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 2013

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 2013 together with the audited comparative figures for the previous year as follows:

* *For identification purposes only*

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

	Note	**2013** **RMB'000**	2012 RMB'000
Turnover	4	**9,416**	7,243
Cost of sales		**(5,575)**	(3,806)
		3,841	3,437
Valuation loss on investment properties		**(18,034)**	(658)
Other revenue	4(a)	**1,677**	1,183
Other net income	4(b)	**8,207**	115
Selling expenses		**(224)**	(1,655)
Administrative expenses		**(43,937)**	(36,253)
Exploration and development expenses of mine		**(1,251)**	(3,843)
Other operating expenses	5(d)	**(79,000)**	(287,250)
Loss from operations		**(128,721)**	(324,924)
Finance costs	5(a)	**(3,825)**	(4,256)
Loss before taxation	5	**(132,546)**	(329,180)
Income tax	6	**4,508**	165
Loss for the year		**(128,038)**	(329,015)
Attributable to:			
Owners of the company		**(120,430)**	(306,607)
Non-controlling interests		**(7,608)**	(22,408)
Loss for the year		**(128,038)**	(329,015)
			(Restated)
Loss per share			
– Basic	7(a)	**(RMB0.29)**	(RMB1.17)
– Diluted	7(b)	**(RMB0.29)**	(RMB1.17)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2013

	2013	2012
	RMB'000	*RMB'000*
Loss for the year	**(128,038)**	(329,015)
Other comprehensive loss for the year		
Exchange differences on translation of financial statements of group entities outside the PRC	**(785)**	(8,488)
Total other comprehensive loss for the year, net of nil tax	**(785)**	(8,488)
Total comprehensive loss for the year	**(128,823)**	(337,503)
Attributable to:		
Owners of the company	**(121,215)**	(315,095)
Non-controlling interests	**(7,608)**	(22,408)
Total comprehensive loss for the year	**(128,823)**	(337,503)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2013

	Note	2013 RMB'000	2012 RMB'000
Non-current assets			
Plant and equipment		**10,097**	14,595
Investment properties		**179,622**	197,656
Intangible assets		**180,000**	259,000
Deposit for acquisition of subsidiaries		**119,615**	120,479
		489,334	591,730
Current assets			
Trade and other receivables	8	**15,480**	4,131
Trading securities		**149**	120
Cash and cash equivalents		**21,308**	64,819
		36,937	69,070
Current liabilities			
Other payables and accruals		**10,872**	24,073
Interest-bearing bank borrowings		**4,500**	4,000
Current taxation		**–**	–
		15,372	28,073
Net current assets		**21,565**	40,997
Total assets less current liabilities		**510,899**	632,727
Non-current liabilities			
Convertible bonds		**–**	–
Unconvertible bonds		**8,071**	–
Interest-bearing bank borrowings		**43,500**	48,000
Deferred tax liabilities		**6,463**	10,971
		58,034	58,971
NET ASSETS		**452,865**	573,756
EQUITY			
Equity attributable to owners of the company			
Share capital		**10,941**	7,333
Reserves		**425,320**	542,211
		436,261	549,544
Non-controlling interests		**16,604**	24,212
TOTAL EQUITY		**452,865**	573,756

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 "Listing Rules").

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

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 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to HKFRS 7	Disclosures – Transfers of Financial Assets
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets

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

3. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provides information about components of the group. These information are reported to and reviewed by the board of directors, chief operating decision maker ("CODM") for the purposes of resource allocation and performance assessment.

The CODM considers the business from both geographic and product perspectives. Geographically, management considers the performance of the segments in Hong Kong and mainland China. The group has presented the following two reportable segments. These segments are managed separately. The properties investment segment and the investing in mining activities segment offer very different products and services.

1) PROPERTIES INVESTMENT

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

2) 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.

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 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 income statement.

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 2013 and 2012 is set out below.

	2013			2012		
	Properties investment	**Investing in mining activities**	**Total**	Properties investment	Investing in mining activities	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	**9,416**	**–**	**9,416**	7,243	–	7,243
Reportable segment revenue	**9,416**	**–**	**9,416**	7,243	–	7,243
Reportable segment loss before taxation	**(16,129)**	**(85,617)**	**(101,746)**	(7,069)	(250,268)	(257,337)
Interest income of bank deposits	**2**	**1**	**3**	4	1	5
Exploration and development expenses of mine	**–**	**(1,251)**	**(1,251)**	–	(3,843)	(3,843)
Depreciation	**(661)**	**(3,232)**	**(3,893)**	(581)	(3,204)	(3,785)
Reversal of impairment loss of prepayment	**8,140**	**–**	**8,140**	–	–	–
Valuation loss on investment properties	**(18,034)**	**–**	**(18,034)**	(658)	–	(658)
Impairment loss of intangible assets	**–**	**(79,000)**	**(79,000)**	–	(240,748)	(240,748)
Income tax credit	**4,508**	**–**	**4,508**	165	–	165
Finance costs	**(3,763)**	**–**	**(3,763)**	(4,143)	–	(4,143)
Reportable segment assets	**186,253**	**186,564**	**372,817**	203,456	268,525	471,981
Additions to non-current assets during the year	**259**	**4**	**263**	842	368	1,210
Reportable segment liabilities	**54,504**	**3,245**	**57,749**	55,408	19,832	75,240
Deferred tax liabilities	**6,463**	**–**	**6,463**	10,971	–	10,971
Total liabilities	**60,967**	**3,245**	**64,212**	66,379	19,832	86,211

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

		2013	2012
		RMB'000	*RMB'000*
(i)	**Revenue**		
	Total reportable segment revenue	**9,416**	7,243
	Elimination of inter-segment revenue	**–**	–
	Consolidated turnover	**9,416**	7,243
(ii)	**Profit/(loss)**		
	Total reportable segments' loss	**(101,746)**	(257,337)
	Unallocated corporate income	**164**	6
	Depreciation	**(803)**	(417)
	Interest income	**796**	573
	Finance costs	**(62)**	(113)
	Unallocated corporate expenses	**(30,895)**	(71,892)
	Consolidated loss before taxation	**(132,546)**	(329,180)
(iii)	**Assets**		
	Total reportable segments' assets	**372,817**	471,981
	Unallocated corporate assets	**153,454**	188,819
	Consolidated total assets	**526,271**	660,800
(iv)	**Liabilities**		
	Total reportable segments' liabilities	**(64,212)**	(86,211)
	Unallocated corporate liabilities	**(9,194)**	(833)
	Consolidated total liabilities	**(73,406)**	(87,044)

(v) Other items

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

	2012			
	Properties investment *RMB'000*	Investing in mining activities *RMB'000*	Unallocated *RMB'000*	Total *RMB'000*
Interest income				
– loan receivable	–	–	554	554
– bank deposits	4	1	19	24
Depreciation	(581)	(3,204)	(417)	(4,202)
Finance cost	(4,143)	–	(113)	(4,256)

c) Revenue from major services

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

	2013 *RMB'000*	2012 *RMB'000*
Properties investment	**9,416**	7,243

d) Geographical information

The following is an analysis of geographical location of (i) the group's revenue from external customers and (ii) the group's non-current assets. The geographical location of customers refers to the location at which the services were provided or the goods delivered. The group's non-current assets include plant and equipment, investment properties, intangible assets and deposit for acquisition of subsidiaries. The geographical location of plant and equipment and investment properties are based on the physical location of the asset. In the case of intangible assets, it is based on the location of operation to which these intangibles are allocated.

	Revenues from external customers		**Non-current assets**	
	2013	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Hong Kong (place of domicile)	**–**	–	**122,386**	124,179
PRC	**9,416**	7,243	**366,948**	467,551
	9,416	7,243	**489,334**	591,730

e) Information about major customers

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

	2013	2012
	RMB'000	*RMB'000*
Customer A – revenue from properties investment – the PRC	**6,704**	5,262
Customer B – revenue from properties investment – the PRC	**–**	1,068
Customer C – revenue from properties investment – the PRC	**–**	913
Customer D – revenue from properties investment – the PRC	**2,712**	–
	9,416	7,243

4. TURNOVER, OTHER REVENUE AND OTHER NET INCOME

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

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

	2013 *RMB'000*	2012 *RMB'000*
Rental income from investment properties	**9,416**	7,243

	2013 *RMB'000*	2012 *RMB'000*
a) Other revenue		
Interest income on loan receivables	**762**	554
Interest income on bank deposits	**37**	24
Total interest income on financial assets not at fair value through profit or loss	**799**	578
Agency income	**128**	–
Sundry income	**750**	605
	1,677	1,183
b) Other net income		
Reversal of impairment loss of prepayment #	**8,140**	–
Gain/(loss) on trading securities	**29**	(26)
Gain on disposal of plant and equipment	**38**	91
Government subsidy *	**–**	50
	8,207	115
	9,884	1,298

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

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

5. LOSS BEFORE TAXATION

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

	2013	2012
	RMB'000	*RMB'000*
a) Finance costs		
Interest expenses on bank borrowings not wholly repayable within five years	**3,766**	4,143
Total interest expenses on financial liabilities not at fair value through profit or loss	**3,766**	4,143
Interest on convertible bonds	**–**	113
Interest on unconvertible bonds	**59**	–
Total interest expense	**3,825**	4,256
b) Staff costs (including directors' remuneration)		
Salaries, wages and other benefits	**14,622**	11,829
Contribution to defined contribution retirement plans	**644**	607
	15,266	12,436
c) Other items		
Auditor's remuneration		
– audit services	**804**	795
– other services	**582**	622
Depreciation	**4,696**	4,202
Gross rental income from investment properties less direct outgoings of RMB5,575,000 (2012: RMB3,806,000)	**(3,841)**	(3,437)
Operating lease charges: minimum lease payments (including directors' quarters)	**3,829**	3,029
Gain on disposal of plant and equipment	**(38)**	(91)
Exploration and development expenses of mine	**1,251**	3,843
d) Other operating expenses		
Impairment loss of loan receivables	**–**	41,054
Fair value loss on convertible bonds	**–**	5,448
Impairment loss of intangible assets	**79,000**	240,748
	79,000	287,250

6. INCOME TAX

Income tax in the consolidated income statement represents:

	2013	2012
	RMB'000	*RMB'000*
Current tax		
Hong Kong profits tax	**–**	–
Overseas tax calculated at rates prevailing in relevant jurisdiction	**–**	–
	–	–
Deferred tax		
Reversal of temporary differences	**(4,508)**	(165)
Tax credit	**(4,508)**	(165)

No provision for Hong Kong profits tax has been provided for the year as the group had no estimated assessable profits for the year (2012: Nil).

The PRC enterprise income tax (the "EIT") for the year ended 31 March 2013 is 25% (2012: 25%). EIT has not been provided for as the group has incurred loss for the year.

No deferred tax liabilities have been recognised on the retained profits of subsidiaries as the company controls the dividend policy of these subsidiaries and it has been determined that it is probable that certain profits earned by the group's PRC subsidiaries will not be distributed in the foreseeable future. Particularly, the group's PRC subsidiaries incurred a loss for the year ended 31 March 2013.

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 RMB120,430,000 (2012: loss of RMB306,607,000) and the weighted average number of 420,626,000 ordinary shares (2012: 261,928,000 ordinary shares) in issue during the year.

Weighted average number of ordinary shares:

	2013	2012
	'000	*'000*
		(Restated)
Issued ordinary shares at the beginning of the year *	**344,350**	985,928
Effect of rights issue II	**76,276**	–
Effect of rights issue I	**–**	5,293,951
Effect of issue of new shares by placements	**–**	734,273
Effect of thirty-for-one share consolidation	**–**	(6,752,224)
Weighted average number of ordinary shares at the end of the year	**420,626**	261,928

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

The number of ordinary shares for the year ended 31 March 2012 has been adjusted to take into account the retrospective adjustment to the number of shares outstanding before the rights issue which was completed on 21 April 2011 and 24 September 2012 respectively to reflect the bonus element inherent in the rights issue.

b) Diluted loss per share

Diluted loss per share equals to basic loss per share because the outstanding share options had an anti-dilutive effect on the basic loss per share for the year ended 31 March 2012 and 2013.

8. TRADE AND OTHER RECEIVABLES

	2013	2012
	RMB'000	*RMB'000*
Trade receivables	**6,731**	4,824
Less: allowance for doubtful debts	**(2,838)**	(2,838)
Trade receivables (net)	**3,893**	1,986
Loan and interest receivables	**47,128**	41,054
Less: impairment loss	**(40,356)**	(41,054)
Loan and interest receivables (net)	**6,772**	–
Other receivables	**905**	797
Loans and receivables	**11,570**	2,783
Prepayments and deposits	**3,910**	1,348
	15,480	4,131

Note:

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

a) Ageing analysis

Trade receivables are net of allowance for doubtful debts of RMB2,838,000 (2012: RMB2,838,000) with the following ageing analysis presented based on invoice date as of the end of the reporting period:

	2013	2012
	RMB'000	*RMB'000*
Current	**–**	–
1 – 90 days	**3,893**	1,986
	3,893	1,986

Trade receivables are due after the date of billing.

b) Impairment of trade receivables

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.

The movements in the allowance for doubtful debts

	2013	2012
	RMB'000	*RMB'000*
At 1 April	**2,838**	2,838
Impairment loss recognised *(note)*	**–**	–
At 31 March	**2,838**	2,838

Note:

1) As at 31 March 2013, trade receivables of the group amounting to approximately RMB2,838,000 (2012: RMB2,838,000) were 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.

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:

	2013	2012
	RMB'000	*RMB'000*
Neither past due nor impaired	**–**	–
Past due but not impaired		
– Less than 3 months past due	**3,893**	1,986
	3,893	1,986

Receivables that were past due but not impaired relate to a tenant that have a good track record with the group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The group hold rental deposits of RMB1,765,000 (2012: RMB1,765,000) as collateral over these balances.

MODIFICATION IN INDEPENDENT AUDITOR'S REPORT

The auditor's report on the consolidated financial statements for the year ended 31 March 2013 was modified in relation to the emphasis of matter as follows:

"Emphasis of matter

Without qualifying our opinion, we draw attention to note 2(b)(i) and 20 to the consolidated financial statements of the group for the year about the going concern and possible acquisition of Pure Power Holdings Limited. Pursuant to the 2nd supplemental memorandum of understanding dated 20 June 2013, the company shall settle the remaining balance of the consideration in accordance with the terms of the formal agreement for the sale and purchase which are yet to be agreed. As at the date of this report, the company has not yet arranged sufficient financing for the payment. The directors of the company consider they are still in negotiation with the vendors for the terms and conditions of the possible acquisition and will obtain the required funding to settle the remaining balance of the consideration in due course."

DIVIDEND

The directors of the company do not recommend the payment of any dividend for the year ended 31 March 2013 (2012: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

For the year under review, the group's turnover was approximately RMB9.4 million (2012: approximately RMB7.2 million), representing an increase of approximately 30.0% compared with last year. The increase in turnover was mainly due to rearrangement of certain operating lease last year.

The audited net loss for the year was approximately RMB128.0 million (2012: approximately RMB329.0 million) and the loss per share was RMB0.29 dollars (2012: RMB1.17 dollars). The decrease in loss was mainly due to the decrease in impairment loss of the mining rights for the copper and molybdenum in Inner Mongolia which was caused by the decline in both the copper and molybdenum price resulting from the slowdown of the global economy growth. It was also attributable to the non-recurrent impairment loss of the loan receivable last year.

The administrative and selling expenses of the group for the year amounted to approximately RMB44.2 million (2012: approximately RMB37.9 million), representing an increase of approximately 16.5% compared with last year. The finance cost of the group amounted to approximately RMB3.8 million (2012: approximately RMB4.3 million) which was incurred for the bank loans under the security of investment properties in Shanghai and the unconvertible bonds issued by the company during the year.

Business Review

During the year under review, the group continued to engage in its principal business activities, including the properties investment business and the exploitation of copper and molybdenum in a mine (the "Mine") located in the Inner Mongolia, the PRC.

As at 31 March 2013, the aggregate gross floor area of the investment properties being held by the Group was approximately 7,004 square meters, of which approximately 100% of the properties were leased to third parties under operating leases with lease terms ranging up to twelve years.

Regarding the mining business, with an aim to provide a basis for the mine construction so as to reduce the risk of development and maximize economic benefits, 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") has entrusted The Seventh Team of the Non-Ferrous Metal Geological Exploration Bureau of Inner Mongolia* (內蒙古有色金屬勘查局七隊) in May 2012 to perform a geological survey, high-precision magnetic survey, drilling, network layout and design for geophysical prospecting, deep engineering reveal, systematic sampling and rock testing along the third and fifth prospecting lines of Yong Sheng Mining Zone* (永勝礦區). Detailed survey on the basic geological characteristics of the deposit, including stratigraphy, igneous rocks and geological structure, and the size, type, occurrence and thickness of the ore body and the grade changes in the mine has been conducted.

In September 2012, the Mining Company conducted trial mining with the sub-contractor in the mine with 20 workers, which included mining workers, electricians, slag workers, improvement workers and safety supervisors, focusing on excavation along the third and fifth prospecting lines in the mine, construction of mining tunnel of 120 meters and extraction part of the ore. For the development and expansion of the enterprise and in order to maximize the economic benefits, part of the ore has been transported to other mine enterprises for processing experiments. Currently, the Mine is actively going through related approval formalities. During the trial mining phase, some equipments have been equipped in the Mine, including generators, air compressors, fans, rock drills, horizontal drills and mine transportation machinery. Temporary tents have been established outside the mining site, and a 3.5 kilometer gravel road has been completed and commenced operation on the mining site to ensure the production and construction therein.

Pursuant to the requirements of the government and relevant authorities of the PRC, the approval documents to be obtained from relevant authorities before commencement of the official mining include project application proposal, land survey, soil and water conservation solution, environmental assessment, water resources assessment, site selection of the construction project, pre-assessment of the land and land using approval, proof of no illegal incident on land, assessment on the mineral resources overlaid by construction projects and safety evaluation. The Mining Company has obtained certain approval documents and is actively going through formalities with relevant government authorities. It is expected that the mining phase will commence by April 2014.

The expenditure incurred on the mining development for the year ended 31 March 2013 was approximately RMB1.3 million. There is no material change in the estimated mineral resources of the Mine for the year ended 31 March 2013.

For the money-lending business, the group has obtained the a Money Lender's License and established the money-lending business in April 2012. During the year under review, the group has successfully provided loans up to HK$15 million with the average interest rate of 20% per annum. For the sake of the recoverability and the quality of the loan, the Board has adopted prudence approach that all the loans have been secured by collaterals. In view of the substantial demand for money lending in Hong Kong, we believe that the group's money-lending business has a potential to grow. Going ahead, the directors wishes to develop this new business by providing loans to high net-worth customers so as to generate further revenue for the group. As the money-lending business is still at the early stage of operation, it has not been classified as a principle business activity of the group for the year under review.

Liquidity and Financial Resources

As at 31 March 2013, the group's net current assets were approximately RMB21.6 million (2012: approximately RMB40.9 million), including cash and bank balances of approximately RMB21.3 million (2012: approximately RMB64.8 million).

The group had bank borrowings of approximately RMB48 million as at 31 March 2013 (2012: approximately RMB52 million), of which 9.4% were due within one year from the end of reporting date, 10.4% were due more than one year but not exceeding two years and 80.2% were due more than two years but not exceeding five years. The company also had an unconvertible bond in the principal amount of HK$10,000,000 which were due in 2020 as at 31 March 2013. The gearing ratio, defined as the percentage of net debts to the total equity of the Company, was approximately 7.7% (2012: nil).

Investment Position

The group did not have any significant investment position in stocks, bonds and other financial derivatives as at 31 March 2013.

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.

Capital Structure

On 24 September 2012, the company issued 147,305,164 new shares under the rights issue exercise on the basis of one rights share for every two existing issued shares at the subscription price of HK$0.068 per rights share.

On 7 February 2013, the company issued a 7 years unconvertible bond in the principal amount of HK$10,000,000 to an independent third party at the interest rate of 5% per annum.

Save as disclosed above, there was no change in the capital structure of the company for the year ended 31 March 2013.

Charges on group's Assets

As at 31 March 2013, the group's investment properties with a value of approximately RMB139.9 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 2013, the group did not have any material contingent liability (2012: Nil).

Acquisition and Disposal of Subsidiaries

The company did not have any acquisition or disposal of subsidiaries during the year.

Employees

As at 31 March 2013, the Group had 41 employees (2012: 41). The remuneration of employees was determined with reference to statutory minimum wages, market terms and the performance, qualification and experience of individual employees. The group provides mandatory provident fund and insurance scheme to the employees. Share option scheme and incentive schemes are adopted to encourage personal commitment of employees.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the company, nor any of its subsidiaries purchased, redeemed or sold any of the company's listed securities during the year ended 31 March 2013.

CORPORATE GOVERNANCE

The company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 14 to the Listing Rules throughout the year ended 31 March 2013, except for the code provision A.2.1, A.6.7 and E.1.2.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. The chairman of the company also acted as chief executive officer of the company during the year, which was deviated from the requirement of the code provision A.2.1. The board considered that this structure was conductive with strong and consistent leadership, enabling the company to making and implementing decisions promptly and efficiently.

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

The chairman, the non-executive director and certain independent non-executive directors were unable to attend the annual general meeting of the company held on 31 August 2012 and the general meeting held on 21 August 2012 due to their other work commitments.

AUDIT COMMITTEE

The company has established an audit committee ("Audit Committee") with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the group. The Audit Committee comprises a total of three independent non-executive directors of the company. The annual results of the group for the year ended 31 March 2013 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 2013 have been agreed by the group's auditors, CCIF CPA Limited to the amounts set out in the group's audited consolidated financial statements for the year. The work performed by CCIF 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 CCIF 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 2013.

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

The company's annual report for the year ended 31 March 2013 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 2013

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.