses of the group for maximizing returns to the Shareholders.

During the period under review, the group has also acquired two companies, namely HKFM Global Fund SPC (“HKFM SPC”) and HKFM Investment Management Limited (“HKFM Investment”). HKFM SPC is an exempted company incorporated in the Cayman Islands and has created a segregated portfolio which focuses on companies which are related to the Greater China region and the United States of America, in particular companies listed in Hong Kong or the United States of America (the “Segregated Portfolio”). HKFM Investment is a company incorporated in the Cayman Islands with limited liability and had been appointed as an investment manager to the Segregated Portfolio. The Company has subscribed for the non-voting participating shares of the Segregated Portfolio for a total amount of HK\$190 million during the period. The said amount will serve as a seed money to build up the Segregated Portfolio and it is the ultimate goal of the company to attract other investors to participate in and subscribe for the non-voting participating shares of the Segregated Portfolio. C.P. Financial Management Limited had also been appointed as an investment advisor to HKFM Investment in relation to the management of assets of the Segregated Portfolio. The investment in the Segregated Portfolio represents a milestone on the development of the group’s asset management business.

Money Lending

The group has been proactively expanding the money lending business in Hong Kong during the period. For the year ended 31 March 2017, the group had a loan portfolio amounted to HK\$275 million with the terms ranging from 10 months to 15 months with the average interest rate of 18%. The interest income generated for the year ended 31 March 2017 was approximately HK\$48.49 million. For the sake of the recoverability and the quality of the money lending portfolio, the company has adopted prudence approach that all the loans must be secured by proper collaterals. In view of the substantial demand for money lending in Hong Kong, the company believes that there is growth potential in the group’s money-lending business and is able to provide steady interest income in the future.

Educational Support Services

On August 2016, the company entered into the sale and purchase agreement with the Wan Cheng Investments Limited (“Purchaser”), pursuant to which the company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the entire share capital of the Liquin Investments Limited, which in turn hold 90% of Kotech Educational Limited (“Kotech Education”), at the Consideration of HK\$100 million (“Disposal”). Kotech Education is principally engaged in provision of educational support services and sale of course materials.

The group has relied on the management of Kotech Education to maintain its operation. However, during the process of merging the operation of Kotech Education into the group, there were disagreements between the company and the management of the Kotech Education, on the business model of Kotech Education for the shift of focus from provision of educational support services to the local schools in application of the Quality Education Fund in Hong Kong to the sales of education course materials and provision of educational support services in the PRC, and non-cooperation of the management of Kotech Education in carrying out the group’s policies (the “Disputes”). During the said process, the company and Kotech Education had held several rounds of negotiation to try to resolve the Disputes but failed to reach any consensus. Despite Kotech Education was profit-making for the year ended 31 March 2016, having taken into account (i) the Disputes and the inability of the company and the management of Kotech Education to resolve the Disputes despite the company’s efforts; and (ii) the potential operational risk imposed on the company resulting from the non-cooperation of the management of Kotech Education should the Target Subsidiary remain as a subsidiary of the company, the Directors consider that the Disposal represents a good opportunity for the group to exit its investment from a dispute situation at the same price. As such the company and the Purchaser resolved the disputes by entering into the SPA. The Disposal was completed in November 2016.

In November 2016, the company also entered into a sales and purchase agreement with an independent third party in relation to disposal of 90% equity interest of Able Up Investment Limited and its wholly-owned subsidiaries, Global Education Group Limited and Plus Yield Investment Limited (Able Up Group), at a consideration of HK\$8,000,000.

Able Up Group is principally engaged in the overseas education counselling services and services relating to enrolment on overseas tertiary education institutes. Able Up Group was acquired by the Group a few years ago when the needs and demands for such education services in Hong Kong were in steady growth. However, the directors have observed that the demands and prospects for such education services is not in line with the expectation of the Company at the time of acquisition. It is expected that such disposal, will enable the group to re-allocate its resources in its other existing business segments, including money lending and securities brokerage and/or other higher return potential investment to enhance the value of the company and its shareholders as a whole. The disposal was completed on 14 November 2016.

Outlook

Going forward, the group will remain focused on developing its existing businesses in financial services and money lending business which will enhance the revenue stream of the group. In the meantime, the directors will also look for other suitable investment opportunities from time to time so as to enhance the value of the company and its shareholders as a whole.

Liquidity and Financial Resources

As at 31 March 2017, the group's net current assets were approximately HK\$653.7 million (2016: approximately HK\$202.34 million), including cash and bank balances of approximately HK\$143.6 million (2016: approximately HK\$46.32 million).

The group had bank borrowings of approximately HK\$10.15 million as at 31 March 2017 (2016: approximately HK\$32.46 million), of which 100% were due within one year from balance sheet date. The gearing ratio, defined as the percentage of debts to the total equity of the company, was approximately 2.19% (2016: 6.37%).

Foreign Exchange Exposure

As most of the group's assets and liabilities are denominated in Hong Kong dollar, Renminbi and US dollar 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.

Capital Structure

During the year ended 31 March 2017, the company has redeemed the outstanding promissory note (the "PN") in the principal amount of HK\$60,000,000 by setting off the PN with the consideration for disposal of Liquin Investments Limited.

Save as disclosed above, there was no other change in the capital structure of the company for the year ended 31 March 2017.

Contingent Liabilities

As at 31 March 2017, the group did not have any material contingent liability (2016: Nil).

Acquisition and Disposal of Subsidiaries and Associated Companies

Acquisitions

On 20 November 2015, a wholly-owned subsidiary (the “Purchaser”) of the Company and an independent third party (the “Vendor I”), entered into a sales and purchase agreement (“Agreement I”), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire issued share capital of C.P. Securities International Limited (Formerly known as J.A.F. Brokerage Limited), a company which is principally engaged in the business of securities brokerage and is a licensed corporation to carry out Type 1 (Dealing in Securities) regulated activity under the SFO, at the consideration of approximately HK\$12.61 million which will be satisfied by cash in accordance with the terms and conditions of the Agreement I (“Acquisition I”). The Acquisition I was completed on 11 April 2016.

On 26 May 2016, a wholly-owned subsidiary (the “Purchaser”) of the Company and an independent third party (the “Vendor II”), entered into a sales and purchase agreement (the “Agreement II”), pursuant to which the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire issued share capital of C.P. Financial Management Limited (Formerly known as Hong Kong Financial Management Limited), which is licensed under the SFO to carry on Type 9 (asset management) regulated activity, at the consideration of approximately HK\$6.72 million which will be satisfied by cash in accordance with the terms and conditions of the Agreement II (“Acquisition II”). The Acquisition II was completed on 14 September 2016.

On 23 September 2016, the company, as vendor, and an independent third party (the “Vendor III”), entered into a sales and purchase agreement (the “Agreement III”), pursuant to which the company has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the entire issued share capital of GR Global Limited (“GR Global”), which is a company incorporated in the British Virgin Islands with limited liability, at the consideration of HK\$965,000 payable by the Purchaser in accordance with the terms and conditions of the Agreement IV (“Acquisition III”). GR Global holds two wholly owned subsidiaries, namely HKFM Global Fund SPC (“HKFM SPC”) and HKFM Investment Management Limited (“HKFM Investment”). Upon completion of the Acquisition III on 26 September 2016, GR Global, HKFM SPC and HKFM Investment became the wholly owned subsidiaries of the company.

Disposals

On 27 May 2016, the company, as vendor, and an independent third party (the “Purchaser I”) entered into a sales and purchase agreement (the “Agreement IV”), pursuant to which the company has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire approximately 32.39% of Edknowledge Group Limited (the “Edknowledge”) at the consideration of HK\$9,500,000 payable by the Purchaser in accordance with the terms and conditions of the Agreement IV (“Disposal I”). Upon completion of the Disposal I on 3 June 2016, the company ceased to hold any equity interest of the Edknowledge and it has ceased to be an associate of the company.

On 22 August 2016, the company, as vendor, entered into the sale and purchase agreement (the “Agreement V”) with the Wan Cheng Investments Limited (the “Purchaser II”), pursuant to which the company has conditionally agreed to sell and the Purchaser II has conditionally agreed to acquire the entire share capital of the Liquin Investments Limited, at the consideration of HK\$100 million payable by the Purchaser II in accordance with the terms and conditions of the Agreement V (the “Disposal II”). Upon completion of the Disposal II on 10 November 2016, the company ceased to hold any equity interest of Liquin Investment Limited and its subsidiary.

On 11 November 2016, the company, as vendor, entered into the sale and purchase agreement (the “Agreement VI”) with an independent third party (the “Purchaser III”), pursuant to which the company has conditionally agreed to sell and the Purchaser III has conditionally agreed to acquire the 90% share capital of the Able Up Investment Limited, at the consideration of HK\$8 million payable by the Purchaser III in accordance with the terms and conditions of the Agreement VI (the “Disposal III”). Upon completion of the Disposal III on 14 November 2016, the company ceased to hold any equity interest of Able Up Investment Limited and its subsidiaries.

Save as disclosed above, the company did not have other acquisition or disposal of subsidiaries or associated companies for the year ended 31 March 2017.

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 2017

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 2017, except for the code provisions A.2.1 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 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 30 August 2016 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 2017 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 2017 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 2017.

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

The company’s annual report for the year ended 31 March 2017 containing all applicable information required by Appendix 16 to the Listing Rules will be despatched to the shareholders of the company and published on the Stock Exchange’s website and on the company’s website in due course.

By order of the board

China Properties Investment Holdings Limited

Xu Dong

Chairman

Hong Kong, 27 June 2017

As at the date of this announcement, the executive Directors are Mr. Xu Dong and Mr. Au Tat On, the non-executive Director is Mr. Han Wei, and the independent non-executive Directors are Mr. Lai Wai Yin, Wilson, Ms. Cao Jie Min and Mr. Tse Kwong Wah.