CHINA INVESTMENTS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 132)

ANNOUNCEMENT OF RESULTS 2007

AUDITED CONSOLIDATED RESULTS

The Board of Directors (the "Directors") of China Investments Holdings Limited (the "Company") announce that the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007 as follows:

	2007	**2006**
	HK$'000	*HK$'000*
Turnover *(Note 3)*	497,834	430,016
Cost of sales and services	(382,714)	(334,683)
Gross profit	115,120	95,333
Other operating income	40,193	35,154
Selling and distribution costs	(590)	(722)
Administrative expenses	(46,397)	(47,607)
Increase in fair value on investment properties	2,190	18,500
Impairment loss in respect of property held for sales/land use right	(12,890)	(11,444)
Finance costs	(3,429)	(8,527)
Profit before taxation	94,197	80,687
Income tax expense	(6,945)	(9,747)
Profit for the year	87,252	70,940
Earnings per share *(Note 4)*		
Basic	8.01 cents	7.75 cents
Diluted	N/A	4.81 cents

Consolidated Balance Sheet
At 31 December 2007

	2007	2006
	HK$'000	*HK$'000*
Non-current assets		
Investment properties	10,090	37,400
Property, plant and equipment	253,001	249,869
Land use rights	13,959	13,323
Goodwill	89,880	89,880
	366,930	390,472
Current assets		
Properties held for sale	91,710	104,600
Inventories	91,444	67,841
Trade and other receivables	22,318	63,840
Financial assets at fair value through profit or loss	434	3
Bank balances and cash	223,932	137,415
	429,838	373,699
Current liabilities		
Trade and other payables	195,623	110,754
Provision for loss in litigation	38,000	38,000
Tax payable	6,162	12,859
Convertible notes	—	196,026
	239,785	357,639
Net current assets	190,053	16,060
	556,983	406,532
Capital and reserves		
Share capital	118,833	91,500
Reserves	438,150	315,032
	556,983	406,532

Notes:

1 **Basis of Presentation of Financial Statements/Basis of Preparation**

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

2 **Application of Hong Kong Financial Reporting Standards**

In the current year, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning 1 January 2007.

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC) - Int 7	Applying the Restatement Approach under HKAS 29 Financial Reporting in the Hyperinflationary Economies
HK (IFRIC) - Int 8	Scope of HKFRS 2
HK (IFRIC) - Int 9	Reassessment of Embedded Derivatives
HK (IFRIC) - Int 10	Interim Financial Reporting and Impairment

The adoption of these new HKFRSs had no material effect on the results of operations and financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment had been recognized.

The Group has not early applied the following Standards and Interpretations issued by Hong Kong Financial Reporting Interpretations Committee that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKFRS 23 (Revised)	Borrowing Costs[1]
HKFRS 8	Operating Segments[1]
HK(IFRIC) - Int 11	HKFRS 2: Group and Treasury Share Transactions[2]
HK(IFRIC) - Int 12	Service Concession Arrangements[3]
HK(IFRIC) - Int 13	Customer Loyalty Programmes[4]
HK(IFRIC) - Int 14	HKAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction[3]

[1] Effective for annual periods beginning on or after 1 January 2009

[2] Effective for annual periods beginning on or after 1 March 2007

[3] Effective for annual periods beginning on or after 1 January 2008

[4] Effective for annual periods beginning on or after 1 July 2008

The directors of the Company anticipate that the application of the above Standards and Interpretations will have no material impact on the results and financial position of the Group.

3 Turnover

Turnover represents the gross amounts received and receivable for revenue arising on hotel operations, goods sold by the Group to outside customers, less return and allowances and gross rental income during the year.

Business and Geographical Segments

Business segments

For management purposes, the Group is currently organised into three operating divisions — fibreboards, hotel operations, and property investment. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Fibreboards	—	manufacture and trading of fibreboards
Hotel operations	—	hotel ownership and management
Property investment	—	holding investment properties, properties held for development and properties held for sale

Segment information about these businesses is presented below:

For the year ended 31 December 2007:

	Fibreboards	**Hotel operations**	**Property investment**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER	467,490	29,073	1,271	497,834
RESULTS				
Segment results	103,168	8,282	(9,421)	102,029
Interest income				5,643
Net unrealised holding gain on financial assets at fair value through profit or loss				431
Unallocated corporate expenses				(10,477)
Finance costs				(3,429)
Profit before taxation				94,197
Income tax expense				(6,945)
Profit for the year				87,252

BALANCE SHEET

	Fibreboards	Hotel operations	Property investment	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Segment assets	161,859	135,299	102,119	399,277
Goodwill				89,880
Financial assets at fair value through profit or loss				434
Bank balances and cash				223,932
Unallocated corporate assets				83,245
Consolidated total assets				796,768
LIABILITIES				
Segment liabilities				116,608
Unallocated corporate liabilities				123,177
Consolidated total liabilities				239,785

Other information

	Fibreboards	Hotel operations	Property investment	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Capital additions	22,867	392	—	1,342	24,601
Depreciation and amortisation	7,665	8,020	—	517	16,202
Increase in fair value on investment properties	—	2,190	—	—	2,190
Impairment loss in respect of properties held for sales	—	—	(12,890)	—	(12,890)

For the year ended 31 December 2006

	Fibreboards	Hotel operations	Property investment	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
TURNOVER	403,817	24,654	1,545	430,016
RESULTS				
Segment results	79,202	855	18,555	98,612
Interest income				1,568
Net unrealised holding gains on financial assets at fair value through profit or loss				2
Unallocated corporate expenses				(10,968)
Finance costs				(8,527)
Profit before taxation				80,687
Income tax expense				(9,747)
Profit for the year				70,940

BALANCE SHEET

	Fibreboards	Hotel operations	Property investment	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Segment assets	179,784	155,654	163,053	498,491
Goodwill	89,880			89,880
Financial assets at fair value through profit or loss				3
Bank balances and cash				137,415
Unallocated corporate assets				38,382
Consolidated total assets				764,171
LIABILITIES				
Segment liabilities	129,331	6,007	4,947	140,285
Unallocated corporate liabilities				217,354
Consolidated total liabilities				357,639

Other information

	Fibreboards	Hotel operations	Property investment	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Capital additions	11,606	1,339	—	91	13,036
Depreciation and amortisation	5,726	8,378	—	414	14,518
Increase in fair value on investment properties	—	—	18,500	—	18,500
Impairment loss in respect of land use right	11,444	—	—	—	11,444
Loss on disposal of property held for development	—	—	—	1,678	1,678

Geographical segments

The Group's fibreboards and hotel operations are located in the People's Republic of China, other than Hong Kong (the "PRC").

Property investment, operations are located in both PRC and Hong Kong.

The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods/services:

	Sales revenue by geographical market		**Contribution to profit for the year**	
	2007	**2006**	**2007**	**2006**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
The PRC	497,033	428,865	101,619	79,502
Hong Kong	801	1,151	410	19,110
	497,834	430,016	102,029	98,612
Interest income			5,643	1,568
Net unrealised holding gain on financial assets at fair value through profit			431	2
Unallocated corporate expenses			(10,477)	(10,968)
Finance costs			(3,429)	(8,527)
Profit before taxation			94,197	80,687
Income tax expense			(6,945)	(9,747)
Profit for the year			87,252	70,940

4 **Earnings per share**

The calculation of basic earnings per share is based on the profit for the year of HK$87,252,000 (2006: profit of HK$70,940,000) and the weighted average number of 1,089,471,712 ordinary shares (2006: 914,995,817 ordinary shares) in issue during the year.

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	2007	**2006**
	HK$'000	*HK$'000*
Earnings		
Earnings for the purpose of basic earnings per share (profit for the year attributable to equity holders of the Company)	87,252	70,940
Effect of diluted potential ordinary shares:		
Interest on convertible notes	—	8,527
Earnings for the purpose of diluted earnings per share	87,252	79,467

	2007	2006
	'000	*'000*
Number of shares		
Number of ordinary shares for the purposes of basic earnings per share	1,089,471	914,996
Effect of dilutive potential ordinary shares — Convertible notes	—	736,296
Number of ordinary shares for the purposes of diluted earnings per share	1,089,471	1,651,292

No diluted earnings per share has been presented for the year as there were no diluting events existing for the year ended 31 December 2007.

5 **Taxation**

	2007	2006
	HK$'000	*HK$'000*
The charges comprises:		
Current tax - Provision for PRC enterprises income tax	6,945	9,747

Provision for PRC enterprises income tax for the year ended 31 December 2007 and the year ended 31 December 2006 has been made based on the Group's estimated assessable profits calculated in accordance with the relevant enterprise income tax laws applicable to the subsidiaries in the PRC.

No provision for Hong Kong Profits Tax has been made in the financial statements as the Company and its subsidiaries have no assessable profits in Hong Kong for both years.

No deferred tax asset has been recognised in the financial statements in respect of tax losses available to offset future profits as it is not certain that the tax losses will be utilised in the foreseeable future.

DIVIDEND

The Directors do not recommend payment of a dividend for the year (2006: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

During the year, neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed shares.

CORPORATE GOVERNANCE

The Company placed great emphasis in corporate governance, and reviewed and strengthened measures in corporate governance from time to time. The Company has adopted all the code provisions under the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules of the Stock Exchange of Hong Kong Limited as its own code on corporate governance practices. The Company has been in compliance with all the code provisions under the Code during the year.

The audit committee comprising the three independent non-executive directors of the Company has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including a general review of the audited consolidated financial statements for the year ended 31 December 2007.

Code for securities transactions by Directors

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules of the Stock Exchange of Hong Kong Limited as the code of conduct regarding securities transactions by directors. On specific enquiries made, all directors have confirmed that, in respect of the year ended 31 December 2007, they have complied with the required standard as set out in the Model Code.

BUSINESS REVIEW

During the year, despite the price surge of general commodities and raw materials in the PRC, the Group managed to minimize the impact and achieve satisfactory growth in operating results by implementing various measures in management, operation, production and quality control. For the year ended 31 December 2007, the Group's turnover was HK$497,834,000, an increase of 15.77% over last year. Operating profit of the Group for the year was HK$87,252,000, an increase of 22.99% over last year.

FIBREBOARD BUSINESS

In 2007, the fibreboard industry was significantly affected by the slowdown of the real estate markets in Europe, the US and the PRC and the increase in the prices of raw materials. On one hand, the management endeavoured to reduce costs by improving its technology, minimizing energy consumption and increasing production. On the other hand, the management sought to improve profits by re-pricing its products and reducing its inventories based on latest market information. As a result, the gross profit margin of the fibreboard business maintained at a comfortable level of 17% while the production and operating profit recorded growths as compared with last year. For the year ended 31 December 2007, the total production and total sales of medium density fibreboards were 363,185 cubic metres and 357,371 cubic metres, up 4.74% and 3.60% from last year respectively. The total sales for the year amounted to HK$467,490,000, representing an increase of 15.77% over last year. The net operating profit for the year was HK$96,524,000, representing an increase of 35.04% over last year.

HOTEL BUSINESS

Guilin Plaza launched promotion campaign during the year to attract new customers from various sources by adopting flexible pricing strategy according to the market conditions and achieved remarkable results. The average occupancy rate of the Guilin Plaza in 2007 was 76.8%, up 7.1% from last year. In respect of cost control, Guilin Plaza employed a series of energy saving and cost control measures to effectively alleviate the impact of price surge of food and energy. When compared with 2006, Guilin Plaza's costs of food and beverage increased by only 3.8% while energy expenses were even reduced by 2.8% during the year. For the year ended 31 December 2007, Guilin Plaza's turnover and operating profit were HK$29,073,000 and HK$7,798,000, representing an increase of 17.92% and 693.29% over last year respectively.

PROPERTY INVESTMENT

In March 2007, the Group disposed of Kwun Tong Kiu Sun Factory Building of over 40 years at HK$30 million when the property market was robust and recorded a gain of HK$125,000 in 2007.

The transfer of the land lots located in district No. 18, in Huizhou was completed in October 2007 upon receipt of the proceeds of the transfer.

FINANCIAL POSITION AND ANALYSIS

As at 31 December 2007, the Group had total assets of HK$796,768,000 (31 December 2006: HK$764,171,000) and had no bank loans or other long-term debts (31 December 2006: bank loans and convertible notes of nil and HK$196,026,000 respectively). Net assets of the Group amounted to HK$556,983,000 (31 December 2006: HK$406,532,000). The gearing ratio was 0 (31 December 2006: 25.7%). Net assets per Share amounted to HK51.12 cents (31 December 2006: HK44.43 cents).

As at 31 December 2007, the Group's net current assets amounted to HK$190,053,000 (31 December 2006: HK$16,060,000), current ratio (being current assets divided by current liabilities) was approximately 1.79 times (31 December 2006: 1.04 times), while bank deposits and cash amounted to HK$223,932,000 (31 December 2006: HK$137,415,000), which is sufficient to meet the capital requirements of the Group's operations and development in the near future.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earned revenue and incurred cost in Renminbi and Hong Kong Dollar. The effect of exchange rate fluctuation on earned revenue and incurred cost would be offset each other in the business operation of the Group. In past several years, the exchange rates of Renminbi to Hong Kong Dollars kept on increasing. The directors expect that this trend of Renminbi's exchange rate will continue and have favourable effect on our Group's net Renminbi monetary assets. Therefore, the Group currently does not have any specific foreign exchange risk hedging need for this matter.

OUTLOOK

2008 will be a year full of challenges and opportunities. There is no sign of improvement of the sub-prime crisis in Europe and the austerity measures will still be in place in the PRC. Under such circumstances, the fibreboard industry will inevitably be affected. However, the management believes that the Group's fibreboard business has advantages in terms of market position and its highly-integrated facilities. They are confident that the Group can overcome the difficulties and challenges and will seek to expand when opportunity arises. The management remains cautiously optimistic about the Group's development in the current year.

EMPLOYEES

The total number of employees of the Group is approximately 1,135. The remuneration of each employee of the Group is determined on the basis of his or her performance and responsibility. The Group provides education allowances to the employees.

BOARD OF DIRECTORS

As at the date of this announcement, the board of directors of the Company comprised four executive directors, namely Mr. Leung Siu Fai, Mr. You Guang Wu, Mr. Kam Hung Chung and Mr. Wang Jin Yuan and three independent non-executive directors, namely Mr. Chan Kwok Wai, Mr. Chen Da Cheng and Mr. Deng Hong Ping.

I would like to take this opportunity to express my heartfelt thanks to all directors and all staff for their continued efforts, enthusiasm and contribution to the Group.

By Order of the Board
LEUNG Siu Fai
Chairman of the Board

Hong Kong, 26 March 2008