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CHINA PROPERTIES INVESTMENT HOLDINGS LIMITED
中國置業投資控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 736)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2010

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 2010 together with the audited comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010

	Note	**2010** **RMB'000**	2009 RMB'000 (restated)
Turnover	*4*	**7,750**	17,254
Cost of sales		**(4,370)**	(3,875)
		3,380	13,379
Valuation gains/(loss) on investment properties		**32,347**	(221,981)
Other revenue and other net income	*4*	**2,233**	1,992
Selling expenses		**(54)**	(549)
Administrative expenses		**(23,240)**	(13,308)
Other operating expenses	*5(d)*	**(16,005)**	(17,260)
Loss from operations		**(1,339)**	(237,727)
Finance costs	*5(a)*	**(9,274)**	(7,705)
Loss before taxation	*5*	**(10,613)**	(245,432)
Income tax	*6*	**(8,688)**	54,487
Loss for the year		**(19,301)**	(190,945)

	Note	2010 RMB'000	2009 RMB'000 (restated)
Attributable to:			
Owners of the company		**(19,179)**	(190,945)
Minority interest		**(122)**	–
Loss for the year		**(19,301)**	(190,945)
Loss per share			
– Basic	7	**(3.06 cents)**	(54.13 cents)
– Diluted	7	**(3.06 cents)**	(54.13 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2010

	2010 RMB'000	2009 RMB'000 (restated)
Loss for the year	**(19,301)**	(190,945)
Other comprehensive income for the year		
Exchange differences on translation of financial statements of the overseas subsidiaries	**1,145**	1,851
Total other comprehensive income for the year, net of tax	**1,145**	1,851
Total comprehensive loss for the year	**(18,156)**	(189,094)
Attributable to:		
Owners of the company	**(18,034)**	(189,094)
Minority interest	**(122)**	–
Total comprehensive loss for the year	**(18,156)**	(189,094)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010

	Note	2010 RMB'000	2009 RMB'000 (restated)
Non-current assets			
Property, plant and equipment		**3,711**	997
Investment properties		**186,117**	201,678
Intangible assets		**499,398**	–
		689,226	202,675
Current assets			
Trade and other receivables	*8*	**3,434**	4,048
Trading securities		**112**	85
Cash and cash equivalents		**73,784**	5,631
		77,330	9,764
Current liabilities			
Other payables		**15,322**	4,402
Interest-bearing bank borrowings		**3,000**	12,000
Current taxation		**–**	–
		18,322	16,402
Net current assets/(liabilities)		**59,008**	(6,638)
Total assets less current liabilities		**748,234**	196,037
Non-current liabilities			
Interest-bearing bank borrowings		**55,500**	78,500
Deferred tax liabilities		**8,087**	–
Convertible bonds		**66,428**	–
		130,015	78,500
NET ASSETS		**618,219**	117,537
EQUITY			
Equity attributable to owners of the company			
Share capital		**40,406**	15,796
Reserves		**332,340**	101,741
		372,746	117,537
Minority interest		**245,473**	–
Total equity		**618,219**	117,537

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 and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The company's functional currency and presentation currency were Hong Kong dollar. Following the completion of acquisition of subsidiaries as at 24 July 2009, the directors re-assessed its functional currency after the acquisition of subsidiaries, in which its main operations are located in the People's Republic of China (the "PRC"). It is expected that currency of primary economic environment in which the subsidiaries of the company operates will substantially denominated in Renminbi ("RMB"). As a result of this assessment, the directors determined to change the functional currency from Hong Kong dollar to RMB with effect from 24 July 2009. The change of functional currency is applied prospectively from the date of change in accordance with HKAS21 "The Effect of Changes in Foreign Exchange Rates".

The directors consider that RMB is more meaningful in presenting the operating result and financial position of the company and its subsidiaries (collectively referred to as the "group"). As a result, the group changed its presentation currency from Hong Kong dollar to RMB. The effect of the change of the functional currency of the company has been accounted for prospectively since 24 July 2009. The comparative figures for the year ended 31 March 2009 have also been restated to change the presentation currency to RMB accordingly.

The change in the presentation currency and the restatement of the comparative amounts from Hong Kong dollar to RMB has had no material impact on the group's annual consolidated financial statements for the year presented.

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

The group has adopted the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") that are first effective for the current accounting period.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 which is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations Arising on liquidation
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK(IFRIC) – Int 13	Customer loyalty programmes
HK(IFRIC) – Int 15	Agreements for the construction of real estate
HK(IFRIC) – Int 16	Hedges of a net investment in a foreign operation
HK(IFRIC) – Int 18	Transfers of assets from customers

Except as described below, the adoption of the new and revised HKFRSs has had no material impact on the consolidated financial statements of the group for the current or prior accounting periods.

The amendments to HKAS 23 and HKFRS 2 and Interpretations HK(IFRIC) 15 and HK(IFRIC) 16 have had no material impact on the group's financial statements as the amendments and interpretations were consistent with policies already adopted by the group. The impact of the remainder of these developments is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the group's chief operating decision maker regards and manages the group, with the amounts reported for each reportable segment being the measures reported to the group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the group's chief operating decision maker, and has resulted in additional reportable segments being identified and presented. Corresponding amounts have been provided on a basis consistent with the revised segment information.

- As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

- As a result of the adoption of the amendments to HKFRS 7, the financial statements include expanded disclosures about the fair value measurement of the group's financial instruments, categorizing these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.

- The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 April 2009, all dividends receivable from subsidiaries, whether out of pre-or post-acquisition profits, will be recognised in the company's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the company would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

3. SEGMENT REPORTING

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 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, the CODM considers the performance of the segments in Hong Kong and PRC. The group has presented the following two reportable segments. These segments are managed separately. The property investment segment and the mining segment offers very different products and services.

1. Properties Investment

The properties investment reportable operating segment derives its revenue primarily from rental of investment properties and property management services.

2. Mining

The mining reportable segment derives its revenue from exploitation of copper and molybdenum.

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 decision maker 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 polices. Segment profit/(loss) represents the profit earned by/(loss) from each segment without allocation of general 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. Taxation charge/(credit) is not allocated to a reportable segment.

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 income statement.

All assets are allocated to reportable segments other than trading securities and corporate assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

All liabilities are allocated to reportable segments other than current tax liabilities and corporate liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment liabilities.

Information regarding the group's reportable segments as provided to the group's CODM for the purposes of resource allocation and assessment of segment performance for the year is set out below.

	31 March 2010			31 March 2009		
	Properties investment	**Mining**	**Total**	Properties investment	Mining	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000* (restated)	*RMB'000* (restated)	*RMB'000* (restated)
Revenue from external customers	**7,750**	**–**	**7,750**	17,254	–	17,254
Reportable segment revenue	**7,750**	**–**	**7,750**	17,254	–	17,254
Reportable segment loss	**17,439**	**(322)**	**17,117**	(236,873)	–	(236,873)
Interest revenue	**16**	**1**	**17**	908	–	908
Depreciation	**(398)**	**(89)**	**(487)**	(241)	–	(241)
Loss on disposal of investment properties	**(7,908)**	**–**	**(7,908)**	–	–	–
Reversal of impairment of trade receivable	**1,472**	**–**	**1,472**	–	–	–
Impairment of trade receivable	**(1,962)**	**–**	**(1,962)**	(2,234)	–	(2,234)
Income tax expense	**601**	**–**	**601**	–	–	–
Interest expense	**(4,471)**	**1**	**(4,470)**	(7,705)	–	(7,705)
Reportable segment assets	**190,336**	**500,744**	**691,080**	206,672	–	206,672
Additions to non-current segment assets during the year	**83**	**–**	**83**	13	–	13
Reportable segment liabilities	**61,090**	**7,243**	**68,333**	94,264	–	94,264
Deferred tax liabilities	**8,087**	**–**	**8,087**	–	–	–
Total liabilities	**69,177**	**7,243**	**76,420**	94,264	–	94,264

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

	2010	2009
	RMB'000	*RMB'000*
		(restated)
Revenue		
Total reportable segments' revenue	**7,750**	17,254
Elimination of inter-segment revenue	**–**	–
Consolidated turnover	**7,750**	17,254
Profit/(loss)		
Reportable segments' profit/(loss)	**17,117**	(236,873)
Unallocated corporate income	**31**	60
Depreciation	**(323)**	(110)
Interest revenue	**1**	20
Finance costs	**(4,804)**	–
Unallocated corporate expenses	**(22,635)**	(8,529)
Consolidated loss before taxation	**(10,613)**	(245,432)
Assets		
Reportable segments' assets	**691,080**	206,672
Unallocated		
– corporate assets	**75,476**	5,767
Consolidated total assets	**766,556**	212,439
Liabilities		
Reportable segments' liabilities		
– current tax liabilities	**(76,420)**	(94,264)
– corporate liabilities	**(71,917)**	(638)
Consolidated total liabilities	**(148,337)**	(94,902)

(c) *Revenue from major product and services*

The following is an analysis of the Group's revenue from its major products and services:

	2010	2009
	RMB'000	*RMB'000*
		(restated)
Properties investment	**7,750**	17,254
	7,750	17,254

(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 property, plant and equipment, investment properties and intangible assets. The geographical location of property, plant and equipment and investment properties are based on the physical location of the assets. In the case of intangible assets, it is based on the location of operation to which the intangible is allocated.

	Revenue from external customers		**Non-current assets**	
	2010	2009	**2010**	2009
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
		(restated)		(restated)
Hong Kong (place of domicile)	**–**	–	**1,780**	262
Mainland China	**7,750**	17,254	**687,446**	202,413
	7,750	17,254	**689,226**	202,675

(e) *Information about major customers*

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

	Year ended	
	31/3/2010	31/3/2009
	RMB'000	*RMB'000*
		(restated)
Customer A – revenue from properties investment – PRC	**5,223**	5,500
Customer B – revenue from properties investment – PRC	**–**	4,626
Customer C – revenue from properties investment – PRC	**1,309**	–
Customer D – revenue from properties investment – PRC	**934**	–
	7,466	10,126

4. TURNOVER AND OTHER REVENUE

The principal activities of the group are properties investment and mining.

Turnover represents rental income from operating leases and property management services income. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2010	2009
	RMB'000	*RMB'000*
		(restated)
Rental income from operating lease	**7,750**	14,353
Property management service income	**–**	2,901
	7,750	17,254

	2010	2009
	RMB'000	*RMB'000*
		(restated)
a) Other revenue		
Interest income on bank deposits	**18**	928
Total interest income on financial assets not at fair value through profit or loss	**18**	928
Sundry income	**26**	1,064
	44	1,992
b) Other net income		
Gain arising on change in fair value of trading securities	**28**	–
Gain on disposal of property, plant and equipment	**8**	–
Government subsidy*	**681**	–
Reversal of impairment of trade receivables	**1,472**	–
	2,189	–
	2,233	1,992

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

5. LOSS BEFORE TAXATION

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

	2010	2009
	RMB'000	*RMB'000*
		(restated)
a) Finance costs		
Interest on convertible bonds	**4,804**	–
Interest expenses on bank borrowings, overdrafts and other loans wholly repayable within five years	**–**	–
Interest expenses on bank borrowings repayable after five years	**4,470**	7,705
Total interest expense on financial liabilities not at fair value through profit or loss	**9,274**	7,705

		2010	2009
		RMB'000	*RMB'000*
			(restated)
b)	**Staff costs**		
	Salaries, wages and other benefits	**5,118**	5,635
	Contributions to defined contribution retirement plans	**566**	352
		5,684	5,987
c)	**Other items**		
	Auditor's remuneration		
	– audit services	**783**	471
	– other services	**1,352**	312
	Depreciation	**810**	351
	Gross rental income from investment properties less direct outgoings of RMB4,370,000 (2009: RMB3,875,000)	**3,380**	10,478
	Operating lease charges: minimum lease payments	**2,351**	1,670
d)	**Other operating expenses**		
	Loss on disposal of investment properties	**7,908**	–
	Impairment of trade receivables	**1,962**	2,234
	Loss arising on change in fair value of trading securities	**–**	87
	Write off of deposits on purchase of investment property *	**–**	14,939
	Loss arising on change in fair value of convertible bonds	**6,132**	–
	Others	**3**	–
		16,005	17,260

* *This amount represents the deposits on purchase of investment property in previous year and the amount included in trade and other receivables in previous year. In the opinion of the directors, the amount is long outstanding and the recoverability of the amount is low, and therefore, the directors decided to write off whole amount of deposits on purchase of investment property in year 2009.*

6. INCOME TAX

(a) Income Tax In The Consolidated Income Statement Represents:

	The group	
	2010	2009
	RMB'000	*RMB'000*
		(restated)
Current tax		
Hong Kong profits tax	**–**	–
Overseas tax calculated at rates prevailing in respective jurisdictions *(note)*	**601**	–
Deferred tax		
Origination and reversal of temporary differences	**8,087**	(54,487)
Tax charge/ (tax credit)	**8,688**	(54,487)

Note: The overseas tax charge for the year ended 31 March 2010 mainly includes the Land Appreciation Tax of RMB601,000 (2009: Nil) arising from disposal of the investment properties in PRC.

No provision for Hong Kong profits tax has been made for the year as the group had no estimated assessable profits for the year (2009: Nil).

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and reduced corporate profits tax rate from 17.5% to 16.5% which is effective from the year of assessment 2008/2009. Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profit for the year.

The PRC enterprise income tax (the "EIT") for the year ended 31 March 2010 is 25% (2009: 25%). The EIT has not been provided for as the group has incurred a loss for the year.

Taxation arising in other jurisdictions are calculated at the rates prevailing in the relevant jurisdictions.

Pursuant to the new PRC Corporate Income Tax Law which took effect from 1 January 2008, 10% withholding tax was levied on dividends declared to foreign enterprise investors from the PRC effective from 1 January 2008. A lower withholding tax rate may be applied if there is a tax treaty arrangement between the PRC and the jurisdiction of the foreign enterprise investors.

On 22 February 2008, Caishui 2008 No.1 was promulgated by the PRC tax authorities to specify that dividends declared and remitted out of the PRC from the retained earnings as at 31 December 2007 determined based on the relevant PRC tax law and regulations are exempted from the withholding tax.

No deferred tax liabilities have been recognised as the company controls the dividend policy of these subsidiaries and it has been determined that it is probable that certain of the profits earned by the group's PRC subsidiaries for the year from 1 April 2009 to 31 March 2010 will not be distributed in the foreseeable future.

(b) **Reconciliation Between Tax Expense And Accounting Loss At Applicable Tax Rate:**

	2010	2009
	RMB'000	*RMB'000*
		(restated)
Loss before taxation	**(10,613)**	(245,432)
Notional tax on loss before taxation, calculated at the tax rate applicable to loss in the jurisdictions concerned	**(448)**	(60,631)
Tax effect of non-taxable income	**(1)**	(2,318)
Tax effect of non-deductible expenses	**796**	4,396
Tax effect of deductible temporary differences not recognised	**(223)**	–
Tax effect on Land Appreciation Tax in PRC	**601**	–
Tax effect of unused tax losses not recognised	**7,963**	4,066
Tax charge (tax credit)	**8,688**	(54,487)

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 RMB19,179,000 (2009: RMB190,945,000) and on the weighted average number of 627,135,000 ordinary shares in issue during the year (2009: 352,740,000).

Weighted average number of ordinary shares:

	2010 Weighted average number of ordinary shares	2009 Weighted average number of ordinary shares
	'000	*'000*
Issued ordinary shares at 1 April	**1,763,698**	1,763,698
Effect of issue of new shares in placement	**607,341**	–
Effect of issue of new shares upon conversion of convertible bonds	**764,639**	–
Effect of five-for-one share consolidation*	**(2,508,543)**	(1,410,958)
Weighted average number of ordinary shares at 31 March	**627,135**	352,740

* The weighted average number of ordinary shares used in 2010 and 2009, for the purpose of calculating basic and diluted loss per share, has been retrospectively adjusted for the five-for-one share consolidation which took place on 12 July 2010.

b) **Diluted Loss Per Share**

Diluted loss per share is equal to the basic loss per share for the years ended 31 March 2010 and 2009 because the outstanding convertible bonds and share option had an anti-dilutive effect on the basis loss per share for the years ended 31 March 2010 and 2009.

8. TRADE AND OTHER RECEIVABLES

	2010	2009
	RMB'000	*RMB'000*
		(restated)
Trade receivables	**4,120**	5,178
Less: allowance for impairment of doubtful debts	**(2,724)**	(2,234)
Trade receivables (net)	**1,396**	2,944
Other receivables	**1,060**	–
Loans and receivables	**2,456**	2,944
Prepayments and deposits	**978**	1,104
	3,434	4,048

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 impairment for doubtful debts of RMB2,724,000 (2009: RMB2,234,000) with the following ageing analysis presented based on invoice date at the end of the reporting period;

	2010	2009
	RMB'000	*RMB'000*
		(restated)
Current	**–**	–
1 to 3 months overdue	**1,396**	2,571
More than 3 months overdue but less than 12 months overdue	**–**	373
	1,396	2,944

Trade receivables immediately due upon 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

	2010	2009
	RMB'000	*RMB'000*
		(restated)
At 1 April	**2,234**	–
Impairment loss recognised *(Note 1)*	**1,962**	2,234
Impairment loss reversed *(Note 2)*	**(1,472)**	–
At 31 March	**2,724**	2,234

Note:

1) As at 31 March 2010, trade receivables of the group amounting to approximately RMB1,962,000 (2009: RMB2,234,000) were individually determined to be impaired and full allowance for impairment loss had been made. These individually impaired receivables were outstanding for over 180 days at the end of the reporting period and the management considered the recoverability of these amount is low. The group did not hold any collateral over these balances.

2) The group succeeded in recovering the long-outstanding debts that were considered to be impaired in previous years.

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:

	2010	2009
	RMB'000	*RMB'000*
		(restated)
Neither past due nor impaired	**–**	–
Past due but not impaired		
– Within 3 months past due	**1,396**	2,571
– More than 3 months but less than 12 months past due	**–**	373
	1,396	2,944

Receivables that were past due but not impaired relate to a number of independent tenants that have a good track record of settlement 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 their credit quality and the balances are still considered fully recoverable. The group holds rental deposits of RMB1,542,000 (2009: RMB2,078,000) 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 2010 was modified in respect of material relating to the going concern as follows:

"Without qualifying our opinion, we draw attention to note 2(b) to the financial statements concerning the adoption of the going concern basis on which the financial statements have been prepared. As further explained in that note, the financial statements of the group have been prepared on a going concern basis, notwithstanding that the group incurred a loss attributable to owners of the company of approximately RMB19,179,000 and negative operating cash flows of approximately RMB13,233,000 during the year. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the group and the company to continue as a going concern."

DIVIDEND

The directors of the company do not recommend the payment of any dividend for the year ended 31 March 2010 (2009: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

For the year under review, the group's turnover was approximately RMB7.8 million (2009: approximately RMB17.3 million), representing an decrease of approximately 54.9% compared with last year. The decrease in turnover was mainly due to the disposal of one of the investment properties in Shanghai and termination of certain property management service during the period.

The audited net loss for the year was approximately RMB19.3 million (2009: approximately RMB190.9 million) and the loss per share was RMB3.06 cents (2009: loss per share RMB54.13 cents). Decrease in loss for the year was mainly due to the positive change in fair value of the investment properties of the group, which recorded a valuation gain of approximately RMB32.3 million (2009: valuation loss of approximately RMB222 million). However, there was no cash flow impact on the group for such valuation gain. The company also incurred a loss of approximately RMB7.9 million which was arising on disposal of an investment property of the group and a loss of approximately RMB6.1 million for change in fair value of convertible bonds.

The administrative expenses of the group for the year amounted to approximately RMB23.2 million, representing an increase of approximately 74.4% compared with last year, of which such increase was mainly attributable to the professional fees in relation to the acquisition of the Mine and other possible acquisitions. The finance cost of the group amounted to approximately RMB9.3 million which was incurred for the bank loans under the security of investment properties in Shanghai and the interest on convertible bonds.

Business Review

During the year under review, the group continued to engage in the properties investment business in the PRC. As at 31 March 2010, the aggregate gross floor area of the investment properties being held by the group was approximately 7,004 square meters, all of which were leased to third parties under operating leases with lease terms ranging from one year to nine years. The group disposed one of its investment properties in Shanghai for a cash consideration of RMB40 million during the year. Such disposal enables the company to strengthen its cash position and at the same time to reduce its debts and interest burden in the future. Details of the disposal were set out in the circular of the company dated 14 July 2009.

On 4 June 2009, the company (as the purchaser) entered into a sale and purchase agreement between Gold Trinity International Limited (as the vendor) to purchase the entire issued share capital of the Main Pacific Group Limited at the consideration of HK$300 million for acquiring 51% indirect interest in a mining company in Inner Mongolia of the PRC (the "Acquisition"). The mining company holds a mining license under which the mining company has the right to conduct mining and exploitation works for copper and molybdenum in the mine (the "Mine") located at Keshi Ketengqi Sanyixiang, Yongsheng Cun, Jingpeng Zhen, Chifeng City, Inner Mongolia, the PRC. The Acquisition represents a good opportunity for the group to penetrate into mining business. It also enables the group to diversify its existing business portfolio and to broaden the group's income source. The Acquisition was completed on 24 July 2009. Details of which are set out in the circular of the company dated 30 June 2009. The Mine is in the beginning stage of development. It is expected that the Mine will be able to commence commercial production in the year of 2012 after the completion of development stage.

On 14 August 2009, the company (as the purchaser) entered into the memorandum of understanding for the proposed acquisition of the entire interest in World Petroleum Inc., a company which will in turn be indirectly interested in 90% of Morichal Sinoco S.A. ("MSSA"). MSSA is a company incorporated under the laws of Venezuela and has the rights to explore and produce hydrocarbons in the block VMM-17 (located at around 100 kilometers to the northwest of Bogota, Colombia), and to the benefits of the production of the hydrocarbons ("WPI Acquisition"). As World Petroleum Inc. is currently undergoing internal restructuring, the WPI Acquisition has been put on hold pending completion of the said restructuring. Furthermore, the memorandum of understanding made between the company and the vendors of World Petroleum Inc. for the WPI Acquisition has expired on 14 May 2010. Details of which are set out in the announcements of the company dated 18 August 2009 and 16 November 2009 respectively.

On 24 March 2010, the company (as a purchaser) entered into the memorandum of understanding with Star Lucky Group Limited (as a vendor) for the possible acquisition of the remaining 40% interest in the Mine being held by the vendor. Details of which are set out in the announcements of the company dated 24 March 2010, 26 March 2010, 8 April 2010 and 22 June 2010 respectively.

On 21 June 2010, the company (as the purchaser) entered into the memorandum of understanding with the independent third parties for the possible acquisition of the entire interest in a target company which upon completion of the restructuring, shall be the ultimate owner of 100% effective interest in the oil & gas rights in parcels of lands in Nevada under three oil & gas leases. The company will be entitled to perform due diligence review in relation to the sale and purchase of the target company, including the company structure, the said oil & gas leases, and the assets, liabilities, contracts, commitments, undertaking, prospects and business and financial and legal and taxation aspects of the target company and its subsidiaries and affiliates, a valuation report and a competent person's report on the said oil & gas leases. Details of which are set out in the announcement of the company dated 21 June 2010.

Prospects

In view of the continual economic growth in the PRC, it is expected that demand for non-ferrous metals will be sustainably high in long run. As such, the company (as a purchaser) entered into the memorandum of understanding on 24 March 2010 with Star Lucky Group Limited (as a vendor) for the possible acquisition of the remaining 40% interest in the Mine being held by the vendor. The company is in the final stage of negotiation with the vendor regarding the possible acquisition. Further announcement will be made by the company should any formal agreement be entered into.

The company also takes initiative in identifying other investment opportunities that will broaden its revenue sources. Although the possible acquisition of World Petroleum Inc. which was announced by the company on 18 August 2009, put on hold pending completion of its internal restructuring, the company still has the intention to diversify its business into the Petroleum Businesses. On 21 June 2010, the company entered into the memorandum of understanding with the independent third parties for the possible acquisition of the entire interest in a target company which upon completion of the restructuring, shall be the ultimate owner of 100% effective interest in the oil & gas rights in parcels of lands in Nevada under three oil & gas leases. Further announcement will be made by the company should any formal agreement be entered into.

Going forward, the group will continue to look for other investment opportunities in any other steam in the long run so as to broaden the source of income of the group and diversify the group's business portfolio.

Liquidity and Financial Resources

As at 31 March 2010, the group's net current assets were approximately RMB59 million (2009: net current liabilities of approximately RMB6.6 million), including cash and bank balances of approximately RMB73.8 million (2009: approximately RMB5.6 million).

The group had borrowings of approximately RMB58.5 million as at 31 March 2010 (2009: approximately RMB90.5 million). All of the borrowings were bank loans under security, of which 5.1% were due within one year from balance sheet date, 6.0% were due more than one year but not exceeding two years, 23.1% were due more than two years but not exceeding five years and 65.8% were due more than five years. The gearing ratio, defined as the percentage of net debt to total equity of the company, was approximately 8% (2009: approximately 42%).

Investment Position

The group does not have any significant investment position in stocks, bonds and other financial derivatives as at 31 March 2010.

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.

Capital Structure

The company issued redeemable convertible bonds ("Convertible Bonds") with a principal amount of HK$260 million (equivalent to approximately RMB231.1 million) during the year under review. As at 31 March 2010, the principal amount of the outstanding Convertible Bonds was HK$75 million (equivalent to approximately RMB66 million).

On 15 August 2009, the company entered into the placing agreement (the "Placing Agreement") with Cheong Lee Securities Limited (the "Placing Agent") pursuant to which the Placing Agent has conditionally agreed to procure, on a best effort basis, the independent placees to subscribe in cash for the 2-year zero coupon convertible redeemable bonds in the maximum principal amount of HK$600 million (equivalent to approximately RMB533.4 million) (the "Zero Coupon Convertible Bonds"). The Placing Agreement was approved by the shareholders of the company by way of poll at the special general meeting on 21 September 2009. During the year ended 31 March 2010, the placing of eight tranches of the Zero Coupon Convertible Bonds has been completed in an aggregate principal amount of HK$84,960,000 (equivalent to approximately RMB75.2 million). Based on the conversion price of HK$0.118 per conversion share, a maximum number of 720,000,000 shares of the company has been allotted and issued upon exercise of the conversion rights attached to the eight tranches of Zero Coupon Convertible Bonds in full.

Charges on Group's Assets

As at 31 March 2010, the group's investment properties with a value of RMB144.6 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 2010, the group does not have any material contingent liability (2009: Nil).

Acquisition and Disposal of Subsidiaries

On 4 June 2009, the company (as the purchaser) entered into a sale and purchase agreement between Gold Trinity International Limited (as the vendor) to purchase the entire issued share capital of the Main Pacific Group Limited at the consideration of HK$300 million (equivalent to approximately RMB266.7 million) (the "Acquisition") and the Acquisition was completed on 24 July 2009. Further details of which are set out in the circular of the company dated 30 June 2009.

Employees

As at 31 March 2010, the group had 44 employees (2009: 28). The remuneration was determined with reference to statutory minimum wages, market terms and the performance, qualification and experience of individual employees. The group provides contributory 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 2010.

CORPORATE GOVERNANCE

The company has complied with the code provisions as set out in the Code of Corporate Governance Practice in Appendix 14 of the Listing Rules throughout the year ended 31 March 2010, except for the deviation from the requirement of code provision A.2.1 as follow.

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 respond promptly and efficiently.

AUDIT COMMITTEE

The company has established an 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 of the company comprises a total of three independent non-executive directors of the Company. The annual results of the group for the year ended 31 March 2010 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 2010 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 (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 2010.

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

The company's annual report for the year ended 31 March 2010 containing all applicable information required by Appendix 16 of 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
Yu Wai Fong
Chairman

Hong Kong, 27 July 2010

As at the date of this announcement, the executive directors of the company are Ms. Yu Wai Fong, Mr. Xu Dong and Mr. Au Tat On, and the independent non-executive directors of the company are Mr. Lam Man Yui, Mr. Lai Wai Yin, Wilson and Ms. Cao Jie Min.

This announcement will remain on the "Latest Company Announcements" page of the website of the Stock Exchange and the website of the company for at least 7 days from the date of its posting.

* *For identification purposes only*