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 2012

The board ("board") of directors ("directors") 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 2012 together with the audited comparative figures for the previous year as follows:

* *For identification purposes only*

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2012

	Note	2012 RMB'000	2011 RMB'000
Turnover	4	**7,243**	3,735
Cost of sales		**(3,806)**	(3,338)
		3,437	397
Valuation (loss)/gains on investment properties		**(658)**	12,197
Other revenue	4(a)	**1,183**	139
Other net income	4(b)	**115**	131
Selling expenses		**(1,655)**	(429)
Administrative expenses		**(36,253)**	(30,364)
Exploration and development expenses of mine		**(3,843)**	–
Other operating expenses	5(d)	**(287,250)**	(10,996)
Loss from operations		**(324,924)**	(28,925)
Finance costs		**(4,256)**	(6,080)
Loss before taxation	5	**(329,180)**	(35,005)
Income tax	6	**165**	(3,049)
Loss for the year		**(329,015)**	(38,054)
Attributable to:			
Owners of the company		**(306,607)**	(37,762)
Non-controlling interests		**(22,408)**	(292)
Loss for the year		**(329,015)**	(38,054)
			(Restated)
Loss per share			
– Basic	7(a)	**(RMB1.37)**	(RMB3.12)
– Diluted	7(b)	**(RMB1.37)**	(RMB3.12)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	RMB'000	*RMB'000*
Loss for the year	**(329,015)**	(38,054)
Other comprehensive loss for the year		
Exchange differences on translation of financial statements of group entities outside the PRC	**(8,488)**	(4,098)
Total other comprehensive loss for the year, net of nil tax	**(8,488)**	(4,098)
Total comprehensive loss for the year	**(337,503)**	(42,152)
Attributable to:		
Owners of the company	**(315,095)**	(41,860)
Non-controlling interests	**(22,408)**	(292)
Total comprehensive loss for the year	**(337,503)**	(42,152)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2012

	Note	2012 RMB'000	2011 RMB'000
Non-current assets			
Plant and equipment		**14,595**	14,859
Investment properties		**197,656**	198,314
Intangible assets		**259,000**	499,398
Deposit for acquisition of subsidiaries		**120,479**	124,799
		591,730	837,370
Current assets			
Trade and other receivables	8	**4,131**	1,765
Trading securities		**120**	150
Cash and cash equivalents		**64,819**	5,943
		69,070	7,858
Current liabilities			
Other payables		**24,073**	26,592
Interest-bearing bank borrowings		**4,000**	3,500
Current taxation		**–**	–
		28,073	30,092
Net current assets/(liabilities)		**40,997**	(22,234)
Total assets less current liabilities		**632,727**	815,136
Non-current liabilities			
Interest-bearing bank borrowings		**48,000**	52,000
Deferred tax liabilities		**10,971**	11,136
Convertible bonds		**–**	147,680
		58,971	210,816
NET ASSETS		**573,756**	604,320
EQUITY			
Equity attributable to owners of the company			
Share capital		**7,333**	2,833
Reserves		**542,211**	554,867
		549,544	557,700
Non-controlling interests		**24,212**	46,620
TOTAL EQUITY		**573,756**	604,320

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.

2. Application of new and revised Hong Kong Financial Reporting Standards

In the current year, the group has applied the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised 2009)	Related Party Disclosures
Amendments to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the new and revised HKFRSs in the current year has had no material effect on the group's financial performance and positions for the current and prior accounting periods.

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 group's most senior executive management ("CODM") for the purposes of resource allocation and performance assessment.

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

1) Properties Investment

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

2) Investing in Mining Activities

The investing in mining activities reportable segment derives its revenue from subcontracting the exploitation of copper and molybdenum mines to third parties.

No reportable operating segment has been aggregated.

a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

The accounting policies of the reportable segments are the same as the group's accounting policies. Segment profit/(loss) represents the profit earned by/(loss) from each segment without allocation of central administration costs such as directors' salaries, investment income and finance costs. This is the measure reported to the group's CODM for the purposes of resource allocation and performance assessment.

Revenue and expenses are allocated to the reportable segments with reference to sale generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The revenue from external parties reported to the group's 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 most senior executive management for the purposes of resource allocation and assessment of segment performance for the year ended 31 March 2012 and 2011 is set out below.

	2012			2011		
	Properties investment	**Investing in mining activities**	**Total**	Properties investment	Investing in mining activities	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers	**7,243**	**–**	**7,243**	3,735	–	3,735
Reportable segment revenue	**7,243**	**–**	**7,243**	3,735	–	3,735
Reportable segment (loss)/profit before taxation	**(7,069)**	**(250,268)**	**(257,337)**	3,903	(1,409)	2,494
Interest income	**4**	**1**	**5**	4	–	4
Depreciation	**(581)**	**(3,204)**	**(3,785)**	(488)	(538)	(1,026)
Impairment of trade receivables	**–**	**–**	**–**	(114)	–	(114)
Impairment of intangible assets	**–**	**(240,748)**	**(240,748)**	–	–	–
Income tax credit/(expense)	**165**	**–**	**165**	(3,049)	–	(3,049)
Finance costs	**(4,143)**	**–**	**(4,143)**	(3,840)	–	(3,840)
Reportable segment assets	**203,456**	**268,525**	**471,981**	201,293	506,137	707,430
Additions to non-current segment asset during the year	**842**	**368**	**1,210**	899	6,707	7,606
Reportable segment liabilities	**55,408**	**19,832**	**75,240**	58,676	14,043	72,719
Deferred tax liabilities	**10,971**	**–**	**10,971**	11,136	–	11,136
Total liabilities	**66,379**	**19,832**	**86,211**	69,812	14,043	83,855

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

	2012	2011
	RMB'000	*RMB'000*
Revenue		
Total reportable segment revenue	**7,243**	3,735
Elimination of inter-segment revenue	**–**	–
Consolidated turnover	**7,243**	3,735
Profit/(loss)		
Total reportable segments' (loss)/profit	**(257,337)**	2,494
Unallocated corporate income	**6**	176
Depreciation	**(417)**	(1,574)
Interest income	**573**	4
Finance costs	**(113)**	(2,240)
Unallocated corporate expenses	**(71,892)**	(33,865)
Consolidated loss before taxation	**(329,180)**	(35,005)
Assets		
Total reportable segments' assets	**471,981**	707,430
Unallocated corporate assets	**188,819**	137,798
Consolidated total assets	**660,800**	845,228
Liabilities		
Total reportable segments' liabilities	**(86,211)**	(83,855)
Unallocated corporate liabilities	**(833)**	(157,053)
Consolidated total liabilities	**(87,044)**	(240,908)

c) *Revenue from major services*

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

	2012	2011
	RMB'000	*RMB'000*
Properties investment	**7,243**	3,735

d) *Geographical information*

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

	Revenues from external customers		**Non-current assets**	
	2012	2011	**2012**	2011
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Hong Kong (place of domicile)	**–**	–	**124,179**	126,086
The PRC	**7,243**	3,735	**467,551**	711,284
	7,243	3,735	**591,730**	837,370

e) *Information about major customers*

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

	2012	2011
	RMB'000	*RMB'000*
Customer A – revenue from properties investment – the PRC	**–**	3,065
Customer B – revenue from properties investment – the PRC	**–**	670
Customer C – revenue from properties investment – the PRC	**5,262**	–
Customer D – revenue from properties investment – the PRC	**1,068**	–
Customer E – revenue from properties investment – the PRC	**913**	–
	7,243	3,735

4. Turnover and Other Revenue

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

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

	2012 *RMB'000*	2011 *RMB'000*
Rental income from operating leases	**7,243**	3,735

		2012 *RMB'000*	2011 *RMB'000*
a)	***Other revenue***		
	Interest income on loan receivables	**554**	–
	Interest income on bank deposits	**24**	8
	Total interest income on financial assets not at fair value through profit or loss	**578**	8
	Sundry income	**605**	131
		1,183	139
b)	***Other net income***		
	Fair value (loss)/gain on trading securities	**(26)**	45
	Gain on disposal of plant and equipment	**91**	–
	Government subsidy*	**50**	86
		115	131
		1,298	270

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

5. Loss before taxation

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

	2012	2011
	RMB'000	*RMB'000*
a) *Finance costs*		
Interest expenses on bank borrowings not wholly repayable within five years	**4,143**	3,840
Total interest expenses on financial liabilities not at fair value through profit or loss	**4,143**	3,840
Interest on convertible bonds	**113**	2,240
Total interest expenses	**4,256**	6,080
b) *Staff costs (including directors' remuneration)*		
Salaries, wages and other benefits	**10,050**	7,111
Contribution to defined contribution retirement plans	**607**	596
	10,657	7,707
c) *Other items*		
Auditor's remuneration		
– audit services	**795**	823
– other services	**622**	1,293
Depreciation	**4,202**	2,600
Gross rental income from investment properties less direct outgoings of RMB3,806,000 (2011: RMB3,338,000)	**(3,437)**	(397)
Operating lease charges: minimum lease payments	**3,029**	2,473
Exploration and development expenses of mine	**3,843**	244*

* *The amounts included in administrative expenses for the year ended 31 March 2011.*

d) *Other operating expenses*		
Impairment of trade receivables	**–**	114
Impairment of loan receivables	**41,054**	–
Fair value loss on convertible bonds	**5,448**	10,882
Impairment of intangible assets	**240,748**	–
	287,250	10,996

6. Income Tax

	2012	2011
	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	**(165)**	3,049
Tax (credit)/charge	**(165)**	3,049

No provision for Hong Kong profits tax has been provided for the year as the group had no estimated assessable profits in Hong Kong for the year (2011: Nil).

The PRC enterprise income tax (the "EIT") for the year ended 31 March 2012 is 25% (2011: 25%). EIT has not been provided for as the group has incurred losses for the year.

No deferred tax liabilities have been recognised on the retained profits of subsidiaries as the company controls the dividend policy of these subsidiaries and it has been determined that it is probable that certain profits earned by the group's PRC subsidiaries will not be distributed in the foreseeable future. Particularly, the group's PRC subsidiaries incurred a loss for the year ended 31 March 2012.

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 RMB306,607,000 (2011: loss of RMB37,762,000) and the weighted average number of 223,871,000 ordinary shares (2011: 12,087,000 ordinary shares) in issue during the year.

Weighted average number of ordinary shares:

	2012	2011
	'000	*'000*
		(Restated)
Issued ordinary shares at the beginning of the year*	**842,674**	4,834,168
Effect of five-for-one share consolidation	**–**	(4,751,588)
Effect of fifty-for-one share consolidation	**–**	(1,742,413)
Effect of rights issue	**4,524,745**	–
Effect of issue of new shares by placements	**627,584**	1,692,203
Effect of issue of new shares upon conversion of convertible bonds	**–**	330,241
Effect of thirty-for-one share consolidation	**(5,771,132)**	(350,524)
Weighted average number of ordinary shares at the end of the year	**223,871**	12,087

* The number of ordinary shares has been adjusted to take into account the adjustment to the number of shares outstanding before the rights issue which completed on 21 April 2011 to reflect the bonus element inherent in the rights issue.

b) Diluted Loss Per Share

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

Diluted loss per share equals to basic loss per share because the outstanding convertible bonds and share options had an anti-dilutive effect on the basic loss per share for the year ended 31 March 2011.

8. Trade and Other Receivables

	2012	2011
	RMB'000	*RMB'000*
Trade receivables	**4,824**	2,956
Less: allowance for doubtful debts	**(2,838)**	(2,838)
Trade receivables (net)	**1,986**	118
Loan receivables	**41,054**	–
Less: impairment	**(41,054)**	–
Loan receivables (net)	**–**	–
Other receivables	**797**	565
Loans and receivables	**2,783**	683
Prepayments and deposits	**1,348**	1,082
	4,131	1,765

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

a) Ageing Analysis

Trade receivables are net of allowance for doubtful debts of RMB2,838,000 (2011: RMB2,838,000) with the following analysis by age presented based on invoice date as of the end of the reporting period:

	2012	2011
	RMB'000	*RMB'000*
Current	**–**	–
1 to 3 months overdue	**1,986**	118
	1,986	118

Trade receivables are due after the date of billing.

b) *Impairment of Trade Receivables*

Impairment losses in respect of trade receivables are recorded using an allowance account unless the group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

The movements in the allowance for doubtful debts

	2012	2011
	RMB'000	*RMB'000*
At 1 April	**2,838**	2,724
Impairment loss recognised *(note)*	**–**	114
At 31 March	**2,838**	2,838

Note:

As at 31 March 2012, trade receivables of the group amounting to approximately nil (2011: RMB114,000) were individually determined to be impaired. These individually impaired receivables were outstanding for over 180 days as at the end of the reporting period and the management considered the recoverability of the amount is low. The group does not hold any collateral over these balances.

c) *Trade Receivables that are Not Impaired*

The ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

	2012	2011
	RMB'000	*RMB'000*
Neither past due nor impaired	**–**	–
Past due but not impaired		
– Within 3 months past due	**1,986**	118
– More than 3 months but less than 12 months past due	**–**	–
	1,986	118

Receivables that were past due but not impaired relate to a number of independent tenants that have a good track record with the group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The group hold rental deposits of RMB1,765,000 (2011: RMB1,272,000) 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 2012 was modified in relation to the emphasis of matter as follows:

Emphasis of matter

"Without qualifying our opinion, we draw attention to note 2(b)(i) and 20 to the financial statements of the group for the year about the possible acquisition of Pure Power Holdings Limited. Pursuant to the supplemental memorandum of understanding dated 20 September 2010 and the letter of confirmation dated 20 June 2012, the company agreed to settle the balance of the deposit of US$131 million (equivalent to approximately RMB860 million) before 20 September 2012. As at the date of the report, the company has not yet arranged sufficient financing for the payment. The directors of the company consider they are still in negotiation with the vendors for the terms and conditions of the possible acquisition and will obtain the required facilities to settle the remaining balance before the prescribed date."

DIVIDEND

The directors of the company do not recommend the payment of any dividend for the year ended 31 March 2012 (2011: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Operating Results

For the year under review, the group's turnover was approximately RMB7.2 million (2011: approximately RMB3.7 million), representing an increase of approximately 94.6% compared with last year. The increase in turnover was mainly due to rearrangement of certain operating leases during the year under review.

The audited net loss for the year was approximately RMB329.0 million (2011: approximately RMB38.1 million) and the loss per share was RMB1.37 dollars (2011: restated RMB3.12 dollars). Increase in loss for the year was mainly due to the change of fair value of the mining rights for the copper and molybdenum in Inner Mongolia which was caused by the decrease in the market price of copper and molybdenum during last year resulting from the deteriorating global economic conditions. An impairment loss of approximately RMB240.7 million was recognised for the year ended 31 March 2012 since carrying amount of the mining rights is greater than its fair value. It was also attributable to the impairment loss of the loan receivable and the change of fair value of the investment properties. However, there was no cash flow impact on the group for such changes of fair value.

The administrative and selling expenses of the group for the year amounted to approximately RMB37.9 million (2011: approximately RMB30.8 million). The finance costs of the group amounted to approximately RMB4.3 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 its principal business activities, including the properties investment business and the exploitation of a mine (the "Mine") located in the Inner Mongolia, the PRC.

As at 31 March 2012, the aggregate gross floor area of the investment properties being held by the group was approximately 7,004 square meters, of which approximately 100% of the properties were leased to third parties under operating leases with lease terms ranging up to twelve years.

Regarding the mining business, the Keshi Ketengqi Great Land Mine Industries Company Limited (the "Mining Company"), a subsidiary of the company, began to develop and construct the Mine in 2011. In order to support the construction of the Mine, the Mining Company built a three-kilometer road in the mine area. The new road leads directly to the mining face transport equipments and production water supply. In accordance with the provisions of the national work safety laws, a safety pre-assessment should be reported for record before the construction of a mine. The Mining Company has entrusted the relevant technical adviser to deliver the safety pre-assessment report regarding the production systems of the Mine. So far, the field exploration, sampling and test have been completed. In order to provide scientific basis for the mine construction, the Mining Company entrusted a professional scientific geological surveyor to survey the mine and provide data related to engineering survey, engineering geology and hydrological geology. The surveyor has completed the survey and delivered a topographic mapping report on the Mine. After the topographic mapping, the Mining Company also entrusted a survey and design company to perform a detailed geological survey on the Mine. By drilling, sampling and analysis, a geological exploration report has been completed. With an aim to provide a basis for the mine construction so as to reduce the risk of development and achieve maximum economic benefits, the Mining Company has entrusted 內蒙古有色金屬勘查局 (Non-Ferrous Metal Geological Exploration Bureau of Inner Mongolia) to perform a geological survey, high-precision magnetic survey, deep engineering reveal, systematic sampling and test in order to find out the structure of magmatite at the bottom level of the Mine and other basic geological characteristics of the deposit. The fieldwork is under process and is expected to complete by August this year.

In addition, the original mining license of the Mine has expired on 17 November 2011. The Mining Company has submitted to 赤峰市國土資源局 all information and data required for the application for extension of mining license in October 2011. The application for extension has been approved and the mining license has been extended for a further period of 3 years from 17 November 2011 to 17 November 2014. In accordance with the relevant laws and regulations of the PRC, the Mining Company has the right to apply for further extension upon expiration of the mining license.

The expenditure incurred on the mining exploration and development for the year ended 31 March 2012 was approximately RMB3.8 million.

There is no material change in the estimated mineral resources of the Mine for the year ended 31 March 2012.

During the year under review, the company completed a rights issue exercise by issuing 4,974,493,440 rights shares to the qualifying shareholders of the company at subscription price of HK$0.068 per rights share on the basis of thirty (30) rights shares for every one (1) then existing share held. The gross proceeds of the rights issue is approximately HK$338.3 million.

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 Simsem under the Loan Agreement. The PN and the CN were issued by Mayer Holdings Limited ("**Mayer**") to the Borrower. The Board considered that the entering into of the Participation Loans provided a higher interest income to the company as compared to depositing the cash in a bank and the Participation Loans are in a short term nature which will not exert significant cash flow pressure to the operation of the company. Due to the litigation between Mayer and the Borrower, Simsen disposed the PN on 10 February 2012 in the amount of HK$10,000,000 with the consent of the company. The company anticipates that after the payment of all costs and expenses incurred in connection with the disposal, the portion that will be repaid to the company by Simsen will be approximately HK$5.7 million which will be applied to settle part of the accrued interest. Yet the recoverability of the Participation Loans is not ascertainable at the present moment. Taking into consideration the legal advice on the recoverability and the assessment of the market value of the Participation Loans, provision for impairment loss has been made for the year.

Liquidity and Financial Resources

As at 31 March 2012, the group's net current assets were approximately RMB40.9 million (2011: net current liabilities approximately RMB22.2 million), including cash and bank balances of approximately RMB64.8 million (2011: approximately RMB5.9 million).

The group had borrowings of approximately RMB52.0 million as at 31 March 2012 (2011: approximately RMB55.5 million). The borrowings were bank loans under security, of which 7.7% were due within one year from balance sheet date, 8.7% were due more than one year but not exceeding two years, 31.7% were due more than two years but not exceeding five years and 51.9% were due more than five years. The gearing ratio, defined as the percentage of net debts to the total equity of the company, was nil (2011: approximately 32%).

Investment Position

The group did not have any significant investment position in stocks, bonds and other financial derivatives as at 31 March 2012.

Foreign Exchange Exposure

As most of the group's assets and liabilities are denominated in Renminbi and the liabilities of the group are well covered by its assets, the group does not have any significant exposure to foreign exchange fluctuation. During the year under review, the group did not use any financial instruments for hedging purposes.

Shares Capital and Capital Structure

During the year under review, the company early redeemed all the outstanding convertible bonds in the aggregate amount of HK$180 million and there were no convertible shares being issued under the convertible bonds. As at 31 March 2012, there were no outstanding convertible bonds.

On 4 May 2011, the company issued 4,974,493,440 new shares under the rights issue exercise on the basis of thirty (30) rights shares for every one (1) existing issued share at the subscription price of HK$0.068 per rights share.

On 30 August 2011, the company issued 1,028,000,000 new shares at HK$0.022 per share under the placing agreement dated 15 August 2011 and the supplement agreement to placing agreement dated 23 August 2011.

On 10 October 2011, the company issued 40,000,000 new shares at HK$0.181 per share under the placing agreement dated 28 September 2011.

On 16 February 2012, the company issued 49,000,000 new shares at HK$0.195 per share under the placing agreement dated 6 January 2012.

Save as disclosed above, there was no change in the capital structure of the company for the year ended 31 March 2012.

Charges on group's Assets

As at 31 March 2012, the group's investment properties with a value of approximately RMB197.7 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 2012, the group did not have any material contingent liability (2011: Nil).

Acquisition and Disposal of Subsidiaries

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

Employees

As at 31 March 2012, the group had 41 employees (2011: 41). The remuneration of employees was determined with reference to statutory minimum wages, market terms and the performance, qualification and experience of individual employees. The group provides mandatory provident fund and insurance scheme to the employees. Share option scheme and incentive schemes are adopted to encourage personal commitment of employees.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the company nor any of its subsidiaries purchased, redeemed or sold any of the company's listed securities during the year ended 31 March 2012

CORPORATE GOVERNANCE

The company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report in Appendix 14 to the Listing Rules throughout the year ended 31 March 2012 except for the deviation from the requirement of code provision A.2.1 as follows.

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

AUDIT COMMITTEE

The company has established an audit committee ("Audit Committee") with written terms of reference for the purpose of reviewing and providing supervision over the financial reporting process and internal control of the group. The Audit Committee comprises a total of three independent non-executive directors of the company. The annual results of the group for the year ended 31 March 2012 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 2012 have been agreed by the group's auditors, CCIF CPA Limited to the amounts set out in the group's audited consolidated financial statements for the year. The work performed by CCIF CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCIF CPA Limited on the preliminary announcement.

DIRECTORS' SECURITIES TRANSACTION

The company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the directors. Having made specific enquiry of the directors, all directors confirmed that they had complied with the required standards as set out in the Model Code throughout the year ended 31 March 2012.

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

The company's annual report for the year ended 31 March 2012 containing all applicable information required by Appendix 16 to the Listing Rules will be despatched to the shareholders of the company and published on the Stock Exchange's website and on the company's website in due course.

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

Hong Kong, 27 June 2012

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.