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 2016

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 2016, together with the comparative figures of the corresponding period last year as follows:

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2016

		Six months ended 30 September	
		2016	2015
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
Revenue	*4*	**23,441**	13,486
Cost of sales		**(6,418)**	(5,315)
Gross profit		**17,023**	8,171
Valuation gains/(loss) on investment properties		**687**	(4,907)
Other revenue		**527**	698
Other net income		**10,698**	20,237
Administrative expenses		**(39,010)**	(23,913)
Exploration and development expenses of mine		**–**	(100)
Other operating expenses	*5(d)*	**–**	(45,399)
Loss from operations		**(10,075)**	(45,213)
Finance costs	*5(a)*	**(3,704)**	(5,016)
Share of (loss)/profit of an associate		**(7)**	346
Loss on disposal of an associate		**(16)**	–
Loss before taxation	*5*	**(13,802)**	(49,883)
Income tax	*6(a)*	**394**	1,664
Loss for the period		**(13,408)**	(48,219)
Attributable to:			
Owners of the company		**(13,428)**	(46,463)
Non-controlling interests		**20**	(1,756)
Loss for the period		**(13,408)**	(48,219)
		RMB	*RMB*
Loss per share	*7*		
– Basic		**(1 cent)**	(1 cent)
– Diluted		**(1 cent)**	(1 cent)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2016

	Six months ended 30 September	
	2016	2015
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Loss for the period	**(13,408)**	(48,219)
Other comprehensive income/(loss) for the period		
Available-for-sale investments		
– Changes in fair value	**21,758**	20,547
Exchange differences on translation of:		
– financial statements of group entities	**(1,991)**	(8,464)
Total other comprehensive income/(loss) for the period	**19,767**	12,083
Total comprehensive income/(loss) for the period	**6,359**	(36,136)
Attributable to:		
Owners of the company	**6,339**	(34,380)
Non-controlling interests	**20**	(1,756)
Total comprehensive income/(loss) for the period	**6,359**	(36,136)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2016

	Notes	30/9/2016 (Unaudited) RMB'000	31/3/2016 (Audited) RMB'000
Non-current assets			
Property, plant and equipment		**8,918**	7,063
Investment properties		**190,883**	190,196
Intangible assets		**12,806**	11,674
Goodwill		**10,907**	17,676
Deposit for acquisition of subsidiaries		**–**	1,297
Interest in an associate		**–**	7,564
Available-for-sale investments		**335,577**	313,819
Contingent consideration receivable		**–**	2,649
Loan receivables	*9*	**34,400**	–
		593,491	551,938
Current assets			
Property under development		**15,620**	15,011
Trade and other receivables	*8*	**20,429**	21,846
Loan receivables	*9*	**266,596**	99,768
Trading securities		**126**	106
Tax recoverable		**206**	149
Contingent consideration receivable		**2,122**	–
Consideration receivable		**–**	17,958
Fixed deposits		**13,193**	13,921
Cash and bank balances – trust accounts		**2,067**	–
Cash and cash equivalents		**283,895**	38,514
		604,254	207,273
Assets of disposed group classified as held for sale		**22,400**	–
		626,654	207,273

	Notes	30/9/2016 (Unaudited) RMB'000	31/3/2016 (Audited) RMB'000
Current liabilities			
Trade and other payables		**24,217**	20,884
Interest-bearing bank borrowings		**18,000**	18,000
Tax payable		**1**	1
Warrants		**–**	61
		42,218	38,946
Liabilities of disposed group classified as held for sale		**1,545**	–
		43,763	38,946
Net current assets		**582,891**	168,327
Total assets less current liabilities		**1,176,382**	720,265
Non-current liabilities			
Interest-bearing bank borrowings		**–**	9,000
Deferred tax liabilities		**11,326**	10,991
Unconvertible bonds		**17,200**	16,628
		28,526	36,619
NET ASSETS		**1,147,856**	683,646
Equity			
Equity attributable to owners of the company			
Share capital		**41,049**	7,745
Reserves		**1,105,449**	674,563
		1,146,498	682,308
Non-controlling interests		**1,358**	1,338
TOTAL EQUITY		**1,147,856**	683,646

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six months ended 30 September 2016

	Attributable to owners of the company										
	Share Capital	Share Premium	Special reserve	Contributed surplus	Employee share-based compensation reserve	Exchange fluctuation reserve	Investment revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
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)	96,215	1,225,280	(56,225)	–	–	22,462	20,547	(720,511)	587,768	6,611	594,379
At 1 April 2016	7,745	1,330,464	(9,988)	108,429	–	33,892	36,724	(824,958)	682,308	1,338	683,646
Right issue	33,304	436,287	–	–	–	–	–	–	469,591	–	469,591
Share issues expenses	–	(11,740)	–	–	–	–	–	–	(11,740)	–	(11,740)
Total comprehensive loss for the period	–	–	–	–	–	(1,991)	21,758	(13,428)	6,339	20	6,359
At 30 September 2016	41,049	1,755,011	(9,988)	108,429	–	31,901	58,482	(838,386)	1,146,498	1,358	1,147,856

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF FINANCIAL INFORMATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2016 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 2016, 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 2016.

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
- warrants
- available-for-sale investments
- contingent consideration receivables

The unaudited condensed consolidated interim financial information for the period ended 30 September 2016 comprise the company and its subsidiaries.

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

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 HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle
Amendments to HKAS 1	Presentation of financial statements: Disclosure initiative

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 five reportable segments. These segments are managed separately. The properties investment segment, the investing in mining activities segment and the educational support services segment, money lending business segment and financial service 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.

iv) Money lending business

The money lending business reportable segment derives its revenue primarily from lending out loans and receive interest

v) Financial services

The financial services reportable segment derives its revenue from providing securities trading and asset management.

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 2016 and 2015 is set out below.

	Six months ended 30 September 2016 (Unaudited)						Six months ended 30 September 2015 (Unaudited)			
	Properties investment	Investing in mining activities	Educational support services	Money lending business	Financial services	Total	Properties investment	Investing in mining activities	Educational support services	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	4,492	–	8,040	10,763	146	23,441	4,458	–	9,028	13,486
Reportable segment revenue	4,492	–	8,040	10,763	146	23,441	4,458	–	9,028	13,486
Reportable segment profit/(loss) before taxation	171	–	(282)	10,150	(2,655)	7,384	(4,913)	(19,229)	(966)	(25,108)
Interest income on bank deposits	6	–	–	–	2	8	1	–	–	1
Depreciation	(203)	–	(124)	–	(44)	(371)	(352)	(295)	(87)	(734)
Income tax credit/(expense)	(172)	–	566	–	–	394	1,227	–	437	1,664
Finance costs	(620)	–	–	–	–	(620)	(1,250)	(11)	–	(1,261)
Exploration and development expenses of mine	–	–	–	–	–	–	–	(100)	–	(100)
Loss on disposal of property, plant and equipment	(8)	–	–	–	(21)	(29)	–	–	–	–
Valuation gain/(loss) on investment properties	687	–	–	–	–	687	(4,907)	–	–	(4,907)
Amortisation of intangible assets	–	–	(3,428)	–	–	(3,428)	–	(2,650)	–	(2,650)
Impairment loss of intangible assets	–	–	–	–	–	–	–	(18,000)	–	(18,000)

	As at 30 September 2016 (Unaudited)					As at 31 March 2016 (Audited)			
	Properties investment *RMB'000*	**Money lending business** *RMB'000*	**Educational support services** *RMB'000*	**Financial services** *RMB'000*	**Total** *RMB'000*	Properties investment *RMB'000*	Money lending business *RMB'000*	Educational support services *RMB'000*	Total *RMB'000*
Reportable segment assets	**206,353**	**302,654**	**22,360**	**198,297**	**729,664**	200,959	103,198	36,952	341,109
Additions to non-current assets during the period/year	**2,561**	**–**	**–**	**15,974**	**18,535**	12	–	371	383
Reportable segment liabilities	**21,116**	**–**	**107**	**3,534**	**24,757**	31,818	–	1,884	33,702
Current taxation	**–**	**1**	**–**	**–**	**1**	–	–	–	–
Deferred tax liabilities	**9,278**	**–**	**467**	**1,564**	**11,309**	9,106	–	1,949	11,055
Total liabilities	**30,394**	**1**	**574**	**5,098**	**36,067**	40,924	–	3,833	44,757

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

	Six months ended 30 September	
	2016 **(Unaudited)** ***RMB'000***	2015 (Unaudited) *RMB'000*
(i) Revenue		
Total reportable segment revenue	**23,441**	13,486
Elimination of inter-segment revenue	**–**	–
Consolidated revenue	**23,441**	13,486
(ii) Loss before taxation		
Total reportable segment profit/(loss)	**7,384**	(25,108)
Share of (loss)/profit of an associate	**(7)**	346
Unallocated corporate income	**10,731**	20,237
Depreciation	**(862)**	(743)
Interest income	**55**	648
Finance costs	**(3,084)**	(3,755)
Unallocated corporate expenses	**(28,019)**	(41,508)
Consolidated loss before taxation	**(13,802)**	(49,883)

		As at 30 September 2016 (Unaudited) *RMB'000*	As at 31 March 2016 (Audited) *RMB'000*
(iii)	**Assets**		
	Total reportable segment assets	**729,664**	341,109
	Unallocated corporate assets	**490,481**	418,102
	Consolidated total assets	**1,220,145**	759,211
(iv)	**Liabilities**		
	Total reportable segment liabilities	**(24,757)**	(33,702)
	Current taxation	**(1)**	(1)
	Unallocated corporate liabilities	**(47,531)**	(41,862)
	Consolidated total liabilities	**(72,289)**	(75,565)

(v) Other items

	Six months ended 30 September 2016 (Unaudited)						
	Properties investment *RMB'000*	**Investing in mining activities** *RMB'000*	**Educational support services** *RMB'000*	**Money lending business** *RMB'000*	**Financial Services** *RMB'000*	**Unallocated** *RMB'000*	**Total** *RMB'000*
Interest income							
– promissory notes	**–**	**–**	**–**	**–**	**–**	**–**	**–**
– bank deposits	**6**	**–**	**–**	**–**	**2**	**55**	**63**
Depreciation	**(203)**	**–**	**(124)**	**–**	**(44)**	**(864)**	**(1,235)**
Finance costs	**(620)**	**–**	**–**	**–**	**–**	**(3,084)**	**(3,704)**
Income tax expenses	**(171)**	**–**	**565**	**–**	**–**	**–**	**394**

	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	1,227	–	437	–	1,664

c) Revenue from major services

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

	Six months ended 30 September	
	2016	2015
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Properties investment	**4,492**	4,458
Educational support services	**8,040**	9,028
Money lending business	**10,763**	–
Financial services	**146**	–
	23,441	13,486

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 customers		Non-current assets	
	Six months ended 30 September 2016	Six months ended 30 September 2015	**As at 30 September 2016**	As at 31 March 2016
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Audited)
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Hong Kong (place of domicile)	**18,949**	9,028	**26,408**	43,302
PRC	**4,492**	4,458	**193,877**	190,853
Others	**–**	–	**3,229**	1,315
	23,441	13,486	**223,514**	235,470

4. REVENUE

The principal activities of the group are properties investment, provision of educational support services, money lending and financial services.

Revenue represents rental income from investment properties, commission income from educational support services, sales of educational products, educational services income, loan interest income, brokerage income and management fee income from financial services. The amount of each significant category of revenue recognised in revenue during the period is as follows:

	Six months ended 30 September	
	2016	2015
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Rental income from investment properties	**4,492**	4,458
Commission income from educational support services	**796**	–
Sales of educational products	**6,306**	9,028
Loan interest income	**10,763**	–
Educational service income	**938**	–
Brokerage income and management fee income from financial services	**146**	–
	23,441	13,486

5. LOSS BEFORE TAXATION

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

		Six months ended 30 September	
		2016	2015
		(Unaudited)	(Unaudited)
		RMB'000	*RMB'000*
a)	**Finance costs**		
	Interest expenses on bank borrowings not wholly repayable within five years	**620**	1,250
	Interest expense on other borrowings	**–**	11
	Interest on promissory notes	**2,658**	3,356
	Interest on unconvertible bonds	**426**	399
		3,704	5,016
b)	**Staff costs (including directors' remuneration)**		
	Salaries, wages and other benefits	**18,312**	8,364
	Contribution to defined contribution retirement plans	**438**	374
		18,750	8,738
c)	**Other items**		
	Auditor's remuneration – other services	**341**	893
	Operating lease charges: minimum lease payments	**3,977**	2,744
	Depreciation	**1,235**	1,477
	Gross rental income from investment properties less direct outgoings of RMB580,000 (2015: RMB580,000)	**(3,912)**	(3,878)
	Exploration and development expenses of mine	**–**	100
d)	**Other operating expenses**		
	Amortisation of intangible assets	**–**	2,650
	Fair value loss of trading securities	**–**	33
	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
		–	45,399

6. INCOME TAX

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

	Six months ended 30 September	
	2016	2015
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
Current tax		
Hong Kong profits tax	**–**	–
Overseas tax calculated at rates prevailing in relevant jurisdiction	**–**	–
	–	–
Deferred tax		
Origination and reversal of temporary differences	**(394)**	(1,664)
Income tax (credit)/expense	**(394)**	(1,664)

Note:

i) For the period ended 30 September 2016 and 2015, 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 2016 is 25% (2015: 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 *RMB'000*	**Intangible assets** *RMB'000*	**Depreciation allowances in excess of related depreciation** *RMB'000*	**Total** *RMB'000*
Deferred tax liabilities arising from:				
At 1 April 2015	13,206	2,887	60	16,153
Deferred tax charged/(credited) to the profit or loss	(4,100)	(1,081)	15	(5,166)
Exchange alignment	–	–	4	4
At 31 March 2016	9,106	1,806	79	10,991
At 1 April 2016	**9,106**	**1,806**	**79**	**10,991**
Acquisition of subsidiaries	**–**	**1,564**	**–**	**1,564**
Reclassification as held for sale	**–**	**(726)**	**(81)**	**(807)**
Deferred tax charged/(credited) to the profit or loss	**172**	**(566)**	**–**	**(394)**
Exchange realignment	**–**	**(15)**	**2**	**(13)**
At 30 September 2016	**9,278**	**2,063**	**–**	**11,341**

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 RMB13,428,000 (2015: RMB46,463,000) and on the weighted average number of 2,230,532,000 ordinary shares in issue during the period (2015: 3,344,584,000 ordinary shares).

Weighted average number of ordinary shares:

	2016 Weighted average number of ordinary shares	2015 Weighted average number of ordinary shares
	'000	*'000*
		(Restated)
Issued ordinary shares at 1 April	**998,883**	1,546,451
Effect on right issue	**1,231,649**	–
Effect on issuance of new shares in placement	**–**	1,769,799
Effect of issue of new shares upon exercise of share options	**–**	15,861
Effect of issue of new shares upon exercise of bonus warrants	**–**	12,473
Weighted average number of ordinary shares at the end of the period	**2,230,532**	3,344,584

* *The number of ordinary shares for the period ended 30 September 2016 has been adjusted to take into account the retrospective adjustment to the number of shares outstanding before the rights issue which was completed on 4 August 2016 to reflect the bonus element inherent in the rights issue.*

The number of ordinary shares for the period ended 30 September 2015 has been adjusted to take into account the retrospective adjustment to the number of shares outstanding before the rights issue which was completed on 4 August 2016 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 warrants had an anti-dilutive effect on the basis loss per share for the periods ended 30 September 2016 and 2015.

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 2016 (Unaudited) ***RMB'000***	At 31 March 2016 (Audited) *RMB'000*
Within 1 month	**1,319**	2,042
1 to 3 months	**1,612**	3,380
3 to 6 months	**1,075**	1,925
Over 6 months	**6,357**	4,607
Trade receivables	**10,363**	11,954
Within 1 month	**1,662**	1,407
Interest receivables from money lending business	**1,662**	1,407
Other loan and interest receivables *(note 2)*	**38,818**	37,528
Less: impairment	**(38,818)**	(37,528)
Other loan and interest receivables (net)	**–**	–
Other receivables	**2,265**	978
Loans and receivables	**14,290**	14,339
Prepayments and deposits	**6,139**	7,507
	20,429	21,846

Note:

1) Trade receivables are due within 0-30 days from the date of billing. Interest receivables are due immediately 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") and a convertible note of HK$90,000,000 (the "CN") as security to Simsen under the Loan Agreement. The PN and CN were issued by Mayer Holdings Limited ("Mayer") to the Borrower.

The repayment date of the loan is the date falling three months from the date of drawdown which may be extended for further three months if so agreed by the parties thereto. The Loan had been drawn down by the borrower on 7 June 2011, and the repayment date of the Loan was 6 September 2011. On 7 September 2011, both parties agreed to extend the Loan for further three months to 5 December 2011. The Borrower had defaulted the first and second payments during the year ended 31 March 2012.

Following a litigation between Mayer and the Borrower, Simsen disposed of the PN on 10 February 2012 for an amount of HK$10,000,000 with the consent of the company. During the year ended 31 March 2015, the company received HK$4,862,000 (equivalent to RMB3,853,000) from the disposal of the PN after the payment of other loan participant of Simsen, all cost and expenses in connection with the disposal.

9. LOAN RECEIVABLES

	At 30 September 2016 (Unaudited) *RMB'000*	At 31 March 2016 (Audited) *RMB'000*
Loan receivables arising from:		
– Money lending business	**300,996**	99,768
Amounts due within one year included under current assets	**266,596**	99,768
Amounts due after one year included under non-current assets	**34,400**	–
	300,996	99,768

Notes:

During the period ended 30 September 2016, the group lent total amount of HK$350,000,000 (equivalent to RMB300,996,000) to independent third parties. These loan receivables had 6 to 12 month loan periods and bore interest at 18% per annum, and the corresponding interest were expected to be repaid on monthly or 3 months period basis. These loan receivables were secured by Hong Kong listed securities. The loan receivables with a carrying amount of RMB300,996,000 are secured by listed securities and the fair value of such pledged securities was approximately RMB1,011,745,000 at 30 September 2016. The fair value of pledged marketable securities is higher than the corresponding outstanding loans.

As at the end of the reporting period, the maturity profile of loan receivables, based on maturity date, is as follows:

	At 30 September 2016 *RMB'000*	At 31 March 2016 *RMB'000*
Within 1 month or on demand	**–**	–
Within 1-3 months	**60,198**	22,448
Within 3-6 months	**34,400**	33,256
Within 6-12 months	**171,998**	44,064
After 12 months	**34,400**	–
	300,996	99,768

The loan receivables were neither past due nor impaired at the end of the reporting period. The directors of the company are of the opinion that no provision for impairment is necessary in respect of these loan receivables as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

DIVIDEND

The directors of the company do not recommend the payment of any interim dividend for the six months ended 30 September 2016 (2015: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

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

Properties Investment

As at 30 September 2016, 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.

Financial Services

During the period 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 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 intends to invest approximately HK$200 million to develop the financial services business, 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. The company also expects that the margin financing business and the money lending business of the group will be able to complement each other and realise synergic effect to enhance efficiency and performance to these businesses.

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 (the "Subscription") 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. Hong Kong 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 period ended 30 September 2016, the group had a loan portfolio amounted to HK$350 million with the terms ranging from 7 months to 15 months (the "Existing Loan Portfolio") with the average interest rate of 18%. The interest income generated from the Existing Loan Portfolio was approximately HK$12.6 million for the period ended 30 September 2016. 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

For the educational support services segment, the group recorded a revenue of approximately RMB8.04 million for the six months ended 30 September 2016, which is mainly attributable to services provided by the group in sales of course materials, training courses support, student referral and overseas education counselling.

During the period under review, the company, as vendor, entered into the sale and purchase agreement ("SPA") 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 Liqun Investments Limited, which in turn hold 90% of Kotech Educational Limited ("Kotech Education"), at the consideration of HK$100 million ("Disposal").

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 it 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.

Financial Review

For the period under review, the group's turnover was approximately RMB23.44 million (2015: approximately RMB13.49 million), representing an increase of approximately 74% compared with the same period last year. The increase in turnover was mainly due to the contribution from the money lending business and educational support services of the group. The unaudited net loss for the period under review was approximately RMB13.41 million (2015: approximately RMB48.22 million) and the basic loss per share for was RMB1 cent (2015: RMB1 cent). The decrease in the net loss 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; (c) the impairment loss of the intangible assets of the mining rights of the group in the last year did not occur in the current year; and (d) the loss on decrease in fair value of the company's warrants in the last year did not occur in the current year.

The administrative expenses of the group for the period amounted to approximately RMB39.01 million, representing an increase of approximately 63% compared with the same period last year. The increase in the administrative expenses was mainly attributable to the launch of new business segment in financial services during the period. The finance cost of the group amounted to approximately RMB3.70 million which was mainly incurred for the bank loan under the security of investment properties in Shanghai and the unconvertible bonds and promissory notes issued by the company.

Liquidity and Financial Resources

As at 30 September 2016, the group's net current assets were approximately RMB582.89 million (at 31 March 2016: approximately RMB168.33 million), including cash and bank balance of approximately RMB299.16 million (at 31 March 2016: approximately RMB52.44 million).

The group had bank borrowings of RMB18 million as at 30 September 2016 (at 31 March 2016: RMB27 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 1.57% (at 31 March 2016: 3.95%).

Investment Position

For the six months ended 30 September 2016, the company has the following significant investments.

Avant Capital Dragon Fund SP

The company held approximately 257,985 participating shares of the Avant Capital Dragon Fund SP (the "Dragon Fund"), a segregated portfolio of Avant Capital SPC, an exempted segregated portfolio company incorporated under the laws of the Cayman Islands.

The investment strategy of the Dragon 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 Dragon 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 2016, the fair value of the AC fund was approximately USD37.87 million (equivalent to approximately HK$293.88 million).

Tiger High Yield Fund

The company held approximately 193,476 participating shares 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 2016, the fair value of the Tiger Fund was approximately USD12.41 million (equivalent to approximately HK$96.33 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 2016.

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 4 August 2016, the Company issued 3,886,065,724 new shares under the rights issue exercise on the basis of four rights shares for one existing in issue at the subscription price of HK$0.141 per rights share.

Save as disclosed above, there was no other change in the share capital and capital structure of the company for the six months ended 30 September 2016.

Charges on the Group's Assets

As at 30 September 2016, the group's investment properties with a value of approximately RMB130.19 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 2016, the group did not have any material contingent liability (2015: Nil).

Acquisition and Disposal of Subsidiaries

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 Vendor I have conditionally agreed to sell the entire issued share capital of J.A.F. Brokerage Limited (subsequently renamed as C.P. Securities International 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 initial consideration of HK$13,077,000 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 Vendor II have conditionally agreed to sell the entire issued share capital of Hong Kong Financial Management Limited, which is licensed under the SFO to carry on Type 9 (asset management) regulated activity, at the initial consideration of HK$6,717,417 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 27 May 2016, the company, as vendor, and an independent third party (the "Purchaser I") entered into a sales and purchase agreement (the "Agreement III"), pursuant to which the company has conditionally agreed to sell and the Purchaser I 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 I in accordance with the terms and conditions of the Agreement III ("Disposal"). Upon completion of the Disposal on 3 June 2016, the company ceased to hold any equity interest of the Edknowldge and it has ceased to be an associate of the company.

On 23 September 2016, the company, as purchaser, and an independent third party (the "Vendor III"), entered into a sales and purchase agreement (the "Agreement IV"), pursuant to which the company has conditionally agreed to acquire and the Vendor III 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 company 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.

Save as disclosed above, there was no other acquisition and disposal of subsidiaries of the group during the six months ended 30 September 2016.

Employees

As at 30 September 2016, the group has 56 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

Going forward, the group will review its business segments from time to time and will consider to divest those non-core business so as to enable the group to re-allocate its resources in its other business segments with growth potential and other higher return potential investment to enhance the value of the company and the shareholders as a whole.

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 2016.

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 2016, except for the deviation from the requirement of code provision A.2.1 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 conductive with strong and consistent leadership, enabling the company to respond promptly and efficiently to business opportunities and issues.

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 30 August 2016 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 2016 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 2016 will be despatched to the shareholders of the company and published on the Stock Exchange's website and on the company's website in due course.

By order of the board
China Properties Investment Holdings Limited
Xu Dong
Chairman

Hong Kong, 29 November 2016

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.